Architect of the Capitol
Office of the Inspector General

Audit of Fiscal Year 2024 Financial Statements

OIG-AUD-2025-01

November 15, 2024

ARCHITECT OF THE CAPITOL

MISSION

The OIG promotes efficiency and effectiveness to deter and prevent fraud, waste and mismanagement in AOC operations and programs. Through value-added, transparent and independent audits, evaluations and investigations, we strive to positively affect the AOC and benefit the taxpayer while keeping the AOC and Congress fully informed.

VISION

The OIG is a high-performing team, promoting positive change and striving for continuous improvement in AOC management and operations. We foster an environment that inspires AOC workforce trust and confidence in our work.

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Inspector General

DATE: November 15, 2024

TO: Thomas E. Austin, PE, CCM, PMP
Architect of the Capitol

FROM: Christopher P. Failla, CIG, CFE
Inspector General

SUBJECT: Audit of Architect of the Capitol's (AOC's) Fiscal Year 2024 Financial Statements (Audit Report OIG-AUD-2025-01)

We contracted with the independent public accounting firm KPMG LLP (KPMG) to audit the financial statements of the AOC as of and for the fiscal years that ended September 30, 2024, and 2023, report on internal control over financial reporting, and report on compliance and other matters. The contract required that the audits be performed in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Office of Management and Budget Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*; the U.S. Government Accountability Office's (GAO) Federal Information System Controls Audit Manual (FISCAM); and the GAO/Council of the Inspectors General on Integrity and Efficiency Financial Audit Manual.

In its audit of the AOC, KPMG reported:

- the financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses[1] in internal control over financial reporting;
- no reportable noncompliance issues with provisions of laws tested or other matters; and
- no information technology deficiencies that rose to the level of a significant deficiency or material weakness based on audit work performed in accordance with FISCAM.

KPMG is responsible for the attached independent auditors' report dated November 15, 2024, and the conclusions expressed therein. We do not express opinions on the AOC's financial statements or internal control over financial reporting, or conclusions on compliance and other matters.

If you have any questions or wish to discuss this report, please contact Sharmaine Carter at 202.538.1830 or Sharmaine.Carter@aoc.gov.

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[1] A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Distribution List:

- Joseph Campbell, Deputy Architect
- Patrick Briggs, Chief of Staff
- Sherri Jordan, Chief Financial Officer
- Hajira Shariff, Acting Executive Officer
- Telora Dean, Chief Administrative Officer
- Joseph DiPietro, Chief of Operations
- Angela Freeman, General Counsel
- Thomas Costello, Deputy Chief Engineer
- Robert Bell, Chief Information Officer
- Aaron Altwies, Chief Security Officer
- James Kaufmann, Director, Capitol Grounds & Arboretum
- Michael Lewis, Supervisory Engineer, Library Buildings and Grounds
- Stephanie Jones, Supervisory Engineer, Senate Office Buildings
- Mark Reed, Superintendent, U. S. Capitol Building
- Joseph Yates, Superintendent, House Office Buildings
- Charles Iliff, Director, Office of Safety and Code Compliance
- Deatra Trinidad, Acting Facilities Manager, Supreme Court Buildings and Grounds
- Susan Pell, Executive Director, U.S. Botanic Garden
- Fay Ott, Acting Chief Executive Officer for Visitor Services
- Christopher Potter, Director, Utilities and Power Plant Operations

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SECTION 1

Independent Auditor’s Report

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

Independent Auditors' Report

Inspector General of the Architect of the Capitol
Architect of the Capitol:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Architect of the Capitol (AOC), which comprise the balance sheets as of September 30, 2024 and 2023, and the related statements of net costs, changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the AOC as of September 30, 2024 and 2023, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the AOC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Notes 1 and 15 to the financial statements, in fiscal year 2024, AOC adopted Federal Accounting Standards Advisory Board Statement of Federal Financial Accounting Standards (SFFAS) 54, *Leases*, and related amendments. Our opinion is not modified with respect to this matter.

Other Matter - Interactive Data

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

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 24-02 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 24-02, we:

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

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

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the *Performance and Accountability Report*. The other information comprises the Table of Contents, Introduction, 75 Years of AOC Photography, Section Two: Performance Information, Section Three: Financial Information Overview, Introducing the Principal Financial Statements, Message from the Chief Financial Officer, Inspector General Transmittal, Architect of the Capitol's Response to the Inspector General, Section Four: Other Information, Appendices, Websites and Media Platforms, Capitol Highlights, and Infographics but does not include the financial statements and our auditors' report thereon. Our opinion on the statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements as of and for the year ended September 30, 2024, we considered the AOC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the AOC's internal control. Accordingly, we do not express an opinion on the effectiveness of the AOC's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the AOC's financial statements as of and for the year ended September 30, 2024 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-02.

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

Purpose of the Other Reporting Required by Government Auditing Standards

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

KPMG LLP

Washington, D.C.
November 15, 2024

SECTION 2

Architect of the Capitol's Comments

ARCHITECT OF THE CAPITOL
Architect of the Capitol
U.S. Capitol, Room SB-16
Washington, DC 20515
202.228.1793
www.aoc.gov

November 15, 2024

Mr. Christopher P. Failla
Inspector General
Architect of the Capitol
Washington, DC 20515

Dear Mr. Failla:

Thank you for the opportunity to comment on the Independent Auditors' Report related to the Architect of the Capitol's (AOC) financial statements for the fiscal years ending September 30, 2024, and September 30, 2023. We are pleased the audit resulted in an unmodified opinion, marking the 20th consecutive year the AOC received a "clean" opinion.

In addition, the auditor's report identified zero material weaknesses, no significant deficiencies and no control deficiencies. The AOC works diligently to establish strong management practices in order to address our fiscal compliance requirements and manage our financial processes and systems.

We appreciate working collaboratively with you in support of an efficient and effective audit. The annual audit continues to provide us with new insights and valuable recommendations for improvement. I would like to thank you, your staff and the auditor, KPMG, for the professionalism and commitment in conducting the audit.

Sincerely,

Thomas E. Austin, PE, CCM, PMP
Architect of the Capitol

Doc. No. 241028-04-04

SECTION 3

AOC Fiscal Year 2024 Financial Statements

Architect of the Capitol

Fiscal Year 2024 Financial Statements
For the Years Ended September 30, 2024, and 2023

Prepared by:
Office of the Chief Financial Officer (CFO)
Accounting Division
Ford House Office Building
Second and D Streets, SW
Washington, DC 20515

November 8, 2024

Architect of the Capitol

Financial Statements

I. Balance Sheets

II. Statements of Net Cost

III. Statements of Changes in Net Position

IV. Combined Statements of Budgetary Resources

V. Notes to the Financial Statements

Architect of the Capitol
Balance Sheets
As of September 30, 2024, and 2023

Dollars in Thousands	2024	2023
Assets (Note 2)		
Intragovernmental Assets		
Fund Balance with Treasury (Note 3)	$ 1,674,354	$ 1,612,659
Investments, Net (Note 5)	14,451	10,318
Accounts Receivable, Net (Note 6)	660	598
Advances and Prepayments (Note 10)	255,255	285,566
Total Intragovernmental Assets	$ 1,944,720	$ 1,909,141
Other than Intragovernmental Assets		
Cash and Other Monetary Assets (Note 4)	$ 60	$ 53
Accounts Receivable, Net (Note 6)	658	650
Inventory and Related Property, Net (Note 7)	847	982
Property, Plant and Equipment, Net (Note 8)	2,899,411	2,675,467
Advances and Prepayments (Note 10)	5	4
Investments, Net (Note 5)	11,851	11,258
Total Other than Intragovernmental Assets	$ 2,912,832	$ 2,688,414
Total Assets	$ **4,857,552**	$ **4,597,555**
Stewardship Property, Plant, and Equipment (Note 9)		
Liabilities (Note 11)		
Intragovernmental Liabilities		
Accounts Payable	$ 1,390	$ 2,326
Advances From Others and Deferred Revenue (Note 10)	36,921	39,423
Other Liabilities (Note 14)	7,779	7,327
Total Intragovernmental Liabilities	$ 46,090	$ 49,076
Other than Intragovernmental Liabilities		
Accounts Payable	93,788	83,514
Federal Debt and Interest Payable (Note 12)	587	16,892
Federal Employee Salary, Leave and Benefits Payable	26,183	35,158
Pensions, Post-Employment, and Veterans Benefits Payable	39,697	43,539
Environmental and Disposal Liabilities (Note 13)	249,086	271,197
Other Liabilities (Note 14)		
Contract Holdback	18,261	17,465
Contingent Liabilities (Notes 14 and 16)	279	172
Lease Liabilities (Notes 14 and 15)	88,594	-
Other Liabilities Without Related Budgetary Obligations	42,671	44,537
Capital Lease Liabilities	-	1,831
Total Other than Intragovernmental Liabilities	$ 559,146	$ 514,305
Total Liabilities	$ **605,236**	$ **563,381**
Commitments and Contingencies (Note 16)		
Net position		
Total Unexpended Appropriation	$ 1,667,913	$ 1,633,124
Total Cumulative Results of Operations	2,584,403	2,401,050
Total Net Position	$ **4,252,316**	$ **4,034,174**
Total Liabilities and Net Position	$ **4,857,552**	$ **4,597,555**

The accompanying notes are an integral part of these financial statements.

Architect of the Capitol
Statements of Net Cost
For the Fiscal Years Ended September 30, 2024, and 2023

Dollars in Thousands	**2024**	**2023**
Gross Program Costs		
Capital Construction and Operations		
Gross Costs	$ 159,496	$ 145,408
Less Earned Revenue	(1,030)	(828)
Net Program Costs	158,466	144,580
Capitol Building		
Gross Costs	67,824	78,318
Less Earned Revenue	(368)	(385)
Net Program Costs	67,456	77,933
Capitol Grounds and Arboretum		
Gross Costs	17,608	20,824
Less Earned Revenue	(103)	(85)
Net Program Costs	17,505	20,739
Capitol Police Buildings, Grounds, and Security		
Gross Costs	65,939	54,254
Less Earned Revenue	(173)	(1,642)
Net Program Costs	65,766	52,612
Capitol Power Plant		
Gross Costs	130,403	120,365
Less Earned Revenue	(10,333)	(9,943)
Net Program Costs	120,070	110,422
House Office Buildings		
Gross Costs	133,567	191,609
Less Earned Revenue	(76)	(750)
Net Program Costs	133,491	190,859
Library Buildings and Grounds		
Gross Costs	61,156	70,789
Less Earned Revenue	(8,026)	(3,565)
Net Program Costs	53,130	67,224
Senate Office Buildings		
Gross Costs	105,791	109,989
Less Earned Revenue	(367)	(90)
Net Program Costs	105,424	109,899
Supreme Court Buildings and Grounds		
Gross Costs	50,843	47,484
Less Earned Revenue	(39,496)	(38,361)
Net Program Costs (Revenues)	11,347	9,123
U.S. Botanic Garden		
Gross Costs	20,967	18,922
Less Earned Revenue	(3)	(2)
Net Program Costs	20,964	18,920
U.S. Capitol Visitor Center		
Gross Costs	36,849	32,472
Less Earned Revenue	(9,141)	(7,186)
Net Program Costs	27,708	25,286
Net Cost of Operations (Note 23)	**$ 781,327**	**827,597**

The accompanying notes are an integral part of these financial statements.

Architect of the Capitol
Statements of Changes In Net Position
For the Fiscal Years Ended September 30, 2024, and 2023

Dollars in Thousands	2024	2023
Unexpended Appropriations		
Beginning Balance	$ 1,633,124	$ 1,038,109
Appropriations Received (Note 19)	956,655	1,344,248
Appropriations Transferred In/(Out) (Note 19)	2,100	-
Other Adjustments	(6,891)	(3,939)
Appropriations Used	(917,075)	(745,294)
Net Change in Unexpended Appropriations	34,789	595,015
Total Unexpended Appropriations	**$ 1,667,913**	**$ 1,633,124**
Cumulative Results of Operations		
Beginning Balance	$ 2,401,050	$ 2,443,501
Appropriations Used	917,075	745,294
Non-Exchange Revenue	601	468
Transfers-In/(Out) Without Reimbursement	630	12
Imputed Financing (Note 17)	46,374	39,372
Net Cost of Operations	(781,327)	(827,597)
Net Change in Cumulative Results of Operations	183,353	(42,451)
Total Cumulative Results Of Operations	**$ 2,584,403**	**$ 2,401,050**
Net Position	**$ 4,252,316**	**$ 4,034,174**

The accompanying notes are an integral part of these financial statements.

