

# Notes to the Financial Statements

(For the Fiscal Years Ended September 30, 2020, and September 30, 2019)

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 GSA, appointed by the President of the United States with the advice and consent of 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 Building 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 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. Both the FBF and the ASF are large revolving funds. 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 19 General Funds. Six of these General Funds are funded by 1-year appropriations; six by no-year appropriations; two 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)

**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<sup>1</sup>
- Environmental Review Improvement Fund<sup>1,2</sup>

<sup>1</sup> Fund, to date, has yet to receive any funds from dedicated collections.

<sup>2</sup> Management of the Environmental Review Improvement Fund was transferred out of GSA. The Agency still has an obligation to report residual balances to the Treasury.

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

**Miscellaneous Receipt and Deposit Funds** are considered non-entity accounts since GSA management does not exercise control over how the monies in these accounts can be used. Miscellaneous receipt fund accounts hold receipts and accounts receivable resulting from miscellaneous activities of GSA where, by law, such monies may not be deposited into funds under GSA management control. The U.S. Department of the Treasury 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, and
- Monies whose distribution awaits a legal determination or investigation.

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

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

GSA is able to delegate authority for certain programs and financial operations to other Federal

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

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

In addition, other agencies may delegate certain programs and financial operations to GSA to execute on their behalf. The GSA Data Driven Innovation Fund was established in 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 No. 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 Federal Accounting Standards Advisory Board (FASAB), and OMB Circular No. A-136, in all material respects. *FASAB SFFAS 34, The Hierarchy of Generally Accepted Accounting Principles*, including the Application of Standards Issued by the Financial Accounting Standards Board, established the hierarchy of GAAP for Federal financial statements. The Consolidated Balance Sheets present the financial position of GSA using a format segregating intragovernmental balances. The 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 reported by other agencies in conformance with U.S. Treasury's Federal Entity Reporting Requirements for the Financial Report of the United States Government and requirements of OMB Circular No. A-136. On the Consolidated Balance Sheets, Consolidated Statements of Changes in Net Cost, and Consolidated Statements of Changed in Net Position, all significant intra-agency balances and transactions are eliminated in consolidation. On the

Consolidated Statements of Net Cost, adjustments are applied to eliminate GSA's intra-fund revenues and expenses. No such eliminations have been 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, 2020, and 2019. 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 and other inter-entity 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. Generally, agencies housed in Government-owned buildings are billed

based upon commercial rates for comparable space. 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 actual cost and, as a result, revenues are generally earned to match 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, and fee revenues in the GSA Schedules programs are earned based on estimated and actual usage of GSA contracting vehicles by other agencies. The Schedules programs generated \$219 million in fees, constituting 1 percent of ASF revenues in FY 2020, and \$202 million in fees, constituting 1 percent of ASF revenues, in FY 2019. 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.

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 FBwT are available to GSA management to execute the authorities provided by its funds. In the following instances, authorities limit use of collections to dedicated purposes.

GSA acts as a disposal agent for surplus Federal real and personal property. In some cases, public law entitles the owning agency to the sales proceeds, net of disposal expenses incurred by GSA. Proceeds from the disposal of equipment are generally retained by GSA to replace equipment. Under GSA legislative 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. 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 (DOI).

#### **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 leased to other Federal agencies under short-term cancellable agreements.

Depreciation and amortization of property and equipment are calculated on a straight-line basis over their initial or remaining useful lives. Leasehold Improvements are amortized over the lesser of their useful lives, generally 5 years, or the unexpired lease 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.

Most of the assets comprising Other Equipment are used internally by GSA and are depreciated over periods generally ranging from 3 to 10 years.

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. Capitalized software is reported as an element of Other Equipment on the Consolidated Balance Sheets.

#### **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, 2020, and 2019.

### **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 Fund Balance with Treasury (FBwT) as of September 30, 2020, and 2019, against which obligations have been made, and for unobligated balances, to identify amounts available for future expenditures and those only available to liquidate prior obligations.

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



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

	Obligated	Unobligated Balance		Non-Budgetary FBwT	Total
	Balance, Net <sup>1</sup>	Available	Unavailable		
<b>2020</b>					
FBF	(\$329)	\$4,584	\$8,234	\$—	\$12,489
ASF	(170)	1,004	433	—	1,267
Other Funds	361	165	214	147	887
<b>Total</b>	<b>(\$138)</b>	<b>\$5,753</b>	<b>\$8,881</b>	<b>\$147</b>	<b>\$14,643</b>
<b>2019</b>					
FBF	\$172	\$4,916	\$6,817	\$—	\$11,905
ASF	(167)	936	374	—	1,143
Other Funds	333	173	183	138	827
<b>Total</b>	<b>\$338</b>	<b>\$6,025</b>	<b>\$7,374</b>	<b>\$138</b>	<b>\$13,875</b>

<sup>1</sup> 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 transferred to either the U.S. Treasury, or the Land and Water Conservation Fund (see Note 1-D). These amounts, related to the Transportation Audits program and surplus real property disposals, are subject to transfer upon GSA's annual determination of the costs incurred by these programs. The FBwT in these funds totaled \$104 and \$101 million at September 30, 2020, and 2019, respectively, of which \$37 and \$12 million, respectively, were recorded as liabilities in the Consolidated Balance Sheets. In FY 2020 and FY 2019, \$9 and \$1 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 \$47 million and \$53 million at September 30, 2020, and 2019, respectively. The FBF has balances that are temporarily not available in accordance with annual appropriation acts that limit the amount of reimbursable resources that are available for spending each year. Such amounts totaled \$8 billion and \$6 billion at September 30, 2020, and 2019, respectively and will not be available for expenditure except as authorized in future appropriation 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 GSA. GSA is also required to annually return any excess proceeds related to the Personal Property Sales program to the U.S. Treasury. The ASF returned \$10 million and \$7 million in FY

2020 and FY 2019, 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, 2020, and 2019, 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 \$42 million and \$36 million, as of September 30, 2020, and 2019, respectively.

### 4. Accounts and Notes Receivable, Net

Substantially all accounts receivable are from other Federal agencies, with only 3.1 percent and 3.5 percent due from non-federal customers as of September 30, 2020, and 2019, 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, 2020, and 2019, accumulated unrecognized interest on all notes deemed uncollectible totaled \$273 million and \$240 million, respectively. A summary of accounts receivable as of September 30, 2020, and 2019, is as follows:

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

	FBF		ASF		Other Funds		Less: Intra-GSA Eliminations		GSA Consolidated Totals	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Accounts Receivable - billed	\$105	\$117	\$88	\$98	\$12	\$10	\$—	\$—	\$205	\$225
Accounts Receivable - unbilled	294	322	3,469	3,078	71	43	41	48	3,793	3,395
Allowance for Doubtful Accounts	(11)	(4)	(9)	(2)	(1)	(2)	—	—	(21)	(8)
<b>Total Accounts Receivable, Net</b>	<b>\$388</b>	<b>\$435</b>	<b>\$3,548</b>	<b>\$3,174</b>	<b>\$82</b>	<b>\$51</b>	<b>\$41</b>	<b>\$48</b>	<b>\$3,977</b>	<b>\$3,612</b>

## 5. Other Assets

As of September 30, 2020, and 2019, Other Assets were comprised of the following balances:

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

	FBF		ASF		Other Funds		GSA Consolidated Totals	
	2020	2019	2020	2019	2020	2019	2020	2019
Surplus Property Held for Sale	\$34	\$36	\$28	\$19	\$—	\$—	\$62	\$55
Intangible Assets	—	—	11	15	—	—	11	15
Miscellaneous	2	3	—	—	—	—	2	3
<b>Total Other Assets</b>	<b>\$36</b>	<b>\$39</b>	<b>\$39</b>	<b>\$34</b>	<b>\$—</b>	<b>\$—</b>	<b>\$75</b>	<b>\$73</b>

