

Combating Fraud, Waste, Abuse & Mismanagement • Architect of the Capitol



Audit of Fiscal Year 2025 Financial Statements

OIG-AUD-2026-01

January 26, 2026



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: January 26, 2026

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

FROM: Luiz A. Santos, CFE, PMP
Inspector General

SUBJECT: Audit of Architect of the Capitol's (AOC) Fiscal Year 2025 Financial Statements
(Audit Report OIG-AUD-2026-01)

This memorandum transmits the KPMG LLP (KPMG) auditors' report on the Architect of the Capitol's (AOC) financial statements for the fiscal year that ended September 30, 2025.

The Office of Inspector General (OIG) contracted with KPMG, an independent accounting firm, to perform the audit and report on internal controls over financial reporting compliance and other matters. The contract required that the audit 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 present fairly, in all material respects, the financial position of AOC in accordance with U.S. generally accepted accounting principles;
- no material weaknesses¹ in internal control over financial reporting;
- no reportable instances of noncompliance with certain provisions of laws, regulations, and contracts 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.

In connection with the contract, the OIG reviewed KPMG's reports and related documentation and inquired of its representatives. Our review, as differentiated from an audit of the financial statements in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on AOC's financial

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. AICPA Auditing Standards-Clarified Section 265 Communicating Internal Control Related Matters Identified in an Audit; Definitions subsection .07.

statements or conclusions about the effectiveness of internal controls over financial reporting. KPMG is responsible for the attached auditors' report dated January 23, 2026, and the conclusions expressed therein. Our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards.

We appreciate the courtesies extended to the staff during the audit. If you have any questions, or wish to discuss, please contact me or Erica Boyden, Assistant Inspector General for Audits, at 202.215.3395 or erica.boyden@aoc.gov.

Distribution List:

- Joseph Campbell, Deputy Architect
- Sherri Jordan, Chief Financial Officer
- Robert Bell, Chief Information Officer
- Patrick Briggs, Chief of Staff
- Danna Planas Ocasio, Deputy Chief of Staff
- Telora Dean, Chief Administrative Officer
- Joseph DiPietro, Chief of Operations
- Angela Freeman, General Counsel
- Kirk Nelson, Chief Engineer
- Aaron Altwies, Chief Security Officer
- James Kaufmann, Executive Director, U.S. Capitol Grounds & Arboretum
- Michael Lewis, Executive Director, Library Buildings and Grounds
- Stephanie Jones, Executive Director of Facilities Operations, Senate Office Buildings
- Jason McIntyre, Executive Director of Facilities Operations, U. S. Capitol Building
- Joseph Yates, Executive Director of Facilities Operations, House Office Buildings
- Charles Iliff, Director, Office of Safety and Code Compliance
- Deatra Trinidad, Executive Director of Facilities Operations, Supreme Court Buildings and Grounds
- Susan Pell, Executive Director, U.S. Botanic Garden
- Matthew O'Connor, Chief Executive Officer for Visitor Services
- Christopher Potter, Executive Director, Utilities and Power Plant Operations

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SECTION 1

Independent Auditors' Report



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

Independent Auditors' Report

Inspector General and Architect of the Capitol
Architect of the Capitol

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Architect of the Capitol (AOC), which comprise the balance sheet as of September 30, 2025, and the related statements of net cost, changes in net position, and combined statements of budgetary resources for the year 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, 2025, and its net cost, changes in net position, and budgetary resources for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter - Interactive Data

Management has elected to reference 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the AOC's ability to continue as a going concern for a reasonable period of time.

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, The Year in Photos, Section Two: Performance Information, Section Three: Financial Information; Overview, Introducing the Principal Financial Statements, Message from the Chief Financial Officer, Architect of the Capitol's Response to the Inspector General, Section Four: Other Information, Appendices, Platforms, Capitol Highlights, and Infographics but does



not include the financial statements and our auditors' report thereon. Our opinion on the financial 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, 2025, 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*.

