Notes to the Financial Statements

(For the Fiscal Years Ended September 30, 2022, and September 30, 2021)

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

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

1. Significant Accounting Policies

A. Reporting Entity

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

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

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

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

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

- Federal Citizen Services Fund (FCSF)
- 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
- Data Driven Innovation – Executive Office of the President (EOP) Child
- Excess and Surplus Real and Related Personal Property Holding Account
- Expenses, Government-wide Policy
- Expenses, Government-wide Policy – Multi-Year
- Expenses, Presidential Transition
- Pre-election Presidential Transition
- Information Technology Oversight and Reform – EOP Child
- Expenses, OIG
- OIG – No-Year
- Operating Expenses, GSA
- Real Property Relocation
- Technology Modernization Fund (TMF)
- TMF – Multi-Year

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

- Asset Proceeds and Space Management 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

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[3] This fund, as of September 30, 2022, 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.

- 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
- GSA Child Care Deposits
- Fines, Penalties, and Forfeitures, Not Otherwise Classified
- Forfeitures of Unclaimed Money and Property
- General Fund Proprietary Interest, Not Otherwise Classified
- General Fund Proprietary Receipts, Not Otherwise Classified, All Other
- Other Earnings from Business Operations and Intragovernmental Revolving Funds
- Proceeds from Sale of Surplus Property
- Small Escrow Amounts
- Special and Trust Fund Proprietary Receipts Returned to the General Fund of the U.S. Treasury
- Withheld State and Local Taxes

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

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

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

B. Basis of Accounting and Presentation

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

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. The format of the balance sheet changed in FY 2022, realigning intragovernmental receivables and liabilities, as required for all significant reporting entities by OMB Circular A-136. This change does not affect totals for assets, liabilities, or net position; instead, it allows readers to see how the amounts shown on the balance sheet are reflected on the Government-wide balance sheet, thereby supporting the preparation and audit of the Financial Report of the United States Government. The presentation of the FY 2021 balance sheet was modified to be consistent with the FY 2022 presentation. The consolidated statements of net cost present the operating results of the FBF, ASF, and Other Fund functions, as well as GSA consolidated operating results as a whole. The consolidated statements of changes in net position display the changes in Cumulative Results of Operations and Unexpended Appropriations. The combined statements of budgetary resources (CSBR) present the sources, status, and uses of GSA budgetary resources.

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

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

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

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

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

C. Revenue Recognition and Appropriations Used

Substantially all revenues reported by GSA funds on the consolidated statements of net cost are generated from intragovernmental sales of goods and services, with only 3 percent of revenues earned from non-Federal customers for the years ended September 30, 2022, and 2021, the most significant of which are in the ASF. Expenses are primarily incurred with non-Federal entities supplying the underlying goods and services being provided to GSA and its Federal customers. Each revolving fund has established rate-setting processes governed by the laws authorizing its activities. In most cases, the rates charged are intended to cover the full cost that GSA funds will pay for such goods and services and to provide capital maintenance. In accordance with the governing laws, rates are generally not designed to recover imputed costs not borne by GSA, but covered by other funds or entities of the U.S. Government, such as for post-employment costs. As the amount of services provided to non-Federal customers is generally insignificant, maintaining separate rate structures for these customers to recover imputed costs is not warranted.

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

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

In the ASF, General Supplies and Services (GS&S) revenues are recognized when goods are provided to customers. In the Travel, Transportation and Logistics portfolio, vehicle acquisition revenues are recognized when goods are provided. Vehicle leasing revenues are recognized based on rental arrangements over the period vehicles are dispatched. Assisted Acquisition Services revenues are recognized when goods or services are provided. Information Technology revenues are earned when goods or services are provided or as reimbursable project costs are incurred. Telecommunications service revenues are generally recognized based on customer usage or on fixed line rates. Fee revenues in the GSA Schedules programs are earned from non-Federal vendors based on estimated and actual usage of GSA contracting vehicles by other agencies. The Schedules programs generated $332 million in fees, constituting 2 percent of ASF revenues in FY 2022, and $252 million in fees, constituting 1 percent of ASF revenues in FY 2021.

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

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

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

D. Fund Balance with Treasury (See Note 2)

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

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

E. Property and Equipment (See Note 6)

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

Expenditures for major additions, replacements and alterations to real property of $50,000 or more are capitalized. Normal repair and maintenance costs are expensed as incurred. The cost of R&A and leasehold improvements performed by GSA, but financed by other agencies, is not capitalized in GSA financial statements, as such amounts are transferred to the other agencies upon completion of the project. The majority of all land, buildings, and leasehold improvements are provided to other Federal agencies under short-term cancellable agreements. 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 rental to other Federal agencies to meet their operational needs, with monthly billings rendered to recover program costs. The various vehicle types are depreciated over a general range of 4 to 12 years.

In accordance with FASAB SFFAS 10, *Accounting for Internal Use Software*, capitalization of software development costs incurred for systems having a useful life of 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, 2022, and September 30, 2021.