## 6. Property and Equipment, Net

### A. Summary of Balances

Balances in GSA Property and Equipment accounts subject to depreciation as of September 30, 2020, and 2019, are summarized below:

### 6. Property and Equipment (Dollars in Millions)

	2020			2019		
	Cost	Accumulated Depreciation	Net book Value	Cost	Accumulated Depreciation	Net book Value
Buildings:						
FBF	\$51,205	\$31,256	\$19,949	\$49,136	\$29,450	\$19,686
Leasehold Improvements:						
FBF	217	205	12	272	250	22
ASF	13	10	3	14	9	5
Other Funds	4	3	1	4	3	1
Total Leasehold Improvements	234	218	16	290	262	28
Motor Vehicles:						
ASF	6,474	2,453	4,021	6,200	2,254	3,946
Other Equipment:						
FBF	127	115	12	140	126	14
ASF	134	96	38	189	148	41
Other Funds	44	32	12	174	158	16
Total Other Equipment	305	243	62	503	432	71
<b>Total, Depreciable Property &amp; Equipment</b>	<b>\$58,218</b>	<b>\$34,170</b>	<b>\$24,048</b>	<b>\$56,129</b>	<b>\$32,398</b>	<b>\$23,731</b>

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

	2020			
	FBF	ASF	Other Funds	GSA COMBINED
Net Book Value - Beginning	\$22,843	\$3,992	\$17	\$26,852
Capitalized Acquisitions	2,169	847	5	3,021
Disposals	(14)	(168)	—	(182)
Depreciation Expense	(1,711)	(609)	(10)	(2,330)
<b>Net Book Value - Ending</b>	<b>\$23,287</b>	<b>\$4,062</b>	<b>\$12</b>	<b>\$27,361</b>

**Environmental and Disposal Liabilities**

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

In accordance with guidance issued by FASAB, SFFAS 5, *Accounting for Liabilities of the Federal Government* and SFFAS 6, *Accounting for Property, Plant, and Equipment, Federal Financial Accounting and Auditing Technical Release No. 2, Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*, GSA is required to recognize a liability for environmental-related cleanup costs resulting from past transactions or events and when a future outflow or other sacrifice of resources is probable and reasonably estimable. GSA's FBF 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. 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 Asbestos Hazard Emergency Response 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 and \$1.8 billion for environmental and disposal liabilities as of September 30, 2020, and 2019, respectively, 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 (dollars in millions).

### 6B. Environmental and Disposal Liabilities

	2020	2019
Environmental Liabilities (external releases to the environment)	\$107	\$133
Asbestos Liabilities	1,518	1,379
PP&E: Non-asbestos Liabilities	292	269
<b>Total Environmental and Disposal Liabilities (amortized)<sup>1</sup></b>	<b>\$1,917</b>	<b>\$1,781</b>

<sup>1</sup> Does not include non-GSA assets which are included on the Balance Sheet

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

PBS reported a total estimated environmental liability (releases to the environment) of \$107 million for FY 2020. This is a decrease from \$133 million reported in FY 2019. 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' environmental remediation projects range from the cleanup of hazardous substances (chemical solvents, toxic metals, polychlorinated biphenyls) and petroleum released into soil and groundwater to complex long-term remediation of former Department of Defense sites (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, 2020 and 2019, GSA's FBF had \$19 million and \$21 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 property, plant and equipment 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 in order 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. The building useful life of 30 years is used for purposes of recognizing and amortizing the long-term estimated asbestos cleanup costs. During FY 2020, changes to GSA's total estimated liability consisted of cost re-estimates, inflation, and amortization of remaining future year costs.

The amortized asbestos-related liabilities reported for FY 2020 are \$1.5 billion, which is an increase from FY 2019 of \$1.4 billion. The increase is due to changes in asbestos liability cost factors based upon updated building asbestos abatement cost estimates. The unamortized asbestos liabilities for FY 2020 compared to FY 2019 are \$7 million and \$8 million, respectively.

#### **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 in order to determine the total estimated non-asbestos liability. For FY 2020, the amortized PP&E non-asbestos related liabilities are \$292 million, compared to FY 2019 of \$269 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 liabilities for FY 2020 compared to FY 2019 are \$46 million and \$42 million, respectively.

#### **F. Heritage Assets**

The average age of GSA buildings is 49 years old; therefore, many buildings have historical, cultural, or architectural significance or a combination of all three. While GSA uses these buildings to meet the office space and other needs of the Federal Government, maintaining and preserving these historical elements is also a significant priority. In accordance with FASAB SFFAS 29, *Heritage Assets and Stewardship Land*, these buildings meet the definition of Multi-use Heritage Assets, and are reportable within Property and Equipment on the Consolidated Balance Sheets. Deferred maintenance and repairs related to GSA's heritage assets are separately disclosed in the required supplementary information.

GSA defines its historic buildings as those buildings that are either listed on the National Register of Historic Places, have formally been determined eligible, or appear to meet eligibility criteria to be listed. In FY 2020, GSA owns 413 buildings on the National Register, (no change from FY 2019), of which 74

are designated as National Historic Landmarks. An additional 99 buildings are potentially eligible for listing on 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 the DOI.

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

## 7. Workers' Compensation Benefits

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

The present value of these estimates at the end of FY 2020 and FY 2019 were calculated by DOL using the following discount rates:

### 7. Discount Rates

Type of Benefits	2020		2019	
	Year 1	Year 2 and thereafter	Year 1	Year 2 and thereafter
Wage Benefits	2.41%	2.41%	2.61%	2.61%
Medical Benefits	2.30%	2.30%	2.35%	2.35%

At September 30, 2020, and 2019, GSA's actuarial liability totaled \$123 million and \$116 million, respectively. As reported in Note 9, the Workers Compensation accrued liability at September 30, 2020, and 2019, totaled \$23 million and \$24 million, respectively.

## 8. Leasing Arrangements

As of September 30, 2020, GSA was committed to various non-cancelable operating leases covering office space and warehouse storage facilities maintained by the FBF. Many of these leases contain escalation clauses tied to inflation, tax increases, and renewal options. The following are schedules of future minimum rental payments required under leases that have initial or remaining non-cancelable

terms in excess of 1 year, and under capital leases together with the present value of the future minimum lease payments. For the present value of future minimum lease payments under capital leases, the full balance will have funding made available in the year the payment is due (dollars in millions):

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

OPERATING LEASES		CAPITAL LEASES	
FISCAL YEAR	FBF	FISCAL YEAR	FBF
2021	\$3,800	2021	\$22
2022	3,202	2022	4
2023	2,735	2023	—
2024	2,386	2024	—
2025	2,027	2025	—
2026 and thereafter	9,817	2026 and thereafter	—
<b>Total future minimum lease payments</b>	<b>\$23,967</b>	<b>Total future minimum lease payments</b>	<b>\$26</b>
		Less: Amounts representing	
		Interest	1
		Executory Costs	—
		<b>Total obligations under capital leases</b>	<b>\$25</b>

Substantially all leased and owned space maintained by the FBF is sublet to other Federal agencies at rent charges to recover GSA's cost of that space, or commercial 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 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:

**8B . Future Minimum Rental Revenue** (*Dollars in Millions*)

<b>OPERATING LEASE REVENUES</b>			
<b>Fiscal Year</b>	<b>FBF</b>	<b>ASF</b>	<b>Total</b>
2021	\$1,453	\$2	<b>\$1,455</b>
2022	1,109	2	<b>1,111</b>
2023	974	1	<b>975</b>
2024	870	—	<b>870</b>
2025	760	—	<b>760</b>
2026 and thereafter	4,618	—	<b>4,618</b>
Total future minimum lease receipts	<b>\$9,784</b>	<b>\$5</b>	<b>\$9,789</b>

For four of GSA's buildings, the rental agreements with the customer include transfer of building ownership at the end of the rental term. FIT currently has three agreements where the furniture and IT equipment may transfer to the customer agency at the end of the agreement term. The remaining minimum rental payments due from these agreements are as follows:

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

<b>DIRECT FINANCING LEASE REVENUES</b>			
<b>Fiscal Year</b>	<b>FBF</b>	<b>ASF</b>	<b>Total</b>
2021	\$4	\$1	<b>\$5</b>
2022	4	—	<b>4</b>
2023	4	—	<b>4</b>
2024	3	—	<b>3</b>
2025	3	—	<b>3</b>
2026 and thereafter	10	—	<b>10</b>
Total future minimum receipts	<b>\$28</b>	<b>\$1</b>	<b>\$29</b>

Rental income under subleasing agreements and related reimbursable arrangements for tenant improvements and above standard service requirements approximated \$6.7 billion and \$6.6 billion for

the years ended September 30, 2020, and 2019, respectively. The vast majority of the rental income in FY 2020 comes from Federal sources while only \$19 million is from outleases from non-federal entities. Rent expense under all operating leases, including short-term non-cancelable leases, was approximately \$5.8 billion for both years ended September 30, 2020, and 2019. Of the \$5.8 billion in FY 2020 rent expense, only \$27 million was paid to other Federal agency lessees with the remaining expense being paid to non-federal entities. The Consolidated Balance Sheets as of September 30, 2020, and 2019, include capital lease assets of \$336 million and \$363 million for buildings, and accumulated amortization on such structures of \$329 million and \$343 million, respectively. For substantially all of its leased property, GSA expects that in the normal course of business such leases will be either renewed or replaced in accordance with the needs of its customer agencies.

## 9. Other Liabilities

As of September 30, 2020, and 2019, the amounts reported on the Consolidated Balance Sheets as Other Intragovernmental Liabilities and Other Liabilities, are substantially long-term in nature, with the exception of Federal Benefit Withholdings, Salaries and Benefits Payable, and Deposits in Clearing Funds, which are current liabilities. Other Intragovernmental Liabilities and Other Liabilities consisted of the following:

9. Other Intragovernmental Liabilities and Other Liabilities (Dollars in Millions)

	FBF		ASF		Other Funds		Less: Intra-GSA Eliminations		GSA Consolidated Totals	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>OTHER INTRAGOVERNMENTAL LIABILITIES</b>										
Workers' Compensation Due to DOL	\$12	\$14	\$8	\$7	\$3	\$3	\$-	\$-	\$23	\$24
Federal Benefit Withholdings	9	7	6	4	5	4	-	-	20	15
Deposits in Clearing Funds	-	-	-	-	14	16	-	-	14	16
Other	-	-	-	-	23	21	23	21	-	-
<b>Total Other Intragovernmental Liabilities</b>	<b>21</b>	<b>21</b>	<b>14</b>	<b>11</b>	<b>45</b>	<b>44</b>	<b>23</b>	<b>21</b>	<b>57</b>	<b>55</b>
<b>OTHER LIABILITIES</b>										
Salaries and Benefits Payable	30	24	21	16	17	15	-	-	68	55
Deferred Revenues/Advances from the Public	12	15	1	-	-	-	-	-	13	15
Lease Termination Liability	-	-	1	5	-	-	-	-	1	5
Contingencies	1	3	-	-	-	-	-	-	1	3
Pensions for Former Presidents	-	-	-	-	13	10	-	-	13	10
<b>Total Other Liabilities</b>	<b>\$43</b>	<b>\$42</b>	<b>\$23</b>	<b>\$21</b>	<b>\$30</b>	<b>\$25</b>	<b>\$-</b>	<b>\$-</b>	<b>\$96</b>	<b>\$88</b>

10. Commitments and Contingencies

A. Commitments and Undelivered Orders

In addition to future lease commitments discussed in Note 8, GSA is committed under obligations for goods and services that have been ordered but not yet received (undelivered orders) at fiscal year-end.

Aggregate undelivered orders for all GSA activities at September 30, 2020, and 2019, are as follows:

10A. Undelivered Orders (Dollars in Millions)

Fund	2020					2019				
	Federal	Non-Federal	Paid	Unpaid	Total	Federal	Non-Federal	Paid	Unpaid	Total
FBF	\$119	\$3,043	\$90	\$3,072	\$3,162	\$148	\$3,325	\$122	\$3,351	\$3,473
ASF	164	10,505	50	10,619	10,669	352	8,361	19	8,694	8,713
Other Funds	175	153	-	328	328	150	146	-	296	296
<b>Total Undelivered Orders</b>	<b>\$458</b>	<b>\$13,701</b>	<b>\$140</b>	<b>\$14,019</b>	<b>\$14,159</b>	<b>\$650</b>	<b>\$11,832</b>	<b>\$141</b>	<b>\$12,341</b>	<b>\$12,482</b>

## **B. Contingencies**

GSA is a party in various administrative proceedings, legal actions, environmental suits and claims brought by or against the agency. In the opinion of GSA management and legal counsel, the ultimate resolution of these proceedings, actions and claims will not materially affect the financial position or results of operations of GSA, FBF, 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 the 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, owning and leasing 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. Reasonably possible contingencies involve a wide variety of allegations and claims. Accordingly, no balances have been recorded in the financial statements for these contingencies.

The accrued and reasonably possible contingencies as of September 30, 2020 and 2019 are summarized in the table below:

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

2020	Accrued Liabilities	Estimated Range of Loss	
		Lower End	Upper End
<b>Legal Contingencies :</b>			
Probable - FBF	\$1	\$1	\$5
Probable - Other Funds	—	—	1
<b>Total Probable</b>	<b>1</b>	<b>1</b>	<b>6</b>
Reasonably Possible - ASF		1	1
Reasonably Possible - FBF		70	211
Reasonably Possible - Other Funds		—	9
<b>Total Reasonably Possible</b>		<b>71</b>	<b>221</b>
<b>Environmental Contingencies :</b>			
Probable - Other Funds	43	43	43
Reasonably Possible - Other Funds		\$20	\$241
2019			
<b>Legal Contingencies :</b>			
Probable - FBF	\$3	\$3	\$4
Probable - Other Funds	—	—	1
<b>Total Probable</b>	<b>3</b>	<b>3</b>	<b>5</b>
Reasonably Possible - ASF		2	13
Reasonably Possible - FBF		73	250
Reasonably Possible - Other Funds		10	67
<b>Total Reasonably Possible</b>		<b>85</b>	<b>330</b>
<b>Environmental Contingencies :</b>			
Probable - Other Funds	5	5	5
Reasonably Possible - Other Funds		\$40	\$181

**C. U.S. Treasury Judgment Fund**

In 1956, Congress enacted the Judgment Fund as a permanent, indefinite appropriation for the payment of claims that did not have another source of funding. This resulted in prompter payments that reduced the interest that accrues against the Government between the date of the claim judgment and the claim payment.

The recognition of claims to be funded solely through the Judgment Fund on GSA Consolidated Statements of Net Cost and Consolidated Balance Sheets is, in effect, recognition of these liabilities

against the Federal Government as a whole, and should not be interpreted as claims against the assets or resources of any GSA fund, nor will any future resources of GSA be required to liquidate any resulting losses.

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

**10C . Judgment Fund Payments (Dollars in Millions)**

Fund	2020	2019
FBF	\$20	\$12
Other Funds	10	101
<b>Total Judgment Fund Payments</b>	<b>\$30</b>	<b>\$113</b>

Of these amounts, most significant balances are related to the Contract Disputes Act claims in 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 our behalf. For FY 2020 and FY 2019 GSA recorded \$10 million and \$101 million, respectively in Imputed Financing Provided From Others for the non-reimbursable payments the Treasury Judgment Fund made on GSA's behalf. This is in addition to the Imputed Costs for Post-Employment Benefits as noted in GSA's Footnote 15-E.

There is a significant decrease in the amounts paid by the Treasury Judgment Fund from the prior year as there was an environmental and disposal claim that was settled and paid by the Treasury Judgment Fund for almost \$100 million in FY 2019. There were no large payments made in FY 2020.