Architect of the Capitol
Combined Statements of Budgetary Resources
For the Fiscal Years Ended September 30, 2024, and 2023

Dollars in Thousands	2024	2023
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory) (Note 20)	$ 997,008	$ 501,857
Appropriations (Discretionary and Mandatory) (Note 19)	958,808	1,344,302
Borrowing Authority (Discretionary and Mandatory)	950	2,283
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	60,972	63,961
Total Budgetary Resources	**$ 2,017,738**	**$ 1,912,403**
Status of Budgetary Resources		
New Obligations and Upward Adjustments (Total)	$ 1,023,248	$ 948,650
Unobligated Balance, End of Year		
Exempt from Apportionment, Unexpired Accounts	957,977	930,192
Unexpired Unobligated Balance, End of Year	957,977	930,192
Expired Unobligated Balance, End of Year (Note 3)	36,513	33,561
Unobligated Balance, End of Year (Total)	994,490	963,753
Total Budgetary Resources	**$ 2,017,738**	**$ 1,912,403**
Outlays, Net		
Outlays, Net (Total) (Discretionary and Mandatory)	869,818	996,756
Agency Outlays, Net (Discretionary and Mandatory) (Note 23)	**$ 869,818**	**$ 996,756**

The accompanying notes are an integral part of these financial statements.

ARCHITECT OF THE CAPITOL
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended September 30, 2024, and 2023

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Architect of the Capitol (AOC) is an agency within the legislative branch of the federal government. Initially authorized by Congress to provide “suitable buildings and accommodations for the Congress of the United States (U.S.),” its role has expanded to include responsibility for the maintenance, operation, development and preservation of the U.S. Capitol, Capitol Grounds, Capitol Police buildings, Capitol Power Plant, House office buildings, Library of Congress buildings and grounds, Senate office buildings, Supreme Court buildings and grounds, U.S. Botanic Garden (USBG) and the U.S. Capitol Visitor Center (CVC).

The AOC is also responsible for:

- Supporting Congress during official national events (e.g., Presidential inaugural ceremonies) held at the U.S. Capitol or on the Capitol Grounds
- Providing steam and chilled water to the Supreme Court, Thurgood Marshall Federal Judiciary Building (Thurgood Marshall Building), Union Station, and the Folger Shakespeare Library, and steam-only to the Government Publishing Office (GPO) and the Postal Square building
- Providing educational programs and guide services to visitors at the CVC and USBG

Some of the assets and liabilities reported by the AOC may be eliminated from governmentwide reports because they are offset by assets and liabilities of another U.S. government entity. These financial statements should be read with the realization that they are for a component of the U.S. government, a sovereign entity. Amounts presented on the Combined Statements of Budgetary Resources (SBR) are presented on a combined basis and therefore do not show intra-AOC budgetary transactions that are eliminated per the budgetary crosswalk.

B. Basis of Accounting and Presentation

As a legislative branch agency, the AOC is not required to follow the accounting standards promulgated by the Federal Accounting Standards Advisory Board (FASAB). Also, the AOC has not formally adopted the *Government Management and Reform Act of 1994*, the *Federal Managers Financial Integrity Act of 1982*, the *Federal Financial Management Improvement Act of 1996* or the *Government Performance and Results Modernization Act of 2010*, as these apply only to executive branch agencies. Nonetheless, the AOC refers to these regulations as a general guide for best practices and incorporates them into its financial management practices, as appropriate. Also, the AOC has adopted U.S. Generally Accepted Accounting Principles (GAAP) for financial reporting in a manner consistent with other federal agencies. Therefore, the AOC’s financial statements have been prepared in conformity with GAAP as promulgated by FASAB. The American Institute of Certified Public Accountants (AICPA) recognizes FASAB standards as GAAP for federal reporting entities.

The AOC records both proprietary and budgetary accounting transactions. Following the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred, without regard to the actual collection or payment of cash.

Federal budgetary accounting recognizes the obligation and use of available budget authority and other fund resources upon the establishment of a properly documented legal obligation. The recognition of budgetary accounting transactions is essential for compliance with legal controls over the use of federal funds and for compliance with appropriations law.

In FY 2024, the Office of Management and Budget (OMB) changed the required format of the Balance Sheet for all significant reporting entities to reflect more detail for certain line items. The AOC, though not a significant entity, has implemented this change as a best practice on a comparative basis which will support the preparation and audit of the Financial Report of the United States Government. These changes are reflected in Note 11 and

Note 14. Additionally, for clarity, in FY 2024 the AOC displayed on a comparative basis the components of the Other than Intragovernmental Other Liabilities line on the face of the Balance Sheet.

C. Fund Balance with Treasury

The AOC maintains most available fund balances with the Department of Treasury. Fund Balance with Treasury (FBWT) represents the unexpended balances of expenditure and receipt accounts (see Note 3). Budget authority, receipts and disbursements are processed by Treasury, and the AOC's records are reconciled with those accounts on a regular basis. In addition to the FBWT, the AOC has other cash deposits and investments that are held in accounts outside of Treasury, as described in Notes 4 and 5, respectively.

FBWT is an asset of the AOC and a liability of the General Fund of the government. The amount represents commitments by the government to provide resources for particular programs but does not represent net assets to the government as a whole.

When the AOC, like other reporting entities, seeks to use FBWT to liquidate budgetary obligations, Treasury will finance the disbursements in the same way it finances other disbursements, using some combination of budget authority, collections and other inflows, and borrowing from the public if there is a budget deficit.

D. Accounts Receivable

The AOC records accounts receivable in accordance with Statements of Federal Financial Accounting Standards (SFFAS) No.1, Accounting for Selected Assets and Liabilities and FASAB Technical Bulletin 2020-1, Loss Allowance for Intragovernmental Receivables. The AOC recognizes accounts receivable when claims to cash against other entities or individuals can be established, either based on legal provisions, or goods or services provided. The AOC's receivables may include, but are not limited to, amounts due for steam and chilled water provided to other entities, food service commissions from operations at the CVC and Senate restaurants, flag-flying fees and payroll-related debt. Additionally, accounts receivable may include estimates for receivables due when the actual amount is unknown. These estimates are based on historical activity for similar provisions.

Accounts receivable from federal (intragovernmental) and nonfederal sources may be reduced to net realizable value by the Allowance for Doubtful Accounts. The estimate of the allowance, if applicable, is based on past collection experience and management's analysis of the outstanding receivable balances (see Note 6).

The AOC is legislatively authorized to retain a predetermined amount of steam and chilled water reimbursements (i.e., the congressional cap) to cover current year obligations. Any receivable (and subsequent collection) over the congressional cap is a non-entity asset that is credited to Treasury's Miscellaneous Receipts account.

E. Investments

The AOC records investments in Treasury securities in accordance with SFFAS No.1. All investments are reported at their acquisition (par) value, net of amortized premiums and discounts, as it is the AOC's intent to hold long-term investments to maturity. The carrying amount of investments are adjusted at the beginning of each reporting period to reflect amortization of the premium or discount. Premiums and discounts are amortized over the life of the Treasury security using the straight line method. Purchases and sales of investments are recorded as of the trade date. Investment income is reported when earned. The market value of an investment is the market value at the end of the current reporting period.

Intragovernmental (Investments Held with Treasury)
The *Capitol Visitor Center Act of 2008* (2 United States Code (U.S.C.) § 2201 et seq.) allows for proceeds from the sale of the CVC Gift Shops' inventory, restaurant commissions and miscellaneous collections from the CVC Gift Shops to be invested in government securities through the Bureau of the Fiscal Service's web-based application, FedInvest. By law, earned interest income is allowable and credited to the CVC Revolving Fund.

Other than Intragovernmental (Investments Held Outside Treasury)
The AOC has funds invested by a trustee outside of Treasury as a result of financing the construction of the Thurgood Marshall Building in 1989 (see Note 1.O). Congress did not appropriate funds for the construction of the building but, instead, authorized the use of private financing to cover its cost. Proceeds from the private financing were deposited into two funds, the Project Fund and the Operating Reserve Fund, to cover the costs of the construction project. In 2007, the Project Fund balance was transferred to the Operating Reserve Fund. The Operating Reserve Fund is held outside the Treasury by the trustee. At the AOC's direction, the funds are invested and disbursed. The balance in the Operating Reserve Fund is held in reserve for future needs of the building (e.g., roof replacement or other major renovation) (see Note 5).

F. Advances to Others and Prepayments

Advances to others and Prepayments consist of amounts advanced by the AOC to other federal trading partners for services to be provided under interagency agreements and employee travel advances (non-federal), if applicable (see Note 10).

G. Trust and Revolving Funds

Trust and Special Funds
The AOC has stewardship responsibility for one trust fund account, the National Garden Trust Fund, and one special fund account, the Capitol Trust Account.

The National Garden Trust Fund is subject to the direction of the Congressional Joint Committee on the Library and was established to accept gifts or bequests of money, plant material and other property on behalf of the USBG. While this trust fund account still exists, it has a zero balance and is inactive.

The Capitol Trust Account was established pursuant to Public Law (P.L.) 113-76. The balance in this fund consists of permit fees collected by the United States Capitol Police (USCP) to cover cleanup and other costs incurred by the AOC as a result of commercial activity that is conducted in the area known as Union Square. Funds in this account are available for maintenance, improvements, and other Union Square projects subject to the approval of the Committees of the House of Representatives and Senate.

Revolving Funds
The AOC has stewardship responsibility for seven revolving funds to account for various programs and operations. Each of these funds is a distinct fiscal and accounting entity that accounts for cash and other financial resources together with all related liabilities and equities. These revolving funds are:

- House (of Representatives) Gymnasium Revolving Fund
- Senate Health and Fitness Facility Revolving Fund
- Senate Restaurant Revolving Fund
- Judiciary Office Building Development and Operations Fund
- CVC Revolving Fund
- Recyclable Materials Revolving Fund
- Flag Office Revolving Fund

The House (of Representatives) Gymnasium Revolving Fund was established in the Treasury for the AOC to deposit dues paid by members and other authorized users of the House of Representatives Wellness Center. The AOC may expend these funds to pay for the operation of the facility.

The Senate Health and Fitness Facility Revolving Fund was established to deposit membership dues collected from authorized users of the Senate Health and Fitness Facility and proceeds from the AOC's Senate recycling program. The AOC, subject to the approval of the Senate Committee on Appropriations, may expend these funds to pay for the preservation and maintenance of the facility.

The Senate Restaurant Revolving Fund was established in 1961 for the operation of the Senate restaurants. In 2008, the AOC transferred control of the Senate restaurants to a private vendor, while retaining its accounting functions. Following the transfer, the revolving fund is no longer used for the operation of the restaurants, but the account still exists for activities resulting from the conversion and continuing maintenance of the restaurants. Upon approval by the Senate Committee on Rules and Administration, available balances may be increased via transfers from the U.S. Senate to the AOC, as needed.

The Judiciary Office Building Development and Operations Fund is used to pay expenses related to the structural, mechanical and domestic care, maintenance, operation and utilities of the Thurgood Marshall Building. The fund includes an investment that is held outside Treasury with The Bank of New York Mellon, via a Trust Agreement established to finance the construction of the Thurgood Marshall Building.

The CVC Revolving Fund is used to administer funds from the sale of the Gift Shops' inventory, the deposit of miscellaneous receipts from the CVC Gift Shops, commissions paid to the CVC for food service operations and any fees collected from other functions within the CVC. This business-type revolving fund is invested in government securities through the Bureau of the Fiscal Service.

The Recyclable Materials Revolving Fund was established to collect the proceeds from the sale of recyclable materials (excluding the Senate, which pursuant to 2 U.S.C. § 2026 (b) (2), deposits such funds in the Senate Health and Fitness Facility Revolving Fund). Available funds in this account may be used to carry out recycling programs or other programs that promote energy savings.

The Flag Office Revolving Fund was established pursuant to P.L. 115-31 for services provided by the AOC Flag Office. The balance in this fund consists of flag fees collected by the Flag Office and is available for the Flag Office's expenses, including:

- Supplies, inventories, equipment and other expenses
- Reimbursement of any applicable appropriations account for amounts used from such appropriations account to pay the salaries of employees of the Flag Office
- Amounts necessary to carry out the authorized levels in the *Fallen Heroes Flag Act of 2016*

Funds from Dedicated Collections
SFFAS No. 27, Identifying and Reporting Funds from Dedicated Collections, as amended by SFFAS No. 43, Funds from Dedicated Collections: Amending SFFAS No. 27, defines funds from dedicated collections as those financed by specifically identified revenues, provided to the government by nonfederal sources. These funds, which may be supplemented by other financing sources, remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits or purposes, and must be accounted for separately from the government's general revenues. As of the current reporting period, there are no AOC funds that meet the criteria for funds from dedicated collections.

H. Recognition of Financing Sources

Appropriations
The AOC receives funding to support its programs through appropriations and offsetting collections authorized by Congress. Funding for operating and capital expenditures is received as annual, multi-year and no-year appropriations. This includes emergency supplemental appropriations, if applicable.