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, 2022, and September 30, 2021, 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 large increase in the FBwT is primarily attributable to funding received by the Federal Buildings Fund (FBF) from the Inflation Reduction Act of 2022 (P.L. 117-169) of approximately $3.4 billion and the Infrastructure Investment and Jobs Act (P.L. 117-58) funding of approximately $3.4 billion. The following schedule presents elements of the FBwT:

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

2022	Obligated Balance, Net[1]	Unobligated Balance Available	Unobligated Balance Unavailable	Non-Budgetary FBwT	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**

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

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 $285 million and $111 million at September 30, 2022, and September 30, 2021, respectively, of which $12 million and $6 million, respectively, of unused funds from expired appropriations were returned to the U.S. Treasury as of September 30. Such balances are excluded from the amount reported as FBwT in accordance with U.S. Treasury guidelines. A portion of FBwT also includes amounts where authority to incur new obligations has expired, but the funds are available to liquidate residual obligations that originated when the funds were available. Such expired balances totaled $43 million and $45 million at September 30, 2022, and September 30, 2021, 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 $8.5 billion and $7.8 billion at September 30, 2022 and September 30, 2021, 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 $1 million in FY 2022 and $3 million FY 2021, 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, 2022, and 2021, 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 $97 million and $33 million, as of September 30, 2022, and 2021, respectively.

4. Accounts and Notes Receivable, Net

Substantially all accounts receivable are from other Federal agencies, with only 3.3 percent and 2.5 percent due from non-Federal customers as of September 30, 2022, and September 30, 2021, respectively. Unbilled accounts receivable result from the delivery of goods or performance of services for which bills have not yet been rendered. Additionally, Technology Modernization Fund (TMF) transfers to other Federal agencies are recorded as accounts receivable, as legislation requires transferred funds to be repaid to the TMF. Allowances for doubtful accounts are recorded using aging methodologies based on analysis of historical collections and write-offs. As of September 30, 2022, and September 30, 2021, accumulated unrecognized interest on all notes deemed uncollectible totaled $351 million and $309 million, respectively. A summary of accounts receivable as of September 30, 2022 and September 30, 2021, is as follows:

4. Accounts Receivable

(Dollars in Millions)

Fund	FBF		ASF		Other Funds		Less: Intra-GSA Eliminations		GSA Consolidated	
Fiscal Year	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Accounts Receivable - Billed	**$120**	$88	**$135**	$90	**$45**	$2	**$—**	$—	**$300**	$180
Accounts Receivable - Unbilled	**313**	247	**5,793**	5,009	**128**	69	**(51)**	(39)	**6,183**	5,286
Allowance for Doubtful Accounts	**(24)**	(3)	**(6)**	(11)	**(1)**	(1)	**—**	—	**(31)**	(15)
Total Accounts Receivable, Net	**$409**	$332	**$5,922**	$5,088	**$172**	$70	**$(51)**	$(39)	**$6,452**	$5,451

5. Other Assets

As of September 30, 2022, and 2021, Other Assets were comprised of the following balances:

5. Other Assets
(Dollars in Millions)

Fund	FBF		ASF		Other Funds		GSA Consolidated	
Fiscal Year	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Intragovernmental								
Intangible Assets	**$—**	$—	**$—**	$1	**$—**	$—	**$—**	$1
Miscellaneous	**152**	138	**—**	—	**—**	—	**152**	138
Total Other Assets - Intragovernmental	**152**	138	**—**	1	**—**	—	**152**	139
Other than Intragovernmental								
Surplus Property Held for Sale	**35**	34	**13**	14	**—**	—	**48**	48
Intangible Assets	**—**	—	**4**	8	**—**	—	**4**	8
Miscellaneous	**2**	2	**—**	—	**—**	—	**2**	2
Total Other Assets - Other Than Intragovernmental	**37**	36	**17**	22	**—**	—	**54**	58
Total Other Assets	**$189**	$174	**$17**	$23	**$—**	$—	**$206**	$197

6. Property and Equipment, Net

A. Summary of Balances

Balances in GSA Property and Equipment accounts as of September 30, 2022, and September 30, 2021, are summarized below:

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

Fiscal Year	2022			2021		
Accounting Category	Cost	Accumulated Depreciation	Net book Value	Cost	Accumulated Depreciation	Net book Value
Buildings:						
FBF	**$54,097**	**$34,711**	**$19,386**	$52,553	$32,990	$19,563
Leasehold Improvements:						
FBF	**193**	**183**	**10**	194	186	8
ASF	**11**	**10**	**1**	13	11	2
Other Funds:	**4**	**4**	**—**	4	4	—
Total Leasehold Improvements	**208**	**197**	**11**	211	201	10
Motor Vehicles:						
ASF	**6,744**	**2,787**	**3,957**	6,540	2,554	3,986
Land:						
FBF	**1,918**	**—**	**1,918**	1,892	—	1,892
Construction in Process:						
FBF	**1,523**	**—**	**1,523**	1,773	—	1,773
ASF	**3**	**—**	**3**	1	—	1
Other Funds	**—**	**—**	**—**	—	—	—
Total Construction in Process	**1,526**	**—**	**1,526**	1,774	—	1,774
Other Equipment:						
FBF	**103**	**91**	**12**	103	91	12
ASF	**126**	**78**	**48**	127	76	51
Other Funds	**51**	**44**	**7**	48	39	9
Total Other Equipment	**280**	**213**	**67**	278	206	72
Total Property and Equipment	**$64,773**	**$37,908**	**$26,865**	$63,248	$35,951	$27,297

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

(Dollars in Millions)