**11. Liabilities Not Covered By Budgetary Resources**

As of September 30, 2020, and 2019, 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, Treasury will finance the liquidation in the same way that it finances all other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit). The portion of liabilities reported on the Consolidated Balance Sheets that are not covered by budgetary resources consists of the following:

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

	FBF		ASF		Other Funds		Less : Intra - GSA Eliminations		GSA Consolidated Totals	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Judgment Fund Liability	\$524	\$507	\$—	\$—	\$—	\$—	\$—	\$—	\$524	\$507
Deferred Revenues and Advances - Federal	591	655	5	7	—	—	—	—	596	662
Other Intragovernmental Liabilities	12	14	8	7	26	24	23	21	23	24
<b>Total Intragovernmental Liabilities Not Covered by Budgetary Resources</b>	<b>1,127</b>	<b>1,176</b>	<b>13</b>	<b>14</b>	<b>26</b>	<b>24</b>	<b>23</b>	<b>21</b>	<b>1,143</b>	<b>1,193</b>
Environmental and Disposal	1,917	1,781	—	—	43	5	—	—	1,960	1,786
Capital Lease and Installment Purchase Liability	693	708	—	—	—	—	—	—	693	708
Workers' Compensation Actuarial Liabilities	71	67	39	37	13	12	—	—	123	116
Annual Leave Liability	59	49	40	34	36	30	—	—	135	113
Other Liabilities	1	3	1	5	13	10	—	—	15	18
<b>Total Non - Intragovernmental Liabilities Not Covered by Budgetary Resources</b>	<b>2,741</b>	<b>2,608</b>	<b>80</b>	<b>76</b>	<b>105</b>	<b>57</b>	<b>—</b>	<b>—</b>	<b>2,926</b>	<b>2,741</b>
<b>Total Liabilities Not Covered By Budgetary Resources</b>	<b>3,868</b>	<b>3,784</b>	<b>93</b>	<b>90</b>	<b>131</b>	<b>81</b>	<b>23</b>	<b>21</b>	<b>4,069</b>	<b>3,934</b>
<b>Total Liabilities Covered By Budgetary Resources</b>	<b>1,090</b>	<b>1,077</b>	<b>3,075</b>	<b>2,801</b>	<b>99</b>	<b>101</b>	<b>18</b>	<b>27</b>	<b>4,246</b>	<b>3,952</b>
<b>Total Liabilities Not Requiring Budgetary Resources</b>	<b>571</b>	<b>536</b>	<b>1</b>	<b>—</b>	<b>79</b>	<b>51</b>	<b>—</b>	<b>—</b>	<b>651</b>	<b>587</b>
<b>Total Liabilities</b>	<b>\$5,529</b>	<b>\$5,397</b>	<b>\$3,169</b>	<b>\$2,891</b>	<b>\$309</b>	<b>\$233</b>	<b>\$41</b>	<b>\$48</b>	<b>\$8,966</b>	<b>\$8,473</b>

Certain balances, while also unfunded by definition (as no budgetary resources have been applied), will be liquidated from resources outside of the traditional budgeting process and require no further congressional action to do so. Such balances include: 1) amounts reported in the Consolidated Balance Sheets under the captions Unamortized Rent Abatement Liability and Deposit Fund Liability; 2) the portion of amounts included in Other Intragovernmental Liabilities shown as Deposits Held in Suspense and Earnings Payable to Treasury in Note 9; 3) the portion of amounts included in Amounts Owed to the General Fund shown as custodial collections; and 4) substantially all amounts included in Other Liabilities shown as Deferred Revenues/Advances From the Public 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 2021 President's Budget, which contains FY 2019 financial statement results. The FY 2022 President's Budget, containing FY 2020 actual results is expected to be released February 3, 2021, on OMB's website. The portion of the President's Budget relating specifically to GSA can be found in the appendix of that document. Balances submitted to the U.S. Treasury constitute the basis for reporting of actual results in the President's Budget. The basis of the President's Budget and the CSBR is data reported to the U.S. Treasury on the Reports on Budget Execution and Budgetary Resources (SF 133s). Reconciling differences are caused by the presentation style of the President's Budget, which excludes Budgetary Resources and New Obligations and Upward Adjustments in expired annual funds, as well as offsetting collections, which are required for reporting on the CSBR. Small rounding differences may also exist between the CSBR and the President's Budget due to an alternative rounding methodology GSA used.

The following two schedules highlight the most significant comparable amounts reported in the FY 2019 CSBR and FY 2021 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 \$36.9 billion and \$16.7 billion as of September 30, 2019, respectively, represent budgetary resources net of FBF's unavailable budgetary resources of \$6.3 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.



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

	FBF		ASF		Other Funds		GSA Consolidated Totals		
	CSBR	Pres. Budget	CSBR	Pres. Budget	CSBR	Pres. Budget	CSBR	Pres. Budget	Difference
Budgetary Resources	\$22,916	\$22,908	\$18,828	\$18,828	\$1,377	\$1,330	\$43,121	\$43,066	\$55
New Obligations and Upward Adjustments	11,156	11,156	17,518	17,518	1,022	1,020	29,696	29,694	2
Net Outlays from Operating Activities	(997)	(997)	(304)	(303)	247	248	(1,054)	(1,052)	(2)
Distributed Offsetting Receipts	—	—	—	—	(38)	—	(38)	—	(38)

**12B . Components of each difference all funds combined** (Dollars in Millions)

	Budgetary Resources	New Obligations and Upward Adjustments	Net Outlays from Operating Activities	Distributed Offsetting Receipts
Combined Statement of Budgetary Resources	\$43,121	\$29,696	(\$1,054)	(\$38)
Expired Funds, Not Reflected in the Budget	(55)	—	—	—
Offsetting Receipts, Not Reflected in the Budget	—	—	—	38
Other	—	(2)	2	—
<b>Budget of the U . S . Government</b>	<b>\$43,066</b>	<b>\$29,694</b>	<b>(\$1,052)</b>	<b>\$—</b>

**13. Combined Statements of Budgetary Resources**

The CSBR presents GSA budgetary results in accordance with reporting requirements prescribed in OMB Circular A-11, Preparation, Submission, and Execution of the Budget. In consolidated reporting by OMB and the U.S. Treasury, for the U.S. Government as a whole, substantially all of GSA's program operations and operating results are categorized as general Government functions. There were no significant differences between the balances used to prepare the CSBR and the SF- 133s in FY 2020 or FY 2019.

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

	FBF		ASF		Other Funds		GSA Combined Totals	
	2020	2019	2020	2019	2020	2019	2020	2019
Prior Year Total Unobligated Balance, End of Period	\$5,499	\$5,096	\$1,310	\$936	\$355	\$325	\$7,164	\$6,357
<b>Adjustments to Unobligated Balance Brought Forward</b>								
Unobligated Balance transferred to other accounts	—	—	—	—	(30)	(23)	(30)	(23)
Unobligated Balance transferred from other accounts	—	—	—	—	4	21	4	21
Adjustment of Unobligated Balance Brought Forward, October 1	—	—	—	—	—	(7)	—	(7)
Recoveries of Prior Year Obligations	100	105	756	451	29	15	885	571
Other Changes in Unobligated Balance	(1)	10	3	—	(3)	(2)	(1)	8
<b>Total Adjustments to Unobligated Balance Brought Forward</b>	<b>99</b>	<b>115</b>	<b>759</b>	<b>451</b>	<b>—</b>	<b>4</b>	<b>858</b>	<b>570</b>
Unobligated Balance from Prior Year Budget Authority, Net	\$5,598	\$5,211	\$2,069	\$1,387	\$355	\$329	\$8,022	\$6,927

**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 \$138 million and \$149 million as of September 30, 2020, and 2019, 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 display on the Consolidated 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 Judgment Fund. However, unreimbursed costs of goods and services other than those identified above are not included in GSA's financial statements. Amounts recognized as normal cost related to contributions, as well as imputed costs are further provided below.

