U.S. General Services Administration

2023 AGENCY FINANCIAL REPORT

GSA Delivers

Implementation, Impact & Value

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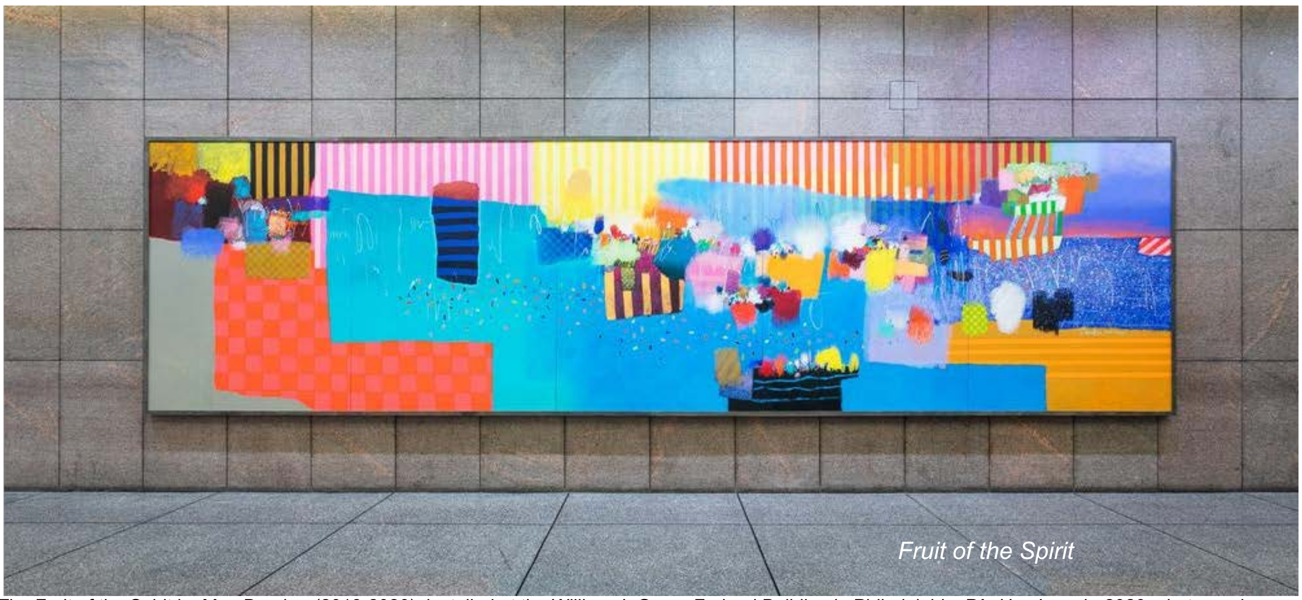
Brief Overview of the Agency Financial Report (Unaudited)

The purpose of the U.S. General Services Administration's (GSA) fiscal year (FY) 2023 Agency Financial Report (AFR) is to inform the President, Congress, and the public about how GSA used Federal resources to reliably deliver the best customer experience and value in real estate, acquisition, and technology services to the Government and the American people. GSA produced both an AFR and an annual performance report for FY 2023, and will post both reports on GSA.gov under Annual Reports.

This AFR highlights performance results and provides high-level financial analysis through assessments of controls, a summary of challenges, and stewardship information. GSA will also highlight some of the initiatives under its purview, including the Art in Architecture Program and GSA's stewardship of historic buildings.



The Fruit of the Spirit by Moe Brooker (2018-2020), installed at the William J. Green Federal Building in Philadelphia, PA. Hu, Joseph, 2020, photographer

The AFR is an agency-wide effort and the individuals named below contributed to the compilation of the FY 2023 report.

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Understanding the Agency Financial Report and its Components (Unaudited)

If you have not read an agency financial report (AFR) for a Government agency before, some of the terms may be confusing. This section will help you better understand the U.S. General Services Administration's (GSA) AFR. For more detailed definitions and information on Federal financial reporting, the Government Accountability Office offers a glossary of terms, the U.S. Department of the Treasury provides guidance on Government accounting and reporting, and the Office of Management and Budget's (OMB) Circular A-136 lists AFR reporting requirements.

Why does GSA prepare an Agency Financial Report?

The Chief Financial Officers Act of 1990 requires GSA to prepare an annual report containing audited financial statements and a performance summary. OMB provides detailed guidance regarding the contents and formats to be used for these annual reports. Following that guidance, we prepare this AFR and a separate annual performance report.

What are the key parts of an AFR?

Agency financial reports can be daunting to read and understand. You can get a big picture understanding of our agency by reviewing the following parts of the AFR:

- The management's discussion and analysis section is where GSA's leadership provides general background information about the agency — including the organizational structure, the mission, and the financial and performance results of our major programs — and identifies factors that may affect the agency's operations. As discussed in the auditors' report (which is found in the financial section), it is important to note that this section of the AFR is not audited by the independent auditor to reach any opinion on its accuracy or completeness.
- The financial section includes the independent auditors' report, the financial statements, and the notes to the financial statements, and lays out the agency's financial performance for the year.
    - The independent auditors' report provides the context behind the audit testing performed and the results of that testing, including whether the auditor found the financial statements to be presented fairly, in all material respects, in accordance with generally accepted accounting principles for Federal reporting.
    - The financial statements provide GSA's financial results, including the balance sheets, the statements of net cost, the statements of changes in net position, and the statements of budgetary resources.
    - The financial statements are presented in two slightly different formats. The first section is called the consolidated financial statements, which displays the summarized GSA totals for the current fiscal year with the prior fiscal year, for comparison. After the notes to the financial statements (see below), you'll find the same financial statements in an expanded view called the consolidating financial statements. These statements display balances for the major GSA components, specify the amounts eliminated for activities between GSA components, and add up to the agency's totals. The consolidating statements support OMB Circular A-136 requirements for the AFR to provide financial information associated with major

programs. We define the Public Buildings Service (PBS) and the Federal Acquisition Service (FAS) as our major programs. The independent auditor audits the PBS Federal Buildings Fund and the FAS Acquisition Services Fund and provides separate audit opinions on the financial presentation of those funds, in addition to auditing the agency as a whole (i.e., the consolidated financial statements).

  - The notes to the financial statements provide additional details and context concerning the balances reported in the financial statements.

- The other information section is where you can find other relevant information about the agency, including the agency's compliance with laws and regulations. This section of the AFR is also not audited by the independent auditors.

Why should I read the notes that accompany financial statements?

Footnotes are important because they further explain certain financial statement line items, including information about the methodologies used for calculations, valuation, time period, and other data that help you gain a better understanding of the agency.

How are Government and private companies' financial statements different?

With the unique missions and purposes of Federal agencies, financial reporting focuses on elements such as stewardship over assets, responsibilities for various liabilities, the cost of program activities, and the budgetary control process. Because of these unique operations, there is also a distinct set of accounting standards applicable to Federal Government reporting.

One difference between commercial companies and Federal agencies is that the Federal agencies do not exist to generate profit. In fact, unlike GSA, most Federal activities do not generate revenues to fund program operations and, instead, depend upon authorization and appropriation acts to provide the financial resources to operate.

According to the Government Accountability Office, the objectives of Federal financial reports are for agencies to demonstrate their accountability, provide useful information, and help internal users of financial information improve the Government's management. You should bear in mind that our goal is to demonstrate good financial stewardship over the assets entrusted to us, whereas readers of private industry financial statements may have an interest in investing in a company and want assurances that the information provided is timely, accurate, and can be relied upon to assess their investment value.

Does GSA follow generally accepted accounting principles (GAAP)?

Yes, we follow the requirements of the U.S. generally accepted accounting principles (GAAP) for Federal financial reporting. The Federal Accounting Standards Advisory Board is designated by the American Institute of Certified Public Accountants as the source of GAAP for Federal reporting entities, and issues the accounting standards and principles for the United States Government.

How do I read a balance sheet?

The balance sheet shows the agency's assets and liabilities at a fixed point in time. Most of the terms on the balance sheet are familiar to users of financial statements (e.g., assets, such as accounts receivable, property, and equipment; and liabilities, such as accounts payable and actuarial liability). On a Federal balance sheet, there are a number of unique terms, like "Fund Balance with Treasury" and "Intragovernmental Liabilities." The fund balance with the Treasury is akin to a bank account balance; the fund balances represent the amount of money in the agency's accounts within the U.S. Treasury that is available to spend on projects and expenses for which Congress approved the funds. Intragovernmental liabilities result from business activities conducted between two Federal Government entities.

How do I read a statement of net cost?

The statement of net cost shows the results of operations for our major business areas. It displays revenues earned during the fiscal year for goods and services provided to customers and subtracts expenses incurred to operate our programs to arrive at net cost. A commercial company would call this type of document an income statement. As a reflection of the fact that most Federal programs generate little to no resources on their own, expenses are offset by revenues to determine the net cost for the agency.

What is a statement of changes in net position?

The statement of changes in net position is similar to a statement of changes in equity for a commercial firm. The statement reflects the impact that the sources and uses of resources have on the financial position of each fund. During FY 2023, we generated resources from operations (the net revenues or costs from the statement of net cost), received appropriations, used appropriations, and transferred funds or property to (or from) the Treasury and other Federal agencies.

The statement of changes in net position also reports imputed financing. Imputed financing is related to imputed costs (see below) and occurs when funding for payment of certain program costs is budgeted centrally by another agency. For example, the Federal Employees' Compensation Program is managed by the Department of Labor, but could be used by GSA employees if they were hurt on the job. Imputed financing represents the amount of these resources other agencies provide that offsets amounts we record as imputed costs during the fiscal year.

What are cumulative results of operations?

Cumulative results of operations are a component of net position on balance sheets, and they represent the historical total for a fund — summing revenues, expenses, gains, losses, transfers of assets and liabilities from other agencies, and other financing sources provided to a fund since its inception. It is similar in concept to retained earnings for a commercial firm.

What are imputed costs?

Consistent with accounting standards, we record imputed costs for expenses we incur where funding will be provided by other Federal entities.

What is a statement of budgetary resources?

The statement of budgetary resources is unique to the Federal Government and it displays the key components of the budgetary control process. The statement shows the various sources of budgetary authority and resources provided to fund agency activities; how much of the total resources were used during the year; and how much was left unspent at the end of the year. Private industry has no similar statement or set of requirements to establish and control budgets in this manner, but there are similarities with budgeting concepts used and reported by U.S. State and local governments.

What is an appropriation?

Appropriation means a provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. This term is often used to describe the amount of money received or approved for the stated purposes. For a more detailed explanation of appropriations and the Federal budget process, you can read OMB's guidance document, Circular A-11.

What is an obligation?

In Federal budgeting and financial management, an obligation means a binding agreement that will result in outlays, immediately or in the future. For example, an agency incurs an obligation when it places an order, signs a contract, purchases a service, or takes other actions that require the Government to make payments to the public or from one Government account to another.

What are outlays?

In the Federal Government, outlays primarily represent payments made to liquidate obligations of an agency and are referred to as gross outlays. On the statement of budgetary resources, gross outlays are generally equal to cash disbursements. On the statement of budgetary resources, net outlays are the sum of gross outlays minus cash collections received where we're reimbursed for goods and services we provide. Net outlays may reflect negative amounts when collections exceed disbursements in a fiscal year. This result is not unusual in revolving funds like the Federal Buildings Fund and Acquisition Services Fund. Outlays are a primary measure of Government spending.

What is an unobligated balance?

The unobligated balance is the portion of total budget authority provided as financial resources, where no actions have been taken to spend or obligate funding to pay for goods or services, nor bind the Government to pay liabilities.

Letter from the Administrator (Unaudited)

Our 2023 financial results reflect GSA's progress toward making Government work better while delivering great value to taxpayers.

Our employees have worked across our priority areas to deliver effectively and efficiently for our customers, which includes our Federal agency partners and millions of people around the country. This year, that has meant showcasing a workplace that delivers to our customers, addressing the growing climate crisis, bolstering our technology offerings to better serve agencies and the public, and more.

GSA Administrator Robin Carnahan at One World Trade Center in New York, GSA's regional headquarters.

Priority areas

Optimizing the Federal footprint. With one of the world's largest real estate portfolios, our Public Buildings Service has approximately 363 million square feet in 8,300 assets under its custody and control, spanning approximately 2,000 communities nationwide. As agencies adjust to a changing workplace, the Federal Government continues to see more opportunities for cost savings and space efficiencies. As a result, we're working more closely with agencies than we ever have before to consolidate out of costly leases, divest of unneeded assets, and save taxpayers money.

Accelerating clean energy and innovation. We're advancing clean energy through our buildings portfolio, including through the Inflation Reduction Act of 2022, which has historic investments for low carbon materials, emerging clean technology, and more. GSA also manages the largest civilian vehicle fleet (non-postal) in the country. We've received increased orders to electrify the fleet, as well as to build the infrastructure to support it.

Improving GSA websites and technology delivery. GSA helps agencies buy, build, and support critical technology tools, systems, solutions, and expertise to deliver for millions of Americans. We're continuously working to ensure both GSA managed and other Government websites are accessible, secure, and well designed for every user. We are also focusing on simplifying and strengthening digital delivery of Government services, and on expanding shared services to more Government partners at every level.

Making procurement easy. We're improving and simplifying how innovative businesses and agency buyers connect with each other, with a particular focus on expanding opportunities for small businesses and small disadvantaged businesses. In FY 2023, GSA awarded more than $3.3 billion to small businesses, exceeding all small business and socio-economic goals at the prime contract level, and we want to help even more businesses grow and create jobs through the value they provide in the Federal marketplace.

Making GSA the best place to work. We're once again in the top five places to work in the Federal Government and highly ranked in multiple areas, including transparency, effective leadership, teamwork, innovation, agency performance, and equity. Those rankings are based directly on feedback from our talented, diverse, and engaged team of public servants. Every day, the GSA team is driving efficiency and sustainability in the Government's real estate portfolio, making it easier to buy and sell goods and services, creating digital tools that improve the experience and security of people interacting with the Government, ensuring responsible stewardship of taxpayer dollars, and so much more. We're proud to provide high-performing and inclusive workplace environments that empower all public servants to do their best work.

Our 2023 financial results

The AFR outlines GSA's accomplishments, the challenges we face, and management's accountability for our stewardship of taxpayer dollars.

The AFR also fulfills the requirements of OMB Circular A-136, Financial Reporting Requirements. As outlined in the Analysis of Systems, Controls, and Legal Compliance section of this report, GSA assessed how effective our internal controls over operations, systems, and reporting are.

As mandated by the Reports Consolidation Act of 2000, I've assessed the financial and performance data in this report and believe them to be complete and reliable.

I'm proud of the GSA team and what we've accomplished. We look forward to continuing to serve our customers, partner agencies, and the communities in which we work and live.

Best,

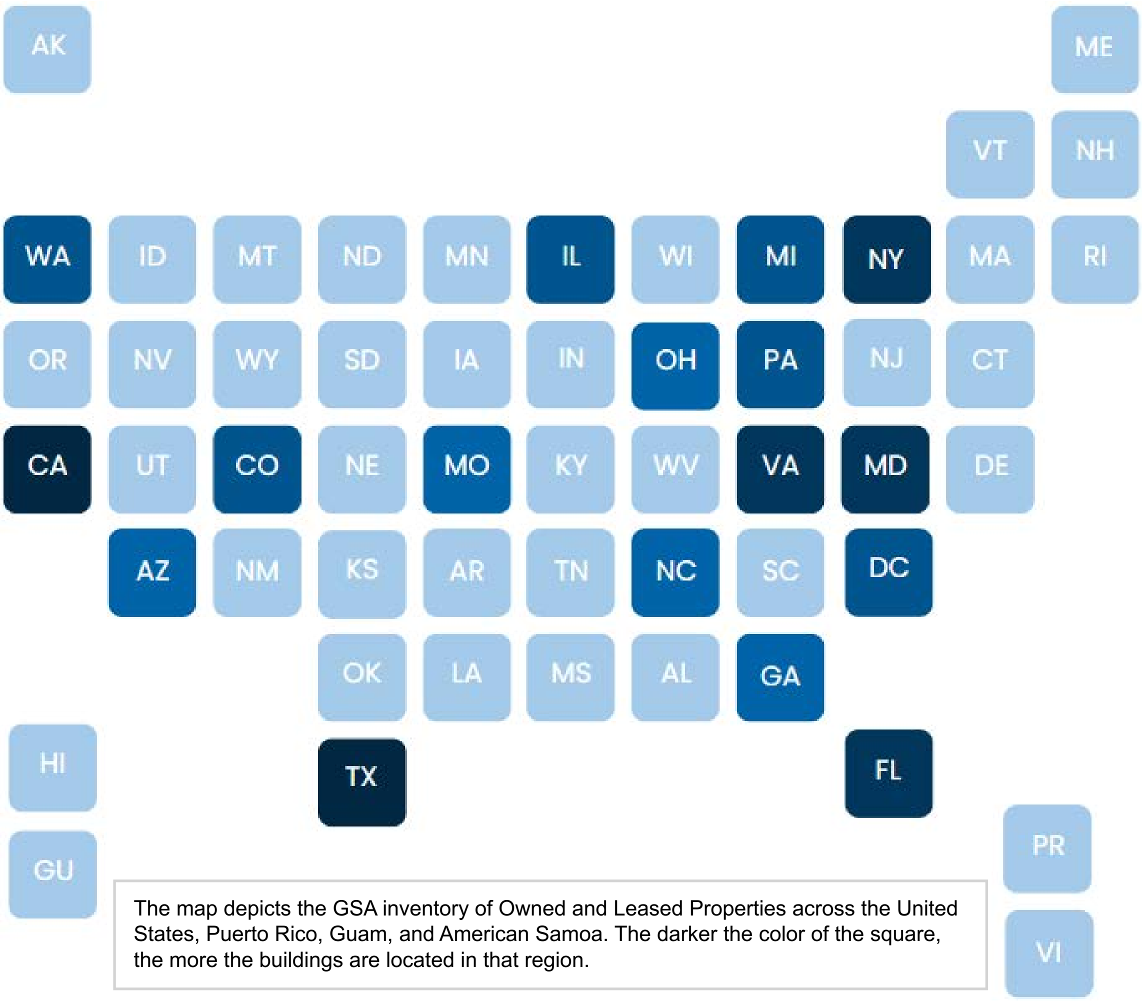
Robin Carnahan
Administrator of General Services
November 14, 2023

How GSA Benefits the Public (Unaudited)

Introduction

The U.S. General Services Administration (GSA) serves a vital role in leading our nation's Federal real estate, technology, and acquisition programs. We provide value for communities nationwide and our partners across Federal, State, local, and Tribal governments. Our unwavering commitment to great customer experiences provides impact, builds value through decades of innovation, and improves the way customers and partners do business with the Federal Government. Our story is a good one.

Optimizing Federal Real Estate



The map depicts the GSA inventory of Owned and Leased Properties across the United States, Puerto Rico, Guam, and American Samoa. The darker the color of the square, the more the buildings are located in that region.

With one of the world's largest real estate portfolios, GSA oversees more than 363 million square feet in 8,300 buildings across approximately 2,000 communities nationwide on behalf of the Federal Government. As a trusted steward of taxpayer dollars, our Public Buildings Service (PBS) is helping to optimize the Federal footprint and lead the discussion on evolving workspaces. In addition, PBS is delivering on funds appropriated to us through the Bipartisan Infrastructure Law ($3.418 billion) and the Inflation Reduction Act ($3.375 billion) to dramatically impact the security of our nation's borders, and drive the design and construction industry toward the use of new and more sustainable building techniques and materials.

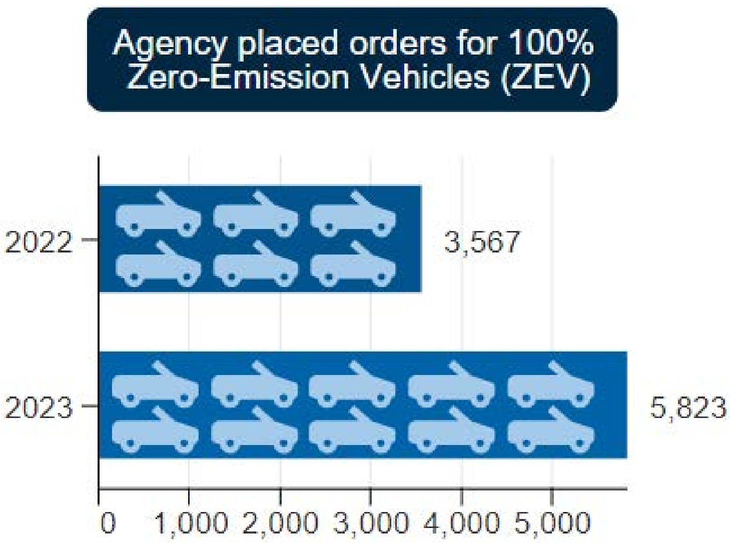
The first of our agency's strategic goals is real-estate solutions, which includes designing modern, accessible and sustainable workplaces that are financially achievable. Through innovative offerings such as our Workplace Innovation Lab, workplace modeling tools, design services, and more, we have expertise to assess and address fast-evolving Federal agency needs. We've created Federal coworking spaces in several locations throughout the nation for employees to have an enhanced hybrid work experience, promote health and wellness, and support the Federal Government's commitment toward a net-zero carbon emissions operation.

We're also taking a strategic look at our available Federally owned space as potential backfill for tenants currently located in commercial leases that are coming up for expiration. We are modernizing many of our Land Ports of Entry, which will help strengthen supply chains, support the labor market, and boost sustainability.

Our Art in Architecture program, now in its 50th year, also engages with communities by displaying more than 500 commissioned artworks in buildings nationwide. These artworks highlight the vibrancy of the nation's visual arts and create a lasting cultural legacy for the American people.

Efficient and Effective Acquisition Solutions

Throughout our Federal Acquisition Service (FAS), we provide exceptional value for our customers in a thriving, innovative, and equitable Federal marketplace. In 2023, we helped agencies procure over $102 billion in goods and services. As the acquisition arm of the Federal Government, we're able to leverage its purchasing power for our partner agencies, driving down costs and achieving high value through a vast catalog of products and services. As we face complex and important topics like cybersecurity, sustainability, equity, and more, our acquisition expertise helps us meet our clients' changing needs and support their missions.



GSA also supports the electrification of the Federal fleet. Our federal customers ordered over 5,800 zero-emission vehicles in FY 2023, more than 26 percent of all non-postal service fleet orders. We're also using a new tool that analyzes an agency's fleet telematics data, helping Federal fleet managers make informed decisions as they transition to zero-emission vehicles.

Digital Government Services

We remain committed to building a more advanced, resilient, and accountable digital experience by designing accessible, secure, and customer-oriented web products. Our technology offices — GSA IT, the Information Technology Category, and the Technology Transformation Services — advance digital government through Digital.gov, the U.S. Web Design System, and a wide range of cybersecurity products and services.

Specifically:

- We have implemented the Department of Homeland Security's Continuous Diagnostic and Mitigation program to protect and secure our environment.

- We advanced our own zero-trust architecture strategy to improve cybersecurity capabilities, enhance visibility across the GSA environment, and proactively manage and respond to threats.
- We're also leading Federal efforts in areas such as technology for our customer agencies and the public. For example, through Login.gov, the public can access benefits and services at participating Federal agencies with a single secure online account using email address, password, and multifactor authentication methods. As of August 2023, more than 70 million user accounts had easy and secure access to 43 Federal and State agencies.

Enhancing Customer Experience

The Technology Modernization Fund (TMF) continues to invest in projects that simplify the public's interaction with the Government to deliver a secure, modern, digital-first experience. This demonstrates meaningful value to the public while reducing the administrative burden for the Federal workforce. The TMF is especially focused on "high impact service providers" — those agencies that support the most substantial interactions people have with the Government — as well as people going through a life experience that might require them to interact more with the Government.

Through expanded training and robust communities of practice, our Office of Customer Experience (OCE) has further developed our employees' capacity so they are better positioned to offer our customers a seamless experience across all touchpoints. Working together with our Office of Human Resources Management, OCE also strengthened the core responsibilities for GSA's web managers managing public-facing websites to maintain appropriate accountability.

Providing Tools for Federal Government Business

In FY 2023, we implemented the Government-wide Procurement Equity Tool and the FAS Supplier Base Dashboard to better connect Federal agency partners with vendors who can provide best-value products and services to meet their missions. These are important tools for our small businesses, which make up more than 80 percent of Multiple Awards Schedule (MAS) contract holders. Our new FAS Catalog Platform simplifies the way vendors manage their product details. Additionally, in FY 2023, GSA awarded more than $3.3 billion to small businesses, exceeding all small business and socio-economic goals at the prime contract level. For this achievement, for the 13th year in a row, the U.S. Small Business Administration gave our Office of Small and Disadvantaged Business Utilization an A+ rating for FY 2022 on its Small Business Procurement Scorecard. We also partner with the U.S. AbilityOne Commission, an independent Federal agency providing employment opportunities to roughly 40,000 blind or disabled people — including more than 2,500 veterans — through Federal procurements.

Building Trust Through Community Engagement

Our new podcast, GSA Does That!?, developed and launched by our Office of Strategic Communication, shares stories about the work we're doing for and with the American public. Agency leaders, experts, and guests discuss key topics such as real estate, technology, acquisitions and more, offering the public, media and other stakeholders a valuable information resource on how we deliver results for our Federal partners and the American people we serve.

As a Federal agency, GSA is responsible for meeting Federal agency space requirements in ways that also advance the social and economic development goals of local communities. With facilities in more than 2,000 communities nationwide — from the smallest rural towns to the largest metropolitan areas — understanding what local communities need requires robust and ongoing community engagement. GSA incorporates best practices on community engagement into agency business practices and directly engages with local communities, as needed.

Ensuring Equal Employment Opportunity

Aligning our teams for growth and opportunity is foundational to our success. Our people-first culture is based on reinforcing the importance of our Equal Employment Opportunity policy, which is a valuable and transparent means for the public to ensure accountability. GSA's Office of Civil Rights helps us include civil rights and equal opportunity principles into all aspects of GSA's strategic mission.

Conclusion

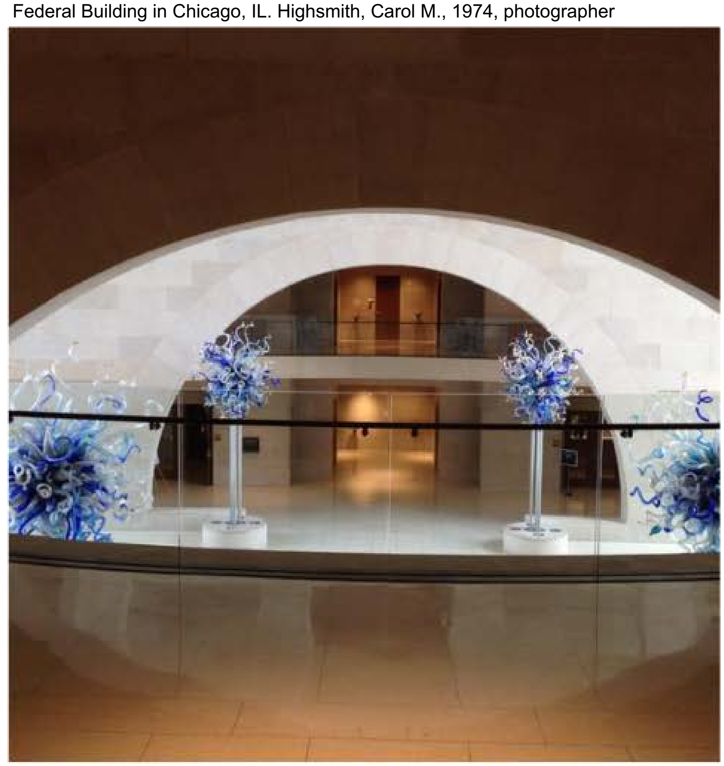
Through our collaborative, people-first, data-driven culture, we're able to meet today's challenges and anticipate tomorrow's opportunities to provide the resilient and modernized Government Americans deserve.