Fiscal Year	2022				2021			
Fund	**FBF**	**ASF**	**Other Funds**	**GSA Consolidated**	**FBF**	**ASF**	**Other Funds**	**GSA Consolidated**
Net Book Value - Beginning	**$23,249**	**$4,039**	**$9**	**$27,297**	$23,287	$4,062	$12	$27,361
Capitalized Acquisitions	**1,375**	**717**	**2**	**2,094**	1,681	794	5	2,480
Disposals	**(37)**	**(131)**	**—**	**(168)**	—	(202)	—	(202)
Depreciation Expense	**(1,738)**	**(615)**	**(5)**	**(2,358)**	(1,719)	(615)	(8)	(2,342)
Net Book Value - Ending	**$22,849**	**$4,010**	**$6**	**$26,865**	$23,249	$4,039	$9	$27,297

B. Environmental and Disposal Liabilities

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

In accordance with guidance issued by FASAB, SFFAS 5, *Accounting for Liabilities of the Federal Government* and SFFAS 6, *Accounting for Property, Plant, and Equipment,* 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 $1.9 billion for environmental and disposal liabilities as of September 30, 2022, and September 30, 2021, 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	2022	2021
Environmental Liabilities (external releases to the environment)	**$98**	$104
Asbestos Liabilities	**1,511**	1,489
PP&E: Non-asbestos Liabilities	**314**	299
Total Environmental and Disposal Liabilities (amortized)[1]	**$1,923**	$1,892

[1] *Does not include a $20 million liability for non-GSA Assets that is included in the FY 21 Balance Sheet.*

C. Environmental Liabilities: External Releases to the Environment

PBS reported a total estimated environmental liability (releases to the environment) of $98.4 million for FY 2022. This is a decrease from $103.6 million for FY 2021. 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, 2022, and September 30, 2021, GSA's FBF had $35.9 million for and $33.6 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, 2022, are $1.51 billion, which is a slight increase from FY 2021, which was $1.49 billion. During FY 2022, 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 building asbestos abatement cost estimates. The unamortized asbestos liability for FY 2022 is $4.9 million; in FY 2021, this amount was $5.2 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, 2022, the amortized PP&E non-asbestos related liabilities are $313.9 million, compared to FY 2021 of $299.1 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, 2022 is $43.6 million; this amount was $43.2 million in FY 2021.

F. Heritage Assets

The age of GSA buildings is approximately 50 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 2022, GSA has under its jurisdiction, custody and control 429 buildings on the National Register. An additional 86 buildings are potentially eligible for listing in the National Register, but have not gone through the formal listing process. Under the National Historic Preservation Act, GSA is required to give these buildings special consideration, including first preference for Federal use and rehabilitation in accordance with standards established by DOI.

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

7. Workers' Compensation Benefits

The Federal Employees' Compensation Act (FECA) provides wage replacement and medical cost protection to covered Federal civilian employees 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 2022 and FY 2021 were calculated by DOL using the following discount rates:

7. Discount Rates

Fiscal Year	2022		2021	
Type of Benefits	**Year 1**	**Year 2 and thereafter**	Year 1	Year 2 and thereafter
Wage Benefits	**2.12%**	**2.12%**	2.23%	2.23%
Medical Benefits	**1.97%**	**1.97%**	2.06%	2.06%

At September 30, 2022, and 2021, GSA's actuarial liability, reported in Federal Employee Benefits Payables on the balance sheet, totaled $104 million and $118 million, respectively. As reported in Note 9, Other Intragovernmental Liabilities on the balance sheet, the Workers Compensation accrued liability at September 30, 2022, and 2021, totaled $19 million and $21 million, respectively.

8. Leasing Arrangements

As of September 30, 2022, 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[1]

(Dollars in Millions)

OPERATING LEASES	
Fiscal Year	**FBF**
2023	$4,030
2024	3,619
2025	3,156
2026	2,820
2027	2,511
2028 and thereafter	12,316
Total future minimum lease payments	**$28,452**

[1] *FBF has paid off or received credit that reduced capital lease liabilities to zero. While all payments have been made, as of September 30, 2022, GSA still remained in two lease agreements that would meet the definition of a capital lease per FASAB.*

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

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

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

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

Fiscal Year	FBF	ASF	TOTAL
2023	$1,760	$7	$1,767
2024	1,426	5	1,431
2025	1,281	3	1,284
2026	1,217	2	1,219
2027	1,144	—	1,144
2028 and thereafter	6,623	—	6,623
Total future minimum lease receipts	**$13,451**	**$17**	**$13,468**

For three 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 payments due from these agreements are as follows:

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

Fiscal Year	FBF
2023	$4
2024	3
2025	3
2026	2
2027	2
2028 and thereafter	7
Total future minimum rental receipts	**$21**

Rental income under space assignment agreements and related reimbursable arrangements for tenant improvements and above-standard service requirements approximated $6.6 billion for FY 2022 and $6.5 billion FY 2021, respectively. The vast majority of the rental income in FY 2022 comes from Federal agencies and entities, while only $17.9 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 2022 and $5.6 billion for FY 2021. Of the $5.6 billion in FY 2022 rent expense, only $27.1 million was paid to other Federal agency lessors, with the remaining expense being paid to non-Federal entities. The consolidated balance sheets include capital lease assets of $300 million for FY 2022 million and $300 million for FY 2021, and accumulated amortization on such structures of $300 million for FY 2022 and $299 million for FY 2021. For substantially all of its leased property, GSA expects that such leases will be either renewed or replaced in the normal course of business in accordance with the needs of its customer agencies.