The appropriations that the AOC manages are listed below. Inactive funds are included below for full disclosure.

APPROPRIATION TITLE	ACTIVE FUNDS	INACTIVE FUNDS
Capitol Building	Capitol Building Flag Office Revolving Fund	Alterations and Improvements to Provide Facilities for the Physically Handicapped
Capitol Grounds and Arboretum	Capitol Grounds and Arboretum Capitol Trust Account (Union Square)	West Central Front
Capitol Police Buildings, Grounds and Security	Capitol Police Buildings, Grounds and Security	
Capital Construction and Operations	Capital Construction and Operations Recyclable Materials Revolving Fund	Congressional Cemetery
House Office Buildings	House Office Buildings House Office Buildings Fund House (of Representatives) Gymnasium Revolving Fund House Historic Buildings Revitalization Trust Fund	
Library Buildings and Grounds	Library Buildings and Grounds	
Senate Office Buildings	Senate Office Buildings Senate Health and Fitness Facility Revolving Fund Senate Restaurant Revolving Fund	
Capitol Power Plant	Capitol Power Plant	
U.S. Botanic Garden	Botanic Garden	National Garden
U.S. Capitol Visitor Center	U.S. Capitol Visitor Center U.S. Capitol Visitor Center Revolving Fund	
Supreme Court Building and Grounds	Supreme Court Judiciary Office Building Development and Operations Fund	

As a component of the governmentwide reporting entity, the AOC is subject to the federal budget process, which involves appropriations that are provided annually and appropriations that are provided on a permanent basis. The financial transactions that are supported by budgetary resources, which include appropriations, are generally the same transactions reflected in the AOC and the governmentwide financial reports. These budgetary resources reflect past congressional actions that enable the AOC to incur budgetary obligations in a given year. Budgetary obligations are legal obligations for goods, services or amounts to be paid based on statutory provisions (e.g., employee benefits).

Imputed Financing (and related Imputed Costs)
Consistent with SFFAS No. 4, Managerial Cost Accounting Standards and Concepts, the AOC incorporates the full cost of goods and services received from other federal entities in its financial statements. Certain costs of the providing entity may not be fully reimbursed by the AOC. The unreimbursed portion of these costs is recognized as imputed costs and are included in the operating amounts reported on the Statement of Net Cost (SNC). The imputed costs are offset by imputed financing sources and are reported on the face of the Statement of Changes in Net Position (SCNP). Such imputed costs and financing sources include employee benefits, legal case settlement payments (if applicable) and projects performed by another federal agency on AOC's behalf (see Note 1.P. and Note 17). However, unreimbursed costs of goods and services other than those identified above are not included in AOC financial statements.

I. Operating Materials and Supplies

The AOC's materials and supplies consist of tangible personal property consumed during normal operations. Per SFFAS No. 3, Accounting for Inventory and Related Property, operating materials and supplies are recorded using the purchases method. The AOC currently uses this method, which provides that operating materials and supplies be expensed when purchased. Operating materials and supplies are purchased using funds specifically appropriated to the AOC's jurisdictions or with offsetting collections. Therefore, the related usage of those materials and supplies is intended for those specific jurisdictions making the purchases.

J. Inventory

Inventory consists of retail goods purchased for resale at the CVC's Gift Shops. It is recorded at historical cost, using the weighted average valuation method, in accordance with SFFAS No. 3. The recorded values may be adjusted based on the results of periodic physical inventory counts. Inventory purchased for resale may be categorized as follows: (1) purchased goods held for current sale, (2) purchased goods held in reserve for future sale and (3) slow-moving, excess or obsolete inventory. Examples of the retail goods included in inventory are books, apparel, ornaments and other souvenirs. The AOC may also record an allowance which is based on slow-moving, excess or obsolete and damaged inventory, or as a result of known restrictions on the sale or disposition of inventory (see Note 7).

K. Public-Private Partnerships

In FY 2016, the AOC entered a contract with the Washington Gas Light Company to construct a cogeneration facility. Cogeneration, also known as combined steam and power, uses a single fuel source and simultaneously produces electricity and steam. This facility provides heat and electricity for the AOC and its jurisdictions and other federal agencies, with excess capacity being sold potentially to non-federal entities as well. The AOC has evaluated this arrangement against the disclosure requirements outlined in SFFAS No. 49, Public-Private Partnerships: Disclosure Requirements and determined that cogeneration does not meet the conclusive and suggestive characteristics of a Public-Private Partnership (P3) (see Notes 11, 14 and 16).

The *Energy Policy Act of 1992* authorized the use of private sector financing to implement energy conservation methods and energy-efficient technologies by federal entities. These contracts provide technical services and upfront project financing and allow federal agencies to pay off the project costs over a period not to exceed 25 years. Per Office of Management and Budget (OMB) Memoranda M-98-13 and M-12-21, obligations, budget authority and outlays for these energy savings projects will be recognized on an annual basis when due, rather than recording the full obligation upfront.

L. Leases

Starting in FY 2024, per SFFAS No. 54, Leases, and related amendments (60, Omnibus Amendments 2021: Leases-Related Topics, 61, Omnibus Amendments 2023: Leases-Related Topics II, and 62, Transitional Amendment to SFFAS 54), the AOC along with other Federal agencies are required to report a right-to-use

(RTU) lease asset (hereinafter referred to as lease asset) and a corresponding lease liability on the Balance Sheet. This applies to material, non-intragovernmental and non-short-term contracts that convey the right to control the use of PP&E to another entity for a given period in exchange for consideration and do not contain a transfer of ownership or meet certain scope exclusions. SFFAS No. 54 also requires the AOC to disclose in the notes descriptive information regarding intragovernmental lease arrangements and associated annual expenses (see Note 15).

Pursuant to FASAB requirements, this change in accounting principle is applied prospectively, where applicable, throughout the financial statements and notes.

M. Property, Plant and Equipment (PP&E), Net

The AOC records property at cost, in accordance with SFFAS No. 6, Accounting for Property, Plant, and Equipment. Real property and equipment are depreciated over their estimated useful lives, which range from three to forty years, using the straight-line method. Depreciation is based on the half-year and full-month conventions for buildings and equipment, respectively. All property (real and personal) is in the AOC's possession and there is nothing held by others (see Note 8).

Additionally, the AOC records RTU lease assets and liability at net present value (NPV) of payments expected to be made during the lease term in accordance with SFFAS No. 54. RTU lease assets are amortized over the lease term using the straight-line method (see Note 15).

The following table presents the AOC's capitalization thresholds and related useful lives:

PROPERTY TYPE	USEFUL LIFE (YEARS)	CAPITALIZATION THRESHOLD
Real Property	40	$500,000
Improvements	20	$500,000
Equipment and Vehicles	3-15	$25,000
Right-To-Use Lease Assets	Shorter of Lease Term or Useful Life of Property Type	See Related Property Type
Internal Use Software (Intellectual Property)	3	$5,000,000

N. Stewardship Property, Plant and Equipment

SFFAS No. 59, Accounting and Reporting of Government Land, defines stewardship land to include both public domain and acquired land and land rights owned by the federal government intended to be held indefinitely. Stewardship land and heritage assets have physical properties that resemble those of Property, Plant and Equipment (PP&E), which are traditionally capitalized in the financial statements. Due to the nature of stewardship assets, however, determining a monetary value would be difficult, and matching costs with specific periods may not be possible or meaningful. Heritage assets are PP&E that are unique and are generally expected to be preserved indefinitely. Heritage assets have historical or natural significance, are of cultural, educational or artistic importance, or have significant architectural characteristics. These assets are reported in terms of physical units rather than cost or other monetary values. The appropriate level of aggregation and physical units of measure are determined to be meaningful for each major category, per SFFAS No. 29, Heritage Assets and Stewardship Land. There are two types of heritage assets: collection, which are objects gathered and maintained for exhibition, such as museum and art collections; and non-collection, which are parks, memorials, monuments and buildings. The AOC holds both collection and non-collection heritage stewardship assets. During FY 2023, the AOC revised the aggregation and physical units of measure for its Living Botanical Assets collection from accessions/deaccessions to taxa, which it determined to be a more meaningful method of aggregation (see Note 9). A taxon (plural taxa) is a taxonomic division that accounts for unique and discrete plant diversity (e.g., species, sub-species or cultivar).

O. Liabilities

Liabilities represent the amounts owed to others for goods or services received, claims against the AOC and other probable future outflows of resources as a result of past transactions or current conditions (e.g., debt or environmental cleanup liabilities). Some liabilities are funded while others are classified as “unfunded” because no liability may be paid without an enacted appropriation. For example, accrued unfunded annual leave and workers’ compensation remain unfunded until future appropriations are enacted to cover these costs. The Balance Sheet includes, but is not limited to, the following types of liabilities:

Accounts Payable
The AOC records accounts payable in accordance with SFFAS No.1. Accounts Payable are amounts owed to others (federal and non-federal entities) for goods and services received but not yet paid. The AOC also accrues an estimate for goods and services that have been delivered or performed but not paid. This estimate is based on the history of payments made against outstanding contracts. As of the current reporting period, the accrual estimate is primarily associated with services performed on ongoing construction projects.

Advances From Others and Deferred Revenue
Advances From Others and Deferred Revenue consists of amounts advanced to the AOC by other federal trading partners for services or projects to be provided under interagency or reimbursable agreements. These amounts are liquidated as services are rendered or work is completed on associated projects (see Note 10).

Federal Debt and Interest Payable
In 1989, the AOC entered into a Development Management Agreement with Boston Properties for the design, development and construction of the Thurgood Marshall Building. Shearson Lehman Hutton Inc. and Kidder, Peabody, and Co. Inc. issued 30-year Serial Zero Coupon Certificates of Participation to finance construction. The discount on the purchase reflects the absence of coupon interest payments and is amortized over the life of these certificates. Pursuant to the Trust Agreement, the proceeds were received by a trustee, The United States Trust Company of New York (now The Bank of New York Mellon). Prior to August 2024, the AOC recognized a liability for the 30-year Coupon Certificates of Participation issued to finance the Thurgood Marshall Building construction. These payments were secured by the rent collected from the Administrative Office of the U.S. Courts. The liability was subsequently reduced by semiannual payments of principal and interest, which ended in August 2024. As of the current reporting period, interest payable is accrued for the financed portion of the cogeneration facility (see Note 12).

Contract Holdbacks
Contract Holdbacks (retainage) consists of a percentage of the contract price that is due to the vendor or contractor but is held by the AOC to provide assurance that the service or project will be completed as required by the contract terms. The amount that is held back is released to the vendor or contractor upon satisfactory completion of the service or project (see Note 14).

Contingencies, Environmental and Disposal Liabilities
The AOC accounts for contingencies in accordance with SFFAS No. 5, Accounting for Liabilities of the Federal Government. This standard defines a contingency as an existing condition, situation or set of circumstances with uncertain outcomes that could result in a gain or loss to an entity, depending on whether certain future events occur or do not occur. Management recognizes a contingent liability for liabilities equal to or greater than $100,000 when a past transaction or event has occurred, a future outflow or other sacrifice of resources is probable, and the related future outflow is measurable (see Notes 13 and 16).SFFAS No. 5 also provides criteria for recognizing a contingent liability for material amounts of environmental cleanup costs that are related to general and stewardship PP&E used in federal operations. In accordance with Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs, the AOC recognizes a liability and related expense for friable and nonfriable asbestos cleanup costs when it is both probable and reasonably estimable, consistent with SFFAS No. 5, SFFAS No. 6, and Technical Release No. 2, Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government (see Note 13).

P. Personnel Compensation and Benefits

Annual and Other Leave
Annual leave is recognized as an expense and a liability as it is earned. The liability is reduced as leave is taken. The accrued leave liability is funded by future years' budgetary resources and is classified as unfunded, which is reflected in the Federal Employees Salary, Leave and Benefits Payable line of the Balance Sheet. Other types of leave are expensed when taken and no future liability is recognized for these amounts.

Federal Employees' Compensation Act (FECA) Benefits
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 (Unfunded FECA Liability, see Note 11). The DOL determines the actuarial liability for claims outstanding at the end of each fiscal year. This actuarial unfunded workers' compensation liability includes the estimated future costs of death benefits, workers' compensation, medical and miscellaneous costs for approved compensation cases (Pensions, other Post-Employment and Veterans Benefits Payable, see Note 11).

Pensions
Most AOC employees participate in one of three defined-benefit retirement programs based on their employment start date. Employee and AOC contributions are made to the Civil Service Retirement System (CSRS), the CSRS Offset or the Federal Employees Retirement System (FERS) – all administered by the Office of Personnel Management (OPM). Employees may also participate in the Thrift Savings Plan (TSP), a defined contribution retirement savings and investment plan, as authorized by the *Federal Employees Retirement System Act of 1986*. The Federal Retirement Thrift Investment Board administers this plan. The AOC also withholds the necessary payroll deductions for employee contributions.