GSA ART IN ARCHITECTURE

The Robes of Justitia by Alyson Shotz (2021), Fred D. Thompson Federal Building and United States Courthouse in Nashville, TN. Schweikert, John, 2021, photographer

Passage by Matthew Moore (2014), installed at the U.S. Border, Mariposa Land Port of Entry, Nogales, AZ. Lundgren, Michael, 2014, photographer

Flamingo by Alexander Calder (1974), installed outside the John C. Kluczynski Federal Building in Chicago, IL. Highsmith, Carol M., 1974, photographer

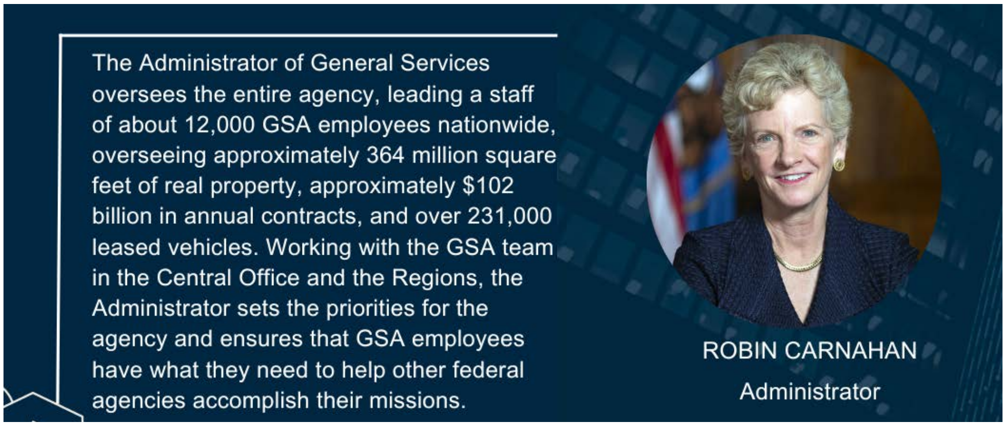


Hammond Courthouse Installation by Dale Chihuly (2002), installed at the United States Courthouse in Hammond, IN. Finn, Michael, 2002, photographer

MANAGEMENTS DISCUSSION & ANALYSIS

(Unaudited)

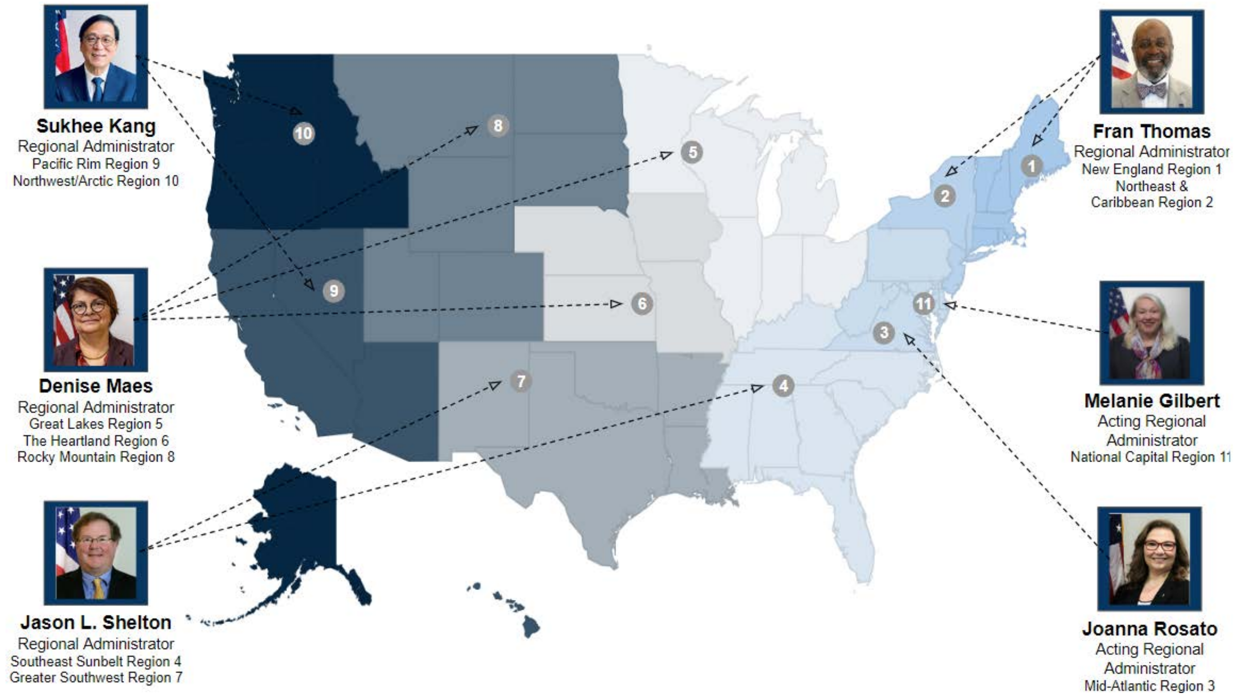
Organization (Unaudited)



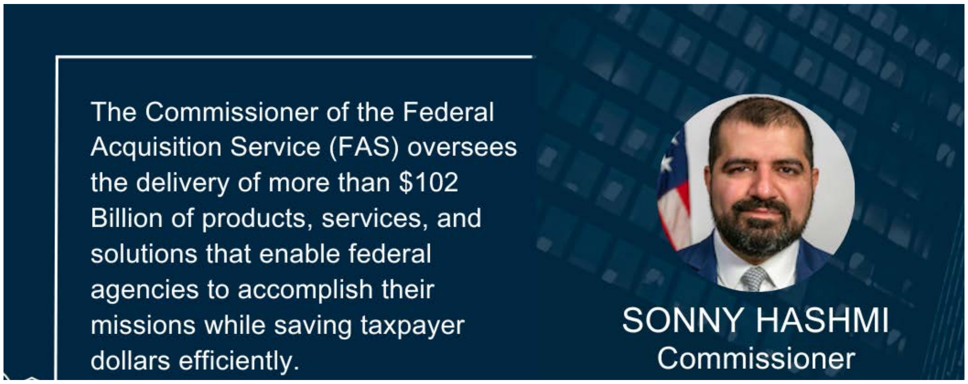
The U.S. General Services Administration (GSA) comprises the Federal Acquisition Service, the Public Buildings Service, 12 staff offices, and two independent offices.

GSA serves its 60+ Federal customers and the public through its headquarters in Washington, D.C., 11 regional offices, and employees nationwide.

Regional Map



Federal Acquisition Service



FAS operates at the core of the GSA mission: Leverage the Federal Government's buying power to acquire the best value for taxpayers and customers. To support GSA and accomplish our mission, FAS uses innovative techniques and leverages government-wide buying power, acquisition expertise, and electronic tools to successfully deliver new and existing services, products, and solutions. Additionally, FAS is undergoing a realignment to modernize and streamline the organization in a way that removes roadblocks, simplifies processes, and makes it easier for our customers and industry to work with GSA while simultaneously empowering employees. FAS' new organizational model replaces its legacy regional structures with a centralized reporting model.

Six category offices comprise the business-generating components of FAS. These categories offer many services, products, and solutions and support a broad customer base.

- Information technology category
- Assisted acquisition services

- General supplies and services
- Travel, transportation, and logistics
- Professional services and human capital
- Technology Transformation Services

FAS receives its funding primarily through the Acquisition Services Fund from reimbursable revenue generated by the above categories rather than appropriations received from Congress. A few FAS activities are funded by the Federal Citizen Services Fund which receives appropriations annually.

In fiscal year (FY) 2023, FAS supplied approximately $102 billion in information technology (IT) products, services, and solutions; telecommunications services; assisted acquisition services; travel and transportation management solutions; motor vehicles and fleet services; and charge card services, and saved the Federal Government a total of $5.5 billion. FAS has over 231,000 leased motor vehicles in its fleet, and provides personal property disposal services for the reuse of over $2.3 billion in surplus personal property annually.

Public Buildings Service

The PBS Commissioner leads a team of over 5,600 employees that perform asset management, procurement, design, construction, leasing, building management and disposition services on behalf of other Federal agencies.

As the landlord for the civilian Federal Government, PBS delivers and maintains safe, smart, and sustainable workspaces to enable Federal employees to best serve the American people. PBS's portfolio consists of approximately 1,700 federally owned assets (190 million rentable square feet) and over 6,500 leased assets (170 million rentable square feet). PBS also presides over 500 historic properties in the portfolio.

PBS is funded primarily through the Federal Buildings Fund, with rent paid by occupant agencies. PBS constantly works to streamline operations, modernize and optimize the real estate portfolio, and create new workplace offerings to ensure that employees of more than 50 Federal agencies have high-quality work environments.

PBS is investing approximately $7 billion from the Bipartisan Infrastructure Law and Inflation Reduction Act into Federal assets. These investments are enhancing the safety and security of our borders and making Federal buildings more sustainable, higher performing, and more cost-efficient through installing next generation technologies and low-embodied carbon materials.

Staff Offices

The GSA Staff Offices receive funds through the Working Capital Fund or annual appropriations. They support the enterprise and ensure GSA's preparedness to meet its customers' needs on a day-to-day basis and in crises.

OFFICE OF ADMINISTRATIVE SERVICES (OAS)

Bob Stafford

Chief Administrative Services Officer

OAS OVERSEES INTERNAL ADMINISTRATIVE POLICIES, MANAGES EXECUTIVE CORRESPONDENCE, MAINTAINS THE AGENCY'S INTERNAL DIRECTIVES, SETS INTERNAL TRAVEL AND PURCHASE CHARGE CARD POLICIES, AND DEVELOPS WORKPLACE INITIATIVES.

OFFICE OF THE CHIEF FINANCIAL OFFICER (OCFO)

Nimisha Agarwal

Chief Financial Officer

OCFO PROVIDES THE FULL SUITE OF FINANCIAL SERVICES TO GSA — INCLUDING BUDGET FORMULATION AND EXECUTION, ANALYTICS AND FINANCIAL DATA MANAGEMENT, FINANCIAL OPERATIONS, REPORTING, FINANCIAL CONTROLS, AND CERTIFICATION OF FUNDS — TO ENSURE PROPER MANAGEMENT OF THE AGENCY'S FINANCIAL RESOURCES.

OFFICE OF CIVIL RIGHTS (OCR)

Aluanda Drain

Associate Administrator

OCR ADMINISTERS FIVE PROGRAMS RELATED TO FEDERAL CIVIL RIGHTS LAWS AND REGULATIONS: EQUAL EMPLOYMENT OPPORTUNITY, AFFIRMATIVE EMPLOYMENT, NONDISCRIMINATION IN FEDERALLY CONDUCTED PROGRAMS AND ACTIVITIES, ENVIRONMENTAL JUSTICE, AND NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS AND ACTIVITIES. OCR ALSO ADMINISTERS THE APPEALS PROCESS FOR ADMINISTRATIVE GRIEVANCES THAT GSA EMPLOYEES FILE.

OFFICE OF CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS (OCIA)

Gianella Rivera

Associate Administrator

OCIA SERVES AS THE ADVISOR TO THE ADMINISTRATOR AND GSA LEADERSHIP BY SUPERVISING AND MAINTAINING AGENCY LIAISON WITH ALL MEMBERS OF CONGRESS AND CONGRESSIONAL COMMITTEES. THE OFFICE ALSO LIAISES WITH STATE, LOCAL, AND TRIBAL GOVERNMENT OFFICIALS AND THEIR OFFICIAL NATIONAL ORGANIZATIONS.

OFFICE OF CUSTOMER EXPERIENCE (OCE)

Camille Tucker

Acting Chief Customer Officer

OCE IS INTEGRAL TO HOW GSA DOES BUSINESS. CUSTOMER-CENTRIC THINKING IMPROVES THE EXPERIENCE FOR CUSTOMERS BY ALIGNING GSA OPERATIONS TO CUSTOMER NEEDS AND INFLUENCES HOW THE AMERICAN PUBLIC INTERACTS WITH THE FEDERAL GOVERNMENT.

OFFICE OF THE GENERAL COUNSEL (OGC)

Alex DeMots

General Counsel

THE GENERAL COUNSEL IS THE CHIEF LEGAL OFFICER FOR GSA. OGC PROVIDES LEGAL ADVICE AND REPRESENTATION TO GSA OFFICIALS WHILE ENSURING THE IMPLEMENTATION OF GSA'S STATUTORY RESPONSIBILITIES. OGC ALSO MANAGES GSA'S FREEDOM OF INFORMATION ACT AND ETHICS PROGRAMS AND HANDLES ALL GSA-WIDE CLAIMS UNDER THE FEDERAL TORT CLAIMS ACT.

OFFICE OF GSA IT

David A. Shive
Chief Information Officer

GSA IT PROVIDES THE AGENCY'S STAFF WITH EVER-EVOLVING TECHNOLOGY TO IMPROVE CAPABILITIES, PRODUCTIVITY, MOBILITY, AGILITY, AND COST SAVINGS. GSA IT SOLUTIONS INCLUDE MISSION-SUPPORTING APPLICATIONS, LAPTOPS, MOBILE DEVICES, COLLABORATIVE CLOUD-BASED SOFTWARE, TRAINING, AND TECHNICAL SUPPORT.

OFFICE OF GOVERNMENT-WIDE POLICY (OGP)

Krystal Brumfield
Associate Administrator and Chief Acquisition Officer

OGP USES POLICIES, DATA, AND STRATEGY TO DRIVE EFFICIENCY AND MANAGEMENT EXCELLENCE ACROSS THE FEDERAL GOVERNMENT FOR CRUCIAL ADMINISTRATIVE AREAS. THESE AREAS INCLUDE TRAVEL AND TRANSPORTATION, ACQUISITION, FLEET MANAGEMENT, INFORMATION TECHNOLOGY MODERNIZATION, PERSONAL PROPERTY MANAGEMENT AND DISPOSAL, AND REAL ESTATE MANAGEMENT.

OFFICE OF HUMAN RESOURCES MANAGEMENT (OHRM)

Jeffrey Lau
Acting Chief Human Capital Officer

OHRM DELIVERS COMPREHENSIVE HUMAN RESOURCES SERVICES AND SOLUTIONS TO GSA AND ITS EMPLOYEES. OHRM WORKS WITH GSA'S SERVICES AND STAFF OFFICES TO ATTRACT, MOTIVATE, DEVELOP, RETAIN, AND REWARD EMPLOYEES TO MAINTAIN AND ENHANCE A MISSION-READY WORKFORCE.

OFFICE OF MISSION ASSURANCE (OMA)

Robert J. Carter
Associate Administrator

OMA PROVIDES AGENCYWIDE LEADERSHIP AND COORDINATION FOR EMERGENCY MANAGEMENT AND SECURITY POLICY. THESE POLICIES INCLUDE OCCUPANT EMERGENCY PLANNING, RESPONSE AND RECOVERY, PERSONAL IDENTITY VERIFICATION, PHYSICAL SECURITY, PERSONNEL SECURITY, AND SUITABILITY ACTIVITIES.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION (OSDBU)

Exodie C. Roe, III
Associate Administrator

OSDBU PARTNERS WITH GSA'S MISSION-DELIVERY AND MISSION-SUPPORT OFFICES TO MEET AND EXCEED STATUTORY SMALL AND SOCIO-ECONOMIC BUSINESS GOALS. TO ACHIEVE THIS, OSDBU PROMOTES ACCESS TO GSA'S NATIONWIDE PROCUREMENT OPPORTUNITIES AND PROVIDES TRAINING TO THE ACQUISITION WORKFORCE AND SMALL AND DISADVANTAGED BUSINESSES.

OFFICE OF STRATEGIC COMMUNICATION (OSC)

Channing Grate
Associate Administrator

OSC HELPS THE MEDIA AND THE PUBLIC UNDERSTAND THE WORK PERFORMED BY GSA AS IT ASSISTS OTHER AGENCIES AND SIMPLIFIES ACCESS TO GOVERNMENT INFORMATION AND SERVICES.

Independent Offices

OFFICE OF INSPECTOR GENERAL (OIG)

Robert C. Erickson

Acting Inspector General

OIG IS AN INDEPENDENT UNIT ESTABLISHED BY LAW. IT IS RESPONSIBLE FOR PROMOTING ECONOMY, EFFICIENCY, AND EFFECTIVENESS AND DETECTING AND PREVENTING FRAUD, WASTE, AND MISMANAGEMENT IN GSA'S PROGRAMS AND OPERATIONS. OIG'S MISSION IS TO HELP GSA EFFECTIVELY CARRY OUT ITS RESPONSIBILITIES AND TO PROTECT THE PUBLIC INTEREST BY BRINGING ABOUT POSITIVE CHANGES IN GSA'S PROGRAMS AND OPERATIONS, PERFORMANCE, ACCOUNTABILITY, AND INTEGRITY.

CIVILIAN BOARD OF CONTRACT APPEALS (CBCA)

Erica S. Beardsley

Chair

CBCA IS AN INDEPENDENT TRIBUNAL ALSO ESTABLISHED BY LAW HOUSED WITHIN GSA. THE CBCA PRESIDES OVER VARIOUS DISPUTES INVOLVING FEDERAL EXECUTIVE BRANCH AGENCIES. ITS PRIMARY RESPONSIBILITY IS TO RESOLVE CONTRACT DISPUTES BETWEEN GOVERNMENT CONTRACTORS AND AGENCIES UNDER THE CONTRACT DISPUTES ACT.

Performance Goals, Objectives and Results

(Unaudited)

The U.S. General Services Administration's (GSA) strategic goals are aligned with its four major program areas: real estate, acquisition, technology, and Government operations. This summary includes an overview of key performance trends and insights for each of the four strategic goals. A complete analysis of GSA's performance for this fiscal year will be included in the fiscal year 2023 Annual Performance Report, which will be published in February 2024.

> **Mission:** *To deliver the best customer experience and value in real estate, acquisition, and technology services to the Government and the American people.*

Strategic Goal #1: Real Estate Solutions

Financially and environmentally sustainable, accessible, and responsive workspace solutions that enable a productive Federal workforce.

Strategic Objectives:

- Develop and offer integrated and virtual workspace options and services that maximize flexibility, particularly in anticipation of increased telework.
- Secure investments needed to achieve a right-sized and modernized portfolio that is safe, efficient, and affordable for customers.
- Establish and implement cross-cutting solutions that mitigate climate risks by increasing building resilience, reducing overall greenhouse gas emissions, improving energy, water, and waste efficiency, and supporting the transition to carbon pollution-free electricity.
- Identify and implement programs that positively impact local communities through enhanced economic activity and opportunities for underserved populations.

GSA leads the Federal Government's real estate optimization efforts by offering new, innovative, sustainable, and flexible solutions that meet the varying workplace needs of customers. Critical investments in GSA-controlled facilities, consolidation of customers in federally owned facilities, and investments in climate adaptation and risk mitigation are the focal points of GSA's real estate strategy. These efforts help GSA create a modernized and optimized footprint, reduce lease space, dispose of buildings that no longer meet standards of performance, and increase continuity of operations for customers and cost savings for the American public.

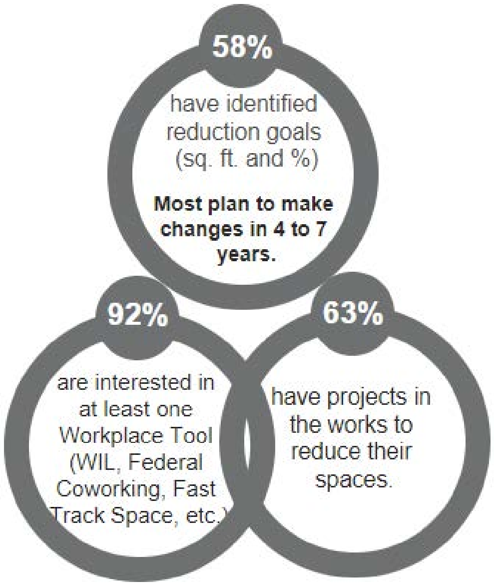
For Real Estate Solutions, GSA achieved the FY 2023 performance targets for each of the key indicators shown in Table 1.

Table 1: Key Performance Indicators for Real Estate Solutions

Measure	Status	FY 2023 Target	FY 2023 Results	FY 2022 Results	FY 2021 Results
Percent of CFO Act agencies with new National Workspace Portfolio Plans (APG)	**Achieved**	80.00%	100.00%	50.00%	N/A
Percent of capital projects on budget	**Achieved**	80.00%	86.60%	80.00%	80.20%
"Good Neighbor Program" planning outreach and partnership engagements	**Achieved**	33	39	22	5

An efficient real estate portfolio is crucial to providing safe, healthy, and functional workspaces for occupant agencies, while simultaneously delivering the best value to taxpayers. GSA relies on several key practices to provide an efficient portfolio, including lease contract negotiations, effective space management, and project delivery assessment.

To promote more effective space management, GSA partnered with customer agencies to develop National Workspace Portfolio Plans with real estate strategies designed to meet customer needs and optimize their office space. These plans describe each agency's current portfolio, real estate goals and strategies and opportunities for improving space utilization and reducing costs. GSA completed National Workspace Portfolio Plans for 100 percent of the targeted 24 CFO Act agencies in FY 2023. GSA utilizes the information from these plans to help agencies achieve greater workplace efficiencies, as well as enhance its own ability to fully use federally owned assets, backfill or terminate vacant leased space, and dispose of surplus properties necessary to achieve an optimized portfolio. This should translate into reduced expenditures on Federal real estate and greater customer satisfaction for agencies.



Supporting data from FY 2023 Capital Plan Overview for CFO Act Agencies.

To assess and improve project delivery, GSA tracks capital projects on budget and capital projects schedule variance. In FY 2023, GSA's percent of capital projects on budget exceeded the target, coming in at 86.6 percent. This indicator evaluates GSA's ability to manage projects within the prospectus budget. GSA's performance demonstrates strong project planning, scope control, and budget management.

GSA also partners with local communities to better foster public use of its real estate holdings and support community based urban development. In FY 2023, GSA completed 39 outreach and partnership engagements as part of the Good Neighbor Program with local officials across the country. As part of this outreach program, GSA held community engagements across all Bipartisan Infrastructure Law Land Port of Entry major modernization projects. These engagements targeted communities where GSA planned future construction, modernization projects, major leasing activity, dispositions and communities where GSA's existing portfolio had potential to support local sustainability, environmental justice, or other impactful planning goals.

Strategic Goal #2: Acquisition

A modern, accessible, and streamlined acquisition ecosystem and a robust marketplace connecting buyers to the suppliers and businesses that meet their mission needs.

Strategic Objectives:

- Ensure GSA's portfolio of offerings meets market demand for products, services, and solutions and the desired acquisition approaches.
- Improve stakeholder satisfaction by delivering simplified customer- and supplier-centric experiences.
- As a trusted partner, foster the supply chain to support GSA and Federal acquisition needs for 2025 and beyond.
- Aid U.S. economic growth by maximizing opportunities and minimizing barriers for small and/or underserved businesses seeking to do business with GSA.

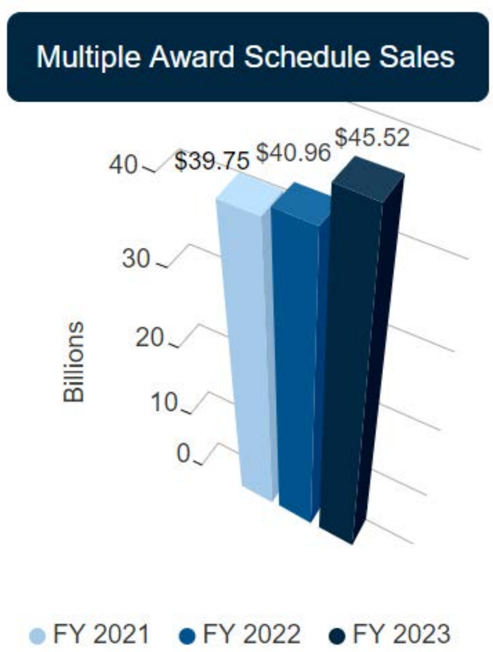
GSA delivers value, innovation, and exceptional customer experience through efficient operations, market expertise, and proactive partnerships with customer agencies and private sector vendors. Technology is the cornerstone of GSA's acquisition solutions, enabling the agency to improve the overall experience for buyers and suppliers. GSA's strategic position in the market, expertise, and relationships with customers and suppliers are driving equitable markets, sustainable practices, and continued economic growth.

For the Acquisition goal, GSA achieved the FY 2023 performance targets for both of the key indicators shown in Table 2.

Table 2: Key Performance Indicators for Acquisition

Measure	Status	FY 2023 Target	FY 2023 Results	FY 2022 Results	FY 2021 Results
Multiple Award Schedule Sales (in billions) *	**Achieved**	$41.00	$45.52	$40.96	$39.75
Percent of spend going to small businesses from the Multiple Award Schedule (MAS)	**Achieved**	35.00%	37.05%	35.42%	34.36%

*FY 2019 to FY 2021 results have been revised from previously reported figures. Extensive data cleaning and recoding led to a one-time revision as reported in GSA's FY 2022 Annual Performance Plan and FY 2022 Agency Financial Report.



GSA uses the Multiple Award Schedule (MAS) to issue long-term Government-wide contracts that provide Federal, State, and local government buyers access to commercial products, services and solutions at pre-negotiated pricing. The MAS program makes it easier for suppliers to do business with the Government and for agencies to find and acquire goods and services. In FY 2023, MAS sales totaled $45.5 billion. GSA uses programs like set-asides and subcontracting plans so that a significant percentage of MAS business volume is awarded to small businesses, spreading Government spending and opportunities across a broader group of suppliers. In FY 2023, the percent of spend awarded to small businesses from the MAS was 37.1 percent, which exceeded GSA's performance target.

Strategic Goal #3: Digital Government

A Digital Government that delivers for the public through trusted, accessible, and user-centered technologies.

Strategic Objectives:

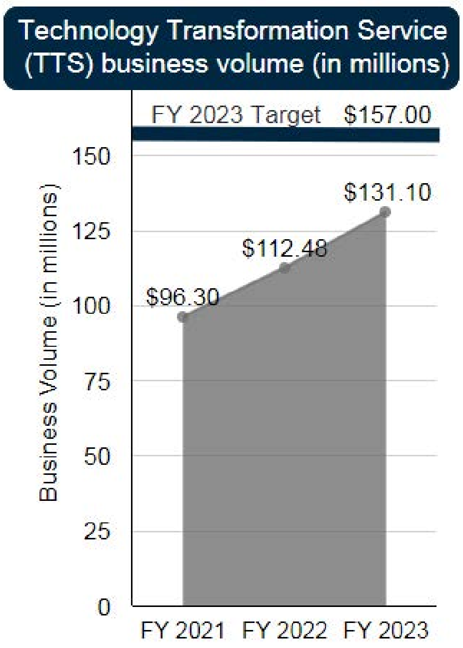
- Implement inclusive, accessible, and equitable design practices that improve customer experience with technology and digital platforms.
- Lead Government-wide adoption of shared technology solutions that improve digital governance, sharing, security, and interoperability.
- Equip agencies with the knowledge and tools to strategically procure and deploy technology products and services.

Technology is critical to how every agency accomplishes their mission and serves the American public. GSA actively transforms how the Government uses technology by deepening Government-wide capabilities and developing more effective digital services to yield a trusted, accessible, and user-centered digital experience. GSA supports customer agencies in their digital services journeys by providing common digital services and standards, shared platforms and products, while also improving its own websites, products, and services to showcase its offerings.

For Digital Government, GSA made strong progress towards its FY 2023 performance targets for each of the key indicators shown in Table 3.

Table 3: Key Performance Indicators for Digital Government

Measure	Status	FY 2023 Target	FY 2023 Results	FY 2022 Results	FY 2021 Results
Technology Transformation Service (TTS) business volume (in millions)	**Missed**	$157.00	$131.10	$112.48	$96.30
Percent of Federal Citizen Services Fund's American Rescue Plan funds that have been obligated (cumulative)	**Missed**	78.00%	69.00%	35.23%	2.20%
Number of times FedRAMP authorized products have been reused by agencies (cumulative)	**Achieved**	5,353	6,318	4,573	2,864



GSA's Technology Transformation Services (TTS) plays a crucial role within the Federal technology ecosystem by providing valuable digital services and capabilities. TTS's subject matter experts help Federal agencies modernize their technology to deliver services more efficiently and equitably. GSA tracks business volume for TTS to gauge the demand for products and services across Government and promote continued growth of the organization. In FY 2023, TTS business volume was $131.1 million. Despite missing the target set for FY 2023, this figure represents immense growth from FY 2022, increasing by nearly $20 million.

In the aftermath of the COVID-19 pandemic, GSA received funding for the Federal Citizen Services Fund through the American Rescue Plan (ARP) to build more secure and effective public digital experiences. By the end of FY 2023, GSA had obligated 69 percent of these funds. Despite falling short of the FY 2023 target, this percentage is nearly double what it was in FY 2022. By fostering ARP-funded technology initiatives across agencies, GSA continues to modernize Government IT and provide trustworthy, seamless, and optimal experiences for the public.

GSA's Federal Risk and Authorization Management Program (FedRAMP) enables GSA to reduce digital threats Government-wide. FedRAMP is a standardized approach that enables agencies to adopt secure cloud technologies while complying with Federal cybersecurity and information protection requirements. Reuse of FedRAMP-authorized products continues to increase at a steady pace with over 6,300 instances of reuse by the end of FY 2023, exceeding the target. By reusing FedRAMP-authorized products, the Government is able to take advantage of economies of scale to generate savings and propagate a reliable security standard.

Strategic Goal #4: Government Operations

A Government that capitalizes on interagency collaboration and shared services to make informed management decisions and improve operations, delivering value for the American people.

Strategic Objectives:

- Build evidence-based capacity and foster interagency collaboration to strengthen operational effectiveness at GSA and across Government.
- Provide centralized services and shared solutions that promote cost savings and environmental sustainability, enabling agencies to focus on mission delivery.
- Deliver smart policies, regulations, and workforce training that inform management decisions and help agencies streamline operations.

GSA plays a unique role in bringing together Federal agencies, industry, academia, and subject-matter experts to make Government more effective, efficient, and responsive to the American people. GSA's robust communication channels, processes, tools, and services collectively serve as an accelerator for sharing and applying knowledge across the executive branch. By strengthening decision-making capabilities, providing affordable and readily accessible solutions to operate key functions, and emphasizing healthy policy development and implementation practices, GSA enables customer agencies to execute their mission effectively.

For the Government Operations goal, GSA achieved the FY 2023 performance targets for both of the key indicators shown in Table 4.

Table 4: Key Performance Indicators for Government Operations

Measure	Status	FY 2023 Target	FY 2023 Results	FY 2022 Results	FY 2021 Results
Number of components advancing to the next stage of the standards governance process as part of the Federal Integrated Business Framework	**Achieved**	18	83	32	36
Percent miles per gallon improvement on vehicle replacements in the GSA leased fleet (Agency Priority Goal)	**Achieved**	23.00%	37.10%	25.29%	18.49%

When individual agencies use an in-house approach to provide services like financial management, grants management, procurement, and travel, the Federal Government misses opportunities to leverage economies of scale and expertise. The solution — shared services — is an industry best practice to improve the quality and performance of mission-support services in a manner that enables agencies to focus on their missions and better serve the American public, while also realizing cost and operational benefits.

When determining which services can be commonly shared across Government, GSA utilizes a business standards governance process known as the Federal Integrated Business Framework. This process incorporates agency perspectives into establishing agreements on mission support business standards, enabling the Government to make decisions on which services can be commonly shared. It consists of three stages: designated standards leads working directly with agencies to draft initial standards; cross-functional review by the Business Standards Council; and review and final concurrence on the part of OMB. In FY 2023, 83 components advanced to the next stage, exceeding the target.

GSA's fleet offering represents an opportunity to increase the use of centralized services across Government while promoting climate-friendly solutions. The GSA Fleet program works to efficiently acquire and deploy vehicles in support of agency missions, increasingly through the procurement of zero-emission vehicles (ZEVs) and electric vehicle charging infrastructure. These efforts accelerate the adoption of ZEVs across Government, reducing greenhouse gas emissions and, ultimately, lowering the cost of operating motor vehicle fleets. In FY 2023, GSA significantly increased the number of ZEVs across Government, thereby achieving a 37.10 percent increase in miles per gallon for vehicle replacements in the GSA leased fleet.

In the years ahead, GSA will continue to rely on interagency collaboration, shared services, and smart policies to deliver ever-more innovative, sustainable, and cost-effective solutions to the rest of Government.