9. Other Liabilities

As of September 30, 2022, and September 30, 2021, the amounts reported on the consolidated balance sheets as Other Intragovernmental Liabilities and Other Liabilities are substantially long-term in nature, with the exception of Federal Benefit Withholdings, Salaries and Benefits Payable, and Deposits in Clearing Funds, which are current liabilities. Other Intragovernmental Liabilities and Other Liabilities consisted of the following:

9. Other Liabilities
(Dollars in Millions)

Fund	FBF		ASF		Other Funds		Less: Intra-GSA Eliminations		GSA Consolidated	
Fiscal Year	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
INTRAGOVERNMENTAL										
Workers' Compensation Due to DOL	**$12**	$12	**$4**	$6	**$3**	$3	**$—**	$—	**$19**	$21
Federal Benefit Withholdings	**3**	8	**2**	5	**2**	4	**—**	—	**7**	17
Deferred Revenues - Federal	**536**	575	**2**	3	**—**	—	**—**	—	**538**	578
Judgment Fund Liability	**524**	524	**—**	—	**—**	—	**—**	—	**524**	524
Deposits in General Funds	**—**	—	**—**	—	**1**	2	**—**	—	**1**	2
Deposits Other Agencies	**—**	—	**—**	—	**5**	5	**—**	—	**5**	5
Other Liabilities Obligations	**1**	2	**26**	29	**16**	23	**(14)**	(11)	**29**	43
Total Intragovernmental Liabilities	**$1,076**	$1,121	**$34**	$43	**$27**	$37	**$(14)**	$(11)	**$1,123**	$1,190
OTHER THAN INTRAGOVERNMENTAL										
Accrued Funded Payroll and Leave	**$12**	$31	**$9**	$23	**$30**	$18	**$—**	$—	**$51**	$72
Legal Contingencies	**1**	1	**—**	—	**—**	—	**—**	—	**1**	1
Contract Holdbacks	**1**	—	**—**	—	**—**	—	**—**	—	**1**	—
Liability for Non-Fiduciary Deposit Funds and Undeposited Collections	**—**	—	**—**	—	**64**	23	**—**	—	**64**	23
Capital Lease Liability	**—**	4	**—**	—	**—**	—	**—**	—	**—**	4
Unamortized Rent Abatement and Other Liabilities Without Related Budgetary Obligations	**793**	678	**2**	—	**—**	—	**—**	—	**795**	678
Total Other Than Intragovernmental Liabilities	**$807**	$714	**$11**	$23	**$94**	$41	**$—**	$—	**$912**	$778

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.

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

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

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

The accrued and reasonably possible contingencies as of September 30, 2022 and September 30, 2021 are summarized in the table below:

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

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

2021	Accrued Liabilities	Estimated Range of Loss	
Legal Contingencies		**Lower End**	**Upper End**
Probable - FBF	$1	$1	$1
Probable - Other Funds	—	—	1
Total Probable	1	1	2
Reasonably Possible - ASF		—	2
Reasonably Possible - FBF		75	208
Reasonably Possible - Other Funds		—	3
Total Reasonably Possible		75	213
Environmental Contingencies			
Probable - Other Funds	$20	$20	$80
Reasonably Possible - Other Funds		—	161

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. As of September 30, 2022 and 2021 GSA owed the U.S. Treasury Judgment Fund $524 million for contract disputes that were paid on GSA's behalf.

The recognition of claims to be funded solely through the Judgment Fund on GSA consolidated statements of net cost and consolidated balance sheets is, in effect, recognition of these liabilities against the Federal Government as a whole, and should not be interpreted as claims against the assets or resources of any GSA fund, nor will any future resources of GSA be required to liquidate any resulting losses.

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

10B. Judgment Fund Payments
(Dollars in Millions)

Fiscal Year	2022	2021
FBF	**$—**	$1
Other Funds	**3**	53
Total Judgment Fund Payments	**$3**	$54

Of these amounts, the most significant balances are related to Contract Disputes Act claims in the FBF and Environmental and Disposal claims in Other Funds. GSA is required to reimburse the Judgment Fund for payments made on GSA’s behalf related to claims arising under the Contract Disputes Act and the Notification and Federal Employee Anti-Discrimination and Retaliation Act. GSA is not required to reimburse the Judgment Fund for payments made on GSA’s behalf related to Environmental and Disposal and most other types of claims. For those non-reimbursable claim payments, GSA would record imputed financing sources and imputed costs to reflect those payments made on its behalf. For FY 2022 and FY 2021, GSA recorded $3 million and $53 million, respectively, in Imputed Financing Provided From Others for the non-reimbursable payments the U.S. Treasury Judgment Fund made on GSA’s behalf. This is in addition to the Imputed Costs for Post-Employment Benefits as noted in GSA’s Footnote 15-E.

For the Other Funds, there is a significant decrease in claims paid by the U.S. Treasury Judgment Fund from the prior year as there were more Environmental claims that were settled last fiscal year as compared to this fiscal year, most notably one for over $37 million.