The AOC is not responsible for and does not report CSRS or FERS assets, accumulated plan benefits or liabilities applicable to its employees on its financial statements. The OPM is responsible for reporting these amounts. The AOC recognizes an imputed financing source for the difference between the estimated OPM service cost and the sum of participants' pension withholdings and agency contributions (see Note 17).

Health Benefits and Life Insurance
The AOC recognizes a current-period expense for the future cost of post-retirement health benefits and life insurance for its employees while they are actively employed. This amount is also considered imputed financing (see Note 17).

Q. Statement of Net Cost

The SNC is presented by responsibility segment (AOC jurisdictions), in accordance with SFFAS No. 4. The responsibility segment approach provides cost information to AOC stakeholders in a direct, informative, and succinct manner.

The 11 responsibility segments reported on the SNC are identified below:

- Capital Construction and Operations
- Capitol Building
- Capitol Grounds and Arboretum
- Capitol Police Buildings, Grounds and Security
- Capitol Power Plant
- House Office Buildings
- Library Buildings and Grounds
- Senate Office Buildings
- Supreme Court Building and Grounds
- U.S. Botanic Garden

- U.S. Capitol Visitor Center

Revenues reported on the SNC are principally recorded on a direct cost recovery basis.

R. Budgetary Terms

The purpose of Federal budgetary accounting is to control, monitor and report on funds made available to Federal agencies by law and help ensure compliance with the law.

The following budgetary terms are commonly used:

Appropriation: An appropriation is a provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.

Budgetary resources: Budgetary resources are amounts available to incur obligations in a given year. Budgetary resources consist of new budget authority and unobligated balances of budget authority provided in previous years.

Gross Outlays: Gross outlays are the sum of all payments made to liquidate obligations (other than the repayment of debt principals or other disbursements that are "means of financing" transactions). Outlays are the measure of government spending.

Net Outlay: The net outlay is determined by subtracting all offsetting collections (unexpired and expired) from gross outlays so that the contribution of the budget account to the government's bottom line (the surplus or deficit) can be determined.

Obligation: An obligation is a binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.

Offsetting collections: Offsetting collections are payments made to the government that, by law, are credited directly to expenditure accounts and deducted from gross budget authority and outlays of the expenditure account, rather than added to receipts. Usually, offsetting collections are authorized to be spent for the purposes of the account without further action by Congress. The authority to spend offsetting collections is a form of budget authority.

S. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities (including contingent liabilities), revenues, financing sources, expenses and obligations incurred during the reporting period. These estimates are based on management’s best knowledge of current events, historical experience and other assumptions that are believed to be reasonable under the circumstances. Estimates are subject to a wide range of variables, including assumptions on future economic and financial events. Accordingly, actual results may differ from those estimates.

T. Classified Activities

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.

NOTE 2: NON-ENTITY ASSETS

Non-entity assets are those held by the AOC but are unavailable for use in its operations. Activities that may give rise to non-entity assets include:

- The Monocle Restaurant rent collections
- USBG palm tree rental proceeds
- Employees' receivables and associated repayments, which were established in funds that are now canceled
- Steam and chilled water collections over the annual congressional cap (see Note 1.D)
- Restitution payments due from individuals resulting from the events of January 6, 2021

Upon receipt, these funds are not available for the AOC to use and are transferred to Treasury. The AOC's non-entity assets as of September 30, 2024, and 2023, are as follows:

Dollars in thousands

NON-ENTITY ASSETS	2024	2023
Intragovernmental Assets		
Accounts Receivable, Net (Note 6)	$ 368	$ -
Total Intragovernmental Assets	**$ 368**	**$ -**
Other than Intragovernmental		
Accounts Receivable, Net (Note 6)	57	40
Total Non-Entity Assets	**$ 425**	**$ 40**
Total Entity Assets	**$ 4,857,127**	**$ 4,597,515**
Total Assets	**$ 4,857,552**	**$ 4,597,555**

The Non-Entity Intragovernmental Accounts Receivable balance in FY 2024 is due to steam and chilled water billing exceeding the annual congressional cap. Those receivables and subsequent collections will be credited to Treasury's Miscellaneous Receipts account. In FY 2023, AOC's steam and chilled water reimbursements did not exceed the annual congressional cap. Non-Entity Other than Intragovernmental Accounts Receivable increased due to the accumulation of Employee Payroll Receivables, which will be reduced when the debt is collected.

NOTE 3: FUND BALANCE WITH TREASURY

FBWT is classified in the following categories:

a) Unobligated Balance
Unobligated Balance Available includes unexpired budget authority. The amount disclosed in this note as Unobligated Balance Available may not reconcile to the amount reported as Unexpired Unobligated Balance on the SBR due to anticipated collections (closed out at year end) and budgetary resources that are not part of the FBWT such as investments (see Note 5).

Unobligated Balance Unavailable represents expired budget authority that is no longer available to incur new obligations unless authorized by Congress. An example of this authorization is for the AOC's FECA and unemployment payments, which are derived from expired balances.

b) Obligated Balance Not Yet Disbursed
Obligated Balance Not Yet Disbursed includes amounts to cover undelivered orders or orders that have been received but not yet paid for.

c) Non-Budgetary FBWT

Non-Budgetary FBWT (if applicable) includes unavailable miscellaneous receipts and suspense accounts that have no associated budget authority.

Dollars in thousands

FUND BALANCE WITH TREASURY BY TYPE	2024	2023
Status of Fund Balance with Treasury		
Unobligated Balance		
Available	$ 943,548	$ 931,234
Unavailable	36,513	33,561
Obligated Balance not yet Disbursed	694,293	647,864
Total	**$ 1,674,354**	**$ 1,612,659**

The overall increase in Unobligated Balance Available is due to reduced spending on various construction projects such as the Camera Replacement Program in FY 2024 compared to FY 2023. This was partially offset by increased spending on various construction projects such as the Presidential Inaugural Stands Construction and Removal. The increase in the Obligated Balance not yet Disbursed is due to increased obligations in FY 2024 on various construction projects with the largest being the HVAC Air Handling Unit Modernization in a Senate Office Building as work progressed on this project.

NOTE 4: CASH AND OTHER MONETARY ASSETS

Cash and Other Monetary Assets are associated with the CVC Gift Shops' operations. These include undeposited Gift Shop sales as well as change-making imprest funds that are held in a non-Treasury general account bank. The increase in the FY 2024 Undeposited Collections reflects the timing of the Gift Shop sales deposits at Treasury. There are no restrictions on cash.

The cash balances as of September 30, 2024, and 2023, are as follows:

Dollars in thousands

Cash and Other Monetary Assets	2024	2023
Undeposited Collections	$ 46	$ 39
Cash Imprest Funds	14	14
Total	**$ 60**	**$ 53**

NOTE 5: INVESTMENTS, NET

Intragovernmental investments are derived from CVC Gift Shops' proceeds and restaurant commissions. These amounts are invested with the Treasury's Bureau of the Fiscal Service. The type of certificates (one-day, six-month and one-year, as applicable) disclosed may change from year to year, reflecting the maturity of previously held securities. Upon maturity, the proceeds from six-month and one-year securities remain in one-day certificates until they are utilized to cover necessary expenses or reinvested in longer term certificates.

The intragovernmental investments reflect an increase, in the current year, of invested proceeds primarily from CVC's daily sales, which increased due to higher visitor traffic compared to the prior year.

At September 30, 2024, Dollars in Thousands

INVESTMENTS	SHARES/PAR	AMORTIZED PREM. / (NET OF DISC.)	INTEREST RECEIVABLE	INVESTMENTS, NET	UNREALIZED GAIN/(LOSS)	MARKET VALUE
INTRAGOVERNMENTAL, NONMARKETABLE						
Capitol Visitor Center, 12 Months Certificate, 4.11% Annual Yield, Maturing 9/4/2025	$ 6,975	$ (259)	$ -	$ 6,716	$ 7	$ 6,723
Capitol Visitor Center, 6 Months Certificate, 4.66% Annual Yield, Maturing 3/6/2025	7,366	(146)	-	7,220	8	7,228
Capitol Visitor Center, One Day, 4.79% Annual Yield, Maturing 10/01/2024	515	-	-	515	-	515
Total Intragovernmental	**$ 14,856**	**$ (405)**	**$ -**	**$ 14,451**	**$ 15**	**$ 14,466**

At September 30, 2023, Dollars in Thousands

INVESTMENTS	SHARES/PAR	AMORTIZED PREM. / (NET OF DISC.)	INTEREST RECEIVABLE	INVESTMENTS, NET	UNREALIZED GAIN/(LOSS)	MARKET VALUE
INTRAGOVERNMENTAL, NONMARKETABLE						
Capitol Visitor Center, 12 Months Certificate, 5.37% Annual Yield, Maturing 9/5/2024	$ 3,162	$ (153)	$ -	$ 3,009	$ (1)	$ 3,008
Capitol Visitor Center , 12 Months Certificate, 5.43% Annual Yield, Maturing 3/7/2024	5,137	(120)	-	5,017	-	5,017
Capitol Visitor Center, One Day 5.40% Annual Yield, Maturing 10/2/2023	2,291	-	1	2,292	(1)	2,291
Total Intragovernmental	**$ 10,590**	**$ (273)**	**$ 1**	**$ 10,318**	**$ (2)**	**$ 10,316**

Other than Intragovernmental Investments comprise the investment of the Thurgood Marshall Building Operating Reserve Fund with the Bank of New York Mellon. Level 1 reflects the unadjusted quoted prices in active markets for identical assets that the AOC can access at the measurement date.

The increase in Fair Value Measurement, Other Than Intragovernmental Investments is due to interest earned from the BNY Mellon investment.

At September 30, 2024, Dollars in Thousands

FAIR VALUE MEASUREMENT, OTHER THAN INTRAGOVERNMENTAL INVESTMENTS - LEVEL 1	2024	2023
The Bank of New York Mellon Operating Reserve Fund (DREYFUS)	$ 11,851	$ 11,258
Total	**$ 11,851**	**$ 11,258**

NOTE 6: ACCOUNTS RECEIVABLE, NET

The AOC's Accounts Receivable as of September 30, 2024, and 2023, are as follows:

Dollars in thousands

ACCOUNTS RECEIVABLE	2024	2023
Intragovernmental		
Entity	$ 292	$ 598
Non-Entity	368	-
Total Intragovernmental	**$ 660**	**$ 598**
Other than Intragovernmental		
Entity	$ 601	$ 610
Non-Entity	57	40
Total Other than Intragovernmental	**$ 658**	**$ 650**
Total	**$ 1,318**	**$ 1,248**

Based on analysis of historical collections and write-offs, all accounts are currently considered collectible and there is no allowance for doubtful accounts as of the current period.

The decrease in the Entity Accounts Receivable, Intragovernmental is due to the steam and chilled water receivables being credited to the Treasury's Miscellaneous Receipts account (as discussed in Note 2) as well as a decrease in House and Senate flag orders.

Additionally, see Note 2, Non-Entity Assets for the explanation of the increase in Other than Intragovernmental Non-Entity Accounts Receivable.

NOTE 7: INVENTORY AND RELATED PROPERTY, NET

Inventory consists of retail goods that were purchased for resale at the CVC Gift Shops.

Inventory, as of September 30, 2024, and 2023, is as follows:

Dollars in Thousands

INVENTORY CATEGORY	2024	2023
Purchased Goods Held for Current Sale	$ 847	$ 982
Total	**$ 847**	**$ 982**

Inventory on hand may include damaged items which consist of broken and/or stained merchandise that are no longer in saleable condition, such as display items. Discontinued or defective merchandise may also be restricted from future sales and carried as damaged inventory until disposed.

The AOC may record an allowance which is based on slow-moving, excess or obsolete and damaged inventory, if applicable. Based upon management's reviews and the most recent inventory count, all damaged inventory was disposed in accordance with normal operating practices. There is no damaged or restricted inventory to report as of September 30, 2024, and 2023.

While inventory purchases increased in FY 2024, the overall decrease in the inventory balance is attributed to a higher inventory turnover in the current year compared to the prior year as visitor traffic increased as well as an improved product assortment.

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (PP&E), NET

The educational, artistic, architectural and historical significance of many AOC buildings meet the SFFAS No. 29 criteria for heritage assets. Since these buildings are currently used for day-to-day business, they are further classified as multi-use heritage assets (see Note 9). As a result, they are depreciated in the same manner as if they were general purpose assets. Although the original assets are fully depreciated, subsequent improvements and betterments to the buildings are currently being depreciated in accordance with established policy. The AOC is responsible for reviewing and authorizing all structural and architectural changes to the buildings and grounds before any changes are made.