Financial Statement Summary and Analysis

(Unaudited)

The financial statements and financial data presented in this report have been prepared from the U.S. General Services Administration's (GSA) accounting records in conformity with generally accepted a

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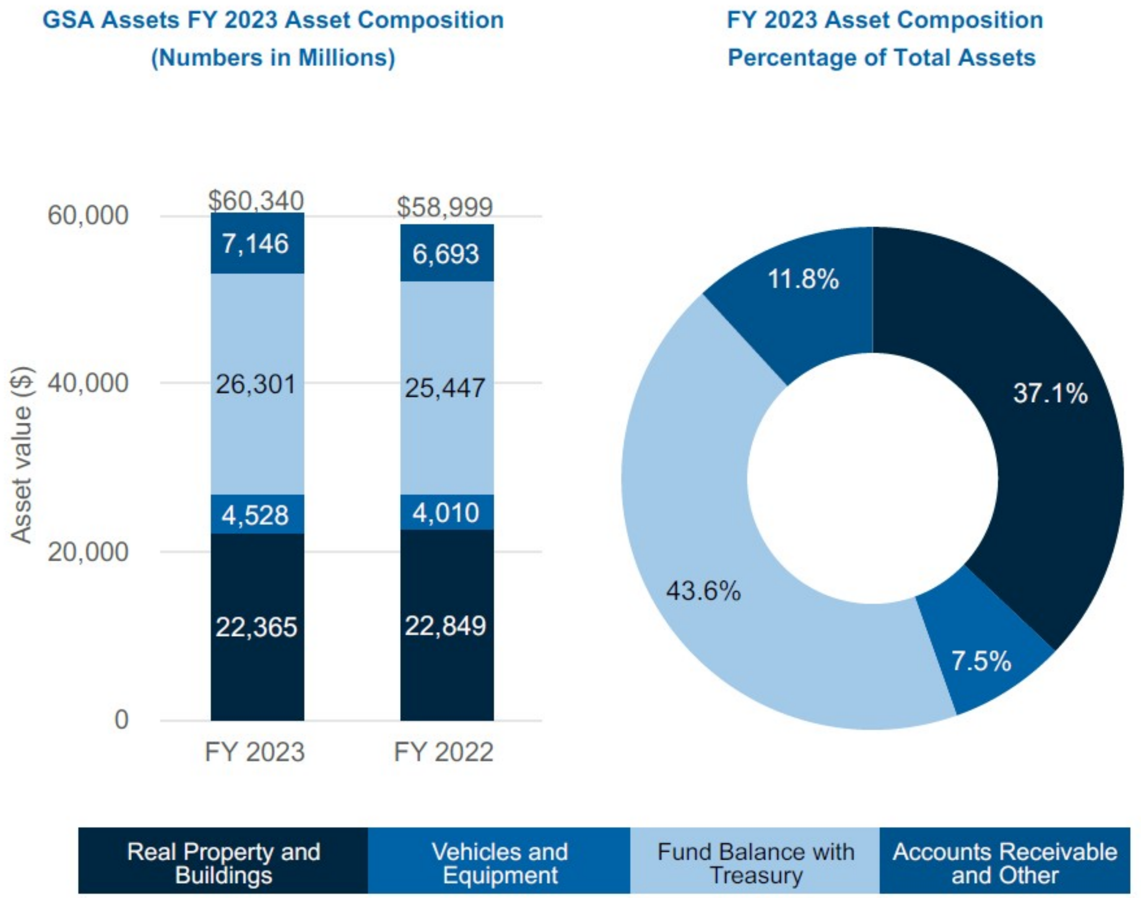
Consolidated Financial Results

GSA Assets

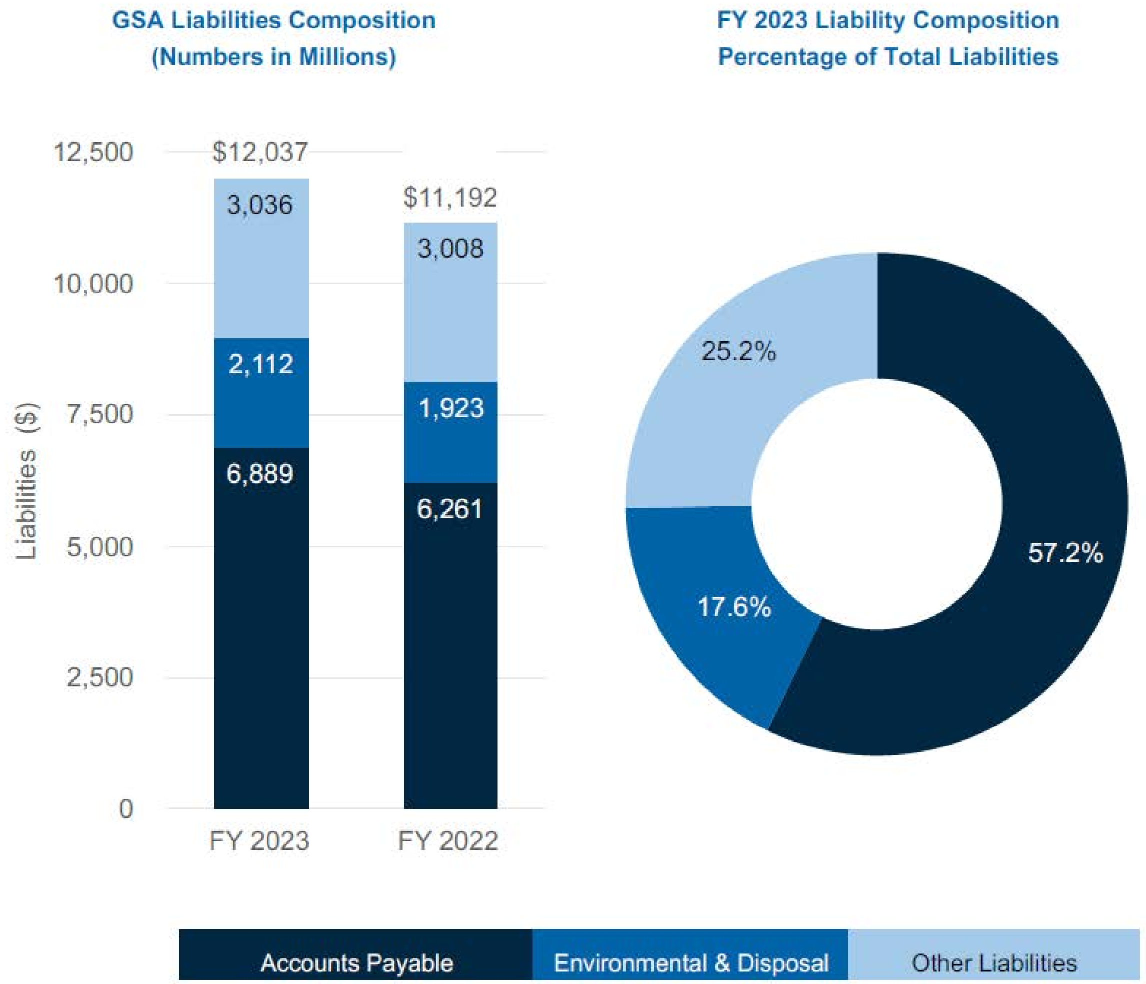
GSA assets primarily include property and equipment, Fund Balance with Treasury (FBwT) and Accounts Receivable. The majority of property and equipment for GSA are Federal buildings, motor vehicles, and office equipment. GSA Accounts Receivable are primarily derived from for goods or services provided or uncollected rent.



In fiscal year (FY) 2023 GSA recorded a net increase of approximately $1.3 billion in assets. Significant changes in assets are attributable to an increase in the overall FBwT of $0.9 billion in the Federal Buildings Fund (FBF). Out of the $26.3 billion in FBwT, $8.7 billion is temporarily precluded from obligation by GSA. GSA's accounts receivable from other Federal agencies increased by $463 million, principally due to increases in Acquisition Services Fund (ASF) business volume.

GSA Liabilities

GSA liabilities are primarily amounts owed to commercial vendors for goods and services received but not yet paid (Accounts Payable), amounts GSA owes to other Federal entities, and long-term estimates of future environmental remediation costs.



In FY 2023, total liabilities were $12 billion, a net increase of $845 million compared to FY 2022 total liabilities of $11.2 billion. The increase in accounts payable is comparative to the increase in accounts receivable and also attributable to increased business volume in the ASF.

GSA Net Results

The Consolidating Statements of Net Cost present the revenues and expenses incurred by providing goods and services to GSA's customers and executing GSA's programs, displayed by major components and activity. GSA reported approximately $34.7 billion in revenue during FY 2023 compared to $32.4 billion reported in FY 2022, which were matched by expenses of $34.6 billion and $31.9 billion, respectively. Changes in the FBF and ASF net operating results are presented further below.

FY 2023 Revenue Composition
Percentage of Gross Revenue by Business Area

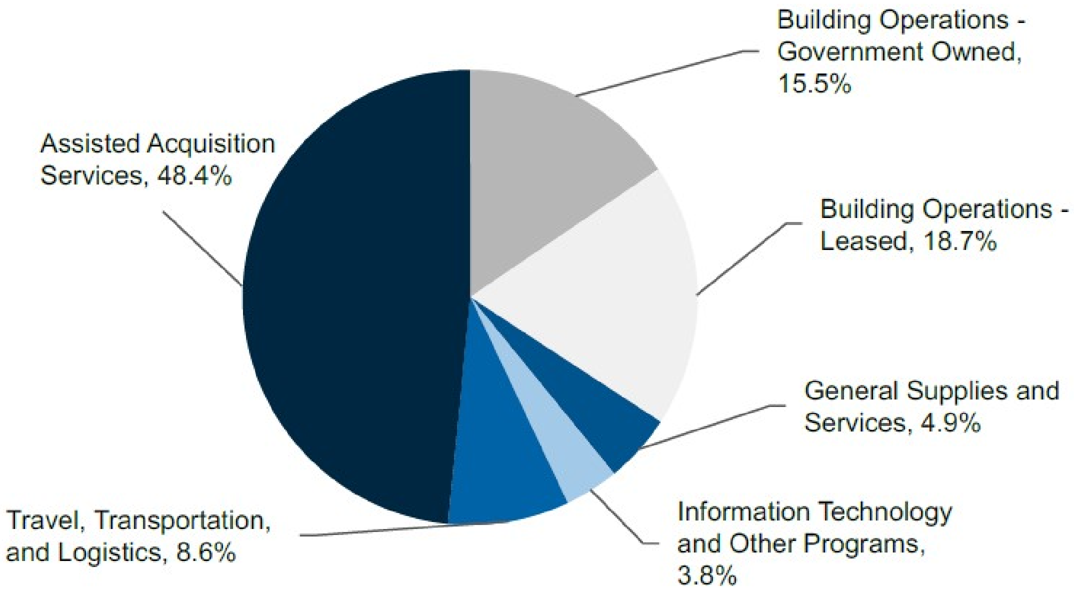


Table 1. Revenue by Major Business Line[1]
(Dollars in Millions)

Fund	Major Business Line	FY 2023	FY 2022	Dollar Change	Percentage Change
ASF	Assisted Acquisition	**16,872**	15,017	1,855	12.4%
ASF	Travel, Transportation and Logistics	**3,001**	2,692	309	11.5%
ASF	General Supplies and Services	**1,710**	1,345	365	27.1%
ASF	Information Technology	**1,035**	1,295	(260)	(20.1)%
ASF	Professional Services and Human Capital	**133**	116	17	14.7%
ASF	Other Programs	**168**	203	(35)	(17.2)%
FBF	Building Operations - Government Owned	**5,402**	5,334	68	1.3%
FBF	Building Operations - Leased	**6,516**	6,561	(45)	(0.7)%

[1] This table shows gross revenue by GSA's major business lines. It does not include appropriations or funding transferred within the GSA. (See the Consolidating Statement of Net Cost for details.)

GSA Budget

GSA's Total Budgetary Resources, reported on the Statement of Budgetary Resources (SBR), realized a net increase in FY 2023 by $5.1 billion primarily due to increases in spending authority from offsetting collections and obligations in the ASF. Generally this type of spending authority is created by the revenues and customer orders received from Federal agencies and is also referred to as reimbursable spending authority. The ending unobligated balance increased by $730 million, primarily related to unobligated brought forward balances in the FBF from prior year appropriations.

GSA Budget Composition
Percentage of Total Budget by Source

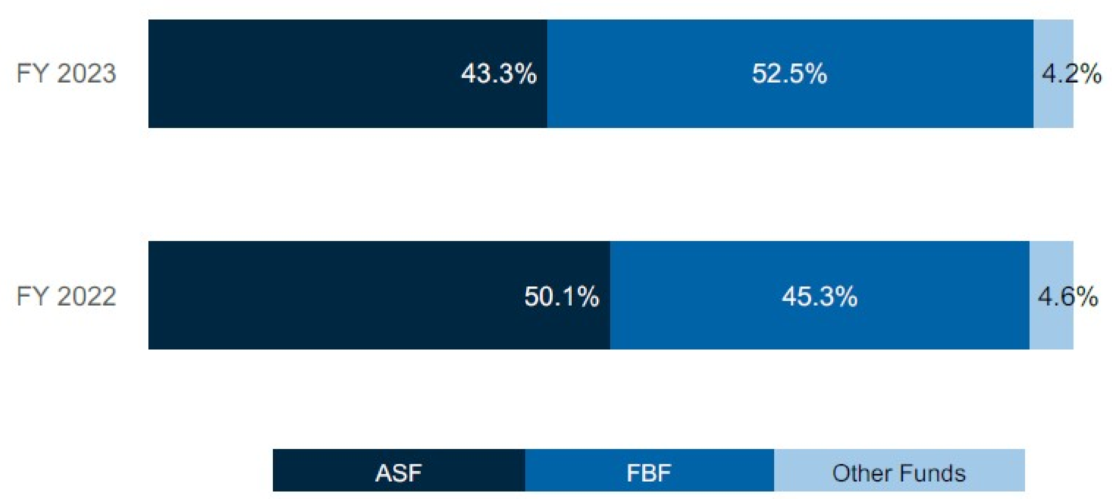


Table 2. Budget by Fund
(Dollars in Millions)

GSA Fund	FY 2023	FY 2022	Dollar Change	Percentage Change
Acquisition Services Fund (ASF)	**$30,913**	$26,933	$3,980	14.8%
Federal Buildings Fund (FBF)	**25,482**	24,350	1,132	4.6%
Other Funds	**2,502**	2,473	29	1.2%
Total Budget	**$58,897**	$53,756	$5,141	9.6%

Financial Results by Major Fund – Federal Buildings Fund (FBF)

The FBF is the primary fund established for financial administration of Public Buildings Service (PBS) activities. PBS provides workplaces for Federal agencies and their employees. FBF resources are primarily generated by rent paid to GSA by other Federal agencies. Operating results are displayed on the Consolidating Statements of Net Cost, segregated into two primary components of Building Operations – Government Owned, and Building Operations – Leased.

In FY 2023, FBF gross revenue[2] was over $11.9 billion, with over 58.9 percent of the revenue generated from PBS's top five Federal customer agencies as shown in the table below:

FY 2023 Federal Buildings Fund Customers
Percentage by Customer

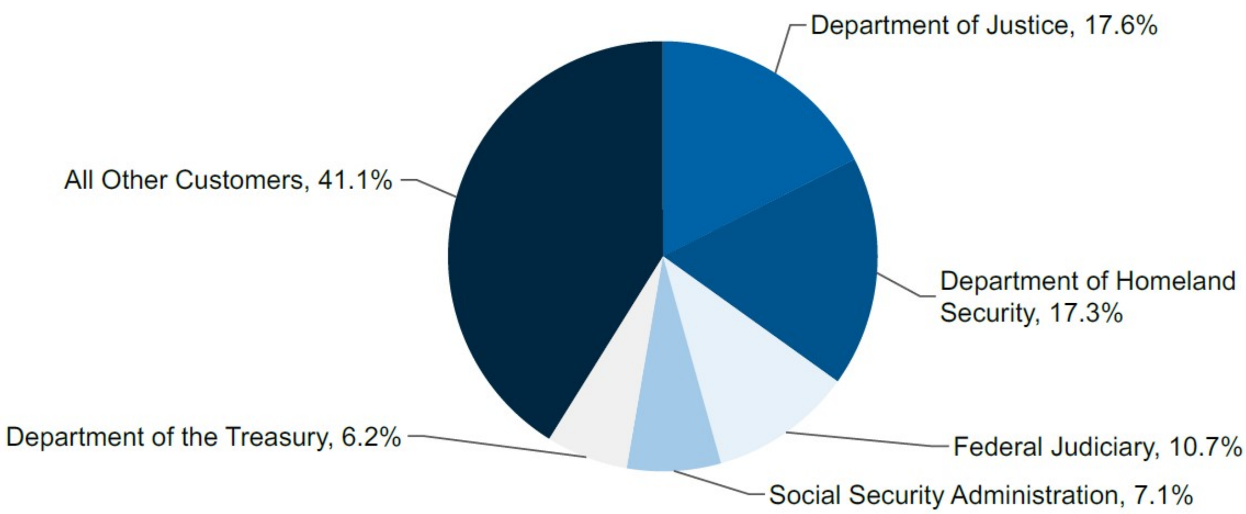
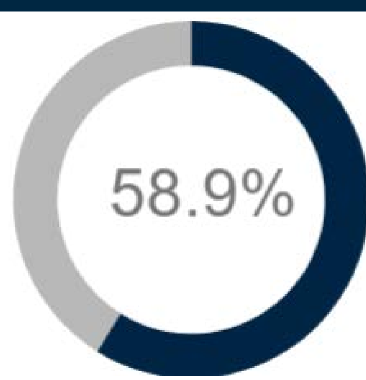


Table 3. FBF Customers
(Dollars in Millions)

Customers	Revenue	Total FBF revenue that comes from PBS's top 5 customers
Department of Justice	$2,085	
Department of Homeland Security	2,060	
Federal Judiciary	1,276	
Social Security Administration	837	
Department of the Treasury	734	
All Other Customers	4,926	
TOTAL	**$11,918**	

[2] The above gross revenue is inclusive of reimbursable income.

FBF Net Revenue from Operations

FBF Net Revenue from Operations represents the amounts remaining after PBS's costs of operating federally owned and leased buildings are subtracted from revenue. Net Revenue from Operations generates funding to support investments in repairs and alterations for Federal buildings and to provide funding for the cost of constructing new Federal buildings, subject to appropriation to the FBF enacted by Congress.

The primary source of revenue in the FBF is rent earned from GSA's occupant agencies and the primary source of expenses are the cost of leasing building space and the cost of operating GSA's portfolio of federally-owned and leased buildings. PBS also operates a reimbursable work authorization program, which provides occupant agencies with services and improvements in GSA-controlled space, beyond that provided by GSA in exchange for the payment of rent.

The operating results on the Statements of Net Cost demonstrate consistency in the overall state of the real property portfolio. In FY 2023, FBF revenues slightly increased by 0.2 percent from FY 2022 but expenses increased 3 percent result in a $312 million reduction in net revenues from operations.

FBF Obligations and Outlays

In the FBF, obligations are primarily the value of contracts awarded to commercial vendors for the construction of new Federal buildings, repairs and alterations, cleaning, utilities and other maintenance of GSA-controlled Federal buildings. Obligations are also incurred for payments to commercial landlords for space leased by GSA on behalf of other Federal agencies. Generally, changes in Net Outlays reflect a continuing trend of collections from operating revenues exceeding amounts disbursed for operating and capital programs.

Table 4. FBF Obligations and Outlays
(Dollars in Millions)

Obligations and Outlays	2023	2022	Change ($)	Change (%)
New Obligations and Upward Adjustments	**11,880**	11,230	650	5.8%
Net Outlays (Receipts) from Operating Activities	**(833)**	(982)	149	(15.2)%

Financial Results By Major Fund — Acquisition Services Fund

The ASF is a revolving fund that operates from the reimbursable revenue generated by its business portfolios rather than from an appropriation received from Congress. The operations of the ASF are organized into six main business portfolios: General Supplies and Services (GS&S); Travel, Transportation, and Logistics (TTL); Information Technology Category (ITC); Assisted Acquisition Services (AAS); Professional Services and Human Capital; and Technology Transformation Services (TTS).

FY 2023 Acquisition Services Fund Customers
Percentage by Customer

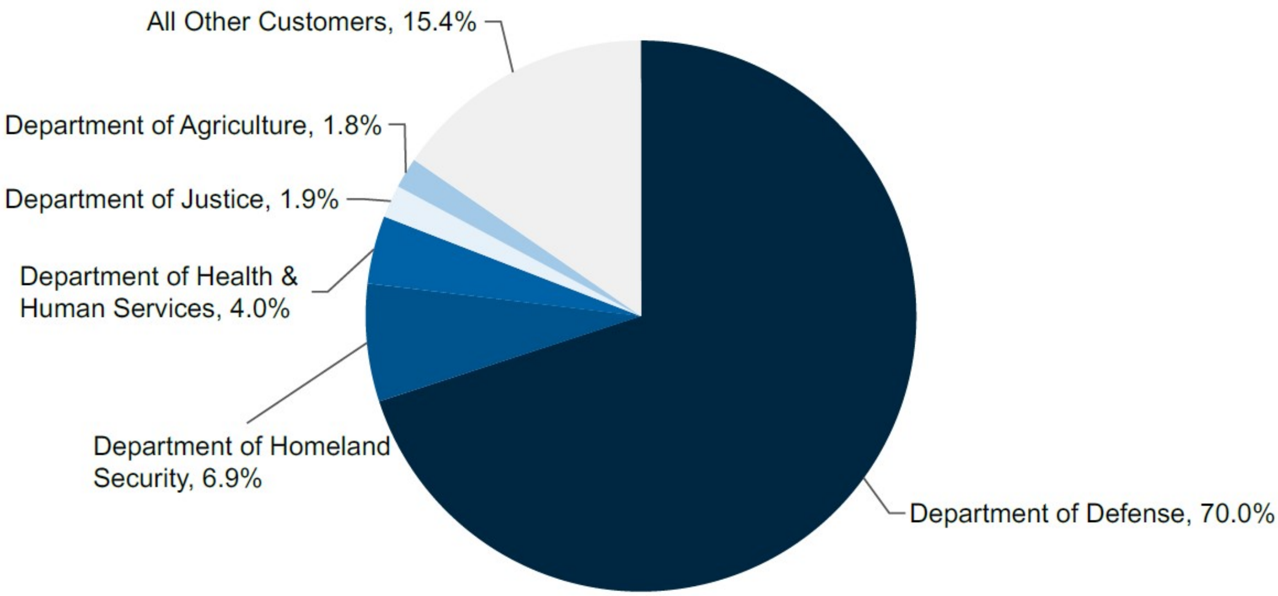
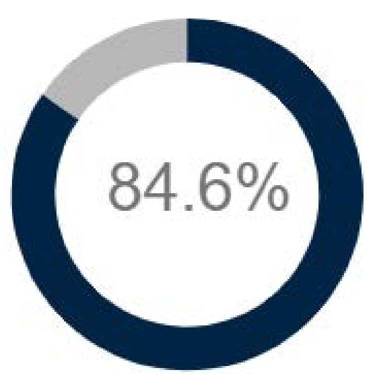


Table 5. ASF Customers
(Dollars in Millions)

Customers	Revenue	Total ASF revenue that comes from FAS's top 5 customers
Department of Defense	$16,050	
Department of Homeland Security	1,583	
Department of Health & Human Services	914	
Department of Justice	438	
Department of Agriculture	404	
All Other Customers	3,530	
Total	**$22,919**	

ASF Net Revenues from Operations

ASF Net Revenue from Operations represent the revenue remaining after deducting the costs of goods and services sold and the cost of operations. In FY 2023, the ASF reported positive financial results, producing net revenues from operations of $417.0 million compared to $333.0 million in FY 2022. AAS programs have continued to experience increased revenue of 12 percent in the past fiscal year, with revenues of $16.9 billion in FY 2023, up from $15 billion in FY 2022, as both the volume and dollar magnitude of goods and services AAS provides increased year-to-year. This increased business volume outpaced the costs necessary to support that business volume and resulted in an increase of $1.9 billion in AAS net revenue compared to FY 2022. The TTL business line increased revenue by $309 million over FY 2022 mainly due to Fleet Leasing and Purchasing. The GS&S business line increased revenue by $365 million from increases in purchases of hardware, office supplies and general products from the GSA schedules reflecting sales above pre-pandemic levels.

Revenue generated from the ITC business line is lower due to the transition to the Enterprise Infrastructure Solutions contract.

ASF Obligations and Outlays

ASF obligations and outlays are primarily driven by contracts awarded to commercial vendors providing goods and services in support of the ASF program and activities. Due to the increased business volume in the ASF, New Obligations and Upward Adjustments reflected an increase of $3.6 billion between FY 2023 and FY 2022. The total amount of collections continued to exceed disbursements as reflected in Net Receipts from Operating Activities of $68 million.

Table 6. ASF Obligations and Outlays
(Dollars in Millions)

Obligations and Outlays	2023	2022	Change ($)	Change (%)
New Obligations and Upward Adjustments	**27,320**	23,680	3,640	15.4 %
Net Outlays (Receipts) from Operating Activities	**(68)**	(280)	212	(75.7)%

Limitations of Financial Statements

The principal financial statements are prepared to report the financial position and results of operations, pursuant to the requirements of 31 U.S.C. § 3515 (b). The statements are prepared from the books and records of GSA in accordance with Federal GAAP and the formats prescribed by the Office of Management and Budget. Reports used to monitor and control budgetary resources are prepared from the same books and records. The financial statements should be read with the understanding that they are for a component of the U.S. Government.

Analysis of Systems, Controls and Legal Compliance (Unaudited)

An effective internal control program helps the U.S. General Services Administration (GSA) safeguard Government resources and ensures that the agency efficiently and effectively fulfills its core mission and achieves its strategic goals.

The agency's senior assessment team, the Management Control Oversight Council, chaired by the Deputy Administrator, reviews and approves the enterprise internal control program and provides the leadership and oversight necessary for effective implementation of the agency's program.

GSA evaluates internal controls across the agency at various levels of the organization. GSA management is responsible for establishing goals and objectives around operating environments, ensuring compliance with relevant laws and regulations, and managing both expected and unanticipated events. Employees across the organization are responsible for understanding the controls applicable to their workflows and applying them in accordance with internal control guidance.

In fiscal year (FY) 2023, GSA continued its efforts to increase and reinforce internal control compliance. The agency requires employees to take internal control training, which outlines applicable Office of Management and Budget (OMB) Circular A-123 standards and best practices and serves as a first line of defense. For the first time, GSA established focus groups to gather insight around strengths, common pain points, and opportunities to improve and strengthen GSA's internal control environment. Action plans are being developed that address stakeholder feedback in key areas such as internal control culture, communication, and training. Additionally, GSA sustained its focus on increasing accountability, resolving audit recommendations, and implementing a more effective system of internal control agencywide. Specifically, senior executives, program managers, and staff closely monitor program audit resolution through performance dashboards.

Management's Responsibility for Enterprise Risk Management and Internal Controls

Integration with Enterprise Risk

To better understand and anticipate enterprise risk, GSA identifies and assesses prospective threats to the organization annually. This includes an effort to integrate and effectively use information developed as part of OMB Circular A-123 internal controls assessments.

In 2021, GSA established an enterprise risk management policy statement, which highlights the importance of effective risk management in meeting its mission. The Enterprise Risk and Strategic Initiatives (ERSI) Board, co-chaired by the Deputy Performance Improvement Officer and the Chief Information Security Officer, works to continuously improve risk governance at GSA. The ERSI Board is charged with implementing sound risk management across GSA and translating enterprise-level strategies into actionable initiatives. Risks are managed throughout the year at the appropriate program level, with certain cross-cutting or emerging risks monitored and discussed at the enterprise level through existing governance mechanisms and decision bodies.

Procurement Management Review Function

As part of GSA's internal controls, the Office of Government-wide Policy conducts procurement management reviews. Procurement management reviews assess the basic foundational components of the acquisition function, including contract administration, performance-based contracting, acquisition planning, and effective contract pricing and negotiations. These reviews help the agency identify best practices and challenges in the acquisition function.

GSA plays an important role in advancing the administration's priorities through leadership in Government-wide acquisition, including economic growth, climate resiliency, and strengthening diversity, equity, inclusion, and accessibility. Achieving these goals requires a modern, accessible, and streamlined acquisition ecosystem and a robust marketplace that connects buyers to the suppliers and businesses that meet their mission needs.

The procurement management review (PMR) process continues to play an important role in helping to ensure the agency meets its ambitious goals. For example, in FY 2023, the PMR Division (PMRD) continued its focus on contract administration and electronic contract filing, verifying that adequate management and internal controls are in place to ensure sufficient Government oversight of the goods and services procured. As GSA's head of contracting activity (HCA) and that person's delegate, when applicable, is responsible for developing acquisition policies and procedures, and for establishing guidance regarding acquisition reviews under their delegated authority. The PMRD has repurposed the procurement management reviews to include review of both the HCA's procurement and program organizations relating to the HCA's procurement portfolio. Therefore, the procurement management reviews are strategically aligned to reflect both procurement and program operations.

The PMRD will continue to prioritize activities that ensure the administration priorities and GSA's acquisition policies have a significant and lasting positive impact on the American public and its stakeholders.

Federal Managers' Financial Integrity Act of 1982

The Federal Managers' Financial Integrity Act of 1982 (FMFIA) requires that agencies establish internal controls and financial systems to provide reasonable assurance that the integrity of Federal programs and operations is protected. It also requires the head of the agency to provide an annual assurance statement on whether the agency has met this requirement and whether any material weaknesses exist.

In response to FMFIA, GSA implemented processes to hold managers accountable for the performance, productivity, operations, and integrity of their programs through the use of internal controls. GSA's Office of the Chief Financial Officer (OCFO) continues to use an Entity Level Evaluation Tool that incorporates the evaluation factors of the Government Accountability Office's (GAO) 5 components and 17 principles of internal control, and OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control.

All controls were operating as intended as of September 30, 2023.

OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, Appendices A and D

OMB Circular A-123, Appendices A and D, require agencies to conduct an annual management assessment of internal control over reporting and financial systems. In FY 2023, OCFO deployed an extensive methodology that assessed risk across key business processes and identified the related key internal controls over reporting and financial systems.