11. Liabilities Not Covered By Budgetary Resources

As of September 30, 2022, and 2021, 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	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
INTRAGOVERNMENTAL										
Other Liabilities										
Benefit Program Contributions Payable	**$12**	$12	**$4**	$6	**$3**	$3	**$—**	$—	**$19**	$21
Deferred Revenues - Federal	**3**	4	**2**	3	**—**	—	**—**	—	**5**	7
Judgment Fund Liability	**524**	524	**—**	—	**—**	—	**—**	—	**524**	524
Other Intragovernmental Liabilities	**—**	—	**5**	—	**9**	11	**(14)**	(11)	**—**	—
Total Intragovernmental Liabilities Not Covered by Budgetary Resources	**539**	540	**11**	9	**12**	14	**(14)**	(11)	**548**	552
OTHER THAN INTRAGOVERNMENTAL										
Federal Debt and Interest Payable	**650**	661	**—**	—	**—**	—	**—**	—	**650**	661
Federal Employee Benefits Payable										
Annual Leave Liability	**60**	62	**46**	43	**37**	37	**—**	—	**143**	142
Other Federal Employee Benefits Payable	**—**	—	**—**	—	**15**	14	**—**	—	**15**	14
Worker's Compensation Actuarial Liability	**63**	71	**25**	28	**16**	18	**—**	—	**104**	117
Environmental and Disposal Liabilities	**1,923**	1,892	**—**	—	**—**	20	**—**	—	**1,923**	1,912
Other Liabilities	**1**	5	**2**	—	**—**	—	**—**	—	**3**	5
Total Other Than Intragovernmental Liabilities Not Covered by Budgetary Resources	**2,697**	2,691	**73**	71	**68**	89	**—**	—	**2,838**	2,851
Total Liabilities Not Covered By Budgetary Resources	**3,236**	3,231	**84**	80	**80**	103	**(14)**	(11)	**3,386**	3,403
Total Liabilities Covered By Budgetary Resources	**1,573**	1,570	**5,275**	4,592	**135**	109	**(37)**	(28)	**6,946**	6,243
Total Liabilities Not Requiring Budgetary Resources	**783**	668	**—**	—	**77**	40	**—**	—	**860**	708
Total Liabilities	**$5,592**	$5,469	**$5,359**	$4,672	**$292**	$252	**$(51)**	$(39)	**$11,192**	$10,354

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 are shown as Unamortized Rent Abatement Liability and Deposit Fund Liability; and 2) the portion of amounts included in Other Intragovernmental Liabilities shown as Deposits in Clearing Funds (Held in Suspense and Earnings Payable to Treasury) and Amounts Owed to the General Fund/Other Agencies shown as custodial collections in Note 9.

12. Reconciliation to the President's Budget

In accordance with FASAB SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, if there are differences between amounts reported in these financial statements versus those reported in the most recent Budget of the United States Government (President's Budget), they must be disclosed. With the President's Budget generally released in February each year, the most current comparable data is the FY 2023 President's Budget, which contains FY 2021 financial statement results. The FY 2024 President's Budget, containing FY 2022 actual results, is expected to be released in February 2023, on OMB's website and GSA's Congressional Justification on 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 2021 CSBR and the FY 2023 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 $43.7 billion and $17.4 billion as of September 30, 2021, respectively, represent budgetary resources net of FBF's unavailable budgetary resources of $7.8 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	$25,201	$25,200	$23,698	$23,699	$2,625	$2,575	$51,524	$51,474	$50
New Obligations and Upward Adjustments	11,356	11,356	21,601	21,601	1,068	1,066	34,025	34,023	2
Net Outlays (Receipts) from Operating Activities	(965)	(966)	(517)	(517)	286	287	(1,196)	(1,196)	—
Distributed Offsetting Receipts	—	—	—	—	(74)	—	(74)	—	(74)

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	$51,524	$34,025	$(1,196)	$(74)
Expired Funds, Not Reflected in the Budget	(49)	(2)	—	—
Offsetting Receipts, Not Reflected in the Budget	—	—	—	74
Other	(1)	—	—	—
Budget of the U.S. Government	51,474	34,023	(1,196)	—

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 2022 or FY 2021.

13A.1. Adjustments to Unobligated Balances Brought Forward

(*Dollars in Millions)*

Fund	FBF		ASF		Other Funds		GSA Combined	
Fiscal Year	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Prior Year Total Unobligated Balance, End of Period	**$6,062**	$6,162	**$2,097**	$1,701	**$1,557**	$378	**$9,716**	$8,241
Adjustments to Unobligated Balance Brought Forward								
Unobligated Balance transferred to other accounts	**—**	—	**—**	—	**(256)**	(17)	**(256)**	(17)
Unobligated Balance transferred from other accounts	**—**	—	**105**	—	**25**	10	**130**	10
Adjustment of Unobligated Balance Brought Forward, October 1	**—**	—	**—**	—	**—**	—	**—**	—
Recoveries of Prior Year Unpaid Obligations	**111**	112	**1,135**	1,234	**67**	39	**1,313**	1,385
Other Changes in Unobligated Balance	**4**	2	**5**	5	**(15)**	(9)	**(6)**	(2)
Total Adjustments to Unobligated Balance Brought Forward	**115**	114	**1,245**	1,239	**(179)**	23	**1,181**	1,376
Unobligated Balance from Prior Year Budget Authority, Net	**$6,177**	$6,276	**$3,342**	$2,940	**$1,378**	$401	**$10,897**	$9,617

Immaterial Correction of an Error

In connection with the preparation of the current year financial statements, GSA identified the following immaterial errors in the FY 2021 Combined Statement of Budgetary Resources, and the FY 2021 FBF and ASF Statements of Budgetary Resources:

13A.2 Understatement Amount

(Dollars in millions)

Line Item	FBF	ASF	Combined
Unobligated Balance from Prior Year Budget Authority, Net	$946	$264	$1,210
Spending Authority from Offsetting Collections	85	0	85
New Obligations and Upward Adjustments	0	264	264
Unapportioned, Unexpired	$1,031	$0	$1,031

The above line items have been corrected in the FY 2021 Combined Statement of Budgetary Resources, and the FY 2021 FBF and ASF Statements of Budgetary Resources. Corresponding corrections have also been made to related balances presented in this note as well as Note 2.