The AOC records property and equipment by distinct categories (see Note 1.M for the AOC's capitalization thresholds and related useful lives). The following charts represent the AOC's real property and equipment values, by asset category, as of September 30, 2024, and 2023:

At September 30, 2024, Dollars in Thousands

CLASS OF PROPERTY AND EQUIPMENT	ACQUISITION VALUE	ACCUMULATED DEPRECIATION	NET BOOK VALUE	%
Buildings	$ 1,481,786	$ 939,376	$ 542,410	18.7%
Buildings Improvements	3,228,850	1,640,062	1,588,788	54.8%
Right-To-Use Lease Assets (Note 15)	97,352	11,818	85,534	3.0%
Leasehold Improvements	19,961	19,562	399	0.0%
Equipment	30,488	16,055	14,433	0.5%
Internal Use Software	6,515	6,515	-	0.0%
Land	169,231	-	169,231	5.8%
Land Improvements	162,050	138,337	23,713	0.8%
Other Structures	9,288	6,497	2,791	0.1%
Construction Work-in-Progress	472,112	-	472,112	16.3%
Total	**$ 5,677,633**	**$ 2,778,222**	**$ 2,899,411**	**100%**

At September 30, 2023, Dollars in Thousands

CLASS OF PROPERTY AND EQUIPMENT	ACQUISITION VALUE	ACCUMULATED DEPRECIATION	NET BOOK VALUE	%
Buildings	$ 1,479,589	$ 914,602	$ 564,987	21.1%
Buildings Improvements	3,171,771	1,509,028	$ 1,662,743	62.2%
Capital Leases (Real Property)	40,143	38,868	$ 1,275	0.1%
Leasehold Improvements	19,961	19,183	$ 778	0.0%
Equipment	29,856	14,162	$ 15,694	0.6%
Internal Use Software	6,515	6,515	$ -	0.0%
Land	169,231	-	$ 169,231	6.3%
Land Improvements	157,623	132,542	$ 25,081	0.9%
Other Structures	9,288	6,137	$ 3,151	0.1%
Construction Work-in-Progress	232,527	-	$ 232,527	8.7%
Total	**$ 5,316,504**	**$ 2,641,037**	**$ 2,675,467**	**100%**

As disclosed in Note 1.L., starting in FY 2024, the AOC is required to report a lease asset and a corresponding lease liability on the Balance Sheet for leases meeting the criteria of RTU, per SFFAS No. 54. This change is displayed in the chart above and below in the right-to-use lease assets line item in FY 2024 only and is not to be applied retroactively.

The increase in Building Improvements is primarily due to the recognition of additional fixed assets as work and/or phases are completed on various capital improvement projects, with the largest being Phase III of the Exterior Stone and Metal Preservation project at the U.S. Capitol. Additionally, the change in Construction Work-in-Progress is due to new activity net of re-classifications to other asset accounts for work completed. The increase is primarily due to cost accumulation on Phase 4 of the Cannon Renewal Project, as work progressed on this project in FY 2024. The FY 2024 and FY 2023 amounts shown in the chart below represent PP&E activity for each respective fiscal year.

The increase in the RTU lease assets represents the NPV for the 13 long-term leases that meet the SFFAS No. 54 requirements.

At September 2024, Dollars in Thousands

CURRENT YEAR ACTIVITY NET PP&E	2024	2023
Balance at Beginning of Fiscal Year	$ 2,675,467	$ 2,649,759
Right-To-Use Lease Assets due to Change in Accounting Principles	97,352	-
Capitalized Acquisitions	304,863	185,219
Amortization of Right-To-Use Lease Assets	(11,818)	-
Disposals	(41,086)	(1,919)
*Depreciation Expense	(125,367)	(157,592)
Balance at End of Fiscal Year	$ 2,899,411	$ 2,675,467

**Depreciation Expense represents current year change in accumulated depreciation*

The change in the Disposals and Depreciation Expense line items is attributed to the disposal of the existing capital lease asset pursuant to the implementation of SFFAS No. 54.

NOTE 9: STEWARDSHIP PP&E

The AOC maintains and preserves stewardship PP&E related to its mission to serve Congress and the Supreme Court, preserve America's Capitol and inspire memorable experiences. Tracing its beginnings to the laying of the U.S. Capitol Building cornerstone in 1793, authority for the AOC's care and maintenance of the U.S. Capitol was established by legislation in 1876. The agency maintains multiple categories of heritage assets, including historic buildings and structures, stewardship lands and cultural landscapes, artwork, architectural features, reference and library materials, and living botanical assets. The AOC shares stewardship responsibility for certain heritage assets with the curators for the U.S. Senate and the House of Representatives. These assets are categorized as joint works of art and included in the AOC's inventory. In addition, while the AOC is responsible for the architectural fine art adorning the Supreme Court of the United States, the collectible fine art within the building is cared for by the curator of the Supreme Court of the United States.

The AOC's heritage asset management is guided by the Secretary of the Interior's Standards and Guidelines for Treatment of Historic Properties and Cultural Landscapes and by the Code of Ethics and Guidelines for Practice of the American Institute for Conservation of Historic and Artistic Works. The collection of reference and library materials are guided by the National Archives and Records Administration preservation standards and the living botanical assets collection is guided by the standards for care of the American Alliance of Museums and Botanic Garden Conservation International. The AOC's stewardship PP&E including estimated land acreage is described more fully in the Required Supplementary Information (RSI). Deferred maintenance and repairs are separately disclosed as RSI.

Historic Buildings and Structures

The AOC maintains multiple historic buildings and structures. These facilities include the U.S. Capitol Building, Russell Senate Office Building, Dirksen Senate Office Building, Hart Senate Office Building, Senate Underground Garage, Daniel Webster Page Residence, Cannon House Office Building, Longworth House Office Building, Rayburn House Office Building, East and West House Underground Garages, Ford House Office Building, Thomas Jefferson Building, John Adams Building and James Madison Memorial Building. They also include the U.S. Botanic Garden (USBG) Conservatory, USBG Administration Building, Capitol Power Plant Main Boiler Building, Capitol Power Plant

East Refrigeration Plant, Capitol Power Plant Old Generator Building, the Supreme Court of the United States and Thurgood Marshall Federal Judiciary Building. All facilities are predominantly used in general government operations, and many are considered multiuse heritage assets. Multiuse heritage assets are reported at cost, depreciated over their estimated useful life and presented as Property, Plant and Equipment, Net on the Balance Sheet. Historic buildings and structures are added or withdrawn through congressional action.

Stewardship Land and Cultural Landscapes
The AOC-administered stewardship land and cultural landscapes on the Capitol campus encompass lands of national and historical significance. In accordance with the AOC's authorizing legislation, the land is held predominantly for conservation and preservation purposes. The AOC's stewardship land includes the U.S. Capitol Grounds surrounding the U.S. Capitol Building. The U.S. Capitol Grounds are an accredited arboretum and listed in the Morton Register of Arboreta, a comprehensive list of arboreta and public gardens for the benefit of the public, science and conservation. The AOC-administered land also includes cultural landscapes such as the Senate Park, Senate office building sites and courtyards, House office building sites and courtyards, U.S. Botanic Garden, National Garden, Bartholdi Park, USBG Administration Building site, Union Square, Jefferson Building site, Adams Building site, Madison Building site, Supreme Court of the United States site and Marshall Building site, as well as the memorial trees planted on the U.S. Capitol Grounds to honor distinguished citizens, groups and national events. In general, units of stewardship land are added or withdrawn through congressional action. Memorial trees are added through congressional action or donation and withdrawn due to the tree dying or disease.

An inventory of the memorial trees as of September 30, 2023, and September 30, 2024, follows:

DESCRIPTION	2023	ADDED	WITHDRAWN	OTHER ADJUSTMENTS	2024	CONDITION
Memorial Trees	153	5	(1)	1	158	Good

An inventory of the memorial trees as of September 30, 2022, and September 30, 2023, follows:

DESCRIPTION	2022	ADDED	WITHDRAWN	OTHER ADJUSTMENTS	2023	CONDITION
Memorial Trees	151	2	-	-	153	Poor to Excellent

Collectible Heritage Assets
The AOC is the steward of collectible heritage assets. In general, collectible heritage assets are added or withdrawn through congressional action. Living botanical assets are added by purchase, private or institutional donation, or collected from wild populations, and withdrawn due to plants dying or exhibiting disease, or a change in institutional need. Collectible heritage assets include:

Artwork: The AOC cares for artwork that is part of the Capitol campus. These include interior sculptures, fine art, decorative art, architectural fine art and architectural decorative art.

Architectural Features: The Capitol campus is graced with many unique architectural features. These include outdoor sculptures, monuments and landscape features and fixtures.

Reference and Library Materials: The AOC's collections include art and reference files, art and reference library materials and archival records (both traditional and electronic). The traditional archival records include architectural and engineering drawings, manuscripts, paper records, small architectural models, photographs and conservation reports. The electronic archival records are heritage assets retained on electronic storage media including, but not limited to, architectural and engineering drawings and textual records.

Living Botanical Assets: The AOC accounts for the living botanical assets in the USBG collection. These include a variety of plants for exhibition, study and exchange with other institutions.

An inventory of the AOC's collectible heritage assets as of September 30, 2023, and September 30, 2024, follows:

DESCRIPTION	2023	ADDED	WITHDRAWN	OTHER ADJUSTMENTS	2024	CONDITION
Artwork	2,006	13	-	-	2,019	Poor to Excellent
Architectural Features	202	1	-	-	203	Fair to Excellent
Reference and Library Materials:						
Art and Reference Files (Drawers)	108	-	-	-	108	Good
Art and Reference Library Materials (Volumes)	1,249	2	-	-	1,251	Good
Traditional Archival Records	595,853	19,962	-	-	615,815	Fair to Excellent
Electronic Archival Records (Megabytes [MB])	19,662.20	1,059.50	-	-	20,721.70	N/A
Living Botanical Assets (Taxa)	5,959	342	(252)	-	6,049	N/A

An inventory of the AOC's collectible heritage assets as of September 30, 2022, and September 30, 2023, follows:

DESCRIPTION	2022	ADDED	WITHDRAWN	OTHER ADJUSTMENTS	2023	CONDITION
Artwork	2,007	-	(1)*	-	2,006	Poor to Excellent
Architectural Features	202	-	-	-	202	Fair to Excellent
Reference and Library Materials:						
Art and Reference Files (Drawers)	108	-	-	-	108	Good
Art and Reference Library Materials (Volumes)	1,240	9	-	-	1,249	Good
Traditional Archival Records	580,435	15,418	-	-	595,853	Fair to Excellent
Electronic Archival Records (Megabytes [MB])	17,852.10	1,810.10	-	-	19,662.20	N/A
Living Botanical Assets (Taxa)	6,031	620	(692)	-	5,959	N/A

*A maquette of Rosa Parks was previously included in two categories. This was corrected in FY 2023.

NOTE 10: ADVANCES, PREPAYMENTS, AND DEFERRED REVENUE

Advances, Prepayments, and Deferred Revenue – Intragovernmental consist of the unliquidated balance on advances and prepayments to and from other federal agencies for work to be performed under interagency and reimbursable agreements. Advances to Others and Prepayments – Other than Intragovernmental consist of employee travel advances associated with approved training.

Advances to Others and Prepayments as of September 30, 2024, and 2023, are as follows:

Dollars in thousands

ASSETS	2024	2023
Intragovernmental Assets		
Advances to others and Prepayments	$ 255,255	$ 285,566
Total Intragovernmental Assets	**$ 255,255**	**$ 285,566**
Other than Intragovernmental Assets		
Advances to others and Prepayments	$ 5	$ 4
Total Other than Intragovernmental Assets	**$ 5**	**$ 4**
Total	**$ 255,260**	**$ 285,570**

Advances from Others as of September 30, 2024, and 2023, are as follows:

Dollars in thousands

LIABILITIES	2024	2023
Intragovernmental Liabilities		
Advances from Others	$ 36,921	$ 39,423
Total Intragovernmental Liabilities	**$ 36,921**	**$ 39,423**
Total	**$ 36,921**	**$ 39,423**

The decrease in Advances to Others and Prepayments, Intragovernmental is primarily attributed to the liquidation of advance payments as services were rendered and costs incurred for the Capitol Complex security improvement project.

The change in Advances from Others is due to advances received (net of advance liquidations) from other federal agencies for reimbursable construction projects primarily associated with the Library of Congress and the Thurgood Marshall Building.

NOTE 11: LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The Balance Sheet includes liabilities not covered by current budgetary resources. These liabilities require future Congressional action, whereas liabilities covered by budgetary resources are funded by prior congressional action. Regardless of when the congressional action occurs, the Treasury will finance the liquidation of these liabilities in the same way that it finances all other disbursements—by borrowing money from the public if the government has a budget deficit, or by using current receipts if the government has a surplus. AOC liabilities that do not require the use of budgetary resources are undeposited CVC Gift Shops sales (if applicable) and miscellaneous receipts that are to be forwarded to Treasury.