The Appendix A risk assessment evaluated the results of the FY 2022 financial audit, the FY 2022 evaluation of GAO's 5 components and 17 principles of internal control, recent GAO and Office of Inspector General audits, and management-identified priorities. In FY 2023, GSA assessed:

- Payroll and Human Capital Management
- Federal Acquisition Service Revenue and Receivables
- Public Buildings Service Revenue and Receivables
- Public Buildings Service Reimbursable Work Agreements
- Financial Statement Manual Journal Entries

For Appendix D, the financial system evaluation was based on initial materiality assessments. The systems in scope for this year's assessments included:

- Pegasys - GSA's core financial system of record
- HR Links - GSA's human capital management system
- Occupancy Agreement Billing
- Fleet Management System
- Payroll Accounting and Reporting
- FEDPAY
- Product Information Communication System
- Assisted Services Shared Information System - a single, integrated solution for all GSA-assisted acquisitions
- Order Management System - an order fulfillment service primarily servicing the GSA Global Supply and Retail Operations

Key controls were evaluated for the appropriate design, operating effectiveness, and identified potential risk areas.

GSA's evaluation of Appendices A and D did not identify any material weaknesses in controls or material system non-conformances as of September 30, 2023.

GAO Standards for Internal Control in the Federal Government

The GAO requires entities to assess whether their agency's internal controls support 5 components and 17 principles of internal control. GSA understands the five components of internal control must be effectively implemented and operating in an integrated manner for an internal control system to be effective.

To ensure cohesion, in FY 2023, GSA continued to update an inventory of policies and procedures designed to support internal controls. These policies and procedures were mapped to the component and principle they support. Each year, GSA reviews new and existing policies and procedures in the inventory and updates the related mapping documentation as necessary. GSA annually tests the 5 components and 17 principles of internal control for compliance.

Federal Financial Management Improvement Act of 1996

The Federal Financial Management Improvement Act of 1996 was designed to improve Federal financial management and reporting by requiring that financial management systems comply substantially with three requirements:

- Federal financial management system requirements
- Applicable Federal accounting standards
- The U.S. Standard General Ledger (USSGL) at the transaction level

The act also requires independent auditors to report on agency compliance with the three stated requirements as part of financial statement audit reports. The agency evaluated its financial management systems and has determined they substantially comply with Federal financial management systems requirements, applicable Federal accounting standards, and the USSGL at the transaction level as of September 30, 2023.

Information and Financial Management Systems Framework

The Chief Financial Officers Act of 1990 assigns responsibilities for planning, developing, maintaining, and integrating financial management systems to Federal agencies. GSA currently maintains Pegasys, its core accounting system; the e-Payroll applications; and the general support applications on different hosting platforms. On February 26, 2023, USDA transferred management of the Pegasys Financial Services — including its related staff, financial management system, and supporting contracts — back to GSA.

Overall, GSA is focused on improving the operations of these systems by consolidating platforms and licenses, increasing automation, migrating systems to cloud-based solutions, and modernizing legacy systems. These actions also enable GSA to reduce maintenance costs and provide more seamless support to the GSA financial community. Database encryption, implementing two-factor authentication for identity and access management, and moving more applications to a single sign-on solution help enhance the overall security posture of the agency’s portfolio.

Since FY 2020, GSA has been transitioning ancillary applications to open-source technology. Beginning in FY 2020, the agency successfully migrated the Collection Information Repository application, the recurring services notification approval process, and Pegasys vendor request management to open-source technology. In FY 2021, GSA migrated two more financial management applications, WebVendor and Pegasys Payment Search, from proprietary database technology. The benefits of open-source technology are many: lower software costs, reduced development time and expense, faster start-ups, easier reuse and repurposing, and robust community troubleshooting and maintenance.

In FY 2022, GSA deployed multi-factor authentication to FEDPAY for Government users. The agency also migrated all applications using a custom-coded password service into GSA's enterprise password management solution, Password Manager Pro. These actions help GSA better protect its data assets from rogue hackers and takeovers and protects users’ security and privacy. To better insulate software assets from fraud and to ensure the agency appropriately records proof of purchase, licenses, and end-user agreements, GSA continues to improve its software asset management toolkit. In 2023, GSA IT migrated seven Financial Management Line of Business (FMLoB) web applications to IdentityNow, a Sailpoint product. IdentityNow simplifies identity governance, helping GSA automate user access and certification, enforce separation of duties, catalog policies, and better manage passwords. Additional FMLoB and HR applications will be migrated in late 2023 or early 2024, allowing GSA to decommission legacy access management solutions. Future migrations will automate the processing of access requests that are currently manually processed through the Enterprise Access Request System to a more simple case management solution.

Federal Information Security Modernization Act

The Federal Information Security Modernization Act (FISMA) requires Federal agencies to implement a set of processes and system controls designed to ensure the confidentiality, integrity, and availability of system-related information. The controls in each Federal agency must follow established Federal Information Processing Standards, National Institute of Standards and Technology (NIST) standards, and other legislative requirements pertaining to Federal information systems, such as the Privacy Act of 1974.

To facilitate FISMA compliance, GSA maintains a formal program for information security management that focuses on FISMA requirements and protecting GSA IT resources. This program determines the processes necessary to mitigate new threats and anticipate risks posed by new technologies. The program also follows NIST's cybersecurity framework for making risk-based determinations. GSA IT will closely integrate cybersecurity with enterprise risk management; GSA will improve and prioritize investment decisions that continue to mitigate those risks.

In May 2021, the President issued Executive Order (EO) 14028, *Improving the Nation's Cybersecurity*, directing Federal agencies to make a series of enhancements in their cybersecurity capabilities, implement software supply chain integrity, and transition to a zero-trust architecture. EO 14028, supported by a series of OMB memoranda and Cybersecurity and Infrastructure Security Agency (CISA) directives, represents a fundamental change in approach to how the Government secures its information and information system resources. GSA fully supports the administration's goals to advance zero-trust architecture and has aligned its approach to available best practices from NIST, CISA, and OMB Memorandum M-22-09, *Moving the U.S. Government Toward Zero Trust Cybersecurity Principles*. In FY 2022, GSA submitted a proposal to the Technology Modernization Fund and was awarded $29.8 million to advance zero-trust architecture that focuses on information technology security, including users and devices, networks, and security operations, and the agency's progress is described below:

- **Users and devices**: GSA will meet the newer demands of telework through a multi-domain, hybrid cloud architecture approach that adheres to enhanced security principles. In FY 2023, GSA migrated to a cloud-based identity governance platform and awarded a new cloud-based authentication platform contract to support stronger authentication options.
- **Networks**: GSA implemented distinct network security segments by implementing a secure access service edge solution for its users and devices, resulting in cost savings and enhancing user experience by eliminating the need for virtual private networks. In addition, GSA has completed upgrades to the security network for 250 public buildings.
- **Security operations**: GSA has adopted increased machine learning- and artificial intelligence-driven algorithms to help connect diverse data sources and highlight threats, while also providing security oversight for cyber supply chain risk management. The agency also plans to continue to expand its enterprise security operations center to include additional Government-wide public-facing digital services.

GSA has further aligned its cybersecurity program to the new capability-driven metrics in the FY 2023 FISMA evaluation process. These metrics set forth a maturity baseline for cybersecurity to enable more informed, risk-based decisions and to achieve observable security outcomes. The cybersecurity scores, which are derived from those FISMA metrics, represent the Federal Government's progress in achieving EO 14028 milestones and implementing key cybersecurity measures. GSA received a total score of 94 percent on the Federal Cyber Security Progress Report, and the highest possible score of 15.0 in the NIST Cybersecurity Framework areas of Identify, Respond and Recover; a score of 36.2 out of 40 in Protect; and a score of 12.3 out of 15.0 in Detect. Additionally, as part of FY23 FISMA audit, GSA's security program received an overall FISMA rating of "Effective" with Managed and Measurable (Level 4) for Identify, Respond, and Recover and Optimized (Level 5) for Protect and Detect cybersecurity functions.

Digital Accountability and Transparency Act

The Federal Financial Accountability and Transparency Act of 2006 (FFATA) requires Federal agencies to report obligations and award-related information for all Federal financial assistance and procurement awards. The Digital Accountability and Transparency Act of 2014 (DATA Act) expands upon FFATA by adding U.S. Department of the Treasury account-level reporting. This includes reporting all Treasury Account Symbols that fund each award and contract transaction, budget authority, program activity, outlay, and budget object class, among other data elements. The DATA Act also requires the Federal Government to collectively standardize the financial data elements that are reportable under the act. In FY 2023, GSA provided monthly DATA Act submissions and certified those submissions each quarter, as required. This information is publicly accessible on the USA Spending website, which allows users to view how Federal tax dollars are spent.

Antideficiency Act

The Antideficiency Act (ADA), Public Law 97-258, 96 Stat. 923, prohibits Federal agencies from incurring obligations or expending funds in advance or in excess of an appropriation. The law was initially enacted in 1884, with major amendments occurring in 1950 and 1982. It is now codified at 31 U.S.C. § 1341 and 1342.

GSA regularly monitors program spending against the levels apportioned by the Office of Management and Budget as well as the levels of actual resources collected to ensure the agency does not spend more funding than authorized. Additionally, GSA has controls in place in its financial system, Pegasys, to prevent spending above the levels apportioned to GSA’s various funds. These systematic controls increase efforts to comply with the ADA.

Statement of Assurance

The U.S. General Services Administration management is responsible for managing risks and maintaining effective internal controls to meet the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act. GSA conducted its assessment of risk and internal controls in accordance with the OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control. The assessment did not identify any material weaknesses. GSA management can provide reasonable assurance that internal controls over operations, financial reporting, and compliance were operating effectively as of September 30, 2023.

In FY 2022, GSA identified an accounting error that impacted balances for multiple years and the financial statement audit identified inadequate second-level reviews over manual transactions processed in the Agency’s core financial system, which combined, resulted in a material weakness. To address the material weakness, GSA conducted a risk assessment to ensure adequate controls are in place, implemented second level approvals into the accounting system as of October 5, 2023, and updated the system to ensure proper classification of transactions.

GSA has assessed that it is in compliance with Federal financial management standards, as required by the Federal Financial Management Improvement Act of 1996 and OMB Circular A-123 Appendix D. GSA is confident that all systems substantially comply with the Federal financial management system requirements, Federal accounting standards promulgated by the Federal Accounting Standards Advisory Board, and with the U.S. Standard General Ledger at the transaction level as of September 30, 2023.

Robin Carnahan

Robin Carnahan
Administrator of General Services
November 14, 2023

Looking Forward (Unaudited)

The U.S. General Services Administration (GSA) continuously looks for new ways to deliver on its mission to provide value and savings in real estate, acquisition, technology, and other mission-support services across the Federal Government. GSA identifies the most complex and interconnected risks to mission execution by using a cross-enterprise perspective. This collaborative process empowers agency leaders to strategically allocate resources, helping the agency to stay ahead of emerging risks.

GSA identifies risks to the agency's most critical activities by administering the GSA Risk Survey followed by interviews to collect information from key employees on their perception of risk to the organization. The results are captured in GSA's Enterprise Risk Profile to identify areas for improvement or strategic opportunities. The risk profile is created on a 2-year cycle, and is validated and refreshed to reflect the current environment.

GSA strengthened its enterprise risk approach by establishing the Enterprise Risk and Strategic Initiatives (ERSI) Board in 2022. This governance body translates enterprise-level risk strategies into actionable initiatives and implements sound risk-management principles across GSA functions and programs. Over the past year, the ERSI Board identified and began to address complex, interconnected, and distributed risks to mission delivery.

Current focus areas for enterprise risk management efforts include:

- Supply chain disruptions — As the Federal Government's leading provider of acquisition services and schedules, GSA works closely with thousands of suppliers. The agency recognizes the threat posed by supply chain disruptions and is working with partners to mitigate the effects on mission execution. GSA's Supply Chain Risk Management Executive Board, a governance body established in 2020, prioritizes policies, processes, and oversight to continually identify, monitor, and manage potential supply chain risks.
- Changes to the Federal real estate portfolio — GSA manages over 8,400 real estate assets that provide workspace for nearly 1 million Federal employees. During the COVID-19 pandemic, most agencies leveraged telework to maintain operations. Even with agencies returning to facilities in larger numbers, the increased use of hybrid work models means that long-term demand for office space will likely be lower, resulting in excess capacity. GSA continues to engage with customers to better understand their future space requirements, identify possible opportunities to reduce or consolidate space, and develop alternative workspace solutions to meet evolving customer needs. The agency also seeks expanded access to funds needed to maintain GSA-controlled Federal assets in a good state of repair, which supports long-term efforts to right-size and modernize GSA's real estate portfolio.
- Advancing to zero trust — GSA is working to improve cybersecurity identification, deterrence, and protection against malicious actions and actors by implementing a zero-trust architecture. Yet, current funding levels are insufficient to achieve this goal. GSA is advocating for adequate resources through the FY 2025 budget process to invest in a zero-trust architecture and mitigate the ever-growing risk of cyberattacks, including those that artificial intelligence and large language models may help proliferate.
- Keeping pace with workforce needs — The aftermath of the COVID-19 pandemic and economic challenges have resulted in changing real estate needs, supply chain disruptions, and a rapidly shifting Federal technology landscape. As a result, GSA is working harder than ever to develop and retain a mission-ready workforce. GSA continues to identify, acquire, and develop new skills and competencies that will enable the agency to deliver on its mission years into the future. GSA is also identifying and implementing strategies to mitigate

an over-reliance on just-in-time hiring of experienced mid-career talent for selected mission-critical occupations.

- Responsibilities to safeguard Federal assets — Customer agencies are increasingly asking GSA for guidance, resources, and other forms of assistance regarding risks from the observed and expected changes in climate. As highlighted in the Climate-Related Financial Risk section of this Agency Financial Report, GSA developed a Climate Change Risk Management Plan. The plan lays out the detailed metrics, timeframes, and steps GSA is taking to adapt and manage the fiscal and physical risks posed by climate change and to secure Federal real property and supply chain investments. GSA also continues to identify and assess climate-related risk through an internal climate vulnerability assessment that relies on actionable science from the latest U.S. National Climate Assessment.

Each of the risks described above, if not effectively managed, has the potential to disrupt GSA's capability and capacity to meet its organizational objectives and execute its mission. Engaged leadership and an increased willingness to partner across business units to manage risk promotes transparency and cultivates a proactive response to emerging threats. By monitoring critical risks, GSA can effectively allocate resources and strengthen operations, ultimately maximizing value to customer agencies and taxpayers.

FINANCIALS

Letter from the Chief Financial Officer (Unaudited)

On behalf of the General Services Administration, I'm proud to provide GSA's FY 2023 Agency Financial Report. This report represents the culmination of the agency's efforts to ensure that we continue to act as a responsible steward of over $48 billion in net position.

These efforts include the financial management and execution of multiple pieces of legislation, including annual appropriations acts, the Bipartisan Infrastructure Law, the Inflation Reduction Act and the American Rescue Plan. Each of these brings a unique set of reporting and accounting requirements, and all of them require accuracy and transparency. Our efforts included making changes to the core financial system in preparation for implementation of a new accounting standard, the Statements of Federal Accounting Standard 54, which will fundamentally change how leases are reported in FY 2024.

The Office of the Chief Financial Officer has the privilege of leading the financial reporting, accounting, and execution responsibilities for GSA. We take that obligation seriously, and I would like to thank the OCFO personnel and employees across the agency who, every day, work to assure accountability and transparency in financial management across the enterprise and who have contributed to the development and review of this report.

Audit and Compliance

In FY 2023, GSA's independent auditors identified no material weaknesses in their annual audit of GSA's financial statements. In addition, the auditors did not identify any instances in which GSA's financial management systems did not substantially comply with the requirements of the Federal Financial Management Improvement Act of 1996, and there was no reportable non-compliance with provisions of laws tested for FY 2023.

GSA addressed the material weakness identified in FY 2022 related to reimbursable activities in the Federal Buildings Fund and controls over certain manual journal entries. In FY 2023, GSA implemented the below corrective actions:

- We conducted a risk assessment to ensure adequate controls are in place, implemented and documented an approval process for all manual journal entries over a certain dollar threshold, and updated the system to enforce second level approvals of transactions which went live October 2023.

  GSA implemented compensating controls in FY 2023 related to manual journal entries that reduced the finding from a material weakness to a significant deficiency.

- We implemented controls to maintain budgetary resources within applicable budget authorities. These controls included adding a new data element to identify unique reimbursable authorities typically funded by direct budget authorities.

FY 2023 Key Accomplishments

This fiscal year has been one of growth and progress for GSA and the OCFO. In FY 2023, my office delivered on its mission to provide the full suite of financial services to GSA, including budget formulation and execution, analytics and financial data management, financial operations and reporting, and financial controls and certification of funds. We take great pride in being entrusted with the management of the agency's financial resources and, this year, continued our tradition of delivering the operational excellence that our customers rely on.

In February, we successfully transitioned the Financial Management Line of Business (FMLoB) back to GSA from the U.S. Department of Agriculture. The return of FMLoB and Pegasys Financial Services functions, systems, and personnel strengthens our service delivery by allowing us to increase, standardize, and enforce system and process controls; prioritize Pegasys system enhancements that align to GSA's strategic goals; and remove barriers between organizations so that we can better deliver value to our customers.

Our dedication to customer service is evident in our results on GSA's Internal Partner Satisfaction Survey (IPSS). In FY 2023, OCFO received an overall score of 3.97 out of 5, and ranked highest at GSA for acting in the agency's best interest, overall performance, the value of our services, and our office's timeliness. We were among the highest in the expertise of our staff.

GSA continues to be recognized as one of the best places to work in the Federal Government. In March, the agency was named the fourth best midsize agency in the Partnership for Public Service's Best Places to Work in the Federal Government Rankings, up from sixth in 2021. In those same rankings, OCFO was rated 11th out of 423 agency subcomponents, up six places from last year. We are proud of our progress and are committed to maintaining a work environment and culture that supports our employees, our customers, and the American people.

In my role as GSA's performance improvement officer, I have the responsibility of overseeing strategic planning and performance management activities across the agency. My office has been critical in GSA's response to the Office of Management and Budget's (OMB) memorandum M-23-15: Measuring, Monitoring, and Improving Organizational Health and Organizational Performance in the Context of Evolving Agency Work Environments. The memo, which was sent to the heads of executive departments and agencies, directed organizations to develop updated work environment plans that describe current operational policies that are critical to improving organizational health and organizational performance. OCFO led the agency's efforts to analyze GSA's organizational health and work environment, and provide data-driven recommendations to OMB. This work will continue as GSA continues to maintain its organizational health and meet the evolving needs of its employees and customers.

FY 2023 was marked by organizational changes, new financial management standards and reporting requirements, and internal successes. These made for a year full of opportunities and accomplishments. It is a privilege to serve as GSA's chief financial officer and I look forward to building upon this year's achievements in FY 2024 and beyond.

Respectfully,

Nimisha Agarwal
Chief Financial Officer
November 14, 2023

U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

November 15, 2023

TO:	ROBIN CARNAHAN ADMINISTRATOR (A) NIMISHA AGARWAL CHIEF FINANCIAL OFFICER (B)
FROM:	ROBERT C. ERICKSON ACTING INSPECTOR GENERAL (J)
SUBJECT:	Independent Auditors' Report U.S. General Services Administration's Financial Statements – Fiscal Years 2023 and 2022 November 14, 2023

ROBERT ERICKSON
Digitally signed by ROBERT ERICKSON
Date: 2023.11.15 13:18:48 -05'00'

The Chief Financial Officers Act of 1990 (Public Law 101-576), as amended, requires the U.S. General Services Administration's (GSA's) Inspector General, or an independent external auditor, as determined by the Inspector General, to audit GSA's consolidated financial statements. Under a contract awarded by GSA and monitored by my office, KPMG LLP (KPMG), an independent public accounting firm, audited GSA's consolidated, Acquisition Services Fund (ASF), and Federal Buildings Fund (FBF) financial statements as of September 30, 2023, and 2022.

The contract required KPMG to perform the audits in accordance with U.S. generally accepted government auditing standards; the Office of Management and Budget's Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*; and the *U.S. Government Accountability Office Financial Audit Manual*, which is maintained by the U.S. Government Accountability Office and the Council of the Inspectors General on Integrity and Efficiency.

This memorandum transmits KPMG's *Independent Auditors' Report on the U.S. General Services Administration's Financial Statements – Fiscal Years 2023 and 2022*. The Fiscal Years 2023 and 2022 audits resulted in unmodified opinions on the financial statements. An unmodified opinion means that the consolidated, ASF, and FBF financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles.

In its audits of GSA's Fiscal Years 2023 and 2022 financial statements, KPMG found:

- The consolidated, ASF, and FBF financial statements were fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles;

- No instances in which GSA’s financial management systems did not substantially comply with the requirements of the Federal Financial Management Improvement Act of 1996; and
- No reportable noncompliance with provisions of laws tested.

However, KPMG identified certain deficiencies in internal control that it considers to be a significant deficiency. As described in Exhibit I of the audit report, KPMG reported deficiencies in controls over certain manual journal entries and transactions.

Details regarding KPMG’s conclusions are included in the “Opinions on the Financial Statements,” “Internal Control Over Financial Reporting,” and “Compliance and Other Matters” sections, as well as in Exhibit I of the audit report. Also, on November 14, 2023, KPMG issued a separate Management Letter to GSA regarding deficiencies in internal control and other less significant matters that came to its attention during the audits.

KPMG is responsible for the attached independent auditors’ report and the opinions and conclusions expressed therein. My office is responsible for technical and administrative oversight regarding KPMG’s performance under the terms of the contract.

To fulfill our oversight responsibilities under the Inspector General Act of 1978, as amended, to assure that KPMG complied with U.S. generally accepted government auditing standards, we performed a moderate level of review, which included:

- Evaluating the independence and qualifications of the firm and the auditors;
- Reviewing KPMG’s audit approach and planning documents;
- Monitoring the progress of the audits at key milestones;
- Performing periodic reviews of KPMG’s workpapers;
- Attending key meetings with GSA management and KPMG auditors to discuss audit progress, findings, and recommendations; and
- Performing other procedures that we deemed necessary.

In connection with the contract, we reviewed KPMG’s report and related documentation and inquired of its representatives. Our review, as differentiated from an audit of the financial statements in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on GSA’s financial statements, conclusions about the effectiveness of internal control over financial reporting, conclusions on whether GSA’s financial management systems substantially complied with the requirements of the Federal Financial Management Improvement Act, or opinions on compliance with laws and other matters. KPMG is responsible for the attached independent auditors’ report dated November 14, 2023, and the conclusions expressed therein. However, our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards.

I appreciate the courtesies and cooperation your office has extended to KPMG and my staff during the audits. If you have any questions, you may contact me at (202) 501-0450. If your staff needs any additional information, they may also contact R. Nicholas Goco, Assistant Inspector General for Auditing, at (202) 501-2322.

Attachment

KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

Administrator and Inspector General
United States General Services Administration:

Report on the Audits of the Financial Statements

Opinions

We have audited the consolidated financial statements of the U.S. General Services Administration (GSA), which comprise the consolidated balance sheets as of September 30, 2023 and 2022, and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the consolidated financial statements (hereinafter referred to as "consolidated financial statements").

We have also audited the financial statements of the Acquisition Services Fund (ASF), which comprise the balance sheets as of September 30, 2023 and 2022, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended (presented in Schedules 1-4), and the related notes to the ASF financial statements (hereinafter referred to as "ASF financial statements").

We have also audited the financial statements of the Federal Buildings Fund (FBF), which comprise the balance sheets as of September 30, 2023 and 2022, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended (presented in Schedules 1-4), and the related notes to the FBF financial statements (hereinafter referred to as "FBF financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the U.S. General Services Administration as of September 30, 2023 and 2022, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

In our opinion, the accompanying ASF financial statements present fairly, in all material respects, the financial position of the Acquisition Services Fund as of September 30, 2023 and 2022, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

In our opinion, the accompanying FBF financial statements present fairly, in all material respects, the financial position of the Federal Buildings Fund as of September 30, 2023 and 2022, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-01 are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of GSA, ASF, and FBF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matter – Interactive Data

Management has elected to reference to information on websites or other forms of interactive data outside the GSA's 2023 *Agency Financial Report* to provide additional information for the users of its consolidated, ASF, and FBF financial statements. Such information is not a required part of the consolidated, ASF, and FBF financial statements or supplementary information required by the Federal Accounting Standards Advisory Board. The information on these websites or the other interactive data has not been subjected to any of our auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated, ASF, and FBF financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated, ASF, and FBF financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, ASF financial statements as a whole, and FBF financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 24-01 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated, ASF, and FBF financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 24-01, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated, ASF, and FBF financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated, ASF, and FBF financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GSA's, ASF's, and FBF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated, ASF, and FBF financial statements.

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

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis and Required Supplementary Information sections referenced in the Table of Contents be presented to supplement the basic consolidated, ASF, and FBF financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated, ASF, and FBF financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic consolidated, ASF, and FBF financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries; the basic consolidated, ASF, and FBF financial statements; and other knowledge we obtained during our audits of the basic consolidated, ASF, and FBF financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the GSA's 2023 *Agency Financial Report*. The other information comprises the GSA Websites, Table of Contents, Brief Overview of the Agency Financial Report, Understanding the Agency Financial Report and its Components, Letter from the Administrator, How GSA Benefits the Public, Letter from the Chief Financial Officer, Inspector General's Transmittal Memorandum, and Other Information but does not include the consolidated, ASF, and FBF financial statements and our auditors' report thereon. Our opinions on the consolidated, ASF, and FBF financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the consolidated financial statements as a whole, ASF financial statements as a whole, and FBF financial statements as a whole. The information in the Other Funds and Intra-GSA Eliminations sections in the consolidating and combining financial statements in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the consolidated, ASF, or FBF financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated, ASF, and FBF financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated, ASF, and FBF financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated, ASF, and FBF financial statements or to the consolidated financial statements themselves, ASF financial statements themselves, and FBF financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole, ASF financial statements as a whole, and FBF financial statements as a whole.

Report on Internal Control Over Financial Reporting

In planning and performing our audits of the consolidated, ASF, and FBF financial statements as of and for the year ended September 30, 2023, we considered GSA's, ASF's, and FBF's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated, ASF, and FBF financial statements, but not for the purpose of expressing an opinion on the effectiveness of GSA's, ASF's, and FBF's internal control.

Accordingly, we do not express an opinion on the effectiveness of GSA's, ASF's, and FBF's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in Exhibit I, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the consolidated, ASF, and FBF financial statements as of and for the year ended September 30, 2023 are free from material misstatement, we performed tests of GSA's, ASF's, and FBF's compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the consolidated, ASF, and FBF financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-01.

We also performed tests of GSA's compliance with certain provisions referred to in Section 803(a) of the *Federal Financial Management Improvement Act of 1996* (FFMIA). Providing an opinion on compliance with FFMIA was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances in which GSA's financial management systems did not substantially comply with the (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level.

GSA's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on GSA's response to the finding identified in our audits and described in Exhibit I. GSA's response was not subjected to the other auditing procedures applied in the audits of the consolidated, ASF, and FBF financial statements and, accordingly, we express no opinion on the response.

Purpose of the Reporting Required by Government Auditing Standards

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GSA's, ASF's, and FBF's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, DC
November 14, 2023

A. Deficiencies in Controls over Certain Manual Journal Entries

Background

During fiscal year (FY) 2022 audit, we noted that GSA's controls over the review and approval of certain manual journal entries were not appropriately designed and implemented to determine that transactions were properly authorized prior to posting in the general ledger and that the authorized transactions were posted correctly. In FY 2023, GSA developed a plan to configure its accounting system to enforce the secondary review and approval of its manual journal entries; however, the system configuration had not been completed as of year-end. To compensate for the lack of system controls, GSA updated its policies and procedures to require that manual journal entries be reviewed and approved by an individual other than the preparer outside of the accounting system.

Condition

During the FY 2023 audit, we noted that the manual compensating controls over journal entries were not consistently implemented across GSA. Specifically, we noted that a number of manual journal entries were not reviewed and approved by an individual other than the preparer, or documentation of such reviews did not evidence the timeliness of the review.

Criteria

The Government Accountability Office's *Standards for Internal Control in the Federal Government*, dated September 2014, Principle 10, *Design Control Activities*; Principle 12, *Implement Control Activities*; and Principle 14, *Communicate Internally*.

Cause

GSA management did not effectively communicate to its staff across the organization the updates made to its policies and procedures for the manual compensating controls to facilitate consistent control implementation across the organization.

Effect

Without effective implementation of the manual compensating controls across the organization, an increased risk exists that material misstatements in GSA's financial statements will not be prevented or detected and corrected in a timely manner.

Recommendations

We recommend that GSA:

1. Complete the configuration of the accounting system to enforce secondary review and approval of manual journal entries by an individual other than the preparer prior to posting to the general ledger.

2. Effectively communicate to its staff the implementation of the manual compensating controls, until system controls have been implemented, that require all types of journal entries to be reviewed and approved by an individual other than the preparer and that the evidence of such reviews be documented and maintained.

Management's Response

GSA concurs with the finding.

Consolidated Financial Statements

Consolidated Balance Sheets

As of September 30, 2023 and September 30, 2022
(Dollars in Millions)

	2023	2022
ASSETS		
Intragovernmental Assets		
Fund Balance with Treasury (Notes 1-D, 2)	**$26,301**	$25,447
Accounts Receivable, Net (Note 4)	**6,700**	6,237
Advances and Prepayments	**44**	29
Other Assets (Note 5)	**166**	152
Total Intragovernmental Assets	**33,211**	31,865
Other Than Intragovernmental Assets		
Accounts Receivable, Net (Note 4)	**172**	215
Property, Plant, and Equipment, Net (Notes 1-E, 6)	**26,900**	26,865
Other Assets (Note 5)	**57**	54
Total Other Than Intragovernmental Assets	**27,129**	27,134
TOTAL ASSETS	**$60,340**	$58,999
Stewardship PP&E (Note 6-F)		
LIABILITIES		
Intragovernmental Liabilities		
Accounts Payable	**$12**	$10
Advances From Others and Deferred Revenue	**49**	48
Other Liabilities (Note 9)	**1,114**	1,123
Total Intragovernmental Liabilities	**1,175**	1,181
Other Than Intragovernmental Liabilities		
Accounts Payable	**6,877**	6,251
Federal Employee Benefits Payable (Note 15)	**270**	266
Environmental and Disposal Liabilities (Notes 6, 10-A)	**2,112**	1,923
Advances From Others and Deferred Revenue	**8**	9
Other Liabilities (Note 9)	**1,595**	1,562
Total Other Than Intragovernmental Liabilities	**10,862**	10,011
TOTAL LIABILITIES (Note 11)	**12,037**	11,192
Commitments and Contingencies (Notes 13B, 10A)		
NET POSITION		
Unexpended Appropriations - Funds From Other Than Dedicated Collections	**8,474**	8,594
Total Unexpended Appropriations (Consolidated)	**8,474**	8,594
Cumulative Results of Operations - Funds From Dedicated Collections (Note 14)	**384**	408
Cumulative Results of Operations - Funds From Other Than Dedicated Collections (Note 14)	**39,445**	38,805
Total Cumulative Results of Operations (Consolidated)	**39,829**	39,213
TOTAL NET POSITION	**48,303**	47,807
TOTAL LIABILITIES AND NET POSITION	**$60,340**	$58,999

The accompanying notes are an integral part of these statements.