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 AOC's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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, 2025 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. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the AOC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, D.C.
January 23, 2026

SECTION 2

Architect of the Capitol's Comments



Architect of the Capitol

U.S. Capitol, Room SB-16
Washington, DC 20515
202.228.1793

www.aoc.gov

January 23, 2026

Mr. Luiz A. Santos, CFE, PMP
Inspector General
Architect of the Capitol
Washington, DC 20515

Dear Mr. Santos:

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 Year ending September 30, 2025. We are pleased the audit resulted in an unmodified opinion — marking the 21st 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 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

SECTION 3

AOC Fiscal Year 2025 Financial Statements



Architect of the Capitol

Fiscal Year 2025 Financial Statements
For the Year Ended September 30, 2025

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

January 6, 2026





Architect of the Capitol

Financial Statements

I. Balance Sheet

II. Statement of Net Cost

III. Statement of Changes in Net Position

IV. Statement of Budgetary Resources

V. Notes to the Financial Statements

Architect of the Capitol
BALANCE SHEET
As of September 30, 2025

Dollars in Thousands

2025

Assets (Note 2)

Intragovernmental Assets

Fund Balance with Treasury (Note 3)	\$ 1,516,483
Investments, Net (Note 5)	19,575
Accounts Receivable, Net (Note 6)	949
Advances and Prepayments (Note 10)	327,428
Total Intragovernmental Assets	\$ 1,864,435

Other than Intragovernmental Assets

Cash and Other Monetary Assets (Note 4)	\$ 41
Accounts Receivable, Net (Note 6)	659
Inventory and Related Property, Net (Note 7)	1,304
General and Right-to-Use Property, Plant and Equipment, Net (Note 8)	2,999,404
Advances and Prepayments (Note 10)	2
Total Other than Intragovernmental Assets	\$ 3,001,410

Total Assets	\$ 4,865,845
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Stewardship Property, Plant, and Equipment (Note 9)

Liabilities (Note 11)

Intragovernmental Liabilities

Accounts Payable	\$ 948
Advances from Others and Deferred Revenue (Note 10)	30,328
Other Liabilities (Note 13)	7,729
Total Intragovernmental Liabilities	\$ 39,005

Other than Intragovernmental Liabilities

Accounts Payable	\$ 88,330
Federal Employee Salary, Leave and Benefits Payable	29,571
Post-Employment Benefits Payable	37,354
Environmental and Disposal Liabilities (Note 12)	231,427

Other Liabilities (Note 13)

Contract Holdbacks	23,117
Contingent Liabilities (Notes 13 and 15)	890
Lease Liabilities (Notes 13 and 14)	99,150
Other Liabilities Without Related Budgetary Obligations	40,708
Interest Payable	560

Total Other than Intragovernmental Liabilities	\$ 551,107
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Total Liabilities	\$ 590,112
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Commitments and Contingencies (Note 15)

Net Position

Total Unexpended Appropriation	\$ 1,598,577
Total Cumulative Results of Operations	2,677,156
Total Net Position	\$ 4,275,733

Total Liabilities and Net Position	\$ 4,865,845
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The accompanying notes are an integral part of these financial statements.

Architect of the Capitol
STATEMENT OF NET COST
For the Year Ended September 30, 2025

Dollars in Thousands

2025

Gross Program Costs

Capital Construction and Operations

Gross Costs	\$ 170,403
Less Earned Revenue	(806)
Net Program Costs	<u>169,597</u>

Capitol Building

Gross Costs	78,642
Less Earned Revenue	(432)
Net Program Costs	<u>78,210</u>

Capitol Grounds and Arboretum

Gross Costs	20,066
Less Earned Revenue	(120)
Net Program Costs	<u>19,946</u>

Capitol Police Buildings, Grounds, and Security

Gross Costs	86,128
Less Earned Revenue	(3,554)
Net Program Costs	<u>82,574</u>

Capitol Power Plant

Gross Costs	144,316
Less Earned Revenue	(10,715)
Net Program Costs	<u>133,601</u>