The FY 2024 OMB Circular A-136 split the previously reported line Federal Employees and Veterans Benefits into two lines, Federal Employee Salary, Leave and Benefits Payable and Pension, Post-Employment and Veterans Benefit Payable. The change is reflected on a comparative basis in the table presentations of this Note and Note 14.

Federal Employee Salary, Leave and Benefits Payable includes unfunded accrual annual leave and accrued funded payroll and leave (previously included in Other Liabilities, Other than Intragovernmental (Note 14)). Pension, Post-Employment and Veterans Benefit Payable consists of the actuarial workers' compensation liability, which is calculated using a model provided by the DOL. Estimated future costs have been actuarially determined and they are regarded as a liability to the public because neither the costs nor reimbursement have been recognized by DOL. The current (short term) portion of the FECA liability represents an annual accrued liability for billed costs and is reflected in the Other Liabilities, Intragovernmental line of the Balance Sheet.

Other Liabilities Without Related Budgetary Obligations includes the financed portion of the cogeneration facility. While this amount is currently not covered by budgetary resources, the annual payment of principal and interest on the liability will be made from annual appropriations to the Capitol Power Plant (see Notes 1, 14, and 16).

Unfunded Lease Liability represents the principal due in future years only, per the probable terms associated with the AOC's lease contracts. As previously disclosed, beginning in FY 2024, the AOC is required to report a lease liability consistent with SFFAS No. 54. This includes amounts previously classified as Capital Lease Liability, which are eliminated in FY 2024 reporting to meet the SFFAS No. 54 requirement. Since this change is being applied prospectively per accounting standards, the amount associated with the prior year Capital Lease Liability is shown in the table below.

The breakdown of the Liabilities not Covered by Budgetary Resources as of September 30, 2024, and 2023, are as follows:

Dollars in thousands

LIABILITIES		2024		2023
Intragovernmental Liabilities				
Unfunded FECA Liability (Note 14)	$	7,308	$	7,248
Total Intragovernmental Liabilities	**$**	**7,308**	**$**	**7,248**
Federal Debt and Interest Payable (Note 12)	$	587	$	16,892
Federal Employee, Salary, Leave and Benefits Payable		17,205		16,726
Pensions, Post-Employment, and Veterans Benefit Payable		39,697		43,539
Environmental and Disposal Liabilities (Notes 13 and 16)		249,086		271,198
Other Liabilities				
Unfunded Lease Liability		88,594		-
Capital Lease Liability		-		1,831
Contingent Liabilities (Note 16)		279		172
Other Liabilities Without Related Budgetary Bbligations (Note 14)		42,671		44,537
Total Liabilities Not Covered by Budgetary Resources	**$**	**445,427**	**$**	**402,143**
Total Liabilities Covered by Budgetary Resources	**$**	**159,338**	**$**	**161,159**
Total Liabilities Not Requiring Budgetary Resources	**$**	**471**	**$**	**79**
Total Liabilities	**$**	**605,236**	**$**	**563,381**

The change in Federal Employee Salary, Leave and Benefits Payable is due to a higher liability for annual leave associated with the 5.2% pay raise that went into effect in January of 2024. The change in Pensions, other Post-Employment, and Veterans Benefits Payable is associated with a lower liability projection as per DOL's FECA model and cost factors. The amount reported as Unfunded Lease Liability represents the FY 2024 SFFAS No. 54 requirement to record the unfunded portion of the Lease Liability at NPV for the 13 long-term leases that meet the SFFAS No. 54 requirements. Amounts previously classified as Capital Lease Liability have been eliminated and subsequently remeasured to meet the SFFAS No. 54 requirement. Additionally, the change in Other Liabilities Without Related Budgetary Obligations is due to the annual payments made against the long-term debt for the cogeneration facility. These payments are expected to occur each year until the debt is paid off in 2037.

NOTE 12: FEDERAL DEBT AND INTEREST PAYABLE

Until August 2024, the AOC was responsible for paying 30-year Serial Zero Coupon Certificates of Participation that were issued in 1989 for financing the construction of the Thurgood Marshall Building. The certificates were issued at $125.4 million with a maturity value of $525.5 million and are amortized using the effective interest rate of 9 percent (corresponding to the discount).

Various judiciary offices and personnel occupy the Thurgood Marshall Building under an interagency agreement between the AOC and the Administrative Office of the U.S. Courts. Payments commenced in 1994, and base rent did not change over the initial 30 years and was set at $17.2 million annually, which was the amount necessary to retire the debt in August 2024. This certificate was not subject to prepayment or acceleration under any circumstance, pursuant to the language in the certificate agreement.

The balances of Federal Debt and Interest Payable Held by the Public, as of September 30, 2024, and 2023 are as follows:

At September 30, 2024, Dollars in Thousands

FEDERAL DEBT CATEGORY	PAR BEGINNING BALANCE OCTOBER 1, 2023	REPAYMENTS OF PAR IN FY 2024	PAR ENDING BALANCE	UNAMORTIZED DISCOUNT	DEBT PRINCIPAL	INTEREST PAYABLE	ENDING BALANCE
Agency Securities - Held by The Public	$ 17,230	$ (17,230)	$ -	$ -	$ -	$ 587	$ 587

At September 30, 2023, Dollars in Thousands

FEDERAL DEBT CATEGORY	PAR BEGINNING BALANCE OCTOBER 1, 2022	REPAYMENTS OF PAR IN FY 2023	PAR ENDING BALANCE	UNAMORTIZED DISCOUNT	DEBT PRINCIPAL	INTEREST PAYABLE	ENDING BALANCE
Agency Securities - Held by The Public	$ 34,460	$ (17,230)	$ 17,230	$ (950)	$ 16,280	$ 612	$ 16,892

The net decrease in the ending balance is attributed to the completion of the semi-annual bond payments made for the Thurgood Marshall Building to retire the debt. Interest payable is accrued for the financed portion of the cogeneration facility.

NOTE 13: ENVIRONMENTAL AND DISPOSAL LIABILITIES

Environmental Cleanup Cost Liabilities Related to Asbestos Cleanup
The AOC is responsible for managing and abating friable and nonfriable asbestos-containing materials (ACM) in all Capitol complex buildings owned by the federal government. Pursuant to FASAB Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-related Cleanup Costs, the AOC recognizes a liability for cleanup costs that are both probable and reasonably estimatable. This liability is founded on per square and linear foot cost indexes (based on current industry guidance for asbestos cleanup projects) which are then applied to recorded quantities of ACM to calculate a total estimated liability.

Actual cleanup costs may differ from the recorded estimate due to additional cost factors that are not reasonably estimatable at this time. For example, AOC projects may involve unique challenges due to the unique working conditions on Capitol Hill. Additionally, the required containment for asbestos abatement (such as specific rooms or areas) cannot be reasonably estimated. Due to the uniqueness of individual project requirements, there is not enough information to determine the type of and how much containment would be required. The AOC has determined that the reported estimated liability is the direct cost without containment as containment requirements differ from project to project.

The AOC's accrued estimated liabilities for environmental cleanup costs, as of September 30, 2024, and 2023, for $249 million and $271 million, respectively (See Note 16). The decrease is primarily attributed to a reduction in the friable and non-friable rates used to calculate the liability. The change in the current year rates used was due to a reduction in cost impacts specifically related to the COVID-19 pandemic considerations. Additionally, the liability is also reduced for abatement work completed throughout the reporting period.

Fort George G. Meade, Maryland

In addition to the requirements of Technical Bulletin 2006-1, the AOC is subject to various federal, state and local environmental compliance and restoration laws. Applicable laws include the *Clean Air Act*, the *Clean Water Act*, the *Solid Waste Disposal Act*, the *Safe Drinking Water Act* and the *Comprehensive Environmental Response, Compensation, and Liability Act* (CERCLA).

Management's review concluded that the AOC is not responsible for the clean-up and remediation of previous environmental contamination on the approximately 100 acres of land at Fort George G. Meade, Maryland, which the U.S. Army transferred to the AOC. The Army is responsible for the environmental clean-up of any previous contamination under CERCLA. The AOC understands that the Army is actively monitoring existing contamination on the entire site, including the land transferred to the AOC, and is pursuing appropriate remediation of this contamination.

NOTE 14: OTHER LIABILITIES

Other intragovernmental liabilities consist of undeposited CVC Gift Shops sales, Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity, and Unfunded FECA Liability. See Note 4 for the description of undeposited CVC Gift Shops sales (Liability for Non-Fiduciary Deposit Funds and Undeposited Collections). See Note 2 for the description of the Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity. See Note 11 for the description of the Unfunded FECA Liability. Other Liabilities – Other than Intragovernmental consists of Contract Holdbacks, Contingent Liabilities, and long-term debt from the cogeneration financing (Other Liabilities Without Related Budgetary Obligations). Additionally, in FY 2024, Other than Intragovernmental Liabilities also consist of the Lease Liability as required by SFFAS No. 54, which includes amounts previously classified as Capital Lease Liability that have been eliminated and subsequently remeasured to meet the SFFAS No. 54 requirement. This change is being applied prospectively (see Note 15).

Other Liabilities, as of September 30, 2024, and 2023, are as follows:

Dollars in thousands

OTHER LIABILITIES	2024	2023
Intragovernmental Liabilities		
Liability for Non-Fiduciary Deposit Funds and Undeposited Collections	$ 46	$ 39
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	425	40
Unfunded FECA Liability	7,308	7,248
Total Intragovernmental Liabilities	**$ 7,779**	**$ 7,327**
Other than Intragovernmental Liabilities		
Contract Holdbacks	$ 18,261	$ 17,465
Contingent Liabilities (Current, Not covered) (Note 16)	279	172
Lease Liability (Current, Not covered) (Note 15)	9,570	-
Lease Liability (Note 15)	79,024	-
Other Liabilities Without Related Budgetary Obligations (Current - Not Covered)	1,962	1,866
Other Liabilities Without Related Budgetary Obligations	40,709	42,671
Capital Lease Liability (Current, Not Covered)	-	889
Capital Lease Liability	-	942
Total Other than Intragovernmental Liabilities	**$ 149,805**	**$ 64,005**
Total Other Liabilities	**$ 157,584**	**$ 71,332**

The change in Contract Holdbacks is primarily attributed to incremental retainage on progress payments for ongoing large construction projects. These amounts are expected to be liquidated and released upon satisfactory completion of the associated projects. See Note 11, Liabilities Not Covered by Budgetary Resources, for the explanation of the increase in Other Liabilities Without Related Budgetary Obligations.

Additionally, the increase in the Lease Liability represents the FY 2024, SFFAS No. 54 update to record lease assets and a corresponding liability at NPV for the 13 long-term leases that meet the SFFAS No. 54 requirements.

NOTE 15: LEASES

Pursuant to SFFAS No. 54 and related amendments, the AOC is required to report a lease asset and a corresponding liability for material non-intragovernmental, and non-short-term contracts that convey the right to control the use of PP&E to another entity for a period of time in exchange for consideration (and do not contain a transfer of ownership or meet certain scope exclusions). The AOC is also required to disclose information on significant intragovernmental lease arrangements. As of FY 2024, the AOC has 13 non-intragovernmental leasing arrangements covering administrative office space, storage facilities, and antennas with lease terms between 3 and 21 years. Many of these leases contain escalation clauses tied to inflationary and tax increases, and renewal options. Additionally, the AOC has five intragovernmental material lease arrangements primarily covering administrative office space and storage facilities. The AOC also leases multiple vehicles and trucks from GSA. All intragovernmental leases have terms between several months and 10 years. The AOC has no material lessor positions that meet the SFFAS No. 54 criteria.

Right-To-Use Lease Asset and Liability

RTU leases have either remaining lease terms (for leases at the transition to SFFAS No. 54) or initial lease terms (for subsequent new leases) that exceed two years. The lease terms also include probable renewal options. The lease assets and liability are valued at the NPV of the payments to be made over the terms of the AOC's lease contracts. The RTU lease is amortized over the term of the lease including probable renewal periods. These leases expire on various dates between FY 2027 and FY 2045. The interest rates used reflect applicable Treasury interest rates based on marketable Treasury securities with a similar maturity to each applicable lease term and range in percentages from 4.69 percent to 5 percent. The AOC has no sublease, sale-leaseback or lease-leaseback transactions to disclose as of the current reporting period. While the RTU lease assets and related lease liability are initially recorded at the same amount, the reported lease asset and liability in a given reporting period may differ due to asset amortization over the lease term, which differs from the interest payment rate on the lease liability.