### B. Civil Service Retirement System

At the end of FY 2020, 3.0 percent (down from 3.7 percent in FY 2019) 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)*

	2020	2019
FBF	\$1	\$2
ASF	1	1
Other Funds	1	1
<b>Total Employer Contributions</b>	<b>\$3</b>	<b>\$4</b>

**C. Federal Employees Retirement System**

On January 1, 1987, the FERS, a mixed system of defined benefit and defined contribution plans, went into effect pursuant to Public Law 99-335. Employees hired after December 31, 1983, were automatically covered by FERS and Social Security while employees hired before January 1, 1984, elected to either join FERS and Social Security or remain in CSRS. As of September 30, 2020, 96.9 percent (up from 96.1 percent in FY 2019) of GSA employees were covered under FERS. One of the primary differences between the systems is that FERS offers automatic and matching contributions into the Federal Government’s Thrift Savings Plan (TSP) for each employee. All employees could invest up to \$19,500 and \$19,000 in their TSP account in calendar years 2020 and 2019, 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 2020 and 2019, total contributions made on behalf of an employee could not exceed \$57,000 and \$56,000, respectively. For FY 2020 and FY 2019, the GSA (employer) contributions to FERS (33.4 percent of base pay for law enforcement employees and 16 percent for all others) were as follows:

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

	2020	2019
FBF	\$86	\$69
ASF	57	45
Other Funds	51	42
<b>Total Employer Contributions</b>	<b>\$194</b>	<b>\$156</b>

Additional GSA contributions to the TSP were as follows:

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

	2020	2019
FBF	\$25	\$23
ASF	17	15
Other Funds	14	14
<b>Total Employer Contributions</b>	<b>\$56</b>	<b>\$52</b>

**D. Social Security System**

GSA also makes matching contributions for programs of the Social Security Administration (SSA) under the Federal Insurance Contributions Act. For employees covered by FERS, GSA contributed 6.2 percent of gross pay (up to \$137,700 and \$132,900 in calendar years 2020 and 2019, respectively) to SSA's Old-Age, Survivors, and Disability Insurance Program in both calendar years 2020 and 2019. 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 2020 and 2019. In FY 2020 and 2019, 0.1 percent and 0.2 percent, respectively, 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)**

	2020	2019
FBF	\$41	\$38
ASF	28	26
Other Funds	23	22
<b>Total Employer Contributions</b>	<b>\$92</b>	<b>\$86</b>

**E. Schedule of Unfunded Benefit Costs**

Amounts recorded in fiscal years 2020 and 2019, in accordance with FASAB SFFAS 5, *Accounting for Liabilities of The Federal Government*, for imputed post-employment benefits were as follows:

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

	Pension Benefits	Health/Life Insurance	Total
<b>2020</b>			
FBF	\$4	\$35	\$39
ASF	4	21	25
Other Funds	4	18	22
<b>Total Unfunded Benefit Costs</b>	<b>\$12</b>	<b>\$74</b>	<b>\$86</b>
<b>2019</b>			
FBF	\$14	\$32	\$46
ASF	11	19	30
Other Funds	10	17	27
<b>Total Unfunded Benefit Costs</b>	<b>\$35</b>	<b>\$68</b>	<b>\$103</b>

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

## 16. Budget and Accrual Reconciliation

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

16 . FY 2020 Budget and Accrual Reconciliation (Dollars in Millions)

	FBF			ASF			Other Funds			Less : Intra - GSA Eliminations			GSA Consolidated		
	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total
<b>Net Cost of Operations</b>	\$—	\$—	(\$436)	\$—	\$—	(\$252)	\$—	\$—	\$336	\$—	\$—	\$32	\$—	\$—	(\$384)
<b>Components of Net Cost Not Part of the Budget Outlays</b>															
Property, Plant, and Equipment Depreciation	—	(1,711)	(1,711)	—	(610)	(610)	—	(10)	(10)	—	—	—	—	(2,331)	(2,331)
Property, Plant and Equipment Disposal & Reevaluation	—	(16)	(16)	—	(157)	(157)	—	—	—	—	—	—	—	(173)	(173)
<b>Increase/(Decrease) in Assets :</b>															
Accounts Receivables	(21)	(6)	(27)	336	(1)	335	(5)	—	(5)	—	—	—	310	(7)	303
Loans Receivable	—	(1)	(1)	—	—	—	—	—	—	—	—	—	—	(1)	(1)
Other Asset - Regulatory Assets	(52)	—	(52)	30	(4)	26	—	—	—	—	—	—	(22)	(4)	(26)
<b>(Increase)/Decrease in Liabilities</b>															
Accounts Payable	13	(11)	2	(21)	(236)	(257)	4	2	6	—	—	—	(4)	(245)	(249)
Salaries and Benefits	(2)	(6)	(8)	(2)	(4)	(6)	(1)	(3)	(4)	—	—	—	(5)	(13)	(18)
Environmental and Disposal Liabilities	—	(136)	(136)	—	—	—	—	(38)	(38)	—	—	—	—	(174)	(174)
Other Liabilities (Unfunded leave, Unfunded FECA, Actuarial FECA)	38	(2)	36	(1)	(6)	(7)	3	(7)	(4)	—	—	—	40	(15)	25

16 . FY 2020 Budget and Accrual Reconciliation (Dollars in Millions)

	FBF		ASF		Other Funds		Less : Intra - GSA Eliminations		GSA Consolidated	
	Intra-governmental	With the Public	Intra-governmental	With the Public	Intra-governmental	With the Public	Intra-governmental	With the Public	Intra-governmental	With the Public
<b>Other Financing Sources :</b>										
Imputed Financing Provided by Others	(57)	—	(38)	—	(33)	—	(32)	—	(96)	—
		(57)		(38)		(33)		(32)		(96)
<b>Components of Budget Outlays Not Part of Net Cost:</b>										
Acquisition of Capital Assets	—	2,092	829	3	2	5	—	—	831	2,100
Acquisition of Inventory	—	—	—	—	—	—	—	—	—	—
Other	—	(2)	—	—	—	—	—	—	—	(2)
Net Outlays from Operating Activity	—	—	—	—	—	—	—	—	—	—
Distributed Offsetting Receipts	—	—	—	—	—	—	—	—	—	—
		(316)		(134)		252		—		(198)
		—		—		(67)		—		(67)
<b>Total Net Outlays</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>
		<b>(\$316)</b>		<b>(\$134)</b>		<b>\$185</b>		<b>\$—</b>		<b>(\$265)</b>



16. FY 2019 Budget and Accrual Reconciliation (Dollars in Millions)

	FBF			ASF			Other Funds			Less : Intra - GSA Eliminations			GSA Consolidated		
	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total	Intra-governmental	With the Public	Total
<b>Net Cost of Operations</b>	\$-	\$-	(\$524)	\$-	\$-	(\$220)	\$-	\$-	\$247	(\$39)	\$-	(\$39)	\$-	\$-	(\$536)
<b>Components of Net Cost Not Part of the Budget Outlays</b>															
Property, Plant, and Equipment and Depreciation	-	(1,681)	(1,681)	-	(591)	(591)	-	(11)	(11)	-	-	-	-	(2,283)	(2,283)
Property, Plant and Equipment Disposal & Reevaluation	-	-	-	-	(223)	(223)	-	-	-	-	-	-	-	(223)	(223)
<b>Increase/(Decrease) in Assets :</b>															
Accounts Receivables	(60)	(1)	(61)	533	(10)	523	-	-	-	-	-	-	473	(11)	462
Loans Receivable	-	(1)	(1)	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Other Asset - Regulatory Assets	101	(134)	(33)	(7)	(4)	(11)	(1)	-	(1)	-	-	-	93	(138)	(45)
<b>(Increase)/Decrease in Liabilities</b>															
Accounts Payable	(9)	(54)	(63)	32	(598)	(566)	9	(4)	5	-	-	-	32	(656)	(624)
Salaries and Benefits	(1)	(2)	(3)	(1)	(2)	(3)	-	(2)	(2)	-	-	-	(2)	(6)	(8)
Environmental and Disposal Liabilities	-	90	90	-	-	-	-	131	131	-	-	-	-	221	221
Other Liabilities (Unfunded leave, Unfunded FECA, Actuarial FECA)	34	7	41	(2)	(11)	(13)	-	1	1	-	-	-	32	(3)	29