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, 2022, and September 30, 2021, are as follows:

13B. Undelivered Orders

(Dollars in Millions)

Fiscal Year	2022					2021				
Category	Federal	Non-Federal	Paid	Unpaid	Total	Federal	Non-Federal	Paid	Unpaid	Total
FBF	**$60**	**$3,658**	**$27**	**$3,691**	**$3,718**	$73	$3,411	$51	$3,433	$3,484
ASF	**1,102**	**10,542**	**10**	**11,634**	**11,644**	1,043	9,515	34	10,524	10,558
Other Funds	**123**	**183**	**2**	**304**	**306**	111	200	3	308	311
Total Undelivered Orders	**$1,285**	**$14,383**	**$39**	**$15,629**	**$15,668**	$1,227	$13,126	$88	$14,265	$14,353

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 $406[5] million and $173[5] million as of September 30, 2022, and 2021, respectively. As further discussed in Notes 1 and 2, balances of funds from dedicated collections are those reported in GSA's Special Funds and Trust Funds, within the Other Funds displayed on the consolidating balance sheets.

15. Employee Benefit Plans

A. Background

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

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

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

Federal Employee Benefits as of September 30, 2022, and 2021 were as follows:

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

Fund	FBF		ASF		Other Funds		Less: Intra-GSA Eliminations		GSA Consolidated	
Fiscal Year	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
OTHER THAN INTRAGOVERNMENTAL										
Liabilities Not Covered by Budgetary Resources										
Workers' Compensation Actuarial Liability	**$63**	$71	**$25**	$28	**$16**	$18	**$—**	$—	**$104**	$117
Unfunded Leave	**60**	62	**46**	43	**37**	37	**—**	—	**143**	142
Other	**—**	—	**—**	—	**15**	14	**—**	—	**15**	14
Liabilities Covered by Budgetary Resources										
Other	**1**	1	**—**	2	**3**	2	**—**	—	**4**	5
Total Federal Employee Benefits Payable	**$124**	$134	**$71**	$73	**$71**	$71	**$—**	$—	**$266**	$278

B. Civil Service Retirement System

At the end of FY 2022, 1.9 percent (down from 2.5 percent in FY 2021) 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	2022	2021
FBF	**$1**	$1
ASF	**—**	1
Other Funds	**1**	1
Total Employer Contributions	**$2**	$3

C. Federal Employees Retirement System

On January 1, 1987, the FERS, a mixed system of defined benefit and defined contribution plans, went into effect pursuant to Public Law 99-335. Employees hired after December 31, 1983, were automatically covered by FERS and Social Security, while employees hired before January 1, 1984, elected to either join FERS and Social Security or remain in CSRS. As of September 30, 2022, 97.9 percent (up from 97.4 percent in FY 2021) 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 $20,500 and $19,500 in their TSP account in calendar years 2022 and 2021, 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 2022 and 2021, total contributions made on behalf of an employee could not exceed $61,000 and $58,000, respectively. For FY 2022, the GSA (employer) contributions to FERS (37.6 percent of base pay for law enforcement employees (up from 35.8 percent in FY 2021) and 18.4 percent for all others (up from 17.3 percent in FY 2021) were as follows:

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

Fiscal Year	2022	2021
FBF	**$104**	$96
ASF	**76**	66
Other Funds	**62**	57
Total Employer Contributions	**$242**	$219

Additional GSA contributions to the TSP were as follows:

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

Fiscal Year	2022	2021
FBF	**$27**	$26
ASF	**20**	18
Other Funds	**16**	15
Total Employer Contributions	**$63**	$59

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 $147,000 and $142,800 in calendar years 2022 and 2021, respectively) to SSA's Old-Age, Survivors, and Disability Insurance Program in both calendar years 2022 and 2021. 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 2022 and 2021. In FY 2022, 0.2 percent (up from 0.1 percent in FY 2021) of GSA employees are covered exclusively by these programs. Payments to these programs were as follows:

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

Fiscal Year	2022	2021
FBF	**$44**	$42
ASF	**32**	30
Other Funds	**25**	24
Total Employer Contributions	**$101**	$96

E. Schedule of Imputed Benefit Costs

Amounts recorded in fiscal years 2022 and 2021, 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)

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**

2021	Pension Benefits	Health/Life Insurance	Total
FBF	$4	$39	$43
ASF	4	23	27
Other Funds	4	20	24
Total Imputed Benefit Costs	$12	$82	$94

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 2022 Budget and Accrual Reconciliation

(Dollars in Millions)

Fund	Federal Buildings Fund			Acquisition Services Fund			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 of Operations			**$(414)**			**$(333)**			**$304**			**$36**			**$(479)**
Components of Net Cost Not Part of the Budget Outlays															
Property, Plant, and Equipment Depreciation	—	(1,738)	(1,738)	—	(615)	(615)	—	(5)	(5)	—	—	—	—	(2,358)	(2,358)
Property, Plant and Equipment Disposal & Reevaluation	—	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
Loans receivable, net (Non-FCRA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
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
Federal debt and interest payable	—	35	35	—	—	—	—	—	—	—	—	—	—	35	35
Other Liabilities	1	(88)	(87)	13	14	27	(2)	12	10	—	—	—	12	(62)	(50)