The balance of the RTU lease assets as of September 30, 2024, is as follows:

At September 30, 2024, Dollars in Thousands

SUMMARY OF RIGHT-TO-USE LEASE ASSETS		2024
Right-To-Use Lease Assets	$	97,352
Accumulated Amortization		11,818
Total Right-To-Use Lease Assets (Note 14)	**$**	**85,534**

As of September 30, 2024, the future principal and interest payments under RTU lease liability are as follows:

At September 30, 2024, Dollars in Thousands

Fiscal Year		Principal		Interest		Total
2025	$	9,570	$	4,056	$	13,626
2026		10,541		3,582		14,123
2027		11,150		3,066		14,216
2028		11,231		2,537		13,768
2029		7,417		2,042		9,459
2030		4,313		1,796		6,109
2031-35		16,443		6,459		22,902
2036-40		10,824		2,948		13,772
2041-45		7,105		939		8,044
Total	$	88,594	$	27,425	$	116,019

The balance of the RTU FY 2024 lease expenses as of September 30, 2024, is as follows:

At September 30 2024, Dollars in Thousands

Fiscal Year		Amortization		Interest		Total
2024	$	11,818	$	4,493	$	16,311

The above chart details the RTU lease expenses, inclusive of the RTU lease asset amortization and interest on the lease liability.

Additionally, variable lease payments not reflected in the lease liability include only non-lease components and consist primarily of AOC's pro rata share of real estate taxes. The FY 2024 variable lease payments as of September 30, 2024, are approximately $885,000.

Intragovernmental Leases

The real property intragovernmental lease agreements are held with General Services Administration (GSA) and Government Publishing Office (GPO) and expire on various dates through FY 2025. Additionally, the AOC uses GSA Fleet to lease a variety of passenger vehicles and trucks. These leases expire on various dates through FY 2034.

As of September 30, 2024, the amount of the FY 2024 intragovernmental lease expense is as follows:

Intragovermental Lease Expenses at September 30, 2024

Lease Category		2024
Office and Storage Space	$	5,673
Fleet		196
Total	**$**	**5,869**

Variable lease payments not reflected in the lease expenses above include non-lease components and consist of operating and security costs. The FY 2024 variable lease payments as of September 30, 2024, are approximately $2.1 million.

Embedded Leases

Embedded leases represent lease components that are contained in contracts or agreements that are primarily for non-lease purposes, such as a service contract. SFFAS No. 62, Transitional Amendment to SFFAS 54, has granted federal agencies a transitional accommodation to account for contracts or agreements meeting the embedded lease criteria and allows these to be treated as non-lease contracts or agreements for the remaining term unless they are subsequently modified after the end of the accommodation period. This accommodation period ends on September 30, 2026. The AOC has elected this accommodation for the term granted by SFFAS No. 62.

NOTE 16: COMMITMENTS AND CONTINGENCIES

The AOC is party to various administrative proceedings, legal actions and tort claims which may result in settlements or decisions adverse to the federal government. Additionally, the AOC has contractual agreements with various energy service providers which may require future financial obligations.

The AOC's accrued estimated liabilities for contingent and environmental cleanup costs, as of September 30, 2024, and 2023, are shown in the following table. See Note 13 for an explanation of the increase in the Environmental Cleanup Cost Liabilities.

At September 30, 2024, Dollars in Thousands

			ESTIMATED RANGE OF LOSS	
CONTINGENT LOSS		ACCRUED LIABILITIES	LOWER END	UPPER END
Legal Contingencies				
Probable	$	279	$ 279	$ 1,300
Reasonably Possible		-	-	13,450
Environmental Contingencies				
Probable (Note 13)	$	249,086	$ 249,086	$ 367,474

At September 30, 2023, Dollars in Thousands

CONTINGENT LOSS	ACCRUED LIABILITIES	ESTIMATED RANGE OF LOSS LOWER END	UPPER END
Legal Contingencies			
Probable	$ 172	$ 172	$ 200
Reasonably Possible	-	-	$9,200
Environmental Contingencies			
Probable (Note 13)	$ 271,197	$ 271,197	$ 418,676

The change in contingent liabilities is reflective of amounts accrued in the current year for a probable case settlement that may result in a loss to the agency.

Legal Liabilities

General contingent liabilities consist of claims filed against the AOC that are awaiting adjudication. These liabilities typically relate to contracts, labor and equal employment opportunity issues, and personal and property damage.

To estimate contingent liabilities for the financial statements, the AOC conducted a review of existing claims for which the likelihood of loss to the AOC is probable. Additionally, management and the AOC's General Counsel evaluated the materiality of cases determined to have a reasonably possible chance of an adverse outcome. Liabilities are recognized for those cases that are determined to meet management's materiality threshold. No amounts are accrued in the financial records for claims where the estimated amount of potential loss is less than $100,000 or where the likelihood of an unfavorable outcome is less than probable.

Additionally, management and the AOC General Counsel evaluated the materiality of cases determined to have a reasonably possible (less than probable but more than remote) chance of an adverse outcome. The ultimate outcomes in these matters cannot be predicted at this time. However, the lower and upper-level estimate of these cases are shown in the chart above. Sufficient information is not currently available to determine if the ultimate resolution of the proceedings, actions and claims will materially affect AOC's financial position or results of operations. Based on the less than probable nature of these claims, an accounting entry for the estimate was not posted and there is no impact on the financial statements.

Future Funded Energy Contracts

The use of energy contracts by federal agencies was permitted by the *Energy Policy Act of 1992* and, after a renewal in 2005, was permanently reauthorized by the *Energy Independence and Security Act of 2007*. These contracts provide federal agencies with the ability to implement energy and water savings upgrades at little to no upfront cost to the government. The contracts take the form of fixed-price, performance-based arrangements. An energy service company finances the cost of implementing the energy savings infrastructure and, in return, receives a contractually determined share of the cost savings over time. As part of the agreement, the energy company guarantees that the improvements will generate sufficient energy savings to pay for the projects over the life of the arrangement. Once the contract period ends, the AOC retains all subsequent cost savings.

With the approval of Congress, the AOC has partnered with private energy service companies for utility energy service contracts (UESC) to help finance the design-build of its cogeneration system at the Capitol Power Plant and implement separate energy savings performance contracts (ESPC) in the Capitol Building, House Office Buildings, Senate Office Buildings and Library Buildings and Grounds jurisdictions. The ESPCs have helped the AOC implement energy savings measures by:

- Converting from pneumatic to direct digital HVAC control and upgrading building automation systems
- Retrofitting existing light fixtures with high-efficiency lamps, ballasts, controls and reflectors; installing LED lighting and expanding the lighting control rooms
- Upgrading transformers to high-efficiency models

- Adding removable insulation covers to reduce heat loss from steam valves
- Replacing failing and defective steam traps and valves to eliminate steam loss and waste
- Installing new motion/occupancy sensors in areas with infrequent and low occupancy levels
- Installing water conservation and fixture upgrades

As of September 30, 2024, the AOC has three active ESPCs and one active UESC. All construction related to ESPCs for the House Office Buildings, Senate Office Buildings and the Library Buildings and Grounds jurisdictions, and the UESC for the Capitol Power Plant, is complete and these contracts have transitioned to their performance phase. The scheduled final payments for the contracts range from FY 2027 to FY 2039. The calculation of the period of performance is largely dependent on the amount of the predicted annual costs savings and the overall value of the projects.

The AOC is liable for the full funding of its cogeneration facility, as follows:

Dollars in Thousands

PROJECT COST	TOTAL
Construction Costs	
Appropriations	$20,000
Long-term Financing	67,285
Total Construction Costs	**$87,285**
Interest On Financing	25,432
Total Costs Over the Life of the Asset	**$112,717**

The AOC will pay off the total amount of government contract payments (including interest) in 20 annual installments ranging from $3 million to $5 million (and subject to prepayment penalties). Total payments over the term, including interest and prepayments, will be approximately $93 million. The AOC expects that these payments will be completed by May 2037 from available annual appropriations to the Capitol Power Plant.

NOTE 17: IMPUTED FINANCING

Imputed costs and financing sources include campus wide capital infrastructure projects performed by another federal agency and Treasury Judgment Fund or Office of Congressional Workplace Rights (OCWR) Settlement and Award Fund payments, as applicable.

The AOC has activities with OPM that also require imputed costs and financing sources to be recognized. OPM administers three earned benefit programs for civilian federal employees: the Federal Employees Health Benefits (FEHB) Program, the Federal Employee Group Life Insurance (FEGLI) Program and the CSRS, CSRS Offset and FERS Retirement Programs. The AOC uses the applicable cost factors provided by OPM for current period expense reporting. The imputed costs and financing sources consist of the benefits for AOC employees that are paid on its behalf by OPM.

CSRS: According to PL 99-335, all employees hired prior to January 1, 1987, could elect CSRS or CSRS Offset. The CSRS provides a basic annuity and Medicare coverage. The CSRS fund covers most employees hired prior to January 1, 1984. The AOC and the employees contribute to Medicare at the rate prescribed by law. The AOC does not match TSP contributions for employees who participate in the CSRS retirement program.

CSRS Offset: CSRS Offset generally covers those employees who have had a break in their CSRS service of more than one year and less than five years by the end of 1986. The AOC and the employees contribute to Social Security and Medicare at the rates prescribed by law. The AOC does not match TSP contributions for employees who participate in the CSRS Offset retirement program.

FERS: According to PL 99-335, employees with less than five years of creditable civilian service, as of the effective date in 1986, were automatically converted to FERS. In addition, during certain periods in 1987, 1988 and 1998, employees hired before January 1, 1984, could choose to participate in FERS. This system consists of Social Security, a basic annuity plan and the TSP.

The AOC and the employees contribute to Social Security and Medicare at rates prescribed by law. In addition, the AOC is required to contribute to the TSP a minimum of 1 percent per year of the basic pay of employees covered by this system. The AOC also matches a voluntary employee contribution up to 3 percent dollar-for-dollar, and another 2 percent is matched 50 cents on the dollar.

Imputed Financing for the periods ended September 30, 2024, and 2023, is as follows:

Dollars in thousands

IMPUTED FINANCING, BY TYPE	2024	2023
Pensions		
CSRS	$ 249	$ 211
CSRS Offset	284	335
FERS	80,924	69,434
Less: Contributions	(55,821)	(53,052)
Subtotal: Employee Pensions	**$ 25,636**	**$ 16,928**
Health Insurance	$ 18,577	$ 18,719
Life Insurance	46	43
Subtotal: All Employee Benefits	**$ 44,259**	**$ 35,690**
Other Agency - Campus Infrastructure	$ 1,825	$ 3,504
Department of Justice-Treasury Judgement Fund	121	175
OCWR-Settlement and Awards Fund	252	3
Reversal of Imputed OCWR Payments	(83)	-
Total	**$ 46,374**	**$ 39,372**

In FY 2024, the change in imputed financing costs for employee benefits is primarily due to pensions (FERS) . The FERS increase is due to the hiring of additional full-time employees, higher annual basic pay, which took effect in January 2024, and an increase in OPM cost factors. Additionally, there was a decrease in campus infrastructure costs and legal settlements that were paid out on the AOC's behalf by the Department of Justice – Treasury Judgement Fund. The increase in imputed OCWR payments is due to higher settlement payouts for workplace claims in FY 2024 compared to FY 2023.

NOTE 18: COST OF OPERATIONS RELATED TO PAYROLL

Expenses for salaries and related benefits for the periods ended September 30, 2024, and 2023, are shown in the following table. These amounts were approximately 48 and 42 percent of the annual gross cost of operations for each respective fiscal year. This includes actual payroll and benefit expenses as well as other accrued expenses. Benefit expenses represent FECA (current year payment), Unemployment Compensation for Federal Employees (UCFE), and Imputed Costs paid by OPM. Other Accrued Expenses consist of payroll and benefit related accruals. Those costs do not include the unfunded accrued annual leave and long-term actuarial FECA.

Cost of Operations Related to Payroll for the periods ended September 30, 2024, and 2023, is as follows:

Dollars in thousands

EXPENSES FOR PAYROLL AND RELATED BENEFITS	2024	2023
Payroll Expense	$367,565	$336,134
FECA and UCFE	3,276	3,382
Imputed Costs (Note 17)	44,259	35,690
Other Accrued Expenses		
Current Year Accrued Expenses	12,189	21,532
Reversal of Prior Year Accrued Expenses	(21,583)	(19,991)
Total Expenses for Payroll and Related Benefits	**405,706**	**376,747**
Total Gross Cost	**$850,443**	**$890,434**
Payroll Related Expenses to Gross Costs (%)	**48%**	**42%**

The increase in payroll expenses was due to the cost of living increase adjustment and the hiring of additional full-time employees. Additionally, the change in the Current Year Accrued Expenses reflects the decrease in the number of days accrued in the current year compared to the prior year.

The decrease reflected in FECA and UCFE is primarily due to lower FECA costs billed by the Labor Department as a result of decreased claims submitted by AOC claimants. See Note 17 for the explanation of the increase in Imputed Costs.