16. FY 2019 Budget and Accrual Reconciliation (Dollars in Millions)

	FBF			ASF			Other Funds			Less : Intra - GSA Eliminations			GSA Consolidated		
	Intra - governmental	With the Public	Total	Intra - governmental	With the Public	Total	Intra - governmental	With the Public	Total	Intra - governmental	With the Public	Total	Intra - governmental	With the Public	Total
<b>Other Financing Sources :</b>															
Imputed Financing Provided by Others	(65)	—	(65)	(46)	—	(46)	(129)	—	(129)	39	—	39	(201)	—	(201)
<b>Components of Budget Outlays Not Part of Net Cost:</b>															
Acquisition of Capital Assets	—	1,302	1,302	844	3	847	—	6	6	—	—	—	844	1,311	2,155
Acquisition of Inventory	—	—	—	—	1	1	—	—	(38)	—	—	—	—	1	1
Other	—	1	1	—	(2)	(2)	—	—	—	—	—	—	—	(1)	(1)
Net Outlays from Operating Activity			(997)			(304)			247						(1,054)
Distributed Offsetting Receipts	—	—	—	—	—	—	—	—	(38)	—	—	—	—	—	(38)
<b>Total Net Outlays</b>	<b>\$—</b>	<b>\$—</b>	<b>(\$997)</b>	<b>\$—</b>	<b>\$—</b>	<b>(\$304)</b>	<b>\$247</b>	<b>\$—</b>	<b>\$209</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>(\$1)</b>	<b>(\$1,092)</b>

## 17. Net Cost by Responsibility Segment

OMB Circular A-136, Financial Reporting Requirements, requires that the presentation aligns with the goals and outcomes identified in the agency's strategic plan. The strategic goals presented in GSA's Consolidated Statements of Net Cost are derived from the missions of the agency's two largest service organizations: PBS, which manages the FBF, and FAS, which manages the ASF.

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

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

The GSA agency-wide strategic plan goals of providing cost savings to customers, increasing operational efficiency, and delivering excellent customer service are embedded in the missions of its service organizations. Revenues and expenses not associated with PBS or FAS are reported as Working Capital and General Programs. Eliminations of intra-agency activity are recorded against the organization providing the goods or services, displayed in the "ELIM" column. The following tables present the FY 2020 and FY 2019 net operating results by strategic goal for each responsibility segment.

17. FY 2020 Net Cost by Responsibility Segment Schedule (Dollars in Millions)

For the Year Ended September 30, 2020 (Dollars in Millions)													
	FBF - Owned	FBF - Leased	ASF - GS&S	ASF - TTL	ASF - ITC	ASF - AAS	ASF - PS&HC	ASF - Other	WCF	General Funds	GSA Combined	Elim	GSA Consolidated
<b>Manage Building Operations</b>													
Earned Revenues	\$5,490	\$6,678	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$12,168	\$69	\$12,099
Less: Operating Expenses	4,929	6,803	-	-	-	-	-	-	-	-	11,732	86	11,646
Net Revenues from (Cost of) Operations	561	(125)	-	-	-	-	-	-	-	-	436	(17)	453
<b>Provide Acquisition Services</b>													
Earned Revenues	-	-	1,374	2,112	1,837	11,418	105	142	-	-	16,988	177	16,811
Less: Operating Expenses	-	-	1,372	1,907	1,779	11,339	89	250	-	-	16,736	191	16,545
Net Revenues from (Cost of) Continuing Operations	-	-	2	205	58	79	16	(108)	-	-	252	(14)	266
<b>Working Capital and General Programs</b>													
Earned Revenues	-	-	-	-	-	-	-	-	695	39	734	678	55
Less: Operating Expenses	-	-	-	-	-	-	-	-	707	363	1,070	680	390
Net Revenues from (Cost of) Operations	-	-	-	-	-	-	-	-	(12)	(324)	(336)	(1)	(335)
<b>GSA Consolidated Net Results</b>													
Earned Revenues	5,490	6,678	1,374	2,112	1,837	11,418	105	142	695	39	29,890	925	28,965
Less: Operating Expenses	4,929	6,803	1,372	1,907	1,779	11,339	89	250	707	363	29,538	957	28,581
Net Revenues from (Cost of) GSA Operations	\$561	(\$125)	\$2	\$205	\$58	\$79	\$16	(\$108)	(\$12)	(\$324)	\$352	(\$32)	\$384

17. FY 2019 Net Cost by Responsibility Segment Schedule (Dollars in Millions)

For the Year Ended September 30, 2019 (Dollars in Millions)													
	FBF - Owned	FBF - Leased	ASF - GS&S	ASF - TTL	ASF - ITC	ASF - AAS	ASF - PS&HC	ASF - Other	WCF	General Funds	GSA Combined	Elim	GSA Consolidated
<b>Manage Building Operations</b>													
Earned Revenues	\$5,234	\$6,622	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$11,856	\$71	\$11,785
Less: Operating Expenses	4,626	6,706	-	-	-	-	-	-	-	-	11,332	91	11,241
Net Revenues from (Cost of) Operations	608	(84)	-	-	-	-	-	-	-	-	524	(20)	544
<b>Provide Acquisition Services</b>													
Earned Revenues	-	-	1,291	2,177	1,770	9,193	96	131	-	-	14,658	184	14,474
Less: Operating Expenses	-	-	1,287	1,951	1,760	9,152	92	196	-	-	14,438	201	14,237
Net Revenues from (Cost of) Continuing Operations	-	-	4	226	10	41	4	(65)	-	-	220	(17)	237
<b>Working Capital and General Programs</b>													
Earned Revenues	-	-	-	-	-	-	-	-	678	39	717	673	44
Less: Operating Expenses	-	-	-	-	-	-	-	-	689	275	964	675	289
Net Revenues from (Cost of) Operations	-	-	-	-	-	-	-	-	(11)	(236)	(247)	(2)	(245)
<b>GSA Consolidated Net Results</b>													
Earned Revenues	5,234	6,622	1,291	2,177	1,770	9,193	96	131	678	39	27,231	928	26,303
Less: Operating Expenses	4,626	6,706	1,287	1,951	1,760	9,152	92	196	689	275	26,734	967	25,767
Net Revenues from (Cost of) GSA Operations	\$608	(\$84)	\$4	\$226	\$10	\$41	\$4	(\$65)	(\$11)	(\$236)	\$497	(\$39)	\$536

## **18. Reclassification of Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position for FR Compilation Process**

To prepare the Financial Report of the U.S. Government (FR), the Department of the Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. Standard General Ledger account that appear in the financial statements. Treasury uses the trial balance information reported in the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a Reclassified Balance Sheet, Reclassified Statement of Net Cost, and a Reclassified Statement of Changes in Net Position for each agency, which are accessed using GTAS. Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the FR 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 FR line items. A copy of the 2019 FR can be found here: <https://www.fiscal.treasury.gov/reports-statements/> and a copy of the 2020 FR 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. Reconciliation of GSA's Balance Sheet for the Federal Financial Report (Dollars in Millions)