16. FY 2022 Budget and Accrual Reconciliation (continued)

(Dollars in Millions)

Fund	Federal Buildings Fund			Acquisition Services Fund			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**	**2021 with the Public**	**Total**
Other Financing Sources															
Imputed Financing Provided by Others	(63)	—	(63)	(44)	—	(44)	(30)	—	(30)	(36)	—	(36)	(101)	—	(101)
Transfers out (in) Without Reimbursement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Components of Budget Outlays Not Part of Net Cost															
Acquisition of Capital Assets	—	1,205	1,205	710	1	711	—	2	2	—	—	—	710	1,208	1,918
Acquisition of Inventory	—	—	—	—	—		—	—	—	—	—	—	—	—	—
Other	—	5	5	—	—		—	—	—	—	—	—	—	5	5
Net Outlays from Operating Activity			(982)			(280)			285			—			(977)
Distributed Offsetting Receipts									(225)						(225)
Total Net Outlays			$(982)			$(280)			$60			$—			$(1,202)

16. FY 2021 Budget and Accrual Reconciliation

(Dollars in Millions)

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

16. FY 2021 Budget and Accrual Reconciliation (continued)

(Dollars in Millions)

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

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), Travel, Transportation and Logistics (TTL), Information Technology Category (ITC), Assisted Acquisition Services (AAS), Professional Services Human Capital (PS&HC) 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 2022 and FY 2021 net operating results by strategic goal for each responsibility segment.

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

17. FY 2021 Net Cost by Responsibility Segment Schedule

For the Fiscal Year Ended September 30, 2021

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

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

To prepare the Financial Report of the U.S. Government, 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 Government 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 Government financial report line items. The 2021 Government financial report is available on the Treasury's Bureau of the Fiscal Service's website and a copy of the 2022 Government financial report will be posted to this site as soon as it is released.

The term "intragovernmental" is used in this note to refer to amounts that result from other components of the Federal Government. The 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. Reclassification of GSA's Statement of Net Cost for the Financial Report of the U.S. Government

(Dollars in Millions)

FY 2022 GSA Statement of Net Cost		Line Items Used to Prepare FY 2022 Government-wide Statement of Net Cost	
Financial Statement Line	**Amounts**	**Amounts**	**Reclassified Financial Statement Line**
GSA Consolidated Net Results			**GSA Consolidated Net Results**
Earned Revenues	$32,390	$1	Borrowing and Other Interest Revenue (Exchange) (RC 05) /2
		6	Borrowing Gains (RC 06) /2
		31,450	Buy/Sell Revenue (Exchange) (RC 24) /2
		2	Purchase of Assets Offset (RC 24) /2[6]
		31,459	Total Federal Earned Revenue
		933	Non-Federal Earned Revenue
		32,392	Total Earned Revenue
Less: Operating Expenses	$31,911	362	Benefit Program Costs (RC 26) /2
		314	Buy/Sell Costs (RC 24) /2
		101	Imputed Cost (RC 25) /2
		2	Purchase of Assets (RC 24) /2[6]
		101	Other Expenses (Without Reciprocals) (RC 29)
		880	Total Federal Gross Costs
		1	General Property Plant and Equipment (PP&E) Partial Impairment Loss
		31,032	Non-Federal Gross Costs
		31,033	Total Non-Federal Gross Costs
		31,913	Total Gross Costs
Net Revenues from Operations	**$479**	**$479**	**Net Costs of Operations**

[6] Total revenue and costs will be off by this amount since GSA does not include SGL 880% in our Statement of Net Cost.

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

(Dollars in Millions)

FY 2022 GSA Statement of Changes in Net Position		Line Items Used to Prepare FY 2022 Government-wide Balance Sheet	
Financial Statement Line	**Amounts**	**Amounts**	**Reclassified Financial Statement Line**
BEGINNING BALANCE OF NET POSITION			**BEGINNING BALANCE OF NET POSITION**
Unexpended Appropriations	$1,972	$1,972	Net Position, Beginning of Period
Cumulative Results of Operations	37,977	37,977	Net Position, Beginning of Period
Net Position Beginning Balance	**39,949**	**39,949**	**Net Position Beginning of Period**
CHANGES IN UNEXPENDED APPROPRIATIONS			**CHANGES IN UNEXPENDED APPROPRIATIONS**
Appropriations Received	7,061	7,061	Appropriations Received as Adjusted (Recissions and Other Adjustments) (RC 41) /1
Appropriations Used	(346)	(346)	Appropriations Used (RC 39)
Appropriations Adjustments and Transfers (To) From Other Agencies or Funds	(93)	(81)	Nonexpenditure Transfers-Out of Unexpended Appropriations and Financing Sources (RC 08) /1
		(12)	Appropriations Received as Adjusted (Recissions and Other Adjustments) (RC 41) /1
Net Change in Unexpended Appropriations	**$6,622**	**$6,622**	**Net Change in Unexpended Appropriations**
RESULTS OF OPERATIONS			**RESULTS OF OPERATIONS**
Net Revenues From Operations	479	479	Net Cost of Operations
Appropriations Used (Note 1-C)	346	346	Appropriations Expended (RC 38) /1
Non-Exchange Revenue (Notes 1-C, 1-D)	291	291	Other Taxes and Receipts
Imputed Financing Provided By Others	101	101	Imputed Financing Sources (RC 25) /1
Transfers of Financing Sources (To) From the U.S.Treasury	(26)	(27)	Non-Entity Collections Transferred to the General Fund of the U.S. Gov't (RC 44)
		1	Accrual for Non-Entity Amounts to be Collected and Transferred to the General Fund of the U.S. Gov't (RC 48)
Transfers of Net Assets and Liabilities (To) From Other Federal Agencies	55	57	Transfers-In Without Reimbursement (RC 18) /1
		(2)	Transfers-Out Without Reimbursement (RC 18) /1
Other	(10)	(3)	Other Non-Budgetary Financing Sources (RC 29) /1, 9
		(7)	Accrual of Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government - Nonexchange (RC 16)
Net Change in Cumulative Results of Operations	**1,236**	**1,236**	**Net Change in Cumulative Results of Operations**
ENDING BALANCE OF NET POSITION			**ENDING BALANCE OF NET POSITION**
Unexpended Appropriations	8,594	8,594	Net Position, End of Period
Cumulative Results of Operations	39,213	39,213	Net Position, End of Period
Net Position Ending Balance	**$47,807**	**$47,807**	**Net Position, End of Period**