Consolidated Statements of Net Cost

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

		2023	2022
Manage Building Operations	Earned Revenues	**$11,858**	$11,829
	Less: Operating Expenses	**11,737**	11,396
	Net Revenues from Operations	**121**	433
Provide Acquisition Services	Earned Revenues	**22,748**	20,501
	Less: Operating Expenses	**22,312**	20,152
	Net Revenues from Operations	**436**	349
Working Capital and General Programs	Earned Revenues	**76**	60
	Less: Operating Expenses	**508**	363
	Net Cost of Operations	**(432)**	(303)
GSA Consolidated Net Results	Earned Revenues	**34,682**	32,390
	Less: Operating Expenses	**34,557**	31,911
	Net Revenues from Operations	**$125**	$479

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Net Position

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

	2023	
Unexpended Appropriations	**$8,594**	$1,972
		,977
Net Position Beginning Balance	**47,807**	39,949
Appropriations Received	**399**	7,061
		(346)
Appropriations Adjustments and Transfers (To) From Other Agencies or Funds	**(63)**	(93)
		6,622
Net Revenues From Operations	**125**	479
		346
Non-Exchange Revenue (Notes 1-C, 1-D)	**47**	291
		101
Transfers of Financing Sources (To) From the U.S. Treasury	**(32)**	(26)
		55
Other	**(1)**	(10)
		1,236
Unexpended Appropriations	**8,474**	8,594
		9,213
Net Position Ending Balance	**$48,303**	$47,807

The accompanying notes are an integral part of these statements.

Combined Statements of Budgetary Resources

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

	2023	2022
BUDGETARY RESOURCES		
Unobligated Balance from Prior Year Budget Authority, Net (Note 13)	**$18,973**	$10,897
Appropriations	**435**	7,088
Spending Authority from Offsetting Collections	**39,489**	35,771
Total Budgetary Resources	**58,897**	53,756
STATUS OF BUDGETARY RESOURCES		
New Obligations and Upward Adjustments	**40,453**	36,042
Unobligated Balance, End of Period		
Apportioned, Unexpired Accounts	**14,998**	10,118
Unapportioned, Unexpired Accounts	**3,418**	7,553
Unexpired Unobligated Balance, End of Period	**18,416**	17,671
Expired Unobligated balance, End of Period	**28**	43
Unobligated Balance, End of Period, Total	**18,444**	17,714
Total Status of Budgetary Resources	**58,897**	53,756
OUTLAYS, NET		
Net Outlays (Receipts) from Operating Activity	**(591)**	(977)
Distributed Offsetting Receipts	**(109)**	(225)
Total Net Agency Outlays (Receipts)	**$(700)**	$(1,202)

The accompanying notes are an integral part of these statements.

Notes to the Financial Statements

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

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

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

1. Significant Accounting Policies

A. Reporting Entity

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

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

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

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

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

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

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

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

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

- Asset Proceeds and Space Management Fund

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

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

These accounts include:

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

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

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

[3] This fund, as of September 30, 2023, has yet to receive any funds from dedicated collections.

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

B. Basis of Accounting and Presentation

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

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

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

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

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

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

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

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

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

C. Revenue Recognition and Appropriations Used

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

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

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

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

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

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

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

D. Fund Balance with Treasury (See Note 2)

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

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

E. Property and Equipment (See Note 6)

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

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

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

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

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

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

F. Annual, Sick, and Other Types of Leave

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

2. Fund Balance with Treasury

A. Reconciliation to U.S. Treasury

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

B. Relationship to the Budget

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

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

The following schedule presents elements of the FBwT:

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

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

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

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

C. Availability of Funds

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

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

3. Non-entity Assets

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

4. Accounts and Notes Receivable, Net

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

4. Accounts Receivable
(Dollars in Millions)

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

5. Other Assets

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

5. Other Assets
(Dollars in Millions)

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

6. Property and Equipment, Net

A. Summary of Balances

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

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

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

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

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

B. Environmental and Disposal Liabilities

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

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

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

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

GSA's FBF recognized $2.0 billion for environmental and disposal liabilities as of September 30, 2023, and $1.9 billion as of September 30, 2022, for properties currently in GSA's inventory. Included in this balance are the current estimates for potential future cleanup costs associated with the release of hazardous substances (into the environment) at properties where GSA is legally responsible for cleanup; asbestos liabilities (e.g., abatement); and non-asbestos liabilities (e.g., lead abatement) associated with PP&E at asset retirement or disposal.

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

Fiscal Year	2023	2022
Environmental Liabilities (external releases to the environment)	**$96**	$98
Asbestos Liabilities	**1,581**	1,511
PP&E: Non-asbestos Liabilities	**359**	314
Total Environmental and Disposal Liabilities (amortized)[5]	**$2,036**	$1,923

C. Environmental Liabilities: External Releases to the Environment

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

D. Asbestos Liabilities

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

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

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

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

[5] Does not include $76 million liability for non-GSA Assets that is included in the FY 2023 Balance Sheet.

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

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

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

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

F. Heritage Assets

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

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

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

7. Workers’ Compensation Benefits

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

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

7. Discount Rates

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

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

8. Leasing Arrangements

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

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

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

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 receipts due to GSA for all non-cancelable and restricted clause agreements with terms in excess of 1 year:

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

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

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

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

Fiscal Year	FBF
2024	$3
2025	3
2026	2
2027	2
2028	2
2029 and thereafter	5
Total future minimum rental receipts	**$17**

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

9. Other Liabilities

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

9. Other Liabilities
(Dollars in Millions)

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

10. Contingencies

A. Contingencies

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

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

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

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

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

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

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

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

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

B. U.S. Treasury Judgment Fund

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

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

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

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

11. Liabilities Not Covered By Budgetary Resources

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

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

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

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

12. Reconciliation to the President's Budget

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

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

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

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

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

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

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

13. Combined Statements of Budgetary Resources

A. Adjustments to Unobligated Balances Brought Forward

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

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

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

B. Commitments and Undelivered Orders

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

13B. Undelivered Orders
(Dollars in Millions)

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

14. Consolidated Statements of Changes in Net Position

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

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

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

[6] These balances do not include any applicable Intra-GSA elimination adjustments.

15. Employee Benefit Plans

A. Background

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

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

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

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

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

B. Civil Service Retirement System

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

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

Fiscal Year	2023	2022
FBF	**$1**	$1
ASF	**—**	—
Other Funds	**1**	1
Total Employer Contributions	**$2**	$2

C. Federal Employees Retirement System

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

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

Fiscal Year	2023	2022
FBF	**$111**	$104
ASF	**83**	76
Other Funds	**71**	62
Total Employer Contributions	**$265**	$242

Additional GSA contributions to the TSP were as follows:

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

Fiscal Year	2023	2022
FBF	**$29**	$27
ASF	**22**	20
Other Funds	**18**	16
Total Employer Contributions	**$69**	$63

D. Social Security System

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

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

Fiscal Year	2023	2022
FBF	$46	$44
ASF	35	32
Other Funds	28	25
Total Employer Contributions	$109	$101

E. Schedule of Imputed Benefit Costs

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

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

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

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

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

16. Budget and Accrual Reconciliation

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

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

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

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

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

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

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

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

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

17. Net Cost by Responsibility Segment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FY 2023 GSA Statement of Changes in Net Position		Line Items Used to Prepare FY 2023 Government-wide Statement of Changes in Net Position	
GSA Financial Statement Line	**Amounts**	**Total Amounts**	**Reclassified Financial Statement Line**
BEGINNING BALANCE OF NET POSITION			**BEGINNING BALANCE OF NET POSITION**
Unexpended Appropriations	$8,594	$8,594	Net Position, Beginning of Period
Cumulative Results of Operations	39,213	39,213	Net Position, Beginning of Period
Net Position Beginning Balance	**47,807**	**47,807**	**Net Position Beginning of Period**
CHANGES IN UNEXPENDED APPROPRIATIONS			**CHANGES IN UNEXPENDED APPROPRIATIONS**
Appropriations Received	399	399	Appropriations Received as Adjusted (Recissions and Other Adjustments)
Appropriations Used	(456)	(456)	Appropriations Used
Appropriations Adjustments and Transfers (To) From Other Agencies or Funds	(63)	(4)	Appropriations Received as Adjusted (Recissions and Other Adjustments)
		(59)	Nonexpenditure Transfers-Out of Unexpended Appropriations and Financing Sources
Net Change in Unexpended Appropriations	**(120)**	**(120)**	**Net Change in Unexpended Appropriations**
RESULTS OF OPERATIONS			**RESULTS OF OPERATIONS**
Net Revenues From (Cost of) Operations	125	125	Net Cost of Operations
Appropriations Used (Note 1-C)	456	456	Appropriations Expended
Non-Exchange Revenue (Notes 1-C, 1-D)	47	47	Other Taxes and Receipts
Imputed Financing Provided By Others	150	150	Imputed Financing Sources
Transfers of Financing Sources (To) From the U.S.Treasury	(32)	(32)	Non-Entity Collections Transferred to the General Fund of the U.S. Gov't
Transfers of Net Assets and Liabilities (To) From Other Federal Agencies	(129)	(30)	Accrual of Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government - Nonexchange
		15	Expenditure Transfers-In of Financing Sources
		(20)	Expenditure Transfers-Out of Financing Sources
		35	Transfers-In Without Reimbursement
		(129)	Transfers-Out Without Reimbursement
Other	(1)	(1)	Other Non-Budgetary Financing Sources
Net Change in Cumulative Results of Operations	**616**	**616**	**Net Change in Cumulative Results of Operations**
ENDING BALANCE OF NET POSITION			**ENDING BALANCE OF NET POSITION**
Unexpended Appropriations	8,474	8,474	Net Position, End of Period
Cumulative Results of Operations	39,829	39,829	Net Position, End of Period
Net Position Ending Balance	**$48,303**	**$48,303**	**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 P3s more understandable. This statement establishes principles to ensure that any necessary disclosures about P3s are presented in the agency's AFR. SFFAS 49 mandates that when arrangements with private entities meet certain characteristics, these arrangements must be disclosed in the AFR.

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

Outleases[8]

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

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

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

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

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

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

[8] Non-federal entity funding sources for outleases is unknown.

Energy Savings Performance Contracts and Utility Energy Service Contracts[9]

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

Agencies enter into these contracts with limited to no up-front capital costs, thereby minimizing the need for congressional appropriations. The ESCO or utility company conducts a comprehensive energy audit for the Federal facility and identifies improvements to achieve energy savings. In consultation with the agency, the ESCO or utility company designs and constructs a project that meets the agency's needs and arranges the necessary funding. The ESCO guarantees that the improvement projects will generate energy, water and related savings sufficient to pay for the project over the term of the ESPC. The ESPCs cost savings must be verified and documented annually. For UESCs the performance of the equipment must be validated annually. Both performance validation (UESCs) and energy savings validation (ESPCs) provide for the assumption that after the contract ends, any additional energy savings accrue to the agency.
Generally, the risk of loss to the Federal Government is low, but there is risk associated with 1) the potential failure of an ESCO or utility company to provide ongoing satisfactory performance throughout the project lifecycle to ensure that the project is successful as designed; 2) the potential chance that equipment might be improperly operated and maintained, resulting in less than expected savings; and 3) the potential that financial loss from early contract termination could include termination fees. All costs for the actual ESPC or UESC equipment installed in GSA's buildings are recognized when the assets are initially accepted and recognized as installment contract liabilities on the consolidated balance sheets. The payback period with the ESCO or utility company varies per arrangement; however, it is generally between 10 and 20 years. Since the costs of ESPC or UESC projects are intended to be paid for via energy savings with no need for additional funding, if savings are not realized due to Government action, alternative funding sources may have to be used to satisfy contractual commitments. For ESPCs, this risk is mitigated if the savings are not realized due to ESCO non-performance as the Government then has the ability to reduce or withhold payment. The potential for a shortfall in energy savings is the primary financial risk related to ESPCs and UESCs. With regard to any technical performance risk, generally, the ESCO or utility company is responsible for ensuring that energy savings are met throughout the performance period.

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

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

Power Purchase Agreements[10]

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

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

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

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

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

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[10] PPAs were evaluated against SFFAS 49 disclosure requirements and deemed eligible for disclosure in FY 2023; no such disclosure was presented for FY 2022.

[11] Due to market variability, future years payments for PPAs are not estimable with a reasonable margin of error.

20. Funds from Dedicated Collections

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

21. Subsequent Events

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

Consolidating Financial Statements

Consolidating Balance Sheets

Schedule 1

As of September 30, 2023 and September 30, 2022

(Dollars in Millions)

Fund	FBF		ASF		Other Funds		Less: Intra GSA Eliminations		GSA Consolidated	
Fiscal Year	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
ASSETS										
Intragovernmental Assets										
Fund Balance with Treasury (Notes 1-D, 2)	**$22,097**	$21,228	**$2,218**	$2,163	**$1,986**	$2,056	**$—**	$—	**$26,301**	$25,447
Accounts Receivable, Net (Note 4)	**307**	380	**6,281**	5,808	**162**	100	**(50)**	(51)	**6,700**	6,237
Advances and Prepayments	**36**	27	**—**	—	**8**	2	**—**	—	**44**	29
Other Assets (Note 5)	**166**	152	**—**	—	**—**	—	**—**	—	**166**	152
Total Intragovernmental Assets	**22,606**	21,787	**8,499**	7,971	**2,156**	2,158	**(50)**	(51)	**33,211**	31,865
Other Than Intragovernmental Assets										
Accounts Receivable, Net (Note 4)	**12**	29	**144**	114	**16**	72	**—**	—	**172**	215
Property, Plant, and Equipment, Net (Notes 1-E, 6)	**22,365**	22,849	**4,528**	4,010	**7**	6	**—**	—	**26,900**	26,865
Other Assets (Note 5)	**37**	37	**19**	17	**1**	—	**—**	—	**57**	54
Total Other Than Intragovernmental Assets	**22,414**	22,915	**4,691**	4,141	**24**	78	**—**	—	**27,129**	27,134
TOTAL ASSETS	**$45,020**	$44,702	**$13,190**	$12,112	**$2,180**	$2,236	**$(50)**	$(51)	**$60,340**	$58,999
Stewardship Property, Plant, and Equipment (Note 6-F)										

The accompanying notes are an integral part of these statements.

Consolidating Balance Sheets (continued) Schedule 1

As of September 30, 2023 and September 30, 2022

(Dollars in Millions)

Fund	FBF		ASF		Other Funds		Less: Intra-GSA Eliminations		GSA Consolidated	
Fiscal Year	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
LIABILITIES										
Intragovernmental Liabilities										
Accounts Payable	**$9**	$1	**$14**	$7	**$28**	$39	**$(39)**	$(37)	**$12**	$10
Advances From Others and Deferred Revenue	**—**	—	**—**	—	**49**	48	**—**	—	**49**	48
Other Liabilities (Note 9)	**1,068**	1,076	**24**	34	**33**	27	**(11)**	(14)	**1,114**	1,123
Total Intragovernmental Liabilities	**1,077**	1,077	**38**	41	**110**	114	**(50)**	(51)	**1,175**	1,181
Other Than Intragovernmental Liabilities										
Accounts Payable	**1,031**	1,002	**5,829**	5,236	**17**	13	**—**	—	**6,877**	6,251
Federal Employee Benefits Payable (Note 15)	**124**	124	**71**	71	**75**	71	**—**	—	**270**	266
Environmental and Disposal Liabilities (Notes 6, 10-A)	**2,036**	1,923	**—**	—	**76**	—	**—**	—	**2,112**	1,923
Advances From Others and Deferred Revenue	**8**	9	**—**	—	**—**	—	**—**	—	**8**	9
Other Liabilities (Note 9)	**1,525**	1,457	**12**	11	**58**	94	**—**	—	**1,595**	1,562
Total Other Than Intragovernmental Liabilities	**4,724**	4,515	**5,912**	5,318	**226**	178	**—**	—	**10,862**	10,011
TOTAL LIABILITIES (Note 11)	**5,801**	5,592	**5,950**	5,359	**336**	292	**(50)**	(51)	**12,037**	11,192
Commitments and Contingencies (Notes 13-B, 10-A)										

The accompanying notes are an integral part of these statements.

Consolidating Balance Sheets (continued)

Schedule 1

As of September 30, 2023 and September 30, 2022

(Dollars in Millions)

Fund	FBF		ASF		Other Funds		Less: Intra GSA Eliminations		GSA Consolidated	
Fiscal Year	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
NET POSITION										
Unexpended Appropriations - Funds From Other Than Dedicated Collections	**7,100**	7,129	**59**	98	**1,315**	1,367	**—**	—	**8,474**	8,594
Total Unexpended Appropriations (Consolidated)	**7,100**	7,129	**59**	98	**1,315**	1,367	**—**	—	**8,474**	8,594
Cumulative Results of Operations - Funds From Dedicated Collections (Note 14)	**—**	—	**—**	—	**382**	406	**2**	2	**384**	408
Cumulative Results of Operations - Funds From Other Than Dedicated Collections (Note 14)	**32,119**	31,981	**7,181**	6,655	**147**	171	**(2)**	(2)	**39,445**	38,805
Total Cumulative Results of Operations (Consolidated)	**32,119**	31,981	**7,181**	6,655	**529**	577	**—**	—	**39,829**	39,213
TOTAL NET POSITION	**39,219**	39,110	**7,240**	6,753	**1,844**	1,944	**—**	—	**48,303**	47,807
TOTAL LIABILITIES AND NET POSITION	**$45,020**	$44,702	**$13,190**	$12,112	**$2,180**	$2,236	**$(50)**	$(51)	**$60,340**	$58,999

The accompanying notes are an integral part of these statements.

Consolidating Statements of Net Cost

Schedule 2

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

Fiscal Year	2023			2022		
Accounting Category	**Revenues**	**Expenses**	**Net Revenues from (Cost of) Operations**	Revenues	Expenses	Net Revenues from (Cost of) Operations
MANAGE BUILDING OPERATIONS						
Building Operations - Government Owned	**$5,402**	**$5,091**	**$311**	$5,334	$4,762	$572
Building Operations - Leased	**6,516**	**6,731**	**(215)**	6,561	6,719	(158)
Subtotal	**11,918**	**11,822**	**96**	11,895	11,481	414
PROVIDE ACQUISITION SERVICES						
General Supplies and Services	**1,710**	**1,686**	**24**	1,345	1,348	(3)
Travel, Transportation, and Logistics	**3,001**	**2,641**	**360**	2,692	2,449	243
Information Technology	**1,035**	**956**	**79**	1,295	1,211	84
Assisted Acquisition Services	**16,872**	**16,761**	**111**	15,017	14,918	99
Professional Services and Human Capital	**133**	**121**	**12**	116	110	6
Other Programs	**168**	**337**	**(169)**	203	299	(96)
Subtotal	**22,919**	**22,502**	**417**	20,668	20,335	333
WORKING CAPITAL FUND AND GENERAL PROGRAMS						
Working Capital Fund	**768**	**781**	**(13)**	725	746	(21)
Other General Funds	**59**	**483**	**(424)**	38	321	(283)
Subtotal	**827**	**1,264**	**(437)**	763	1,067	(304)
INTRA-GSA ELIMINATIONS						
Less: Intra-GSA Eliminations	**982**	**1,031**	**(49)**	936	972	(36)
GSA Consolidated Totals	**$34,682**	**$34,557**	**$125**	$32,390	$31,911	$479

The accompanying notes are an integral part of these statements.

Consolidating Statements of Changes in Net Position

Schedule 3

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

(Dollars in Millions)

Fund	FBF		ASF		Other Funds		Less: Intra GSA Eliminations		GSA Consolidated	
Fiscal Year	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
BEGINNING BALANCE OF NET POSITION										
Unexpended Appropriations	**$7,129**	$405	**$98**	$—	**$1,367**	$1,567	**$—**	$—	**$8,594**	$1,972
Cumulative Results of Operations	**31,981**	31,385	**6,655**	6,273	**577**	319	**—**	—	**39,213**	37,977
Net Position Beginning Balance	**39,110**	31,790	**6,753**	6,273	**1,944**	1,886	**—**	—	**47,807**	39,949
CHANGES IN UNEXPENDED APPROPRIATIONS										
Appropriations Received	**37**	6,793	**—**	—	**362**	268	**—**	—	**399**	7,061
Appropriations Used	**(66)**	(69)	**(39)**	(1)	**(351)**	(276)	**—**	—	**(456)**	(346)
Appropriations Adjustments and Transfers (To) From Other Agencies or Funds	**—**	—	**—**	99	**(63)**	(192)	**—**	—	**(63)**	(93)
Net Change in Unexpended Appropriations	**(29)**	6,724	**(39)**	98	**(52)**	(200)	**—**	—	**(120)**	6,622
RESULTS OF OPERATIONS										
Net Revenues From (Cost of) Operations	**96**	414	**417**	333	**(437)**	(304)	**(49)**	(36)	**125**	479
Appropriations Used (Note 1-C)	**66**	69	**39**	1	**351**	276	**—**	—	**456**	346
Non-Exchange Revenue (Notes 1-C, 1-D)	**—**	—	**—**	—	**47**	291	**—**	—	**47**	291
Imputed Financing Provided By Others	**89**	63	**64**	44	**46**	30	**49**	36	**150**	101
Transfers of Financing Sources (To) From the U.S. Treasury	**—**	—	**(13)**	(1)	**(19)**	(25)	**—**	—	**(32)**	(26)
Transfers of Net Assets and Liabilities (To) From Other Federal Agencies	**(113)**	50	**19**	5	**(35)**	—	**—**	—	**(129)**	55
Other	**—**	—	**—**	—	**(1)**	(10)	**—**	—	**(1)**	(10)
Net Change in Cumulative Results of Operations	**138**	596	**526**	382	**(48)**	258	**—**	—	**616**	1,236
ENDING BALANCE OF NET POSITION										
Unexpended Appropriations	**7,100**	7,129	**59**	98	**1,315**	1,367	**—**	—	**8,474**	8,594
Cumulative Results of Operations	**32,119**	31,981	**7,181**	6,655	**529**	577	**—**	—	**39,829**	39,213
Net Position Ending Balance	**$39,219**	$39,110	**$7,240**	$6,753	**$1,844**	$1,944	**$—**	$—	**$48,303**	$47,807

The accompanying notes are an integral part of these statements.

Combining Statements of Budgetary Resources

Schedule 4

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

(Dollars in Millions)

Fund	FBF		ASF		Other Funds		GSA Combined Totals	
Fiscal Year	2023	2022	2023	2022	2023	2022	2023	2022
BUDGETARY RESOURCES								
Unobligated Balance from Prior Year Budget Authority, Net (Note 13)	**$13,253**	$6,177	**$4,510**	$3,342	**$1,210**	$1,378	**$18,973**	$10,897
Appropriations	**37**	6,793	**—**	—	**398**	295	**435**	7,088
Spending Authority from Offsetting Collections	**12,192**	11,380	**26,403**	23,591	**894**	800	**39,489**	35,771
Total Budgetary Resources	**25,482**	24,350	**30,913**	26,933	**2,502**	2,473	**58,897**	53,756
STATUS OF BUDGETARY RESOURCES								
New Obligations and Upward Adjustments	**11,880**	11,230	**27,320**	23,680	**1,253**	1,132	**40,453**	36,042
Unobligated Balance, End of Period								
Apportioned, Unexpired Accounts	**12,031**	8,355	**2,263**	821	**704**	942	**14,998**	10,118
Unapportioned, Unexpired Accounts	**1,571**	4,765	**1,330**	2,432	**517**	356	**3,418**	7,553
Unexpired Unobligated Balance, End of Period	**13,602**	13,120	**3,593**	3,253	**1,221**	1,298	**18,416**	17,671
Expired Unobligated balance, End of Period	**—**	—	**—**	—	**28**	43	**28**	43
Unobligated Balance, End of Period, Total	**13,602**	13,120	**3,593**	3,253	**1,249**	1,341	**18,444**	17,714
Total Status of Budgetary Resources	**25,482**	24,350	**30,913**	26,933	**2,502**	2,473	**58,897**	53,756
OUTLAYS, NET								
Net Outlays (Receipts) from Operating Activity	**(833)**	(982)	**(68)**	(280)	**310**	285	**(591)**	(977)
Distributed Offsetting Receipts	**—**	—	**—**	—	**(109)**	(225)	**(109)**	(225)
Total Net Agency Outlays (Receipts)	**$(833)**	$(982)	**$(68)**	$(280)	**$201**	$60	**$(700)**	$(1,202)

The accompanying notes are an integral part of these statements.

Required Supplementary Information (Unaudited)

Deferred Maintenance and Repairs

The U.S. General Services Administration (GSA) reports deferred maintenance and repairs (DM&R) consistent with the definition in SFFAS 42, Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32 which states "Deferred maintenance and repairs (DM&R) are maintenance and repairs that were not performed when they should have been or were scheduled to be and which are put off or delayed for a future period." Maintenance and repairs are activities directed toward keeping fixed assets in an acceptable condition. Activities include preventive maintenance; replacement of parts, systems, or components; and other activities needed to preserve or maintain assets. Maintenance and repairs, as distinguished from capital improvements, exclude activities directed towards expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, its current use.

In accordance with SFFAS No. 42, GSA has disclosable DM&R related to its inventory of buildings under the jurisdiction, custody or control of the Public Buildings Service. GSA utilizes a Building Assessment Tool (BAT) to determine the total amount of repairs and alterations (R&A) needed to correct major components or system deficiencies in federally owned buildings (and certain leased buildings where GSA has responsibility for R&A). While the overall methodology has not changed since the prior year, the FY 2023 BAT survey has been updated to improve the accuracy of the maintenance liabilities identified, and the accuracy of the cost estimating.

The BAT is a 39[12] section survey that provides a biennial assessment of the physical conditions of each building's basic structure and systems and provides an overall assessment of GSA's building inventory. Building assessments electronically document building conditions, with approximately half of GSA's building inventory being surveyed each year. Buildings included in the assessment could be capitalized general property, plant and equipment (PP&E), fully depreciated general PP&E, or non-capitalized general PP&E leased buildings. GSA requires a building assessment for every federally-owned, leased, or delegated asset controlled by GSA that meets all the following criteria:

- GSA has R&A responsibility;
- The asset maintains an "active" or "excess" status; and
- The asset has a real property type of "building" or "structure."

Per SFFAS 6, there are three categories of PP&E: (1) general PP&E; (2) heritage assets; and (3) stewardship land. GSA does not have stewardship land; all land held is used to meet operational mission and reported under General PP&E. Further, all historic buildings are considered multi-use heritage assets and in accordance with SFFAS 29 are also reported as General PP&E. All assets meeting the above criteria are included in the BAT analysis.

GSA uses survey results to develop a multi-year plan for all R&A projects, not just those associated with DM&R, and prioritizes those projects using the established weights within each of the following categories:

- Fire, life, health, and environmental;
- Physical security;
- Serviceability;

[12] The FY 2023 BAT survey was enhanced by adding two new sections for building automation and fire and life safety systems and consolidated two smaller and similar sections for a net increase of one section.

- Special emphasis programs; or
- Tenant space alterations.

Data collected through the survey is used to support GSA's overall building assessment, workload planning, and budgeting needs, and is not designed to specifically capture data that would be defined as DM&R. However, subsets of the workload planning directly result from conditions classified as DM&R. GSA has determined, from analysis of data in the BAT, that when applying certain criteria, results can be used to provide a reasonable estimate to meet the Federal Accounting Standards Advisory Board DM&R reporting requirements. At the end of fiscal years 2023 and 2022, based on the analysis of the BAT results, GSA estimated the total cost of DM&R to be approximately $4.6 billion for FY 2023 and $3.1 billion for FY 2022, for activities categorized as work needing to be performed immediately to restore or maintain acceptable conditions within the building inventory. The rise in DM&R from the previous fiscal year is attributed to several factors, including the continued improvements of the BAT survey data collected, the previously categorized out-year maintenance and repair that could not be addressed due to funding limitations, and the increases in material and labor costs.

GSA measures the condition of its inventory of buildings by using an industry accepted metric called the Facility Condition Index (FCI). The FCI is the ratio between total deferred repair and alteration needs and the functional replacement value of an asset (i.e., repair needs divided by the asset's replacement value). Based on the end of FY 2023 BAT data, approximately 63 percent of GSA's inventory, according to square footage, is considered in "Good Condition," with an FCI of 10 percent or less. There has been no significant change in reporting methodology in deferred maintenance and repairs from prior years.

As part of the development of its annual Capital Investment Program Budget Request, GSA prioritizes asset investment dollars that continue to generate the funds required to sustain the owned inventory and support the long-term needs of the Federal Government. To evaluate potential projects, GSA uses a strategic investment strategy that utilizes financial and other strategic metrics to evaluate potential projects' funding needs and prioritization. These metrics support the portfolio's transition to a lean and sustainable cost structure by selecting those projects that align with our long-term strategic objectives. PBS's criteria for selecting projects also considers reducing current and future DM&R significantly. GSA also considers DM&R, among other factors, when evaluating potential candidates for disposition.

Combining Statement of Budgetary Resources

In its principal financial statements, GSA displays balances for the two major funds (the Federal Buildings Fund and the Acquisition Services Fund) while combining all remaining funds into an "Other Funds" group. Within the Other Funds group, the Working Capital Fund (WCF) and Technology Modernization Fund (TMF) make up approximately 74 percent of the total budgetary resources. As these funds are significant components of the total Other Funds budgetary results, below is a schedule showing the activities of WCF, TMF, and Other Funds for the fiscal years ended September 30, 2023, and September 30, 2022.