2020 GSA Balance Sheet		Line Items Used to Prepare 2020 Government-wide Balance Sheet					
Financial Statement Line	Amount	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
<b>ASSETS</b>							
Intragovernmental Assets:							
Fund Balance with Treasury (Notes 1-D, 2)	\$14,643	\$162	\$-	\$14,481	\$-	\$14,643	Fund Balance With Treasury (Note 3)
Accounts Receivable - Federal, Net (Note 4)	3,852	-	-	3,852	-	3,852	Accounts Receivable - Federal, Net (Note 6)
Capital Lease Payments Receivable (Note 8)	29	-	-	29	-	29	Accounts Receivable - Federal, Net (Note 6)
Unamortized Deferred Charges and Prepayments	96	-	-	96	-	96	Accounts Receivable - Federal, Net (Note 6)
Prepaid Expenses and Advances - Federal	90	-	-	90	-	90	Advances to Others and Prepayments (Note 12)
<b>Total Intragovernmental Assets</b>	<b>18,710</b>	<b>162</b>	<b>-</b>	<b>18,548</b>	<b>-</b>	<b>18,710</b>	<b>Total Intragovernmental Assets</b>
Accounts Receivable - Non-Federal, Net (Note 6)	125	15	-	110	-	125	Accounts Receivable - Non-Federal, Net (Note 6)
Other Assets (Note 5)	75	-	-	75	-	75	Other Assets (Note 12)
Property and Equipment (Notes 1-E, 6):							
Buildings	51,205	-	-	51,205	-	51,205	General Property, Plant, and Equipment, Net
Leasehold Improvements	234	-	-	234	-	234	General Property, Plant, and Equipment, Net
Motor Vehicles	6,474	-	-	6,474	-	6,474	General Property, Plant, and Equipment, Net
Equipment and Other Property	305	-	-	305	-	305	General Property, Plant, and Equipment, Net
Less: Accumulated Depreciation and Amortization	(34,170)	-	-	(34,170)	-	(34,170)	General Property, Plant, and Equipment, Net
<b>Subtotal</b>	<b>24,048</b>	<b>-</b>	<b>-</b>	<b>24,048</b>	<b>-</b>	<b>24,048</b>	<b>Subtotal</b>
Land	1,867	-	-	1,867	-	1,867	General Property, Plant, and Equipment, Net
Construction in Process and Software in Development	1,446	-	-	1,446	-	1,446	General Property, Plant, and Equipment, Net
<b>Total Property and Equipment, Net</b>	<b>27,361</b>	<b>-</b>	<b>-</b>	<b>27,361</b>	<b>-</b>	<b>27,361</b>	<b>Total General Property, Plant, and Equipment, Net (Note 10)</b>
<b>TOTAL ASSETS</b>	<b>\$46,271</b>	<b>\$177</b>	<b>\$-</b>	<b>\$46,094</b>	<b>\$-</b>	<b>\$46,271</b>	<b>TOTAL ASSETS</b>

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

2020 GSA Balance Sheet		Line Items Used to Prepare 2020 Government-wide Balance Sheet				
Financial Statement Line	Amount	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Reclassified Financial Statement Line
<b>LIABILITIES AND NET POSITION</b>						
Intragovernmental Liabilities:						
Accounts Payable and Accrued Expenses - Federal	\$55	\$-	\$-	\$55	\$-	\$55 Accounts Payable - Federal
Judgment Fund Liability	524	-	-	524	-	524 Accounts Payable - Federal
Deferred Revenues and Advances - Federal	644	-	-	596	-	596 Accounts Payable - Federal
		-	-	48	-	48 Advances from Others and Deferred Credits (Note 17)
Amounts Owed to the General Fund	38	38	-	-	-	38 Liability to the General Fund of the U. S. Gov't for Custodial and Other Non-Entity Assets (Note 17)
Other Intragovernmental Liabilities (Note 9)	57	-	-	38	-	38 Benefit Program Contributions Payable (Note 15)
		-	-	19	-	19 Other Liabilities (Without Reciprocals (Note 15)
Total Intragovernmental Liabilities	1,318	38	-	1,280	-	1,318 Total Intragovernmental Liabilities
Accounts Payable and Accrued Expenses - Non-Federal	4,054	1	-	4,043	-	4,044 Accounts Payable - Non Federal
		-	-	10	-	10 Other Liabilities (Notes 17, 18, and 19)
Environmental and Disposal Liabilities (Note 6, 10-B)	1,960	-	-	1,960	-	1,960 Environmental and Disposal Liabilities (Note 16)
Capital Lease and Installment Purchase Liability	694	-	-	664	-	664 Federal Debt and Interest Payable (Note 14)
		-	-	30	-	30 Other Liabilities (Notes 17, 18, and 19)
Unamortized Rent Abatement Liability	559	-	-	559	-	559 Other Liabilities (Notes 17, 18, and 19)
Workers' Compensation Actuarial Liability (Note 7)	123	-	-	123	-	123 Federal Employee and Veteran Benefits Payable (Note 15)
Annual Leave Liability (Note 1-F)	135	-	-	135	-	135 Federal Employee and Veteran Benefits Payable (Note 15)
Deposit Fund Liability	27	-	-	27	-	27 Other Liabilities (Notes 17, 18, and 19)
Other Liabilities (Note 9)	96	-	-	16	-	16 Federal Employee and Veteran Benefits Payable (Note 15)
		-	-	80	-	80 Other Liabilities (Notes 17, 18, and 19)
<b>Total Liabilities (Note 1.1)</b>	<b>8,966</b>	<b>39</b>	<b>-</b>	<b>\$8,927</b>	<b>-</b>	<b>8,966 Total Liabilities</b>

Table continued on following page.



18. Reclassification of GSA's Balance Sheet for the Federal Financial Report Continued from Previous Page (Dollars in Millions)

2020 GSA Balance Sheet		Line Items Used to Prepare 2020 Government-wide Balance Sheet					
Financial Statement Line	Amount	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
<b>LIABILITIES AND NET POSITION</b>							
Net Position :							
Unexpended Appropriations	933	—	—	933	—	933	Unexpended Appropriations - Funds Other Than Those From Dedicated Collections
Cumulative Results of Operations (Note 14)	36,372	138	—	—	4	142	Cumulative Results of Operations - Funds From Dedicated Collections
		—	—	36,234	(4)	36,230	Cumulative Results of Operations - Funds Other Than Those From Dedicated Collections
<b>Total Net Position</b>	<b>37,305</b>	<b>138</b>	<b>—</b>	<b>37,167</b>	<b>—</b>	<b>37,305</b>	<b>Total Net Position</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$46,271</b>	<b>\$177</b>	<b>\$—</b>	<b>\$46,094</b>	<b>\$—</b>	<b>\$46,271</b>	<b>TOTAL LIABILITIES AND NET POSITION</b>

18 . Reclassification of GSA Statement of Net Cost for the Federal Financial Report (Dollars in Millions)

FY 2020 GSA Statement of Net Cost		Line Items Used to Prepare FY 2020 Government-wide Statement of Net Cost					Reclassified Financial Statement Line
Financial Statement Line	Amount	Dedicated Collections Combined	Dedicated Collections with Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	
<b>GSA Consolidated Net Results</b>							
Earned Revenues	\$28,965	\$—	\$—	\$2	\$—	\$2	Borrowing and Other Interest Revenue (Exchange) (RC 05) / 2
		—	—	28,176	(4)	28,172	Buy/Sell Revenue (Exchange) (RC 24) / 2
		—	—	5	—	5	Purchase of Assets Offset (RC 24) / 2 <sup>1</sup>
		—	—	28,183	(4)	28,179	Total Federal Earned Revenue
		—	—	791	—	791	Non - Federal Earned Revenue
		—	—	28,974	(4)	28,970	Total Earned Revenue
Less: Operating Expenses	28,581	1	—	309	—	310	Benefit Program Costs (RC 26)/2
		6	—	1,585	(4)	1,587	Buy/Sell Costs (RC 24)/2
		—	—	96	—	96	Imputed Cost (RC 25)/2
		—	—	5	—	5	Purchase of Assets (RC 24)/2 <sup>1</sup>
		—	—	91	—	91	Other Expenses (without reciprocals) (RC 29)
		7	—	2,086	(4)	2,089	Total Federal Gross Costs
		12	—	26,485	—	26,497	Non - Federal Gross Cost
		19	—	28,571	(4)	28,586	Total Gross Costs
<b>Net Revenues from Operations</b>	<b>\$384</b>	<b>(\$19)</b>	<b>\$—</b>	<b>\$403</b>	<b>\$—</b>	<b>\$384</b>	<b>Net Revenues from Operations</b>