House Office Buildings

Gross Costs	149,082
Less Earned Revenue	(96)
Net Program Costs	<u>148,986</u>

Library Buildings and Grounds

Gross Costs	57,558
Less Earned Revenue	(9,933)
Net Program Costs	<u>47,625</u>

Senate Office Buildings

Gross Costs	117,706
Less Earned Revenue	(190)
Net Program Costs	<u>117,516</u>

Supreme Court Buildings and Grounds

Gross Costs	55,217
Less Earned Revenue	(24,990)
Net Program Costs (Revenues)	<u>30,227</u>

U.S. Botanic Garden

Gross Costs	24,254
Less Earned Revenue	(10)
Net Program Costs	<u>24,244</u>

U.S. Capitol Visitor Center

Gross Costs	39,911
Less Earned Revenue	(9,425)
Net Program Costs	<u>30,486</u>

Net Cost of Operations (Note 22)	\$ <u><u>883,012</u></u>
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The accompanying notes are an integral part of these financial statements.

Architect of the Capitol
STATEMENT OF CHANGES IN NET POSITION
For the Year Ended September 30, 2025

Dollars in Thousands

2025

Unexpended Appropriations

Beginning Balance	\$ 1,667,913
Appropriations Received (Note 18)	850,949
Appropriations Transferred In/(Out) (Note 18)	3,800
Other Adjustments	(8,395)
Appropriations Used	(915,690)
Net Change in Unexpended Appropriations	<u>(69,336)</u>
Total Unexpended Appropriations	\$ <u>1,598,577</u>

Cumulative Results of Operations

Beginning Balance	\$ 2,584,403
Appropriations Used	915,690
Non-Exchange Revenue	15
Transfers-In/(Out) Without Reimbursement	(469)
Imputed Financing (Note 16)	60,529
Net Cost of Operations	(883,012)
Net Change in Cumulative Results of Operations	<u>92,753</u>
Total Cumulative Results Of Operations	\$ <u>2,677,156</u>
Net Position	\$ <u>4,275,733</u>

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

Architect of the Capitol
COMBINED STATEMENTS OF BUDGETARY RESOURCES
For the Year Ended September 30, 2025

Dollars in Thousands

2025

Budgetary Resources

Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory) (Note 19)	\$ 1,036,841
Appropriations (Discretionary and Mandatory) (Note 18)	854,798
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	67,054
Total Budgetary Resources	<u><u>\$ 1,958,693</u></u>

Status of Budgetary Resources

New Obligations and Upward Adjustments (Total)	\$ 1,055,921
Unobligated Balance, End of Period	
Exempt from Apportionment, Unexpired Accounts	862,818
Unexpired Unobligated Balance, End of Period	862,818
Expired Unobligated Balance, End of Period	39,954
Unobligated Balance, End of Period (Total)	902,772
Total Budgetary Resources	<u><u>\$ 1,958,693</u></u>

Outlays, Net

Outlays, Net (Total) (Discretionary and Mandatory)	\$ 999,150
Agency Outlays, Net (Discretionary and Mandatory) (Note 22)	<u><u>\$ 999,150</u></u>

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

ARCHITECT OF THE CAPITOL
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended September 30, 2025

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**ARCHITECT OF THE CAPITOL
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended September 30, 2025**

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 of the United States, U.S. Botanic Garden (USBG) and the U.S. Capitol Visitor Center (CVC).

The AOC employs over 2,000 staff who support its daily operations and mission as follows:

- Serve Congress and the Supreme Court by facilitating daily operations as well as official national events held in the U.S. Capitol or other Buildings and Grounds of the U.S. Capitol complex (e.g., Presidential inaugural ceremonies or State of the Union address)
- Preserve America's Capitol by executing major construction projects and facilities management operations (e.g., providing steam and chilled water to the Supreme Court, Thurgood Marshall Federal Judiciary Building (Thurgood Marshall Building), Union Station, the Folger Shakespeare Library, and steam-only to the Government Publishing Office (GPO) Building, and the United States Postal Service at the Postal Square Building.
- Inspire memorable experiences for U.S. Capitol complex visitors by providing extraordinary visitor services (e.g., CVC and USBG's educational programs and tours)

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 Statement 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 follows the accrual method of accounting, by recognizing revenues when earned and expenses when incurred, without regard to the actual collection or payment of cash. AOC records both proprietary and budgetary accounting transactions.