Combining Statement of Budgetary Resources - Other Funds
(Dollars in Millions)

	OTHER FUNDS EXCLUDING WCF AND TMF		WORKING CAPITAL FUND		TECHNOLOGY MODERNIZATION FUND		OTHER FUNDS TOTAL	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
BUDGETARY RESOURCES								
Unobligated Balance from Prior Year Budget Authority, Net	**$258**	$310	**$219**	$201	**$733**	$867	**$1,210**	$1,378
Appropriations	**342**	291	**6**	4	**50**	—	**398**	295
Spending Authority from Offsetting Collections	**95**	52	**764**	733	**35**	15	**894**	800
Total Budgetary Resources	**695**	653	**989**	938	**818**	882	**2,502**	2,473
STATUS OF BUDGETARY RESOURCES								
New Obligations and Upward Adjustments	**428**	378	**798**	752	**27**	2	**1,253**	1,132
Unobligated Balance, End of Period								
Apportioned, Unexpired Accounts	**117**	75	**47**	36	**540**	831	**704**	942
Unapportioned, Unexpired Accounts	**122**	157	**144**	150	**251**	49	**517**	356
Unexpired Unobligated Balance, End of Period	**239**	232	**191**	186	**791**	880	**1,221**	1,298
Expired Unobligated Balance, End of Period	**28**	43	**—**	—	**—**	—	**28**	43
Unobligated Balance, End of Period, Total	**267**	275	**191**	186	**791**	880	**1,249**	1,341
Total Status of Budgetary Resources	**695**	653	**989**	938	**818**	882	**2,502**	2,473
OUTLAYS, NET								
Net Outlays (Receipts) from Operating Activity	**319**	291	**—**	7	**(9)**	(13)	**310**	285
Distributed Offsetting Receipts	**(109)**	(225)	**—**	—	**—**	—	**(109)**	(225)
Total Net Outlays (Receipts)	**$210**	$66	**$—**	$7	**$(9)**	$(13)	**$201**	$60

Accounting and Reporting on Government Land

In FY 2022, the U.S. General Services Administration (GSA) implemented a new accounting standard, SFFAS 59, *Accounting and Reporting on Government Land*, requiring the disclosure of estimated acres of land classified as General Property, Plant and Equipment, as well as acres held for disposal or exchange to a non-Federal entity.

40 U.S.C. § 581 and 40 U.S.C. § 3304 authorize the acquisition of property or an interest in property by GSA. Through the end of FY 2023, GSA had an estimated 9,000 acres in its custody and control. This acreage supports the agency's mission to design, deliver, and maintain safe, smart, and sustainable workspaces that enable agencies to best serve the American public.

The vast majority of GSA's land and land rights are considered operational, as defined by SFFAS 59 as predominantly used for general or administrative purposes. Current uses include: office space, public-facing facilities, courthouses, warehouses, laboratories, border stations, antennas, water towers, and storage facilities.

The following table shows land controlled by GSA's Public Buildings Service and subcategorized by predominant use:

	Commercial	Conservation and Preservation	Operational	Total Estimated Acreage
Start of FY 2022	18	—	8,759	8,777
End of FY 2022/ Start of FY 2023	18	—	8,660	8,678
End of FY 2023	15	—	8,511	8,526
Held for Disposal or Exchange -End of FY 2022	—	—	141	141
Held for Disposal or Exchange - End of FY 2023	—	—	789	789

SFFAS 59 mandates the continued capitalization of land asset balances at their historical cost on the consolidated balance sheet for FY 2023 and GSA is in compliance with the standard.

OTHER INFORMATION

(Unaudited)

Summary of Financial Statement Audit and Management Assurances

<table>
<tr><th colspan="7">Table 1 Summary of Financial Statement Audit</th></tr>
<tr><td>Audit Opinion</td><td colspan="6">Unmodified</td></tr>
<tr><td>Restatement</td><td colspan="6">No</td></tr>
<tr><th colspan="2">Material Weakness</th><th>Beginning Balance</th><th>New</th><th>Resolved</th><th>Consolidated</th><th>Ending Balance</th></tr>
<tr><td colspan="2">Deficiencies in Internal Controls over Financial Reporting</td><td>1</td><td>0</td><td>1</td><td>0</td><td>0</td></tr>
<tr><td colspan="2">Total Material Weaknesses</td><td>1</td><td>0</td><td>1</td><td>0</td><td>0</td></tr>
<tr><th colspan="7">Table 2 Summary of Management Assurance</th></tr>
<tr><th colspan="7">Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)</th></tr>
<tr><td>Statement of Assurance</td><td colspan="6">Unmodified</td></tr>
<tr><th>Material Weakness</th><th>Beginning Balance</th><th>New</th><th>Resolved</th><th>Consolidated</th><th>Reassessed</th><th>Ending Balance</th></tr>
<tr><td>Deficiencies in Controls over Financial Statement Balances</td><td>1</td><td>0</td><td>1</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Total Material Weaknesses</td><td>1</td><td>0</td><td>1</td><td>0</td><td>0</td><td>0</td></tr>
<tr><th colspan="7">Effectiveness of Internal Control over Operations (FMFIA § 2)</th></tr>
<tr><td>Statement of Assurance</td><td colspan="6">Unmodified</td></tr>
<tr><th></th><th>Beginning Balance</th><th>New</th><th>Resolved</th><th>Consolidated</th><th>Reassessed</th><th>Ending Balance</th></tr>
<tr><td>Total Material Weaknesses</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><th colspan="7">Compliance with Federal Financial Management System Requirements (FMFIA § 4)</th></tr>
<tr><td>Statement of Assurance</td><td colspan="6">Federal Systems conform to financial management system requirements</td></tr>
<tr><th></th><th>Beginning Balance</th><th>New</th><th>Resolved</th><th>Consolidated</th><th>Reassessed</th><th>Ending Balance</th></tr>
<tr><td>Total non-compliance</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><th colspan="7">Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)</th></tr>
<tr><th colspan="2"></th><th colspan="3">Agency</th><th colspan="2">Auditor</th></tr>
<tr><td colspan="2">1. Federal Financial Management System Requirements</td><td colspan="3">No lack of substantial compliance noted</td><td colspan="2">No lack of substantial compliance noted</td></tr>
<tr><td colspan="2">2. Applicable Federal Accounting Standards</td><td colspan="3">No lack of substantial compliance noted</td><td colspan="2">No lack of substantial compliance noted</td></tr>
<tr><td colspan="2">3. USSGL at Transaction Level</td><td colspan="3">No lack of substantial compliance noted</td><td colspan="2">No lack of substantial compliance noted</td></tr>
</table>

U.S. General Services Administration
Office of Inspector General

October 1 , 2023

TO: ROBIN CARNAHAN
ADMINISTRATOR (A)

ROBERT ERICKSON
Digitally signed by ROBERT ERICKSON
Date: 2023.10.13 09:57:21 -04'00'

FROM: ROBERT C. ERICKSON
ACTING INSPECTOR GENERAL (J)

SUBJECT: Assessment of GSA's Management and Performance Challenges for Fiscal Year 2024

As required by the Reports Consolidation Act of 2000, Public Law 106-531, we have prepared for inclusion in the Fiscal Year 2023 Agency Financial Report the attached assessment summarizing what we consider to be the most significant management and performance challenges facing GSA in Fiscal Year 2024.

This year we have identified significant challenges in the following areas:

1. Establishing and Maintaining an Effective Internal Control Environment
2. Improving Contract Administration
3. Developing Efficient and Effective Acquisition Solutions
4. Maximizing the Performance of GSA's Real Property Inventory
5. Managing Agency Cybersecurity Risks
6. Providing a Safe Work Environment
7. Securing Federal Facilities
8. Managing the Electrification of the Federal Fleet
9. Management of the Technology Transformation Service

Please review the attached assessment at your earliest convenience. If you have any questions or wish to discuss our assessment further, please call me at (202) 501-0450. If your staff needs any additional information, they may also contact R. Nicholas Goco, Assistant Inspector General for Auditing, at (202) 501-2322.

Attachment

1800 F Street, NW, Washington, DC 20405

OFFICE OF INSPECTOR GENERAL'S ASSESSMENT OF GSA'S MANAGEMENT AND PERFORMANCE CHALLENGES FOR FISCAL YEAR 2024

Challenge 1: Establishing and Maintaining an Effective Internal Control Environment

The U.S. General Services Administration (GSA) continues to face significant challenges in establishing a comprehensive and effective system of internal control. GSA is required to establish and maintain internal controls through the Federal Managers' Financial Integrity Act of 1982; U.S. Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*; and U.S. Government Accountability Office (GAO) publication GAO-14-704G, *Standards for Internal Control in the Federal Government*.

Importance of Internal Control

Internal control is integral to an agency's success. An effective internal control system helps an agency adapt to shifting environments, evolving demands, changing risks, and new priorities. Most importantly, it helps government program managers achieve desired results by providing reasonable assurance that the agency is meeting three fundamental objectives:

- Effectiveness and efficiency of operations;
- Reliability of reporting for internal and external use; and
- Compliance with applicable laws and regulations.

To meet these objectives, management is responsible for designing, implementing, and monitoring controls to ensure the organization is operating effectively. Internal control must be built into the agency's infrastructure to ensure the proper stewardship of public resources. The system of internal control should be the first line of defense in safeguarding assets and preventing and detecting errors and fraud. Accordingly, management must recognize that internal control is not one event, but a series of actions that occur throughout the entity's operation to achieve its objectives.

Continuing Internal Control Problems

Since 2018, we have cited pervasive internal control weaknesses as a challenge for GSA. As described in the examples below, this trend continued in Fiscal Year (FY) 2023:

- In April 2023, we reported that GSA's Public Buildings Service (PBS) did not ensure compliance with regulations and policies in awarding and administering a task order for repairs and mold remediation for the Fort Lauderdale Federal Building and Courthouse.[1] We found numerous deficiencies with this task order, especially with the lack of required contract file documentation.

After we requested contract file documentation at the start of our audit, GSA uploaded 383 documents to the contract file. Even after these documents were uploaded, critical contract documents had to be obtained from external sources or remained missing. For example, copies of certified payrolls were obtained from the contractor; however, other required documentation, including the acquisition plan, security review documents, and notice of substantial completion, could not be located.

- In July 2023, we reported that GSA failed to comply with federal laws and regulations due to inadequate contract oversight and enforcement. Federal laws and the Federal Acquisition Regulation (FAR) prohibit the procurement of certain telecommunication items that foreign adversaries could use for unauthorized surveillance; however, prohibited telecommunication items were being offered on GSA's Multiple Award Schedule (MAS) contracts.[2]

  As part of its contract oversight, GSA relied on vendor self-certifications in GSA's System for Award Management (SAM) and an automated process known as the Prohibited Products Robomod (Robomod) to identify prohibited items on MAS price lists in GSA Advantage!. However, we found weaknesses in and limitations to both controls that limited their effectiveness. We also identified problems with the Agency's enforcement of prohibited telecommunication items on MAS contracts, including that GSA's Federal Acquisition Service (FAS) initially did not comply with FAR requirements to include subsidiaries and affiliates of named entities when identifying prohibited telecommunication items on MAS contracts.

In both examples, the internal control breakdown included not only the failure to comply with laws, regulations, and policies, but also the lack of agency oversight needed to ensure and enforce compliance.

Failure to Address Findings Identified in Audit Reports

As part of an effective internal control system, GSA management is responsible for ensuring that its corrective actions resolve audit recommendations in a timely manner. However, during FY 2023, our office found that GSA did not fully take the corrective actions for three audits as described on the next page:

[1] *Audit of PBS Basic Repairs and Alterations Project: Fort Lauderdale Federal Building and Courthouse* (Report Number A220042/P/6/R23007, April 20, 2023).

[2] *Multiple Award Schedule Contracts Offer Prohibited Items, Putting Customers at Risk of Unauthorized Surveillance by Foreign Adversaries* (Report Number A220016/Q/6/P23002, July 10, 2023).

- ***PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus.***[3] We found that PBS's National Capital Region did not fully complete the corrective actions for our recommendations to: (1) implement the appropriate personnel actions needed to address deficiencies in the management of contracts for the White Oak campus, and (2) recover and reimburse the U.S. Food and Drug Administration (FDA) for overpayments for after-hours operations and maintenance services.

- ***Opportunities for PBS to Improve Management and Oversight of Its Federal Aggregated Solar Procurement Pilot Contracts.***[4] We found that PBS did not fully implement the corrective actions for four of our recommendations. Specifically, PBS did not: (1) include a provision in its standard operating procedures for PBS to select future photovoltaic project sites that have solar energy rates that are less than local utility rates; (2) complete its review of fall protection at the U.S. Geological Survey Menlo Park Campus; (3) include controls in the standard operating procedures to ensure compliance with Buy American Act and Trade Agreements Act requirements; and (4) consider all options for the use of solar renewable energy certificates, risking lost opportunities to maximize energy savings.

- ***FAS's Use of Pricing Tools Results in Insufficient Price Determinations.***[5] We found that FAS did not fully implement the corrective actions for two of our recommendations. Specifically, FAS did not establish: (1) comprehensive policy, guidance, and controls to ensure resultant price analyses are valid; and (2) controls to ensure that data contained in the pricing tools is complete, accurate, and consistent, and identifies labor rates associated with contracts with no sales activity.

The examples above highlight the persistent problems with GSA's internal controls. GSA management needs to address these issues and continue its efforts to implement a more effective system of internal control.

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[3] *Implementation Review of Corrective Action Plan: PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus, Report Number A190021/P/5/R21003, May 17, 2021* (Assignment Number A230047, August 24, 2023).

[4] *Implementation Review of Corrective Action Plan: Opportunities for PBS to Improve Management and Oversight of Its Federal Aggregated Solar Procurement Pilot Contracts, Report Number A201020/P/9/R21008, September 30, 2021* (Assignment Number A230030, August 3, 2023).

[5] *Implementation Review of Corrective Action Plan: FAS's Use of Pricing Tools Results in Insufficient Price Determinations, Report Number A180068/Q/3/P20002, December 23, 2019* (Assignment Number A230051, September 21, 2023).

Challenge 2: Improving Contract Administration

GSA awards contracts for billions of dollars of products, services, and facilities every year. After the contracts are awarded, GSA's work turns to contract administration. Contract administration includes monitoring contractor performance against contract terms, reviewing and approving requests for payment, addressing change orders, and closing out contracts. We have been reporting contract administration as a challenge for GSA since 2020, and it continues to be a concern.[6]

In FY 2023, we continued to identify and report on deficiencies in GSA's contract administration. For example:

- In February 2023, we reported on problems with GSA's administration of performance-based contracts.[7] We found that GSA contracting personnel were not: (1) administering performance-based contracts in accordance with regulations, guidance, and internal policies; (2) consistently establishing or enforcing quality assurance surveillance plans; (3) preparing justified or timely past performance reports; and (4) complying with internal policy established to improve contract administration.

- In March 2023, we identified deficiencies with PBS's planning, award, administration, and close out of the Calexico West Land Port of Entry expansion and modernization project.[8] We found that PBS compromised security on the project due to inconsistent requirements and inadequate enforcement. We also found that PBS did not: (1) oversee the acquisition activities performed by the construction management contractor; (2) maintain essential documents for contract modifications; (3) adequately oversee contractor compliance with labor standards requirements; and (4) ensure that contractors completed required safety orientation training before working onsite.

- In September 2023, we identified deficiencies with PBS's award and administration of a contract to modernize the heating, ventilation, and air conditioning system at the William Augustus Bootle Federal Building and U.S. Courthouse in Macon, Georgia.[9] As a result of these deficiencies, PBS overpaid the contractor, providing it with excessive profits; circumvented congressional oversight; did not enforce building security requirements; and enabled subcontractors to underpay employees.

[6] *Assessment of GSA's Management and Performance Challenges for Fiscal Year 2020.*

[7] *GSA's Administration of Performance-Based Contracts Puts the Government at Risk of Unsatisfactory Contractor Performance and Wasted Funds* (Report Number A210064/A/3/F23002, February 9, 2023).

[8] *Audit of the Calexico West Land Port of Entry Expansion and Modernization Project* (Report Number A210070/P/9/R23006, March 2, 2023).

[9] *Audit of PBS Basic Repairs and Alterations Project: William Augustus Bootle Federal Building and U.S. Courthouse* (Report Number A210076/P/4/R23009, September 29, 2023).

Since we began reporting on this challenge in 2020, GSA has taken steps to strengthen its policies, address training for its contracting staff, and implement process improvements for its contract administration. Despite these efforts, as shown in the examples cited above, weaknesses in GSA's contract administration persist. GSA needs to continue to improve its contract administration processes and to ensure that they are performed effectively.

Challenge 3: Developing Efficient and Effective Acquisition Solutions

As the federal government's primary provider of acquisition services, GSA has stated that it is committed to delivering value, innovation, and an exceptional customer experience. To meet these commitments, FAS is undertaking several initiatives that will have a major impact on its acquisition solutions. These initiatives include:

- Transforming the Multiple Award Schedule Program;
- Supply chain risk management; and
- Managing the transition to the Enterprise Infrastructure Solutions contract.

While these initiatives are intended to help FAS meet GSA's commitments and ensure compliance with recent legislation, they also significantly change FAS's processes and programs, creating challenges to FAS's ability to meet its mission.

Transforming the Multiple Award Schedule Program

Since 2016, FAS has implemented several initiatives and tools to transform its Multiple Award Schedule (MAS) Program. These initiatives include consolidating schedules, using transactional data reporting (TDR) for pricing, and automating pricing tools. With the simultaneous deployment of these initiatives and tools, FAS is challenged to ensure they are effectively implemented, managed, and evaluated so that FAS meets its core objective to leverage the government's buying power.

Consolidated Schedules. With an intended goal of reducing redundancy and duplication of services, products, and solutions across multiple acquisition centers, FAS is continuing to consolidate all its schedules into a single, all-encompassing GSA schedule. FAS expects that the consolidation will reduce the administrative and contractual burden of maintaining duplicate contracts and allow schedule contractors to provide "total solutions" under a single schedule contract. FAS has estimated that the conversion of existing schedule contracts will take 5 years.

At the start of FY 2020, FAS began the consolidation process for new schedule offers, followed by an ongoing conversion of existing schedule contracts. Under the conversion process, FAS must assign each surviving contract to the acquisition center with the ability and expertise to administer it properly, conduct effective price analyses, and negotiate these contracts in accordance with federal regulations and GSA internal policies.

As the consolidation continues through its final phase, 46 percent of contractors with multiple schedule contracts have consolidated to one schedule contract. FAS faces the challenge of motivating remaining contractors with multiple schedule contracts to complete the consolidation in a timely manner. According to FAS, it has no mechanism to force contractors to submit and complete consolidation plans.

Using TDR to Support Pricing Decisions for Multiple Award Schedule Contracts. FAS has been changing how it determines fair and reasonable pricing for its MAS contracts. Until recently, FAS negotiated pricing for MAS contracts to achieve the contractors' "most favored customer" pricing and discounts based on its sales to commercial customers. However, FAS has steadily moved away from using commercially comparable pricing and instead has taken steps to base schedule contract pricing on the "relative competitiveness" of proposed pricing to the pricing for similar items on other government contracts.

In 2016, FAS implemented the TDR pilot with the stated intent to improve the value taxpayers receive when purchases are made using select GSA contracting vehicles. Specifically, the transactional data from prior government procurements would be used to determine fair and reasonable pricing.

However, to date, the TDR pilot has yet to accomplish its intended purpose. The data collected under the TDR pilot has not been used for pricing decisions. It has been plagued by data quality issues and contracting personnel have not been given access to the data.[10] Despite this failing, FAS still plans to eventually move TDR out of the pilot phase and expand it to all MAS contracts.

The TDR pilot has also introduced additional risks associated with the potential use of inaccurate and unreliable TDR data. This may lead to flawed price evaluations that result in government agencies overpaying for products and services. As a result, GSA will not be able to ensure that contracting officers achieve fair and reasonable pricing that will result in the best value and the lowest overall cost alternative for the government.

Automating Pricing Tools for Multiple Award Schedule Contracts. Instead of using TDR data, FAS contracting personnel largely rely on pricing tools, such as the Contract-Awarded Labor Category (CALC) Tool on services contracts and the Price Point Plus Portal (4P) Tool on products contracts, to determine fair and reasonable pricing.

However, contracting officers' reliance on automated pricing tools is problematic. When automated pricing tools have been used for pricing determinations, FAS has not been able to ensure that: (1) contracting officers' use of the tools is compliant with federal regulations, FAS pricing policies, and the intent of the MAS Program; (2) the data within the tools is accurate and reliable; and (3) contracting officers are documenting their price analyses in accordance with federal regulations and FAS policy. As a result, use of the pricing tools does not meet the MAS

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[10] *GSA's Fiscal Year 2020 Transactional Data Reporting Pilot Evaluation Provides an Inaccurate Assessment of the Program* (Report Number A210081/Q/3/P23001, May 1, 2023).

Program's objective to leverage the collective buying power of the government and ensure that prices reflect the best value and lowest overall cost alternative to meet the government's needs.

Further, we have found that pricing determinations based on automated pricing tools often fail to result in "most favored customer" pricing.[11] Instead, FAS's new pricing methodology using the pricing tools is based on ensuring proposed prices are "relatively competitive" with other government contracts. As a result, FAS has no assurance that its contracts are complying with the Competition in Contracting Act of 1984's requirement that MAS contract pricing results in the lowest overall cost alternative to meet the government's needs.

Supply Chain Risk Management

Supply chain risk management remains a major challenge for FAS and the entire federal government. To help the federal government manage its supply chain risk, Congress passed Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (NDAA Section 889). This law prohibits the federal government from procuring certain telecommunication and video surveillance services or equipment (telecommunication items) from Chinese-named entities, as well as from entering into contracts with entities that use these prohibited telecommunication items.

In regard to the federal government's supply chain risk, GSA has implemented internal controls that are supposed to reduce that risk. For instance, on August 13, 2020, GSA issued Acquisition Letter MV-20-10, *Workforce Guidance on FY2019 NDAA Section 889 "Part B,"* which mandates training of FAS contracting personnel on the prohibited telecommunication items and the FAR's related requirements, including representations, exceptions, reporting, and enforcement. Additionally, FAS has developed the Prohibited Products Robomod (Robomod) process, which flags potentially prohibited telecommunication items included on GSA Advantage! based on keyword searches.[12] FAS has also developed a process to assess MAS contractors that have repeatedly added prohibited telecommunication items on GSA Advantage!. In addition to the internal controls GSA has put in place, FAS contracting personnel rely on contractors to self-certify if they provide or use the telecommunication items prohibited by NDAA Section 889.

Notwithstanding these efforts, FAS is still challenged with ensuring that the prohibited telecommunication items are not offered through its MAS contracts and purchased by customer agencies. For example, in July 2023, we reported on deficiencies with FAS's reliance

[11] *FAS Cannot Provide Assurance That MAS Contract Pricing Results in Orders Achieving the Lowest Overall Cost Alternative* (Report Number A200975/Q/3/P22002, September 30, 2022).

[12] GSA Advantage! is GSA's online shopping and ordering system, providing customers access to products and services.

on contractor self-certifications to ensure that offerings comply with NDAA Section 889.[13] We found that contractors included prohibited telecommunication items on their MAS contract price lists despite making certifications to the contrary.

Our audit also found that FAS's Robomod process was insufficient to identify prohibited items on MAS contract price lists in GSA Advantage!. We reported that: (1) the Robomod process did not flag all potentially prohibited telecommunication items offered on GSA Advantage!; (2) FAS did not ensure that prohibited telecommunication items identified by the Robomod process were removed from MAS contract price lists; and (3) FAS encountered lengthy delays in removing prohibited items from MAS contracts and contract price lists once they had been identified.

In addition, we found problems with FAS's oversight and enforcement of prohibited telecommunication items on MAS contracts. We reported that FAS: (1) did not take adequate actions against contractors that repeatedly violated the prohibition of the telecommunication items; (2) did not have a process in place to notify customer agencies about purchases of prohibited telecommunication items; and (3) initially did not comply with FAR requirements to include subsidiaries and affiliates of named entities when identifying prohibited telecommunication items on MAS contracts.

In addition to our audit work in this area, several other examples highlight this supply chain risk management challenge. In July 2021, an online news source reported that a GSA customer purchased prohibited telecommunication equipment under a different brand name through GSA.[14] In December 2021, another online news source reported that GSA customers purchased video surveillance equipment manufactured by a wholly owned subsidiary of a named entity.[15]

As discussed above, FAS is challenged to manage the risk of customer agencies procuring prohibited telecommunication items through its MAS contracts. Until the proper controls are in place and enforced, prohibited telecommunication items may be offered under GSA's contracts, putting customer agencies at risk of unauthorized surveillance by foreign adversaries.

Managing the Transition to the Enterprise Infrastructure Solutions Contract

FAS is managing the government-wide transition from the expiring Networx telecommunication and information technology (IT) infrastructure contracts to the new Enterprise Infrastructure Solutions (EIS) contracts. The EIS contracts have 15-year terms and a $50 billion ceiling. The EIS contracts provide customer agencies with common telecommunication services and IT infrastructure such as voice, cloud services, call and data centers, satellites, and wireless

[13] *Multiple Award Schedule Contracts Offered Prohibited Items, Putting Customers at Risk of Unauthorized Surveillance by Foreign Adversaries* (Report Number A220016/Q/6/P23002, July 10, 2023).

[14] https://theintercept.com/2021/07/20/video-surveillance-cameras-us-military-china-sanctions/.

[15] https://techcrunch.com/2021/12/01/federal-lorex-surveillance-ban/#:~:text=After%20the%20ban%20came%20.

services. EIS aims to consolidate offerings currently provided by national and regional contracts and leverage the government's buying volume to reduce prices. Additionally, the transition to EIS provides customer agencies with the opportunity to enhance cybersecurity and modernize their IT.

Since the transition to EIS began in April 2016, FAS encountered significant challenges in its efforts to move more than 200 customer agencies to EIS by the initial March 2020 deadline. From delays in awarding the contracts to issues with administering a task order for support to customer agencies, challenges have substantially affected FAS's ability to transition customer agencies to EIS. Customer agencies missed interim transition deadlines, leading FAS to extend the legacy contracts and move the transition deadline to May 2023.[16] Despite the extension, FAS invoked the Continuity of Service clauses in the Networx contracts until May 31, 2024, to allow an additional year for transition. Even with the additional year, at least eight customer agencies anticipate missing the May 2024 deadline.

The prolonged transition to EIS has been costly to the federal government. The government will have a negative financial impact due to: (1) lower cost savings from EIS, and (2) FAS's additional costs from administering both contracts simultaneously. Additionally, a delayed transition will result in increased costs from extending the services of the Networx contract. Finally, by the time all agencies transition to EIS, less than half of its period of performance will remain and FAS will be planning the successor contract for the next transition.

Challenge 4: Maximizing the Performance of GSA's Real Property Inventory

PBS must maximize the performance of its real property inventory to provide its tenant agencies with space that meets their needs at a reasonable cost to American taxpayers. To achieve this goal, PBS needs to determine the best approach to reduce and consolidate space, reduce leasing costs, and meet operations and maintenance needs of increasingly aging buildings. Further, PBS must properly administer the capital construction program and ensure effective management of energy and utility contracts.

Reducing and Consolidating Space

According to the GSA Administrator, one of GSA's priorities is to optimize its real estate portfolio. To do this, PBS must work with its customers to maximize the performance of its real property by identifying opportunities to reduce and consolidate space. As it works toward this goal, PBS faces a challenging environment driven largely by uncertainty about customer agency space needs in the wake of the COVID-19 pandemic. While some agencies are already reducing their space, PBS is still working with others to determine their office space needs.

During the pandemic, many federal agencies adopted remote work and full-time telework. After the pandemic, these flexibilities are being used more than in the past. As a result, many

[16] As of May 31, 2023, 57.7 percent of the government's transition to EIS was complete.

workers have not returned to the office at pre-pandemic levels, leading to under-occupied and vacant space. GAO recently testified that the increased use of remote work and telework has dropped occupancy for many federal headquarters facilities to 25 percent or less and the facilities are now underutilized.[17]

Many federal agencies are now re-evaluating their future space needs in light of their pandemic flexibilities. On July 13, 2023, the PBS Commissioner, in a written statement to the House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings, and Emergency Management, wrote that "the pandemic highlighted the need for operational resilience and [PBS's] ability to work with customer agencies to support their many different mission needs and types of work. And many agencies—including GSA—have since realized that they can adapt their workplaces to more effectively and cost-efficiently carry out their missions. As the Government's largest civilian real estate provider, GSA will play a key role in helping agencies to redefine their space requirements and in facilitating the Federal Government's transition to what is likely to be a smaller real estate footprint."

However, in assessing their post-pandemic space needs, agencies must consider new guidance from OMB that called for an increase in meaningful in-person work. In its April 13, 2023, memo, OMB instructed agencies to:

> [S]ubmit Work Environment plans to [OMB] describing their current policies for telework and related operational policies, and detailing anticipated future changes, including implementation timelines. Agency workforces are generally expected to increase meaningful in-person work—that is in-person work that is purposeful, well-planned, and optimized for in-person collaboration—while still using flexible operational policies as an important tool in talent recruitment and retention. Planning should recognize that some operating units have improved performance while using workplace flexibilities, while also optimizing in-person work and strong, sustainable organization health and culture….[18]

To reduce and consolidate space in the post-pandemic environment, PBS will need to be flexible as it engages with customer agencies to determine their space needs.

However, as PBS engages with customers to reduce and consolidate space, it will need to manage new customer requirements and the resulting vacant space. Space consolidations in federal buildings may require PBS to address alteration needs as well as system upgrades to ensure that building systems are operating efficiently, effectively, and safely. Further, PBS will

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[17] *Federal Real Property: Preliminary Results Show Federal Buildings Remain Underutilized Due to Longstanding Challenges and Increased Telework* (GAO-23-106200, July 13, 2023).

[18] *Measuring, Monitoring, and Improving Organizational Health and Organizational Performance in the Context of Evolving Agency Work Environments* (OMB M-23-15, April 13, 2023).

also need to manage vacant space, both owned and leased, to minimize the costs and backfill space when it is beneficial.

Post-Pandemic Financial Impact on the Federal Buildings Fund

In the wake of the COVID-19 pandemic, changing real estate market conditions and spacing needs for federal agencies may have a significant financial impact on the Federal Buildings Fund (FBF).

The FBF is an intragovernmental revolving fund that finances PBS real property management and related activities. Principal activities include the operation, maintenance, protection, and repair of GSA-owned and leased buildings, and the construction of federal buildings and courthouses.