<sup>1</sup> 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 Statement of Changes in Net Position for the Federal Financial Report (Dollars in Millions)

2020 GSA Statement of Changes in Net Position		Line Items Used to Prepare 2020 Government-wide Statement of Changes in Net Position				
Financial Statement Line	Amount	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Reclassified Financial Statement Line
<b>BEGINNING BALANCE OF NET POSITION:</b>						
Unexpended Appropriations	\$680	\$—	\$—	\$680	\$—	\$680 Net Position, Beginning of Period
Cumulative Results of Operations	35,528	149	—	35,379	—	35,528 Net Position, Beginning of Period
<b>Net Position Beginning Balance</b>	<b>36,208</b>	<b>149</b>	<b>—</b>	<b>36,059</b>	<b>—</b>	<b>Net Position Beginning Balance</b>
<b>CHANGES IN UNEXPENDED APPROPRIATIONS:</b>						
Appropriations Received	581	—	—	581	—	Appropriations Received as Adjusted (Recisions and Other Adjustments) (RC 41) /1
Appropriations Used	(319)	—	—	(319)	—	Appropriations Used (RC 39)
Appropriations Adjustments and Transfers (To) From Other Agencies or Funds	(9)	—	—	(8)	—	Appropriations Received as Adjusted (Recisions and Other Adjustments) (RC 41) /1
		—	—	(1)	—	Nonexpenditure Transfers - Out of Unexpended Appr and Financing Sources (RC 08) /1
<b>Net Change in Unexpended Appropriations</b>	<b>253</b>	<b>—</b>	<b>—</b>	<b>253</b>	<b>—</b>	<b>Net Change in Unexpended Appropriations</b>

18. Reclassification of GSA Statement of Changes in Net Position for the Federal Financial Report (Dollars in Millions)

2020 GSA Statement of Changes in Net Position		Line Items Used to Prepare 2020 Government-wide Statement of Changes in Net Position					Reclassified Financial Statement Line
Financial Statement Line	Amount	Dedicated Collections Combined	Dedicated Collection Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	
<b>RESULTS OF OPERATIONS:</b>							
Net Revenues From (Cost of) Operations	384	(19)	—	403	—	384	Net Cost of Operations
Appropriations Used (Note 1-C)	319	—	—	319	—	319	Appropriations Expended (RC 38)/1
Non-Exchange Revenue (Notes 1-C, 1-D)	79	—	—	3	—	3	Other Non-Budgetary Financing Sources (RC 29)/1, 9
Imputed Financing Provided By Others	96	—	—	96	—	96	Other Taxes and Receipts
Transfers of Financing Sources (To) From the U. S. Treasury	(78)	(8)	—	2	—	(6)	Imputed Financing Sources (RC 25)/1
		39	(39)	—	—	—	Accrual for Non-Entity Amounts to be Collected and Transferred to the General Fund of the U. S. Gov't (RC 48)
		(39)	39	—	—	—	Appropriation of Unavailable Special or Trust Fund Receipts Transfers - In (RC 07)/1
		(5)	—	—	—	(5)	Appropriation of Unavailable Special or Trust Fund Receipts Transfers - Out (RC 07)/1
		(16)	—	(51)	—	(67)	Other Non-Budgetary Financing Sources (RC 29)/1, 9
Transfers of Net Assets and Liabilities (To) From Other Federal Agencies	46	—	—	48	—	48	Non-Entity Collections Transferred to the General Fund of the U. S. Gov't (RC 44)
Other	(2)	—	—	(2)	—	(2)	Transfers - In Without Reimbursement (RC 18)/1
		(2)	—	—	—	(2)	Transfers - Out Without Reimbursement (RC 18)/1
Net Results of Operations	844	(11)	—	855	—	844	Non-Entity Collections Transferred to the General Fund of the U. S. Gov't (RC 44)
<b>ENDING BALANCE OF NET POSITION:</b>							
Unexpended Appropriations	933	—	—	933	—	933	Net Results of Operations
Cumulative Results of Operations	36,372	138	—	36,234	—	36,372	Net Position, End of Period
<b>Net Position Ending Balance</b>	<b>\$37,305</b>	<b>\$138</b>	<b>\$—</b>	<b>\$37,167</b>	<b>\$—</b>	<b>\$37,305</b>	Net Position Ending Balance

## 19. Public-Private Partnerships (P3s)

SFFAS 49, *Public-Private Partnerships*, helps achieve the operating performance and budgetary integrity objectives outlined in SFFAC 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 P3s partner's determination of the performance or return on investment.

### Outleases<sup>3</sup>

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

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

Some of GSA's outlease arrangements are long-term (i.e., greater than 5 years), and entail 1) a risk-reward relationship; 2) a term that encumbers a significant portion of the economic life of the asset; and 3) rent that is based, in part, on a percentage of gross revenues reported by the tenant. The term of the outlease arrangement can vary, from a single day usage of space, to multiple years in length. Currently the longest outlease term is 65 years.

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

<sup>3</sup> Non-Federal entity funding sources for outleases is unknown.

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.

#### **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 contractors (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 contractor conducts a comprehensive energy audit for the Federal facility and identifies improvements to save energy. In consultation with the agency, the contractor designs and constructs a project that meets the agency's needs and arranges the necessary funding. The contractor guarantees that the improvements will generate energy cost savings sufficient to pay for the project over the term of the contract. The cost of an ESPC project must be covered by the energy, water, and related cost savings generated at the project site. The ESPC's cost savings must be verified and documented annually. After the contract ends, any additional cost savings accrue to the agency.

Generally, the risk of loss to the Federal Government is low, but there is risk associated with (a) the potential failure of a contractor to provide ongoing satisfactory performance throughout the project lifecycle to ensure that the project is successful as designed; (b) the potential failure of equipment being improperly operated and maintained resulting in less than expected savings; and (c) the potential financial loss from early contract termination could include termination fees. All costs for the actual energy saving equipment installed in GSA's buildings is 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 cost 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 \$1,511 million shown as the amount to be paid in future periods, \$657 million has been recognized as installment contract liability as of September 30, 2020; \$239 million is

for the future interest costs associated with the long-term financing of that liability; and \$615 million represents the contractual estimate of operations and maintenance support costs to be incurred over the life of the ESPCs.

**19. Public - Private Partnerships (P3s) Revenues and Expenses** (Dollars in Millions)

Agreements/Contracts	2019		2020		Future Periods	
	Actual Amount Received	Actual Amount Paid	Actual Amount Received	Actual Amount Paid	Estimated Amount to be Received	Estimated Amount to be Paid
Outleases	\$19	\$-	\$21	\$-	\$255	\$-
ESPCs	\$-	\$90	\$-	\$94	\$-	\$1,511

**20. COVID-19 Activity**

Three funds at GSA – the FBF, WCF, and FCSF – received funding through the Coronavirus Aid, Relief, and Economic Security Act to help prevent, prepare and respond to the coronavirus pandemic.

Appropriations provided to GSA as well as expenditures as of September 30, 2020 are displayed in the tables below.<sup>4</sup>

**20A. COVID - 19 Budgetary Resources** (Dollars in Millions)

	FBF	WCF	FCSF	Total
Appropriations Received	\$275	\$2	\$18	\$295
Less: Current Year Obligations	45	1	13	59
<b>Unobligated Balance</b>	<b>\$230</b>	<b>\$1</b>	<b>\$5</b>	<b>\$236</b>

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

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

<sup>4</sup> Note, the impacts to GSA's assets, liabilities, costs, revenues, net position, etc., beyond those displayed above, are immaterial.

## 21. Funds from Dedicated Collections

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

## 22. Subsequent Events

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