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 and the Office of Management and Budget (OMB) Circular A-11.

ARCHITECT OF THE CAPITOL
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended September 30, 2025

In accordance and conformity with the FY 2025 single-year presentation format prescribed by OMB Circular A-136 and the U.S. Department of the Treasury (Treasury), prior year data has been omitted from these financial statements and accompanying Notes.

Additionally, AOC Financial Statements (Balance Sheet) and Notes include specific modifications for clarity and immateriality, as permitted by OMB A-136. Specifically, activity previously reported as Federal Debt and Interest Payable has been consolidated in the Other Liabilities line and reflected as Interest Payable due to immateriality. Secondly, the following line titles have been modified for greater alignment to the activities reported on those lines: Property, Plant and Equipment (PP&E), Net and Pensions, Post-Employment, and Veterans Benefits Payable to become General and Right-to-Use (RTU) Property, Plant and Equipment (PP&E), Net and Post-Employment Benefits Payable respectively.

C. Fund Balance with Treasury

See: Notes 3
and 4

The AOC maintains most available fund balances with Treasury. Fund Balance with Treasury (FBWT) represents the unexpended balances of expenditure and receipt accounts. 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 that are held in accounts outside of Treasury. The AOC previously held investments outside of Treasury. These amounts were liquidated by the AOC during the current fiscal year and returned to FBWT.

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 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

See: Note 6

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.

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

**ARCHITECT OF THE CAPITOL
NOTES TO THE FINANCIAL STATEMENTS
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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)

See: Note 5

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.

F. Advances to Others and Prepayments

See: Note 10

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

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

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- Recyclable Materials Revolving Fund
- Flag Office Revolving Fund

The House (of Representatives) Gymnasium Revolving Fund was established by 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 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.

**ARCHITECT OF THE CAPITOL
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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	Alterations and Improvements to Provide Facilities for the Physically Handicapped
	Flag Office Revolving Fund	
Capitol Grounds and Arboretum	Capitol Grounds and Arboretum	West Central Front
	Capitol Trust Account (Union Square)	
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).

ARCHITECT OF THE CAPITOL
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Imputed Financing (and related Imputed Costs)

See: **Notes 1.P.**
and **16**

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.

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

See: **Note 7**

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 may be categorized as follows: Purchased for Resale or Excess, Obsolete, and Unserviceable. 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.

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: **Note 15**

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 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.

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L. Leases

See: **Note 14**

Pursuant to 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 reports a 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.

M. General and Right-To-Use (RTU) Property, Plant and Equipment (PP&E), Net

See: **Note 8**

The AOC records property at cost, in accordance with SFFAS No. 6, Accounting for Property, Plant, and Equipment. Real property, equipment, and internal use software 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 14**

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.

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	5-15	\$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

See: **Note 9**

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 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.

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The AOC's Living Botanical Assets collection are aggregated by taxa. 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., 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

See: Note 10

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.

Contract Holdbacks

See: Note 13

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.

Contingencies, Environmental and Disposal Liabilities

See: Notes 12 and 15

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. 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.

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.

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Federal Employees' Compensation Act (FECA) Benefits

See: Note 11

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). 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 for current and former AOC employees (Post-Employment Benefits Payable).

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.

See: Note 16

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.

Health Benefits and Life Insurance

See: Note 16

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.