NOTE 19: RECONCILIATION OF SCNP APPROPRIATIONS TO SBR

Amounts reported as Appropriations Received on the SCNP consist of funds congressionally appropriated to the AOC within the current fiscal year. Amounts reported as Appropriations on the SBR consist of appropriations received, non-expenditure transfers (NETs) to/from other agencies, and new budget authority from the special fund receipts collected in the Capitol Trust Account for Union Square permit fees (see Note 1G).

The reconciliation for the periods ended September 30, 2024, and 2023 is as follows:

Dollars in thousands

RECONCILIATION OF SCNP APPROPRIATIONS TO THE SBR	2024	2023
SCNP		
Appropriations Received	$ 956,655	$ 1,344,248
Total SCNP Appropriations	**$ 956,655**	**$ 1,344,248**
SBR		
Trust or Special Fund Receipts	$ 53	$ 54
Appropriations Transfer	2,100	-
Total SBR Appropriations	**$ 958,808**	**$ 1,344,302**

The decrease in Appropriations Received reflects the lower amounts enacted by Congress during FY 2024. The increase in appropriations transfer is due to a NET from the Senate Preservation Fund, per approval of the Senate Commission on Art and in accordance with 2 U.S. Code § 2108. Per legislation, the Library of Congress transferred $2.1 million to the AOC on behalf of the Senate Commission on Art for a restoration project identified as Calder Clouds Mobile Re-Installation, HSOB.

NOTE 20: STATEMENT OF BUDGETARY RESOURCES – UNOBLIGATED BALANCE BROUGHT FORWARD, OCTOBER 1

There were no material adjustments during the current year to correct the Unobligated Balance Brought Forward, October 1. Components of the amount reported as Unobligated Balance from Prior Year Budget Authority, Net are disclosed in the following table:

Dollars in thousands

NET ADJUSTMENTS TO UNOBLIGATED BALANCE BROUGHT FORWARD, OCTOBER 1	2024	2023
Unobligated Balance Brought Forward, October 1	$ 963,753	$ 467,524
Net Adjustments		
Cancelled Authority	(6,891)	(3,939)
Downward Adjustment Prior Year Unpaid Unexpended Obligations	17,443	17,500
Downward Adjustment Prior Year Unpaid Expended Authority	19,069	16,791
Downward Adjustment Prior Year Paid Expended Authority (Refunds Collected)	3,634	3,981
Total Net Adjustments	**$ 33,255**	**$ 34,333**
Unobligated Balance From Prior Year Budget Authority, Net	**$ 997,008**	**$ 501,857**

NOTE 21: UNDELIVERED ORDERS AT THE END OF THE PERIOD

In accordance with OMB Circular A-136, Financial Reporting Requirements, the amount of budgetary resources that are obligated but not yet delivered must be disclosed separately. Amounts obligated are comprised of contracts with vendors for acquisitions of goods and services including contractual support, constructions projects, and CVC inventory purchases.

Undelivered Orders for the periods ended September 30, 2024, and 2023, are as follows:

Dollars in thousands

UNDELIVERED ORDERS	2024	2023
Paid		
Federal	$ 255,255	$ 285,566
Non-Federal	5	4
Total Paid	**$ 255,260**	**$ 285,570**
Unpaid		
Federal	$ 16,208	$ 10,315
Non-Federal	555,711	516,165
Total Unpaid	**$ 571,919**	**$ 526,480**

See Note 10, Advances and Prepayments, for the explanation of the decrease in the Paid Undelivered Orders.

The change in Federal Unpaid Undelivered Orders is due to an increase in vendor obligations primarily related to the Senate Sergeant at Arms Relocation project. Non-Federal Unpaid Undelivered Orders is due to an increase in vendor obligations primarily related to the Fort Meade Collection Storage Module 7 project and Physical Security Assessment Program as work progresses on these projects.

NOTE 22: EXPLANATION OF DIFFERENCES BETWEEN THE COMBINED STATEMENTS OF BUDGETARY RESOURCES AND THE BUDGET OF THE UNITED STATES GOVERNMENT

The FY 2025 Budget of the United States Government (President's Budget) presenting the actual amounts for the year ended September 30, 2023, was published in March 2024. The FY 2025 President's Budget is reconciled to the AOC's September 2023 SBR to identify differences. The AOC's budget can be found on the OMB website (www.whitehouse.gov/omb/budget/) under legislative branch and judicial branch. The AOC's budget under the judicial branch is associated with the care of the building and grounds of the Supreme Court of the United States.

The President's Budget reconciliation to the SBR is as follows:

Dollars in Thousands

RECONCILIATION OF SBR TO BUDGET FY 2023	BUDGETARY RESOURCES	NEW OBLIGATIONS AND UPWARD ADJUSTMENTS	NET OUTLAYS
Combined Statements of Budgetary Resources (SBR)	$1,912,403	$948,650	$996,756
Items on SBR - Not on Budget:			
Expired Funds	(57,906)	-	-
Other	(3,497)	(650)	244
Budget of the United States Government	$1,851,000	$948,000	$997,000

The "Other" difference between the FY 2023 comparative amounts presented on the SBR and the actual amounts published in the FY 2025 President's Budget are due to rounding differences and other adjustments.

NOTE 23: RECONCILIATION OF NET COST TO NET OUTLAYS

SFFAS No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting requires a reconciliation of proprietary and budgetary information in a way that helps users relate the two. The objective is to provide an explanation for the differences between budgetary and financial (proprietary) accounting by reconciling budgetary outlays with the related net cost of operations. Statements of Federal Financial Accounting Concepts No. 2, Entity and Display, as amended by SFFAS No. 53, Budget and Accrual Reconciliation: Amending SFFAS 7, 22, and 24, provides the framework for this reconciliation. The AOC follows the format prescribed by SFFAS No. 53 for presenting this reconciliation.

Budgetary accounting information is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting information is intended to provide a picture of the government's financial operations and financial position on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves to identify costs paid for in the past and those that will be paid in the future, and to assure integrity between budgetary and financial accounting.

The reconciliation for the period ending September 30, 2024, and 2023 is as follows:

At September 30, 2024, Dollars in Thousands

RECONCILIATION OF NET OPERATING COST AND NET BUDGETARY OUTLAYS	INTRAGOVERNMENTAL	OTHER THAN INTRAGOVERNMENTAL	TOTAL
Net Operating Cost	**$ 12,414**	**$ 768,913**	**$ 781,327**
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(165,452)	(165,452)
Property, Plant, and Equipment Disposals and Reevaluations	-	(1,001)	(1,001)
Lessee Lease Amortization	-	(11,818)	(11,818)
Cost of Goods Sold	-	(3,357)	(3,357)
Gains/Losses on all Other Investments	-	(69)	(69)
Increase/(Decrease) in Assets:			
Accounts Receivable, Net	(306)	(9)	(315)
Investments in Government-Sponsored Enterprises	602	-	602
Other Assets	-	(30,303)	(30,303)
(Increase)/Decrease in Liabilities:			
Accounts Payable	2,305	(11,644)	(9,339)
Lessee Lease Liability	-	(88,594)	(88,594)
Environmental and Disposal Liabilities	-	22,112	22,112
Federal Employee Salary, Leave and Benefits Payable	-	8,974	8,974
Pensions, Post-Employment, and Veterans Benefits Payable	-	3,842	3,842
Federal Debt and Interest Payable	-	26	26
Other Liabilities	-	5,229	5,229
Financing Sources:			
Imputed Cost	(46,374)	-	(46,374)
Total Components of Net Operating Cost Not Part of the Budget Outlays	**$ (43,773)**	**$ (272,064)**	**$ (315,837)**
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets	$ -	$ 402,215	402,215
Acquisition of Inventory	-	3,291	3,291
Financing Sources:			
Transfers out (in) Without Reimbursements	-	(630)	(630)
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	**$ -**	**$ 404,876**	**$ 404,876**
Misc Items			
Custodial/Non-Exchange Revenue	-	(601)	(601)
Appropriated Receipts for Trust/Special Funds	-	53	53
Total Other Reconciling Items	**$ -**	**$ (548)**	**$ (548)**
Total Net Outlays (Calculated Total)	**$ (31,359)**	**$ 901,177**	**$ 869,818**
Budgetary Agency Outlays, Net			
Budgetary Agency Outlays, Net			$ 869,818

At September 30, 2023, Dollars in Thousands

RECONCILIATION OF NET OPERATING COST AND NET BUDGETARY OUTLAYS	INTRAGOVERNMENTAL	OTHER THAN INTRAGOVERNMENTAL	TOTAL
Net Operating Cost	**$ 939**	**$ 826,658**	**$ 827,597**
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(159,488)	(159,488)
Property, Plant, and Equipment Disposals and Reevaluations	-	34	34
Cost of Goods Sold	-	(2,964)	(2,964)
Gains/Losses on all Other Investments	-	(118)	(118)
Increase/(Decrease) in Assets:			
Accounts Receivable, Net	(49)	365	316
Securities and Investments	455	-	455
Other Assets	-	280,785	280,785
(Increase)/Decrease in Liabilities:			
Accounts Payable	706	(922)	(216)
Environmental and Disposal Liabilities	-	(87,776)	(87,776)
Federal Employee Salary, Leave and Benefits Payable	-	(1,221)	(1,221)
Pensions, Post-Employment, and Veterans Benefits Payable		4,571	4,571
Federal Debt and Interest Payable	-	24	24
Other Liabilities	-	(13,905)	(13,905)
Financing Sources:			
Imputed Cost	(39,372)	-	(39,372)
Total Components of Net Operating Cost Not Part of the Budget Outlays	**$ (38,260)**	**$ 19,385**	**$ (18,875)**
Components of the Budget Outlays That Are Not Part of Net			
Acquisition of Capital Assets	-	185,162	185,162
Acquisition of Inventory	-	3,297	3,297
Financing Sources:			
Transfers out (in) Without Reimbursements	-	(12)	(12)
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	**$ -**	**$ 188,447**	**$ 188,447**
Misc Items			
Custodial/Non-Exchange Revenue	-	(467)	(467)
Appropriated Receipts for Trust/Special Funds	-	54	54
Total Other Reconciling Items	**$ -**	**$ (413)**	**$ (413)**
Net Outlays (Calculated Total)	**$ (37,321)**	**$ 1,034,077**	**$ 996,756**
Budgetary Agency Outlays, Net			
Budgetary Agency Outlays, Net			$ 996,756

Components of Net Operating Cost Not a Part of the Budgetary Outlays reflects the budgetary resources used to finance the AOC's activities, but not paid. The Net Operating Cost is reported net of any earned revenue and other financing sources (e.g., donated property or imputed costs). Components of the Budgetary Outlays Not Part of the Net Operating Cost includes resources used to finance the activities of the entity to account for items that were included in budgetary outlays but were not part of the SNC. This item includes budgetary outlays recognized in the current period that do not affect the net cost of operations (e.g., an acquisition of assets reflected in net obligations but not in SNC). The Reconciliation of Net Cost to Net Outlays explains the relationship between the net outlays on a budgetary basis and the net cost of operations during the reporting period. See Note 1 and Note 14 for the explanation of the increase in the Other Than Intragovernmental Account Payable.

ACRONYMS AND ABBREVIATIONS

ACM	Asbestos-Containing Materials
AICPA	American Institute of Certified Public Accountants
AOC	Architect of the Capitol
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CFO	Chief Financial Officer
COVID-19	Coronavirus Disease of 2019
CSRS	Civil Service Retirement System
CVC	U.S. Capitol Visitor Center
DOL	U.S. Department of Labor
ESPC	Energy Savings Performance Contracts
FASAB	Federal Accounting Standards Advisory Board
FBWT	Fund Balance with Treasury
FECA	Federal Employees' Compensation Act
FEGLI	Federal Employee Group Life Insurance
FEHB	Federal Employees Health Benefits
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act of 1996
FISCAM	Federal Information System Controls Audit Manual
FY	Fiscal Year
GAAP	United States Generally Accepted Accounting Principles
GAAS	United States Generally Accepted Auditing Standards
GAO	Government Accountability Office
GPO	Government Publishing Office
GSA	General Services Administration
LED	Light-Emitting Diode
MB	Megabytes
NET	Non-Expenditure Transfers
NPV	Net Present Value
OCWR	Office of Congressional Workplace Rights
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management

P3	Public-Private Partnerships
P.L.	Public Law
PP&E	General Property, Plant & Equipment
RSI	Required Supplementary Information
RTU	Right-to-use
SBR	Statements of Budgetary Resources
SFFAS	Statements of Federal Financial Accounting Standards
SNC	Statement of Net Cost
SCNP	Statement of Changes in Net Position
SBR	Statement of Budgetary Resources
Treasury	U.S. Department of Treasury
TSP	Thrift Savings Plan
UCFE	Unemployment Compensation for Federal Employees
UESC	Utility Energy Service Contract
U.S.	United States
USBG	United States Botanic Garden
U.S.C	United States Code
USCP	United States Capitol Police