19. Public-Private Partnerships (P3s)

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

PBS enters into long-term (greater than 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[7]

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 59 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.

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

Energy Savings Performance Contracts with Energy-Service Companies

The National Energy Conservation Policy Act, as amended, authorizes Federal agencies to enter into energy savings performance contracts (individually, an ESPC) with energy service companies (individually, an ESCO) for the purpose of achieving energy savings and other related benefits. This authority is codified at 42 U.S.C.§ 8287. Agencies enter into these contracts with limited to no up-front capital costs, thereby minimizing the need for congressional appropriations. The ESCO conducts a comprehensive energy audit for the Federal facility and identifies improvements to achieve energy savings. In consultation with the agency, the ESCO designs and constructs a project that meets the agency's needs and arranges the necessary funding. The ESCO guarantees that the improvements will generate energy cost savings sufficient to pay for the project over the term of the ESPC. The cost of an ESPC project must be covered by the energy, water, and related cost savings generated at the project site(s). The ESPC's cost savings must be verified and documented annually. After the contract ends, any additional cost savings accrue to the agency.

Generally, the risk of loss to the Federal Government is low, but there is risk associated with 1) the potential failure of an ESCO 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 equipment installed in GSA's buildings are recognized when the assets are initially accepted and recognized as installment contract liabilities on the consolidated balance sheets. The payback period with the ESCO varies per arrangement; however, it is generally between 10 and 20 years. Since the costs of ESPC projects are intended to be paid for via energy savings with no need for additional funding, if savings are not realized as planned, alternative funding sources may have to be used to satisfy contractual commitments. This potential for a shortfall in energy savings is the primary financial risk related to ESPCs. With regard to any technical performance risk, generally, the ESCO is responsible for ensuring that energy savings are met throughout the performance period.

In the table below, of the total $1.37 billion shown as the amount to be paid in future periods, $638.3 million has been recognized as installment contract liability as of September 30, 2022; $195.7 million is for the future interest costs associated with the long-term financing of that liability; and $536 million represents the contractual estimate of operations and maintenance support costs to be incurred over the life of the ESPCs.

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

(Dollars in Millions)

	2021		2022		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	$18	$—	$17	$—	$238	$—
ESPCs	$—	$96	$—	$102	$—	$1,370

20. COVID-19 Activity

Three funds at GSA — the FBF, WCF, and FCSF — received funding through the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136) to help prevent, prepare, and respond to the coronavirus pandemic. Additionally, in FY21, in order to stimulate the economy from the ongoing effects of the Coronavirus pandemic, GSA received multi-year funding through the American Rescue Plan Act (P.L. 117-2) for the TMF and the FCSF. In FY22, the ASF, WCF, and FCSF received transfers of COVID-19 funds from the TMF. No new COVID-19-related appropriations were received in FY22. Appropriations provided to GSA, as well as expenditures as of September 30, 2022, and September 30, 2021, are displayed in the tables below.[8] Obligation amounts in the table below reflect the balances for COVID-19 Disaster Emergency Fund (DEF) Codes as reported in GTAS.

20A. COVID-19 Budgetary Resources

(Dollars in Millions)

2022	FBF	ASF	WCF	FCSF	TMF	Total
Unobligated Balance Beginning	**$144**	**$—**	**$1**	**$146**	**$1,000**	**$1,291**
Appropriations Received	**—**	**—**	**—**	**—**	**—**	**—**
Transfers In	**—**	**104**	**14**	**10**	**—**	**128**
Transfers Out	**—**	**—**	**—**	**—**	**(244)**	**(244)**
Less Current Year Obligations	**31**	**27**	**12**	**56**	**2**	**$128**
Unobligated Balance Ending	**$113**	**$77**	**$3**	**$100**	**$754**	**$1,047**

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

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

20B. COVID-19 Expenditures
(Dollars in Millions)

2022	FBF	ASF	WCF	FCSF	TMF	Total
Contractual Services and Supplies	**$15**	**$5**	**$7**	**$23**	**$—**	**$50**
Personnel Compensation and Benefits	**—**	**—**	**—**	**4**	**2**	**6**
Acquisition of Assets	**—**	**—**	**—**	**—**	**—**	**—**
Total COVID-19 Expenditures	**$15**	**$5**	**$7**	**$27**	**$2**	**$56**

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

21. Funds from Dedicated Collections

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

22. Subsequent Events

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