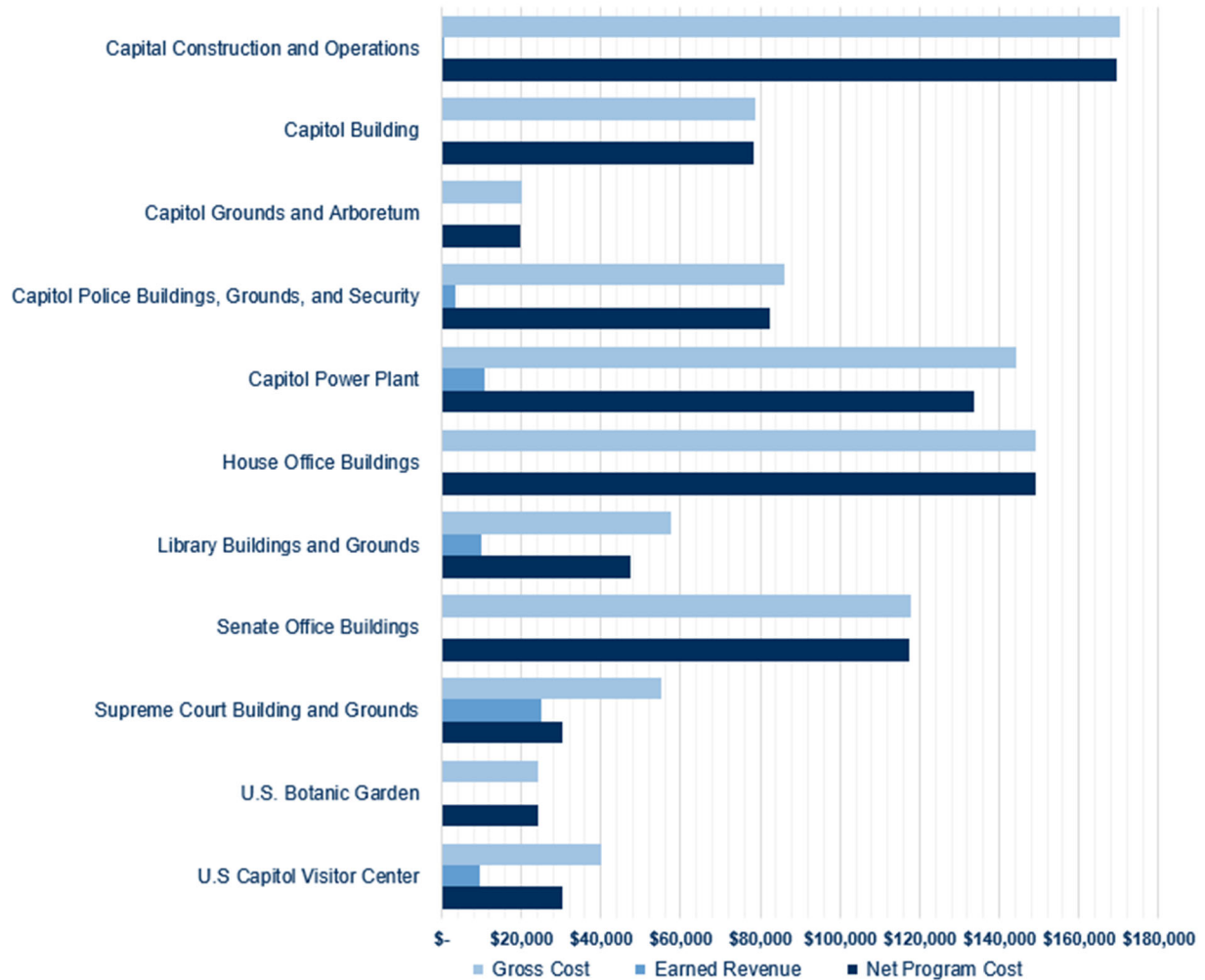
Q. Statement of Net Cost

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.

(continued on next page)

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Current year operations of the 11 responsibility segments reported on the SNC are identified below (dollars in thousands):



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.

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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

The AOC receives authority from Congress to use its entity assets in support of its operations. However, any assets that are not authorized for use in its operations are held as non-entity assets and subsequently transferred to Treasury. Revenue-generating 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 reimbursements over the annual congressional cap

The AOC's non-entity assets as of September 30, 2025, are as follows:

Dollars in Thousands	
NON-ENTITY ASSETS	2025
Intragovernmental Assets	
Accounts Receivable, Net (Note 6)	\$ 593
Total Intragovernmental Assets	\$ 593
Other than Intragovernmental	
Accounts Receivable, Net (Note 6)	\$ 262
Total Other than Intragovernmental Assets	\$ 262
Total Non-Entity Assets	\$ 855
Total Entity Assets	\$ 4,864,990
Total Assets	\$ 4,865,845

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The Non-Entity Accounts Receivable balance in FY 2025 is due to steam and chilled water billing exceeding the annual congressional cap. Those receivables and subsequent collections are credited to Treasury's Miscellaneous Receipts account. The Non-Entity Other than Intragovernmental Accounts Receivable balance also includes administrative billings and collection (ABCO), i.e., employees' pay and benefits-related bills, which will be reduced upon collection.