The FBF is primarily financed by income from rental charges assessed to customer agencies that occupy GSA-controlled (owned and leased) space. By law, these charges approximate commercial rates for comparable space and services. Leased space is generally priced to customer agencies as a pass-through of the underlying PBS lease contract rent, plus a PBS fee and security charges. Government-owned space is priced by an appraisal based on comparable properties that sets a market rate rent for a 5-year period. Each space assignment in GSA-controlled space has an occupancy agreement between PBS and the customer agency, stating the financial terms and the conditions for occupancy.

In the aftermath of the pandemic, changes to PBS's operating environment may have a significant financial impact on the FBF. Specifically, changing customer space needs and decreases to rental costs in the commercial market may stress the FBF and PBS's operations.

The Impact of Changing Customer Space Needs. As discussed above, federal agencies are reassessing their post-pandemic space needs. After adopting more telework and remote work during the pandemic, many agencies are considering reducing their space. As a result, GSA may have an increase in vacant and underutilized government-owned and leased space.

While any reduction in space will lead to lower revenue for the FBF due to decreased rental charges to customer agencies, the resultant cost increases may be more problematic. For vacant government-owned space, PBS will still incur operations and maintenance costs for the space. Further, to backfill the space with a new customer agency, PBS may need to repair or renovate the space to accommodate the new tenant. All of these costs will be incurred although the space is not generating revenue.

Vacant leased space is an even bigger drain of FBF resources. As discussed above, customer agency rent in leased space is cost-reimbursable. When customer agencies return or abandon leased space and PBS is unable to backfill that space, the rental payments are paid out of the FBF without any revenue to reimburse it. Moreover, if GSA pays the lessor to be released from the lease (known as a lease buyout), it may be required to make an upfront, lump-sum payment based on a significant percentage of the future lease payments.

As customer agencies adjust their spacing needs in the post-pandemic environment, decisions to return space, whether owned or leased, will likely have a significant negative impact on the FBF through lower revenue and unreimbursed costs.

Decreases to Commercial Market Rents. The FBF is also likely to see less revenue due to the commercial market downturn in the post-pandemic environment. As discussed above, rental rates in government-owned space are based on commercial market appraisals when new occupancy agreements are needed, usually every 5 years. The post-pandemic expansion of telework models in the private sector has drastically reduced the demand for traditional, commercial office space and has resulted in discounted lease rates. These discounted commercial lease rates may affect the rental rates in new occupancy agreements with customer agencies, leading to lower revenue for the FBF and causing a potentially unforeseen challenge to PBS.

Taken together, the impact of the post-pandemic environment on the FBF could have significant implications on PBS, as it will result in less funding available for PBS activities. For example, our office has reported on PBS's significant challenges in managing its consistently increasing deferred maintenance throughout its ever-aging portfolio. A significant reduction in rent revenue flowing into the FBF combined with increased costs would further exacerbate PBS's ability to fund building maintenance. With less funding available in the FBF, PBS will have to be more thoughtful on how it reinvests in its federally-owned portfolio and carefully consider what real estate savings it could actually achieve with full access to the FBF.

Meeting the Operations and Maintenance Needs of Federal Buildings

PBS continues to face challenges in managing the maintenance and repair needs of its aging portfolio of owned buildings. Since FY 2016, GSA has reported a steadily increasing deferred maintenance backlog in its annual *Agency Financial Reports*. Deferred maintenance is defined as maintenance and repairs that are not performed when scheduled or delayed for a future period. These are activities categorized as preventive maintenance; replacement of parts, systems, or components; and other activities needing to be performed immediately to restore or maintain the building inventory in an acceptable condition.

In its 2022 *Agency Financial Report*, GSA reported approximately $3.13 billion in total estimated costs of deferred maintenance for its building inventory. This was a 20.8 percent increase from FY 2021 and a 159 percent increase from FY 2016. PBS funds its repair needs and all its real property activities through the FBF. However, since FY 2016, GSA has received approximately 53 percent of its requests for funding of minor and major repairs and alterations.

Our office recently reported on weaknesses in PBS's building maintenance and repairs:

- In a February 2023 audit of PBS Southeast Sunbelt Region's (PBS Region 4's) chillers, we found that PBS Region 4 does not have a plan to identify and prioritize chillers for repair and replacement.[19] As a result, many of PBS Region 4's chillers are outdated, inadequately maintained, and lack redundancy. We found that 33 percent of the chillers in PBS Region 4's owned buildings are beyond their useful lives—a figure that will increase to 48 percent by 2025. We also found that PBS Region 4 did not perform the manufacturer-recommended overhauls for chillers at any of the buildings we tested. Finally, we found that 33 percent of the chillers in PBS Region 4's owned buildings lack the required redundancy to ensure continuous operation in the event of equipment failure. These deficiencies resulted in actual cooling loss in 27 buildings over the 1-year period ended November 2021 and increased the risk of cooling loss in the future.

- In a June 2023 audit report, we reported that air handlers in selected GSA-owned buildings either did not meet minimum outdoor air requirements or could not be assessed due to incomplete data.[20] The noncompliance with the American Society of Heating, Refrigerating, and Air-Conditioning Engineers ventilation standard was related to deficient system components or inadequate preventative maintenance. These deficiencies increase the risk that building occupants will be exposed to airborne viruses, including the virus that causes COVID-19.

- In a September 2023 alert memorandum, we notified PBS that it must take immediate action to address the risk of *Legionella* contamination in water systems across its owned and leased buildings.[21] Since July 11, 2023, elevated levels of *Legionella* have been detected in six GSA-controlled buildings across multiple states, ranging from New York to Utah. The elevated levels of *Legionella* have occurred at a time of reduced building occupancy levels. Reduced occupancy can cause water stagnation in buildings and allows *Legionella* to grow and spread, thereby increasing the likelihood of *Legionella* contamination in other GSA-controlled buildings.

PBS's increasing deferred maintenance backlog, combined with recurring audit findings on weaknesses in building maintenance and repairs, demonstrates that PBS continues to face significant challenges to meet and manage the needs of its buildings.

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[19] *PBS Southeast Sunbelt Region's Lack of Planning Has Resulted in Chillers That Are Outdated, Inadequately Maintained, and Lack Redundancy* (Report Number A210030/P/5/R23004, February 16, 2023).

[20] *Audit of GSA's Response to COVID-19: PBS Faces Challenges to Meet the Ventilation and Acceptable Indoor Air Quality Standard in GSA-Owned Buildings* (Report Number A201018/P/4/R23008, June 5, 2023).

[21] *Alert Memorandum: PBS Must Take Immediate Action to Address the Risk of Legionella Contamination in GSA-Controlled Buildings* (Memorandum Number A230072-1, September 20, 2023).

Administering GSA's Capital Construction Program

PBS's Office of Design and Construction is responsible for leading PBS's capital construction program and supports GSA's regional offices in new construction, major modernization, and other capital construction projects, from pre-planning through commissioning.[22] As of September 2023, PBS reported 292 active capital construction projects, with aggregate values of approximately $7.4 billion. Due to internal resource limitations, PBS faces challenges in delivering these projects and has become excessively reliant on construction management firms (i.e., construction managers). Additionally, PBS continues to struggle with its administration of Construction Manager as Constructor (CMc) contracts.

In response to our *Assessment of GSA's Management and Performance Challenges for FY 2022*, PBS stated that it had established several internal controls to assist in construction management and enable proper oversight of construction manager activities; however, PBS continues to face challenges in this area.

Construction Management Services. PBS requires the use of construction managers for its capital construction projects. Construction managers are private firms that act as advisors or consultants to PBS during the execution of capital construction projects. PBS has used construction managers to fulfill many functions and responsibilities within its capital construction program. In addition, PBS also uses construction managers for smaller projects and lease administration.

In our September 2020 audit of PBS's use of construction management services, we found that PBS has become excessively reliant on construction managers.[23] As a result, PBS has allowed construction managers to perform inherently governmental functions, including developing independent government estimates, assessing contractor proposals on source selection boards, negotiating contracts, and accepting project deliverables. Further, PBS has provided construction managers with access to sensitive information, including competitors' proprietary information and government data, without mitigating conflicts of interest or ensuring data security.

We continued to find similar issues during a recent audit, which found that PBS delegated critical functions to a construction manager without oversight.[24] PBS allowed the construction manager to develop independent government estimates, perform the technical analyses for modifications, and prepare price negotiation memorandums without government approval. PBS

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[22] Capital construction projects are projects that exceed the prospectus threshold, currently $3.613 million, and require congressional approval.

[23] *Audit of the GSA Public Buildings Service's Use of Construction Management Services* (Report Number A150028/P/4/R20009, September 4, 2020).

[24] *Audit of the Calexico West Land Port of Entry Expansion and Modernization Project* (Report Number A210070/P/9/R23006, March 2, 2023).

also delegated the responsibility for compliance with labor and payroll standards to the construction manager but did not provide oversight of this function, resulting in inadequate verification of payrolls.

PBS must ensure that sufficient controls are in place and followed to prevent construction managers from performing inherently governmental functions and that steps are taken to identify or mitigate potential conflicts of interest. PBS must also focus on hiring and retaining staff with the necessary skills to perform critical functions, especially given the number of PBS employees in mission-critical roles who will be eligible for retirement in the near future.

Construction Manager as Constructor Contracts. The CMc is a project delivery method that PBS often uses for its capital construction projects. Using this method, PBS first awards a design contract to an architect-engineering firm. During the design phase, PBS awards a CMc contract to a general contractor for design phase services, including cost estimating and constructability reviews. The contract includes an option for construction services. This option requires the contractor to construct the project on time and within a competitively bid guaranteed maximum price.

Since our audits of PBS's projects funded under the American Reinvestment and Recovery Act of 2009, we have reported on deficiencies in PBS's use of CMc contracts. PBS took numerous actions to address these deficiencies, particularly focusing on improvements to policy and regulations. However, in an August 2022 memorandum, we identified continued concerns with PBS's use of CMc contracts.[25] We noted that PBS is:

- Not ensuring that construction contractors properly accumulate and record project costs, preventing PBS from relying on the contractor's cost records for contractor payments and shared savings calculations;
- Improperly adjusting the contract's guaranteed maximum price, leaving PBS at risk of overpaying for construction services; and
- Prematurely converting the guaranteed maximum price to a firm-fixed price, increasing the risk that CMc contractors may be able to attain excessive profits.

PBS must ensure project teams use the CMc methodology correctly to prevent significant increases to project costs and avoid overpayments on current and future CMc contracts.

Infrastructure Investment and Jobs Act and Inflation Reduction Act. The Infrastructure Investment and Jobs Act (IIJA) provided GSA with $3.418 billion for the acquisition, construction, and repair and alteration of 26 Land Ports of Entry. It also provides funding for paving projects, lease purchases, program contingency, and operational support costs.

[25] *Improvements Needed in PBS's Use of Construction Manager as Constructor Contracts* (Memorandum Number A220057, August 17, 2022).

In August 2022, we issued a memorandum identifying challenges facing PBS as it executes construction projects funded under the IIJA. These challenges include:

- Ensuring the effective stewardship of taxpayer funds;
- Addressing the need for qualified project managers and contracting officers;
- Providing effective oversight of construction managers;
- Managing potential delays and cost overruns;
- Preparing and maintaining complete and accurate documentation;
- Awarding effective construction contracts; and
- Safeguarding access to Land Ports of Entry.

The Inflation Reduction Act (IRA) provided GSA with $3.4 billion for low-embodied carbon materials in construction and renovation projects, emerging and sustainable technologies, and high-performance green buildings. The IRA targets reducing the federal government carbon footprint of building materials and encourages new technology for net-zero facilities.

PBS has established a Program Management Office to oversee its use of IIJA and IRA funds. According to PBS, this office will identify, coordinate, and proactively mitigate risks to the program to ensure IIJA [and IRA] funding is spent efficiently and effectively.

While this is a positive step, PBS must continue to take steps to address the challenges identified in our memorandum, as well as any identified through the Program Management Office, to ensure the successful delivery of both IIJA- and IRA-funded projects. In addition, PBS needs to maintain effective funds management on projects using a combination of funds from IIJA, IRA, regular budgetary accounts, and customer agencies to ensure funds are used properly.

Ensuring Effective Management of Energy Savings Performance Contracts and Utility Energy Service Contracts

Between December 2010 and June 2023, PBS awarded over $2.6 billion in Energy Savings Performance Contracts (ESPCs) and Utility Energy Service Contracts (UESCs). ESPCs and UESCs are high-risk areas, with high-dollar contract values and long-term financial commitments. Without effective management, PBS may not realize the savings needed to fund these contracts.

Under an ESPC, the government contracts with an energy service company to install energy-saving upgrades to buildings and pays the energy service company from the energy savings generated by those upgrades. An ESPC can last for up to 25 years. A UESC is a contract between a federal agency and a utility company for energy management services, including energy and water efficiency improvements. The utility company pays most or all of the upfront costs, and the government repays the utility company through utility savings, appropriated funds, or a combination of the two. UESCs can also last up to 25 years.

Due to their complexity and unique nature, ESPCs and UESCs present PBS with numerous management challenges. For example, in May 2021, we reported that PBS was not enforcing requirements of the ESPC task order at the U.S. Food and Drug Administration's (FDA's) White Oak campus.[26] As a result, PBS has no assurance that the contract is achieving the guaranteed cost savings needed to fund the $1.2 billion contract and is planning to pay for repairs that are the contractor's responsibility. Similarly, UESCs present a host of challenges for PBS, including limited competition, high numbers of sole-source contracts, and a lack of mandated savings guarantees.

In recent years, PBS has taken steps to address the challenges associated with ESPCs and UESCs. PBS has established a centralized ESPC oversight program within the Office of Facilities Management and is also in the process of strengthening guidance and controls for UESCs. PBS should continue its efforts to ensure that ESPCs and UESCs are effectively managed.

Challenge 5: Managing Agency Cybersecurity Risks

Like all federal agencies, GSA is dependent upon IT to fulfill its mission. However, as cybersecurity threats continue to emerge, sensitive government information and systems must be adequately secured to safeguard against internal and external threats that could compromise critical information and systems. GSA is not immune to these threats. Accordingly, GSA will continue to be challenged to effectively monitor and efficiently identify and respond to cybersecurity threats against Agency systems and data. GSA will need to continuously identify technical solutions and implement controls to mitigate these threats as bad actors find new ways to penetrate and navigate government networks and systems undetected.

Controlling Access to GSA Systems and Sensitive Information

In our assessment of *GSA's Management and Performance Challenges* for FYs 2022 and 2023, we reported on threats to sensitive information maintained by GSA.[27] As these threats remain, GSA must ensure that it controls access to sensitive information available on its network and maintained in GSA systems. This sensitive information includes:

- Personally identifiable information, such as social security numbers, employment-sensitive information, and security clearance forms;
- Procurement-sensitive information, such as bidding and prices paid information; and
- Controlled unclassified information, such as sensitive building information and financial, legal, contractual, and other sensitive information that is not classified.

[26] *PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus* (Report Number A190021/P/5/R21003, May 17, 2021).

[27] *Assessment of GSA's Management and Performance Challenges for Fiscal Year 2022* and *Assessment of GSA's Management and Performance Challenges for Fiscal Year 2023*.

Recent reports issued by our office have emphasized the importance of controlling access to GSA systems to protect sensitive information. For example, in February 2021, we issued a report on GSA's Insider Threat Program.[28] An insider threat involves employees using their authorized access, intentionally or unintentionally, to cause harm to an organization. We found that GSA's Insider Threat Program does not effectively monitor insider threat risks relating to separated and terminated employees. GSA faces heightened insider threat risks from these employees because it was not consistently deactivating their IT accounts and recovering and destroying personal identity verification cards within required time frames. As a result, GSA information was vulnerable to theft or loss. Further, deficiencies in GSA's Insider Threat Program create gaps that can be exploited in other ways to undermine GSA's ability to effectively carry out its operations.

To protect against the unauthorized release of sensitive information, GSA must continue to strengthen its monitoring of access to Agency systems and data. Additionally, GSA should implement appropriate management, operational, and technical security controls to manage and mitigate threats to its systems and data.

Prioritizing Cyber Supply Chain Risk Management

Cyber supply chain risk management is the process of identifying, assessing, and mitigating the risks associated with suppliers of hardware, software, firmware, networks, systems, and services that underpin government systems, networks, and operations. Cyber supply chain risk management covers the entire life cycle of a product or service, including its design, development, distribution, deployment, acquisition, maintenance, and destruction.

Executive Order 14028, "Improving the Nation's Cybersecurity," was issued in May 2021. It directed the National Institute of Standards and Technology to issue guidance "identifying practices that enhance the security of the software supply chain." The executive order further directed OMB to require agencies to comply with such guidelines. These requirements involve systematic reviews, process improvements, and security standards for both software suppliers and developers, in addition to customers who acquire software for the federal government.

In August 2022, the National Security Agency, the Office of the Director of National Intelligence, and the Cybersecurity and Infrastructure Security Agency published part one of a three-part joint publication series, "Securing the Software Supply Chain: Recommended Practices for Developers." The full series provides suggested practices and recommendations for developers, suppliers, and customer stakeholders to help ensure a more secure software supply chain.

To address the risks associated with the cyber supply chain, GSA must ensure it is adhering to these federal cyber supply chain risk management requirements and incorporating risk management practices into its operations. These practices involve identifying, assessing, and mitigating the risks associated with suppliers of hardware, software, firmware, networks,

[28] *Audit of GSA's Insider Threat Program* (Report Number A190016/I/T/F21002, February 17, 2021).

systems, and services that support Agency operations. Additionally, GSA must continue to ensure that it is not procuring restricted products and services to support internal operations that could subject Agency assets and resources to cyber supply chain risks.[29]

With uncertainty around contractor supply chains, GSA must remain vigilant in prioritizing, developing, and implementing effective cyber supply chain risk management policies, procedures, and practices to prevent a possible compromise of its assets and disruption to Agency operations.

Migrating to a Zero Trust Architecture

On January 26, 2022, OMB released memorandum M-22-09, *Moving the U.S. Government Toward Zero Trust Cybersecurity Principles*. This memorandum requires agencies to achieve specific zero trust security goals by the end of FY 2024 and details the specific cybersecurity standards and objectives needed to achieve a federal zero trust architecture (ZTA) strategy. ZTA is an information system security strategy that continually verifies each user, device, application, and transaction. No actor, system, network, or service operating outside or inside the security perimeter is trusted.

In accordance with M-22-09, GSA is implementing several techniques and technologies to work toward ZTA across GSA networks, security operations, users, and devices. According to GSA IT, GSA IT began a pilot in 2020 to implement network "micro-segmentation" in more than 500 buildings, which improves the security of Internet of Things devices by isolating them within a network and reducing the potential spread and impact of a breach.[30] The Office of GSA IT is also implementing a suite of ZTA security tools to facilitate secure access to internal and external applications.

This transition represents a fundamental redesign of GSA's enterprise security workflow. GSA is challenged to ensure that it sufficiently monitors this process and Agency resources to ensure a smooth and secure transition to ZTA.

Login.gov

GSA developed Login.gov as a single sign-on identity platform for the public to access online government services that require user authentication. Login.gov provides services to several high-traffic government resources, including USAJOBS, the System for Award Management, and some Department of Homeland Security websites. The technical security controls that protect Login.gov are important because they provide access to systems that contain personally

[29] *National Defense Authorization Act for FY 2019*, Section 889, prohibits executive agencies from purchasing restricted products and services to better manage supply chain risks and reduce threats to key U.S. supply chains by foreign adversaries.

[30] Internet of Things refers to the network of devices containing the hardware, software, and firmware that allow the devices to connect, interact, and freely exchange data and information.

identifiable information, facilitate the transfer of government funds, and conduct other mission-critical government business.

In March 2023, we issued a report titled *GSA Misled Customers on Login.gov's Compliance with Digital Identity Standards.*[31] Our evaluation found that GSA misled its customer agencies when it failed to communicate Login.gov's known noncompliance with requirements for a physical or biometric comparison for identity verification.

In discussions and interagency agreements with customer agencies, GSA officials asserted that Login.gov met the requirements for Identity Assurance Level 2 (IAL2) of the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-63-3, *Digital Identity Guidelines.* IAL2 requirements include physical or biometric comparisons for system access. Despite the GSA officials' assertions that Login.gov met NIST SP 800-63-3 IAL2 requirements, Login.gov never included a physical or biometric comparison for its customer agencies. GSA then continued to mislead customer agencies even after it suspended efforts to meet NIST SP 800-63-3 requirements for Login.gov. The Agency knowingly billed customer agencies over $10 million for IAL2 services that did not meet these requirements.

GSA will continue to be challenged with providing technology to meet the requirements needed to satisfy IAL2 standards. This level of identity assurance is needed to provide the level of security necessary to protect Login.gov's customers' resources against ever-growing and changing cybersecurity threats.

System for Award Management

FAS is responsible for the System for Award Management (SAM), a Presidential e-government initiative that consolidated 10 procurement-related legacy systems. These systems, collectively known as the Integrated Award Environment, are used by those who award, administer, and receive federal funds.

From 2016 to 2018, significant security incidents exposed a vulnerability in SAM related to the identity verification of individuals and their authorization to conduct business on behalf of a company.[32] In one of these incidents, a criminal successfully redirected $1.521 million that was being paid to a business registered in SAM into the criminal's bank account. In addition to these incidents, bad actors continue efforts to impersonate GSA acquisition officials in an attempt to profit by collecting fees from unsuspecting government vendors.

Additionally, public information in SAM is susceptible to misuse by third parties. For example, third parties are using public information generated by SAM to contact system registrants to

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[31] *GSA Misled Customers on Login.gov's Compliance with Digital Identity Standards* (Report Number JE23-003, March 7, 2023).

[32] *FAS Does Not Effectively Manage Information Security Risks in the System for Award Management* (Report Number A170116/Q/T/P20001, December 20, 2019).

request money to complete or renew their registration, even though registration in SAM has always been free of charge. In some instances, third-party registration services are offered for a fee. In other instances, third parties fraudulently claim to represent GSA and request fees from the registrant. This has the potential to erode public trust in SAM and the government's ability to protect the interests of contractors doing business through SAM.

SAM is critical to enabling agencies to share acquisition data and make informed procurement decisions, making it easier for contractors to do business with the government, and generating savings for the taxpayer. Accordingly, GSA must ensure that the appropriate technical controls and safeguards are implemented to secure the system and protect the users and data from malicious threats.

Challenge 6: Providing a Safe Work Environment

GSA plays a significant role in providing a safe and secure work environment for federal employees and visitors at over 8,300 federally owned and leased facilities nationwide. Part of GSA's responsibility is implementing its PBS Facility Safety, Health, and Environmental Management Program to ensure compliance with safety and health requirements as mandated by Executive Order 12196, *Occupational safety and health programs for Federal employees*; and Code of Federal Regulations, Title 29, Part 1960, Subpart E, *General Services Administration and Other Federal Agencies*.

GSA's management of building safety measures is critical because problems could pose fire, safety, and health risks to GSA building tenants, visitors, contractors, PBS staff, the public, and federal property. However, our recent reports have demonstrated that GSA faces challenges in this area.

- In September 2021, we reported that the roof at the U.S. Geological Survey Menlo Park Campus lacked adequate fall protection, as required by Occupational Safety and Health Administration standards and PBS P100, *Facilities Standards for the Public Buildings Service*.[33] This was an uncorrected issue that we originally alerted PBS about in an October 2020 memorandum.[34]

  We also reported in September 2021 that PBS had not installed ramps over exposed conduit on the roof of the Robert F. Peckham Federal Building. The exposed conduit posed a tripping hazard to personnel who worked on the roof.

[33] *Opportunities for PBS to Improve Management and Oversight of Its Federal Aggregated Solar Procurement Pilot Contracts* (Report Number A201020/P/9/R21008, September 30, 2021).

[34] *Alert Memorandum: Building Safety Concerns in PBS's Federal Aggregated Solar Procurement Pilot Contracts in Region 9* (Memorandum Number A201020-2, October 27, 2020).

- In February 2022, we reported that PBS failed to comply with federal regulations and its own policy for asbestos management at the Chet Holifield Federal Building (CHFB).[35] As a result, CHFB tenants, visitors, contractors, and PBS staff were at increased risk of exposure to asbestos-containing materials. We found that PBS:

  - Did not maintain a reliable asbestos-containing materials inventory for the CHFB or update the CHFB asbestos management plan;
  - Failed to notify building occupants of the presence and location of asbestos-containing materials in accordance with federal and state regulations and PBS policy; and
  - Provided inadequate oversight of the CHFB operations and maintenance service contractor.

  We also found that PBS's *Asbestos Policy* contained ambiguous and conflicting information, which could result in inconsistent application of the policy by PBS staff and failure to comply with applicable laws and regulations.

- In November 2022, we reported that PBS leadership knew of significant deficiencies in the ventilation systems and equipment throughout the unrenovated wings of the GSA Headquarters Building but did not take sufficient actions to address those deficiencies.[36] The current condition of the air handling units prevents the Agency from ensuring proper ventilation and therefore may compromise the health and safety of GSA Headquarters Building occupants.

- In June 2023, we reported that PBS is not meeting—or does not have complete information to determine if it is meeting—the American Society of Heating, Refrigerating, and Air-Conditioning Engineers ventilation standard for the majority of GSA-owned buildings.[37] We also found that PBS has not consistently implemented Centers for Disease Control and Occupational Safety and Health Administration recommendations to improve ventilation in GSA-owned buildings. Taken together, these deficiencies increase the risk that building occupants will be exposed to airborne viruses.

These reports demonstrate that PBS continues to face significant challenges to meet and manage its responsibilities for providing a safe work environment at federally owned and leased facilities.

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[35] *Audit of PBS's Management of Asbestos at the Chet Holifield Federal Building in Laguna Niguel, California* (Report Number A190043/P/4/R22002, February 3, 2022).

[36] *Ventilation Issues Persist in Unrenovated Wings of GSA Headquarters Building* (Report Number JE23-001, November 28, 2022).

[37] *Audit of GSA's Response to COVID-19: PBS Faces Challenges to Meet the Ventilation and Acceptable Indoor Air Quality Standard in GSA-Owned Buildings* (Report Number A201018/P/4/R23008, June 5, 2023).

Challenge 7: Securing Federal Facilities

GSA plays a significant role in providing secure federal facilities nationwide. However, our reports demonstrate GSA management's significant challenges in securing federal facilities. Recent audits have found problems with GSA's monitoring and enforcement of its security protocols.

For example, in February 2023, we reported that GSA is not monitoring access card data from its card readers to identify risks to GSA personnel and federal property.[38] For the 2-year audit period ended February 28, 2022, data collected from access card readers in GSA-managed facilities showed 32,179 failed access attempts. Failed access attempts could be an indication of attempted unauthorized access to federal facilities and secured areas. Federal guidance on access cards and electronic physical access control systems recommends monitoring access card activity to assess the risk and determine if additional oversight is needed. However, we found that GSA is not actively using data collected from access card readers to identify and assess the risks to its personnel and federal property.

In March 2023, we reported that security at the Calexico West Land Port of Entry project is compromised by inconsistent requirements and inadequate enforcement.[39] We found that the security requirements that were included in the project's contracts and site security procedures were inconsistent and contradictory. We also found that PBS's enforcement of site security requirements was inadequate for the project. As a result, 95 contract employees who did not clear background checks were allowed to work on the project, including 8 with criminal records. Taken together, these deficiencies compromised project security.

The deficiencies identified in our reports on PBS's lack of monitoring and oversight of key security requirements and protocols, coupled with our previous reports on security at GSA facilities, demonstrate that physical security remains a challenge for GSA.

Challenge 8: Managing the Electrification of the Federal Fleet

Executive Order 14057, *Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability*, requires federal agencies to replace light-duty gasoline fleet vehicles with zero-emission vehicles by 2027 and replace all gasoline vehicles with zero-emission vehicles by 2035. GSA's Fleet Management faces numerous challenges in transitioning to an all zero-emission vehicle fleet. These challenges include finding available zero-emission vehicles to purchase, managing rising repair costs for the current vehicle fleet, and developing the charging infrastructure to power zero-emission vehicles.

[38] *GSA Is Not Monitoring Data from Access Card Readers to Identify Risks to GSA Personnel and Federal Property* (Report Number A210069/P/6/R23005, February 21, 2023).

[39] *Audit of the Calexico West Land Port of Entry Expansion and Modernization Project* (Report Number A210070/P/9/R23006, March 2, 2023).

First, GSA is challenged to find available zero-emission vehicles and secure sufficient funding to replace its fleet. For example, many federal agencies require heavy-duty vehicles, such as sport utility vehicles and trucks to meet their mission needs. However, GSA's available electric vehicle options generally do not include these types of vehicles. Fleet Management is also having difficulties finding light-duty electric vehicles for purchase. For example, Stellantis, the maker of Chrysler vehicles, cancelled Fleet Management's order for 1,200 plug-in hybrid vehicles in 2022.

Second, Fleet Management is facing rising costs to maintain its current vehicle fleet. Repair costs are incurred more frequently because agencies are keeping vehicles longer due to Fleet Management's inability to acquire zero-emission replacement vehicles. Fleet Management is finding it challenging to charge vehicle lease rates high enough to cover the rising costs of vehicles and repairs. As a result of rising vehicle and repair costs, Fleet Management was expected to lose more than $100 million in FY 2023.

Third, the current electric vehicle charging infrastructure is not adequate to accommodate widespread electric vehicle use. According to GAO, as of March 2022, federal agencies owned about 1,100 charging stations, some of which contained multiple ports. GSA officials stated that over 100,000 charging stations may be needed to support widespread electric vehicle use, at a price that could vary from $1,000 to over $100,000 per station, depending on the complexity of the project. To support widespread electric vehicle use by the executive order's targeted deadlines of 2027 and 2035, GSA will have to rapidly work to expand the electric vehicle charging infrastructure, especially at federally owned and leased buildings within PBS's portfolio. However, availability constraints, added strain on the electrical grid, and lack of funding pose challenges in carrying out this executive order.

Challenge 9: Management of the Technology Transformation Service

In 2012, the White House created the Presidential Innovation Fellows program to bring technologists in for short tours of duty in government. The Presidential Innovation Fellows program found a permanent home at GSA in 2013. To extend their impact on government, eight fellows left the Presidential Innovation Fellows program to become GSA employees and created a "lean government startup" called 18F in 2014. 18F quickly grew as it attempted to assist federal agencies on technology projects.