NOTE 3: FUND BALANCE WITH TREASURY

The AOC's FBWT shows budget authority derived from appropriations, transfers, and spending authority from offsetting collections. FBWT, as classified below, includes budgetary FBWT available for use in its operations.

a) Unobligated Balance

Unobligated FBWT includes unexpired budget authority that is available to pay off future obligations, as well as expired budget authority that is, without Congressional authorization, no longer available to incur new obligations. For example, under 2 U.S.C. § 1871 and 1872, Congress has authorized AOC to pay FECA and Unemployment claims from available balances of expired appropriations.

b) Obligated Balance Not Yet Disbursed

Obligated Balance Not Yet Disbursed is the amount of FBWT available to cover payment of undelivered orders (e.g., future performance on contracts) or amounts payable on 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

STATUS OF FUND BALANCE WITH TREASURY		2025
Unobligated Balance	\$	883,219
Obligated Balance not yet Disbursed		633,264
Total Fund Balance with Treasury	\$	1,516,483

The Unobligated Balance primarily reflects FBWT received in the current year to fund future obligations and brought forward balances from previous years. Congress appropriated over \$850 million of annual, multi-year and no-year funds to cover AOC's current fiscal year budget request. The appropriation funds personnel compensation and associated benefits as well as ongoing operations and construction projects such as the Cannon House Office Building Renewal (Phase 4), the Capitol Power Plant Refrigeration Plant Revitalization (RPR), Phase VI & VII, and the physical security assessment. The Unobligated balance brought-forward represents amounts made available in prior years to fund personnel, operations, and life-cycle construction project requirements. FBWT is also available to cover current obligations for the aforementioned projects and others such as the LOC Collection Storage Module 7, Fort Meade, which will be invoiced and paid as performance progresses. This FBWT is shown as Obligated Balance not yet Disbursed.

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NOTE 4: CASH AND OTHER MONETARY ASSETS

Cash and Other Monetary Assets include cash on hand (i.e. change-making imprest funds) and undeposited sales proceeds (i.e. cash and credit card sales). These amounts are derived from the operations of the CVC's two Gift Shops, which operate Monday through Saturday, with the exception of select major holidays. Imprest funds are held in a non-Treasury general account (TGA). Gift Shops' sales are securely transported to an approved TGA for deposit. Due to the Gift Shops' operating hours, undeposited sales are stored securely pending deposit. There are no restrictions on cash.

The cash balances as of September 30, 2025, are as follows:

Dollars in Thousands	
CASH AND OTHER MONETARY ASSETS	2025
Undeposited Collections	\$ 27
Cash Imprest Funds	14
Total	\$ 41

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. With the approval of Congressional Oversight committees, CVC may liquidate portions of the investment to cover operational expenses. 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 represent the invested balance carried forward from the prior year and current year earnings on reinvested balances of federal securities.

The AOC has no investments outside of Treasury (i.e., with the public).

The investment portfolio as of September 30, 2025, is as follows:

Dollars in Thousands		AMORTIZED		INVESTMENTS,	UNREALIZED	MARKET
INVESTMENTS	SHARES/PAR	PREM./ (NET OF		NET	GAIN/(LOSS)	VALUE
Intragovernmental Investments		DISC.)				
Capitol Visitor Center, 12 Months Certificate, 3.64% Annual Yield, Maturing 09/03/2026	\$ 10,777	\$ (355)	\$	10,422	\$ 3	\$ 10,425
Capitol Visitor Center, 6 Months Certificate, 3.7% Annual Yield, Maturing 03/19/2026	7,340	(126)		7,214	(3)	7,211
Capitol Visitor Center, One Day, 4.130% Annual Yield, Maturing 10/01/2025	1,939	-		1,939	-	1,939
Total Intragovernmental Investments	\$ 20,056	\$ (481)	\$	19,575	\$ -	\$ 19,575

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NOTE 6: ACCOUNTS RECEIVABLE, NET

The AOC's Accounts Receivable are derived from reimbursable operations or services provided to other federal agencies (intragovernmental) or nonfederal entities. AOC records an accounts receivable for reimbursements due or uncollected bills. 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 AOC's Accounts Receivable as of September 30, 2025, are as follows:

Dollars in Thousands	
ACCOUNTS RECEIVABLE	2025
Intragovernmental	
Entity	\$ 356
Non-Entity	593
Total Intragovernmental	\$ 949
Other than Intragovernmental	
Entity	\$ 397
Non-Entity	262
Total Other than Intragovernmental	\$ 659
Total	\$ 1,608

Intragovernmental Accounts Receivable includes amounts due to AOC for steam and chilled water provided by the Capitol Power Plant to the Supreme Court, GPO, and the United States Postal Service at the Postal Square Building. Additionally, intragovernmental Accounts Receivable includes reimbursements due from the U.S. House of Representatives and Senate for the recovery of AOC's full cost for flying American flags over the U.S. Capitol.

Other than Intragovernmental Accounts Receivable include amounts billed and due for steam and chilled water provided by the Capitol Power Plant to Union Station and Folger Library, which are non-federal entities. Other than Intragovernmental Accounts Receivable also include restaurant commission due from the operation of the CVC restaurant, and employee ABCO bills.

Any Accounts Receivable that is unavailable for use in AOC's operations when collected is classified as Non-Entity.

NOTE 7: INVENTORY AND RELATED PROPERTY, NET

Inventory consists of retail merchandise that is purchased for resale in the CVC Gift Shops. CVC maintains inventory on hand to meet the needs of its visitors. In compliance with Congressional mandates, all CVC Gift Shop merchandise is made in the USA.

Inventory, as of September 30, 2025, is as follows:

Dollars in Thousands	
INVENTORY CATEGORY	2025
Inventory Purchased for Resale	\$ 1,304
Total	\$ 1,304

Inventory purchases are seasonal and aligned with peak operations between March and July. The inventory balance reflects purchases made in support of Capitol tours and seasonal events (e.g., Presidential Inauguration and peak Cherry Blossom season).

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 unsaleable until disposed.

ARCHITECT OF THE CAPITOL
NOTES TO THE FINANCIAL STATEMENTS
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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, restricted, or obsolete inventory to report as of September 30, 2025.

NOTE 8: GENERAL AND RIGHT-TO-USE (RTU) 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. 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. The following charts represent the AOC's real property and equipment values, by asset category, as of September 30, 2025:

Dollars in Thousands				
CLASS OF PROPERTY AND EQUIPMENT	ACQUISITION VALUE	ACCUMULATED DEPRECIATION	NET BOOK VALUE	%
Buildings	\$ 1,481,792	\$ 964,082	\$ 517,710	17.2%
Buildings Improvements	3,276,024	1,770,138	1,505,886	50.2%
Right-To-Use Lease Assets (Note 14)	117,590	24,690	92,900	3.1%
Leasehold Improvements	31,194	20,391	10,803	0.4%
Equipment	47,228	18,661	28,567	1.0%
Internal Use Software	6,515	6,515	-	0.0%
Land	169,231	-	169,231	5.6%
Land Improvements	162,342	143,144	19,198	0.6%
Other Structures	9,288	6,857	2,431	0.1%
Construction Work-in-Progress	652,678	-	652,678	21.8%
Total	\$ 5,953,882	\$ 2,954,478	\$ 2,999,404	100%

See: Note 1.M.

General and RTU PP&E, Net as reflected on the balance sheet represents the cumulative value of capital assets acquired net of accumulated depreciation. This includes current year additions, ongoing projects being tracked in construction work in progress (CWIP), depreciation, asset disposals, and other relevant changes occurring during the reporting period. The most significant project is Phase 4 of the Cannon Renewal program, which accounts for approximately 33 percent of the CWIP balance. The RTU Lease Assets represent the NPV for the 14 long-term leases that were recognized under SFFAS No. 54.