In 2016, additional programs and components were combined with 18F to form the Technology Transformation Service (TTS). TTS joined PBS and FAS as GSA's third service line and became the "permanent home for innovation and technology modernization inside GSA." Approximately 1 year later, TTS was realigned within FAS and the IT Modernization Centers of Excellence, which were created by GSA to focus on whole-agency technology modernization efforts.
Since its creation, TTS (or its components) has been the subject of one GAO audit and three GSA Office of Inspector General evaluations.[40] In all four reports, recommendations were made to

[40] *Digital Service Programs: Assessing Results and Coordinating with Chief Information Officers Can Improve Delivery of Federal Projects* (GAO-16-602, August 15, 2016); *Evaluation of 18F* (JE1-001, October 24, 2016);

improve management controls related to oversight, financial management, performance, and IT.

TTS primarily relies on GSA's Acquisition Services Fund, a revolving fund that requires cost recovery, to fund its operations. After 7 years in existence, TTS has not yet achieved cost recovery—despite projections that it would do so by FY 2019. In addition, in September 2021, TTS leadership told staff that cost recovery was "not a priority," and instead, TTS should focus on service delivery. This is a flagrant and intentional violation of the Acquisition Services Fund's authorizing legislation.

Even with a focus on service delivery, the most recent GSA Office of Inspector General evaluation found that TTS misled customers on its compliance with digital identity standards. As a result, TTS collected over $10 million for services that it knew were deficient and exposed customer agencies to cybersecurity risks. Further, the evaluation reported that TTS used misleading language to secure $187 million from the Technology Modernization Fund. Federal agencies submit proposals to request this funding for technology initiatives to improve mission and service delivery to the American public. If a contractor had similar failures, it is likely that the government might take legal action to make itself whole. The FAS Commissioner said that TTS's failure was rooted in its historic 18F culture, which considered oversight burdensome and believed that TTS did not have to align its practices with other components.

FAS, and more largely, GSA, is at a critical juncture to restore the confidence and trust in TTS from its customers, Congress, and the American taxpayer. Since as early as 2017, TTS leadership has told us that enhanced management controls and organizational changes were forthcoming to improve TTS's operations and compliance with federal laws and regulations; however, we have seen very little improvement. In FY 2024, GSA must make a concerted effort to strengthen its oversight of TTS to ensure appropriate controls are in place and prudent financial management occurs.

Evaluation of 18F's Information Technology Security Compliance (JE17-002, February 21, 2017); and *GSA Misled Customers on Login.gov's Compliance with Digital Identity Standards* (JE23-003, March 7, 2023).

GSA Response to the Office of Inspector General's Management Challenges for FY 2023

GSA values the dedication and contributions of the Office of Inspector General (OIG) and appreciates the opportunity to review and comment on the OIG's annual assessment of the most serious management and performance challenges facing the agency. We concur that the challenges identified by the OIG require GSA action and commitment and are taking substantive steps to address them.

Internal Controls

Establishing and maintaining a strong internal control environment is critical to GSA's ability to deliver effective and efficient Government services for the American people. That's why GSA established an Executive Committee on program audits – this is a group of senior leadership, including the Deputy Administrator, that meets monthly to focus on agency-wide accountability and high-risk issue resolution. This approach has led to significant reductions in credentialing issues, continued implementation of contract administration improvements recognized by the OIG, and new insights into strengthening program performance by partnering on solutions across organizations. GSA also reduced its one material weakness to a significant deficiency, which should be completely remediated in fiscal year (FY) 2024.

The agency's concerted attention to improvement has also resulted in completing more effective corrective actions more timely. Five years ago, GSA increased its 95 percent rate of on-time completion of OIG corrections to 97 percent, then further improved the completion rate to reach 100 percent and sustained that rate for 3 years. More importantly, in terms of efficiency and effectiveness of Government services, during those 3 years we have completed more than 94 percent of OIG actions within 1 year. We have also established similar improvement standards for responding to GAO's oversight and reporting, reaching a GAO recommendation implementation rate of 100 percent, an improvement on our previous rate of 97 percent and the governmentwide rate of 77 percent. Finally, we are wholeheartedly in accord with the OIG on the importance of fully implementing corrective actions—those of both OIG and GAO—and are exploring approaches that will better ensure that audit findings are addressed and corrective actions sustained.

Contract Administration

GSA agrees that contract administration is a top management challenge and appreciates acknowledgment that GSA has taken steps to improve in this area. We believe raising performance levels in this area is a long-term challenge and improvement is one of GSA's key performance goals in our FY 2022 to 2026 strategic plan. GSA is focusing on making steady progress that improves employee accountability, builds needed management tools, addresses training and performance needs, and, if needed, creates or clarifies policy.

Acquisition Solutions

The Federal Acquisition Service (FAS) has given thoughtful consideration to the findings of previous OIG audits with respect to Government procurement and has used these to help transform its Multiple Award Schedule (MAS) program by implementing controls to track progress against key metrics and help mitigate compliance risks associated with MAS Consolidation. As of October 2023, 49 percent of applicable contractors have successfully completed Phase 3 and have consolidated to a single MAS contract. Of the remaining vendors, 47 percent have submitted consolidation plans, which are in process, and FAS will continue to encourage the remaining 4 percent to submit their specific consolidation strategy.

FAS has used other OIG findings to steadily mature the Transactional Data Reporting (TDR) program. In FY 2023, GSA improved TDR data quality. FAS is working with its largest vendors on data-quality maturation and is taking a careful approach toward a decision for TDR expansion. FAS will emphasize continuous process improvements, combined with robust acquisition workforce training, as it matures the program.

Finally, GSA is mindful of the impact of delayed agency transition from the expiring Networx, Washington Interagency Telecommunication System and Local Service contracts. GSA is actively engaging with executives of those agencies to address their specific progress, challenges, risks, and risk responses. In the Memorandum of Understanding (MOU) that agencies signed to extend their transition timelines, agencies acknowledged that if they do not complete transition before the exercised option or continuity of service period ends, they accept responsibility and accountability for implementing contingency acquisition plans and for ensuring their missions are not interrupted or otherwise negatively impacted. Agencies that sign an MOU to extend their transition deadline to May 31, 2026, are required to meet quarterly with GSA. To facilitate faster problem-solving, when appropriate, GSA facilitates meetings between agencies and Enterprise Infrastructure Solutions contractors to help identify the root cause of problems and spur discussion forward.

Performance of Real Property Inventory

GSA continues to focus on right-sizing the Federal real estate portfolio. GSA also has been working with the Federal Real Property Council and its member agencies to develop a strategy that takes into account an increase in flexibility as part of agency workspace planning.

To effectively address this issue, in partnership with the 24 CFO Act agencies, GSA completed National Workspace Portfolio plans that include real estate goals, strategies, and opportunities for improving space utilization and reducing costs. Our work with customer agencies to establish workplace strategies and portfolio solutions will enable GSA to better achieve target occupancy levels and provide more efficiently occupied spaces. Continued partnering with agencies on their future space needs and aligning occupancy agreement terms with the lease terms will also reduce the Government’s risk of unused and underused space. This right-sizing effort will allow GSA to reduce and consolidate agencies into GSA-controlled Federal facilities based on their missions, as well as reduce the reliance on costly leases, which will help to maximize the performance of the inventory and deliver savings for the American taxpayer.

GSA’s other efforts also include reducing leasing costs, meeting the operations and maintenance needs of federally owned GSA-controlled buildings, administering GSA’s Capital Construction Program, and ensuring effective management of Energy Savings Performance Contracts and Utility Energy Service Contracts. GSA has proposed legislation that would facilitate access to the full amount of the annual Federal Buildings Fund’s revenues and collections, increase GSA’s prospectus threshold, and expand the allowable uses of the disposal fund. These legislative changes would enable GSA to further optimize space, provide better service to Federal agencies, and mitigate increasing deferred maintenance costs.

Cybersecurity Risks

Managing a complex Federal IT architecture in the current environment presents challenges that GSA embraces. To meet these challenges, GSA IT has taken action that aligns with the President’s Executive Order (EO) for Improving the Nation’s Cybersecurity (EO 14028) focused on Zero Trust and the Office of Management and Budget’s (OMB) M-22-09, Federal Zero Trust Strategy.

Leveraging an FY 2022 Technology Modernization Fund award to advance zero trust has helped GSA IT to eliminate its virtual private network and associated costs; reduce GSA's attack surface; better secure devices supporting building operations; protect against prohibited, compromised, or counterfeit devices; enhance visibility and threat detection/response; support more phishing-resistant authentication options; and improve user experience. GSA's performance across all key metrics is closely tracked by OMB and the Office of the National Cyber Director and is reflected on the Federal Cybersecurity Progress Report published in Performance.gov, which is used to measure progress in achieving EO 14028 milestones and implementing key cybersecurity measures. Significantly, the GSA information security program maintained its overall "Effective" rating in the annual OIG independent assessment, with "Optimized" ratings in two of five cybersecurity functions and "Managed and Measurable" in the remaining three functions.

FAS recognizes that supply chain risk management (SCRM) continues to be a top management challenge and has aggressively implemented Section 889 prohibitions by removing covered Section 889 articles from FAS offerings. FAS paired this approach with ongoing compliance monitoring practices that exceed Federal acquisition requirements. This past year, FAS also expanded vendor risk requirements to support supply chain illumination and risk analysis of critical programs, provided subject matter expertise for pre-award and post-award supply chain risk reduction states on critical FAS acquisitions, and proactively identified supply chain threats and then reduced those threats by deleting items and/or canceling contracts. FAS also implemented new controls that significantly reduced prohibited telecommunication items being offered on GSA's MAS contracts and on post-award contract modifications. In FY 2024, FAS expects to expand its efforts by adding specific IT supply chain requirements into contracts that are tailored to the contract type and specific business need.

GSA's Integrated Award Environment (IAE) takes seriously its responsibility to securely operate the System for Award Management (SAM) and protect its data. SAM implements layered technical, business, and process controls to prevent system access by unauthorized users and to guard against the misuse of entity information. Since the launch of the new SAM.gov in May 2021, IAE has identified and addressed over 400 suspected attempts at fraud and blocked several thousand user accounts for attempted impersonation. As of June 2023, IAE completed the removal of point of contact email addresses and phone numbers that were previously publicly available. IAE combines its technical and system controls with educational training and communication campaigns to raise awareness about known online scams and fraudulent schemes that target SAM.gov users. Information on how to report suspicious or fraudulent activity is also provided to users through IAE communications, including at the supporting Federal Service Desk (FSD.gov). Additionally:

- FAS implemented new internal controls, beyond the supplier's self-certification, that significantly reduced prohibited telecommunication items being offered on GSA's MAS contracts.
- In March 2023, FAS introduced new internal controls that supported the reduction of prohibited telecommunication items being offered on GSA FAS contracts during post-award contract modification activities.
- In August 2021, FAS implemented internal controls that supported the prevention of prohibited telecommunication items being offered on GSA FAS contracts during pre-award contract activities. FAS implemented internal SCRM governance controls to reliably identify, assess, and respond to risks. The governance controls consist of hiring IT security subject-matter experts (SMEs), oversight by a cross-functional governance board, and enhancing acquisition workforce training.

Work Environment Safety and Security

GSA continues to follow guidance from the Centers for Disease Control and Prevention and the Safer Federal Workforce Taskforce with regard to health and other safety measures for occupants in GSA-controlled space. GSA has also adjusted its heating, ventilating, and cooling operations to improve air filtration. Air filtration has been evaluated, air filters have been improved to higher Minimum Efficiency Reporting Values ratings to the extent possible without reducing air flow/ventilation, and filter banks have been sealed to prevent air from bypassing the filters. GSA launched the Ventilation Verification Project, which is intended to verify and correct, to the maximum extent possible across our owned portfolio, a building's heating, ventilation and air conditioning systems to conform to the level established by ANSI/ASHRAE Standard 62.1-2022, Ventilation for Acceptable Indoor Air Quality, at the air handling unit and air distribution level. (Note: this is a general level, not a room-by-room level)

Providing a secure work environment for Federal employees and the public is also a priority for GSA. In April 2023, GSA and the Federal Protective Service (FPS) signed a new Memorandum of Agreement (MOA) detailing the roles and responsibilities for each agency. The MOA will be updated as GSA, FPS, and the U.S. Department of Homeland Security work together to ensure there is a clear understanding of responsibilities and an agreement on implementation processes and timelines for repair or replacement. Additionally, having achieved significant reductions in credentialing issues by strengthening controls over the monitoring and collecting of access cards, GSA is now focusing on analyzing access card data to develop procedures to prevent issues through insider-threat reviews, further investigations, or both.

Fleet Electrification

GSA agrees with the challenges identified by the OIG regarding the electrification of the Federal fleet and will continue working to address these issues and mitigate risks by maintaining close relationships with suppliers, advising agencies on optimal electrification strategies with funding and market limitations, and focusing on infrastructure to support electric vehicle operation. To better enable governmentwide electrification of the Federal fleet, GSA has established the PBS Center for Electric Vehicle Infrastructure.

Despite funding and market supply limitations, GSA ordered 5,823 zero-emission vehicles (ZEV) in FY 2023—63 percent more than in FY 2022—and offered 70 unique ZEV models. In FY 2023, 14.27 percent of Federal fleet vehicle purchases, excluding United States Postal Service-owned, were zero-emission, and 17.89 percent of light-duty purchases were zero-emission. GSA also offers electric vehicle charging infrastructure contract solutions using FAS and PBS authorities to support equipment and construction.

GSA Fleet is on track to return to a positive financial position by FY 2027. Although GSA's continued requests for additional funding to support both ZEVs and the necessary charging infrastructure have not been successful, many of GSA's customers have secured funds to support the transition to a zero-emission fleet, and together we have made significant early progress toward achieving the Administration's goals. The commitment of customer agencies to meet the Administration's electrification goals and find resources has been instrumental in the progress to date.

Technology Transformation Services (TTS) Management

GSA agrees with the challenges identified in the OIG's report on Login.gov report (JE23-003). In response, TTS and Login.gov have put in place new program leadership, including a new Director, Deputy Director, and Chief Operating Officer. TTS also implemented new internal controls and instituted significant new processes for transparency with customer agencies, such as the creation of a partner advisory group and a monthly newsletter update series.

These structural changes and the establishment of processes to improve program governance and oversight, including financial accountability and cost recoverability, are critical for TTS. Its scope of products and services includes more than 26 unique products and programs that are funded from a variety of sources, including the Federal Citizen's Services Fund, the American Rescue Plan Act of 2021, GSA's Acquisition Services Fund and Working Capital Fund, as well as inter-agency contributions and other sources.

Organizational goals for FY 2024 for all TTS leaders and teams include objectives and metrics focused on:

- Delivering high-quality products and services
- Increasing employee engagement
- Improving financial performance and management
- Improving program governance and oversight

Additionally, and significantly, Login.gov has recently announced that it plans to offer an Identity Assurance Level 2-compliant identity verification solution in FY 2024 by offering a remote biometric workflow as an option for use with the existing non-biometric offerings, in addition to options to conduct identity verification in-person at a United States Postal Service location.

GSA has made progress in addressing the challenges identified by the OIG, but we know there is more we need, and want, to accomplish. We look forward to working with Congress, our partners, and the OIG in continuing to improve GSA programs and operations.

Payment Integrity (Unaudited)

Background

The Payment Integrity Information Act of 2019 updated existing statutes that established requirements for Federal agencies to cut down on improper payments. For implementation, all program outlays fall into one of three possible payment type categories: proper payment, improper payment, or unknown payment.

At a high level, payments are considered proper if they were made to the right recipient for the right amount, whereas improper payments generally include payments made in an incorrect amount or to the wrong recipient. For instance where an agency is unable to determine whether a payment falls into the proper or improper category, that payment is considered an unknown payment. Unknown payments are payments that could be either proper or improper, but cannot be determined due to insufficient or lack of documentation. Unknown payments must be considered as part of the improper payment risk assessment process.

Improper payments further fall into one of two categories: improper payments resulting in a monetary loss or improper payments that do not result in a monetary loss.

The Office of Management and Budget (OMB) requires agencies to report on improper payments. Detailed information on the U.S. General Services Administration's (GSA) payment integrity in this and previous fiscal years can be found on PaymentAccuracy.gov. The Federal payment accuracy website features annual improper payment data sets, program scorecards, and frequently asked questions relating to improper payments.

OMB also establishes reporting requirements for programs classified as high-risk or high-priority for improper payment reporting. None of GSA's programs are classified as high-risk or high-priority for improper payment reporting. Therefore, OMB has exempted GSA from high-risk improper payment reporting in FY 2023. In accordance with OMB Circular A-123, Appendix C, GSA assesses the risk of programs on a 3-year cycle.

Payment Recapture Audit Program

The OMB Circular A-123, Appendix C, requires Federal agencies to conduct payment recapture audits for all programs and activities that expend $1 million or more annually if conducting such an audit is cost effective for the agency. GSA has contracted a payment recapture auditor for this effort. GSA has one program where the recapture audit is required: the Rental of Space program.

The purpose of GSA’s payment recapture audit is to identify and recover overpayments for the Rental of Space program. Rent overpayments, rent credits, and real estate tax credits are common sources of overpayments. Root causes for rent-related overpayments include calculation errors, administrative errors, system errors, failure to take the proper rent credits, and failure to terminate the lease in a timely manner. Overpayments for real estate tax credits are caused by the failure of the lessor to comply with the lease contract and submit tax bills or refunds; the complexity in determining the base year tax amount; and the improper determination of which line items of the tax bill GSA is required to pay.

The FY 2022 Payment Recovery Report did not contain any recommendations, but it did note that the FY 2021 Payment Recovery Report recommendation to improve the Rental of Space program was open and an action plan was in place. In FY 2023, GSA completed all actions in the action plan and fully implemented the recommendation. As part of implementing the action plan, the Public Buildings Service (PBS) provided training to lease acquisition officers; re-sent the PBS leasing alert which addresses the importance of accurate data entry; and met with all leasing directors to further discuss the leasing alert. In addition, GSA's financial services provider automated the process of inputting data from the real estate feeder system into the financial management system, eliminating the need for manual intervention and reducing the risk of data entry errors. Because of these efforts, overall rent overpayments have been reduced by 47 percent and real estate tax findings have been reduced by 62 percent.

To further improve the program, GSA reviews the Rental of Space program annually to detect errors, recover overpayments, and identify opportunities for process improvement. This review includes an analysis of leasing contracts, lease amendments, and lease digest actions, as well as the development of a detailed monthly rental schedule from the beginning of a lease to its most recent payment. The results are compared to actual payments, by month, to determine if discrepancies exist. The nature and origin of discrepancies are quantified and identified and GSA establishes claims to recapture overpayments in accordance with the Debt Collection Improvement Act of 1996. GSA also audits its lease files annually to verify that tax bills have been submitted to the agency. If any bills are missing, GSA retrieves the bill and analyzes whether GSA is owed money through the claim process.

Other GSA Statutorily Required Reports

(Unaudited)

Debt Management

The U.S. General Services Administration (GSA) reported $168 million of outstanding debt from non-Federal sources, subject to the Debt Collection Improvement Act of 1996 (DCIA). Of that amount, $17 million, or 10.17 percent, of the outstanding debt was delinquent at the end of fiscal year (FY) 2023. Non-federal receivables consist of debts owed on third-party claims, travel advances, proceeds from the sale of real property, and other miscellaneous receivables.

To comply with the DCIA, GSA transmits delinquent claims each month to the U.S. Department of the Treasury's Bureau of the Fiscal Service for cross-servicing collection. During FY 2023, GSA managed collections of non-Federal claims valued in excess of $619 million of which $15 million in delinquent claims were referred to the U.S. Treasury for cross-servicing collection activities.

The Office of the Chief Financial Officer continued to implement and initiate actions to improve debt collection efforts and to reduce the amount of debt written off as uncollectible by GSA. GSA actively pursues delinquent non-Federal claims using installment agreements, salary offset, administrative wage garnishment, and any other applicable statutory authority. Resolving delinquent accounts receivables and claims is a high priority for the agency.

Cash and Payments Management

The Prompt Payment Act, along with the DCIA, requires the timely payment of commercial obligations for supplies and services using electronic funds transfer. In FY 2023, GSA paid interest of $237,526 on disbursements subject to the Prompt Payment Act of $31 billion, or $7.64 in interest per million disbursed. The statistics for the current and preceding two fiscal years are:

	2023	2022	2021
Total Number of Invoices Paid	**1,835,773**	1,804,004	2,017,941
Total Dollars Disbursed (in billions)	**$31.10**	$28.07	$26.78
Total Dollars of Interest Penalties	**$237,526**	$82,565	$87,140
Interest Paid per Million Disbursed	**$7.64**	$2.94	$3.25
Percentage of Invoices Paid-On-Time	**99.9%**	99.9%	99.9%
Percentage of Invoices Paid Late	**0.1%**	0.1%	0.1%
Percentage of Invoices Paid Electronically	**99.1%**	99.6%	99.9%

Civil Monetary Penalties Inflation Adjustment

(Unaudited)

The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 requires agencies to increase the dollar amount of civil penalties each year so that the penalties maintain their deterrent effect. The penalty and the applicable authority identified for adjustment in accordance with the act are listed below:

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
40 U.S.C. 121 (c); 31 U.S.C 3809	Program Fraud Civil Remedies Act	1986	2023	Maximum of $13,000 for each false, fictitious, or fraudulent statement	U.S. General Services Administration	88 FR 2247 January 15, 2023

Climate-Related Financial Risk (Unaudited)

Climate change poses a unique threat to the U.S. General Services Administration's (GSA) ability to deliver on its mission. Extreme weather — like wildfires, extreme heat, hurricanes, and flooding — puts Federal buildings and property at risk. Supply chain disruptions, delivery delays, and cost increases affect GSA's ability to deliver services, products, and solutions to Federal customers.

To address these and other climate-related challenges, GSA developed the Climate Change Risk Management Plan. The plan lays out the detailed metrics, timeframes, and steps GSA is taking to manage fiscal and physical risks and secure Federal real property and supply chain investments.

GSA's Public Buildings Service (PBS), which is responsible for managing property under the jurisdiction, custody, or control of GSA, has adopted a two-pronged approach to understanding and mitigating risks to GSA-controlled property. First, guidance issued by PBS's Capital Investment and Leasing Program (CILP) includes a requirement to assess climate risk to support future-focused decision making and leverage current climate science and projections for long-term climatic change. GSA has applied this assessment to more than 100 GSA-controlled buildings and projects. For example, GSA developed and is using climate profiles in the design and delivery of all 26 of its Bipartisan Infrastructure Law-funded land port of entry modernization projects. Prospectus-level projects supported by Inflation Reduction Act funding are also reviewed.

Second, PBS will be using funding from the Inflation Reduction Act to advance risk management actions for the existing real property portfolio through PBS's Inventory Risk Mitigation and Resilience Program. Per the GSA's Climate Change Risk Management Plan, GSA will conduct site-specific technical engineering analyses for flood risk management. Additionally, GSA will modernize agency asset management and site acquisition guidance to reflect actionable climate science and provide training for asset managers and other GSA staff.

In addition to the two-pronged approach, PBS is developing capabilities to aggregate the exposure and sensitivity across the entire existing PBS real property portfolio. This will include observed and expected hazards due to extreme temperatures, water scarcity, wildfires, flooding, and extreme storm events.

GSA's Federal Acquisition Service (FAS) leverages Government-wide buying power and acquisition expertise to successfully deliver services, products, and solutions to Federal agencies. To manage and reduce supply chain issues caused by climate change, FAS identified five critical offerings with the greatest exposure and sensitivity to climate risks: telecommunications, motor vehicles and fleet, professional services, information technology (IT) hardware, and IT services. These critical offerings have been identified in GSA's Vulnerability Assessment Report, and the agency is in the process of updating the assessment following the International Organization for Standardization 14091: 2021 standard.

In addition to the updated assessments, FAS has developed a Climate Change Risk Management Checklist that the acquisition workforce can utilize to identify and manage climate change risks throughout the acquisition lifecycle. FAS has also integrated climate risks and adaptation considerations into the FAS Acquisition Council (FAC) review process. The FAC assesses external-facing acquisitions valued at $100 million or greater at various phases of the acquisition life cycle. The council provides recommendations to the acquisition teams in a collaborative effort to improve procurement outcomes. In FY 2023, climate risk and adaptation requirements were integrated into many Government-wide acquisition vehicles as a result of the FAC review process. The acquisitions require awarded contractors to identify climate-related risks that could negatively affect performance and to report on actions taken to address these risks. This process provides an umbrella of climate risk management coverage to GSA's customer agencies and seeks to protect their financial investments in these acquisitions.

GSA is taking steps to build a climate resilient supply chain by inviting all major Federal Supply Schedule contractors to voluntarily measure, track, and disclose their climate-related risks to the Carbon Disclosure Project (CDP), a not-for-profit charity, that runs the global disclosure system for companies to measure environmental risks and opportunities. Contractors that choose to participate will be asked about their organization's process for identifying, assessing, and responding to climate-related risks and opportunities; their climate-related risks with the potential to have a substantive financial or strategic impact on business; and if climate-related risks and opportunities influenced their organization's strategy and/or financial planning.

The impact of climate-related risks or opportunities on financial performance and financial position presents new challenges to incorporate climate-related risk assessments into the governance structure, business strategy, and financial planning of the agency. As part of risk management activities, parsing out specific climate-related resilience or adaptation costs are not part of GSA's financial account coding nor has guidance been provided on methods or standards. GSA is participating in the Federal Accounting Standards Advisory Board's Climate-Related Financial Reporting Task Force and the Office of Management and Budget's Assessment of Federal Financial Climate Risk Intergovernmental Working Group.

GSA will continue to identify and assess climate-related risk through an internal climate vulnerability assessment that will rely on actionable science from the latest National Climate Assessment. From GSA's Climate Change Risk Management Plan: 2022 Progress Report, all agencies, including GSA, provided an informal verbal progress report per request by the White House Council on Environmental Quality.

GSA has also recently released the FY 2023 Sustainability Status Report, which lays out the agency's priority strategies for sustainability, emissions mitigation, and portfolio performance metrics.

Acronyms and Abbreviations (Unaudited)

4P	Price Point Plus Portal
AAS	Assisted Acquisition Services
ADA	Antideficiency Act
AFR	Agency Financial Report
APG	Annual Performance Goal
ARP	American Rescue Plan
ASF	Acquisition Services Fund
BAT	Building Assessment Tool
CALC	Contract-Awarded Labor Category
CBCA	Civilian Board of Contract Appeals
CDP	CDP is the name of a not-for-profit charity that runs the global disclosure system for environmental impacts.
CFE	Carbon Free Electric
CFO	Chief Financial Officer
CHFB	Chet Holifield Federal Building
CILP	Capital Investment and Leasing Program
CISA	Department of Homeland Security Cybersecurity & Infrastructure Security Agency
CMc	Construction Manager as Constructor
COVID-19	Coronavirus Disease of 2019
CSBR	Combined Statements of Budgetary Resources
CSRS	Civil Service Retirement System
DATA Act	Digital Accountability and Transparency Act of 2014
DCIA	Debt Collection Improvement Act of 1996
DM&R	Deferred Maintenance and Repairs
DOL	U.S. Department of Labor
EAC	Energy Attribute Certificates
EIS	Enterprise Infrastructure Solution
EO	Executive Order
EOP	Executive Office of the President
ESCO	Energy-Service Companies
ESPC	Energy Savings Performance Contracts
FAC	FAS Acquisition Council
FAR	Federal Acquisition Regulation
FAS	Federal Acquisition Service
FASAB	Federal Accounting Standards Advisory Board
FBF	Federal Buildings Fund
FBwT	Fund Balance with Treasury
FCI	Facility Condition Index
FCRA	Fair Credit Reporting Act
FCSF	Federal Citizen Services Fund
FDA	Food and Drug Administration
FECA	Federal Employees' Compensation Act
FEDPAY	Payment System for Government Vendors
FedRAMP	Federal Risk and Authorization Management Program
FERS	Federal Employees Retirement System
FFATA	Federal Financial Accountability and Transparency Act of 2006
FFMIA	Federal Financial Management Improvement Act of 1996
FISMA	Federal Information Security Modernization Act
FIT	Furniture and Information Technology program
FMFIA	Federal Managers' Financial Integrity Act of 1982
FMLOB	Financial Management Line of Business
FPS	Federal Protective Service
FSD	Federal Service Desk
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GS&S	General Supplies and Services

ERSI	Enterprise Risk and Strategic Initiatives
GSA IT	Office of GSA's Chief Information Officer
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System
HCA	Head of contracting activity
HR	Human Resources
IAE	Integrated Award Environment
IAL2	Identity Assurance Level 2
IIJA	Infrastructure Investment and Jobs Act
IPSS	Internal Partner Satisfaction Survey
IRA	Inflation Reduction Act
IT	Information Technology
ITC	Information Technology Category
MAS	Multiple Award Schedule
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NDAA	National Defense Authorization Act
NIST	National Institute of Standards and Technology
OA	Occupancy Agreement
OAS	Office of Administrative Services
OCE	Office of Customer Experience
OCFO	Office of the Chief Financial Officer
OCIA	Office of Congressional and Intergovernmental Affairs
OCR	Office of Civil Rights
OGC	Office of General Counsel
OGP	Office of Government-wide Policy
OHRM	Office of Human Resources Management
OIG	Office of Inspector General
OMA	Office of Mission Assurance
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OSC	Office of Strategic Communication
OSDBU	Office of Small and Disadvantaged Business Utilization
P3	Public Private Partnerships
PBS	Public Buildings Service
PMR	Procurement Management Review

GSA	U.S. General Services Administration
PMRD	Procurement Management Review Division
PP&E	Plant, Property and Equipment
PPAs	Power Purchase Agreements
PSHC	Professional Services and Human Capital
R&A	Repairs and Alterations
SAM	System for Award Management
SBR	Statement of Budgetary Resources
SCRM	Supply Chain Risk Management
SFFAS	Statement of Federal Financial A ti St d d
SME	Subject Matter Experts
SP	Special Publication
SSA	U.S. Social Security Administration
TDR	Transactional Data Reporting
TMF	Technology Modernization Fund
TSP	Thrift Savings Plan
TTL	Travel, Transportation and Logistics
TTS	Technology Transformation Services
U.S.	United States of America
U.S.C.	United States Code
UESC	Utility Energy Service Contracts
USSGL	U.S. Standard General Ledger
WCF	Working Capital Fund
ZEV	Zero-Emission Vehicle
ZTA	Zero Trust Architecture
ZEV	Zero-Emission Vehicle
ZTA	Zero Trust Architecture

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