The FY 2025 amounts shown in the chart below represent General and RTU PP&E activity as of September 30, 2025:

Dollars in Thousands		
CURRENT YEAR ACTIVITY, NET GENERAL AND RTU PP&E		2025
Balance at Beginning of Fiscal Year	\$	2,899,411
Capitalized Acquisitions		256,708
Right-To-Use Lease Assets		20,239
Amortization of Right-To-Use Lease Assets (Note 14)		(12,873)
Disposals		(697)
*Depreciation Expense		(163,384)
Balance at End of Fiscal Year	\$	2,999,404

*Depreciation Expense represents the change in accumulated depreciation year over year

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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). Information concerning deferred maintenance and repairs and estimated land acreage is discussed in unaudited required supplementary information.

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.

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An inventory of the memorial trees from October 1, 2024, to September 30, 2025, follows:

DESCRIPTION	BEGINNING BALANCE	ADDED	WITHDRAWN	OTHER ADJUSTMENTS	ENDING BALANCE	CONDITION
Memorial Trees	158	5	(3)	-	160	Good

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 from October 1, 2024, to September 30, 2025, follows:

DESCRIPTION	BEGINNING BALANCE	ADDED	WITHDRAWN	OTHER ADJUSTMENTS	ENDING BALANCE	CONDITION
Artwork	2,019	2	(1)	-	2,020	Poor to Excellent
Architectural Features	203	-	-	-	203	Fair to Excellent
Reference and Library Materials:						
Art and Reference Files (Drawers)	108	-	-	-	108	Good
Art and Reference Library Materials (Volumes)	1,251	11	-	-	1,262	Good
Traditional Archival Records	615,815	23,097	-	-	638,912	Fair to Excellent
Electronic Archival Records (Megabytes [MB])	20,721.70	1,253.10	-	-	21,974.80	N/A
Living Botanical Assets (Taxa)	6,049	237	(279)	-	6,007	N/A

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 10: ADVANCES, PREPAYMENTS, AND DEFERRED REVENUE

Advances and Prepayments – Intragovernmental consist of the unliquidated advance balances to (assets) and from (liabilities) other federal agencies for reimbursable work to be performed under interagency agreements. Advances to Others and Prepayments – Other than Intragovernmental consist of employee travel advances.

Advances to Others and Prepayments as of September 30, 2025, are as follows:

Dollars in Thousands	
ASSETS	2025
Intragovernmental Assets	
Advances to Others and Prepayments	\$ 327,428
Total Intragovernmental Assets	\$ 327,428
Other than Intragovernmental Assets	
Advances to Others and Prepayments	\$ 2
Total Other than Intragovernmental Assets	\$ 2
Total	\$ 327,430

Advances from Others as of September 30, 2025, are as follows:

Dollars in Thousands	
LIABILITIES	2025
Intragovernmental Liabilities	
Advances from Others	\$ 30,328
Total Intragovernmental Liabilities	\$ 30,328

Advances to Others and Prepayments, Intragovernmental, is attributed to advance payments (net of advance liquidations) primarily for the physical security assessment and Capitol Complex security improvement projects. This amount will be liquidated as services are rendered and costs incurred.

Advances from Others reflect advances received (net of advance liquidations) from other federal agencies for reimbursable construction projects primarily supporting the LOC and Thurgood Marshall Building.

NOTE 11: LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The Balance Sheet presents liabilities that will be liquidated either by current or future budgetary resources and a small proportion of liabilities that do not require budgetary resources to discharge. Liabilities not covered by current budgetary resources 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. Examples of AOC liabilities that do not require the use of budgetary resources are undeposited CVC Gift Shops sales (if applicable) and miscellaneous receipts that are forwarded to Treasury.

The intragovernmental Unfunded FECA Liability represents the accrued current (short term) FECA liability, per DOL's bill. This liability is shown in the Other Liabilities, Intragovernmental line of the Balance Sheet.

Federal Employee Salary, Leave and Benefits Payable includes accrued annual leave that is earned, but unused, which will be funded in future appropriations.

Post-Employment Benefits 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.

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Unfunded Lease Liability represents the principal due in future years only, per the probable terms associated with the AOC's lease contracts. Other Liabilities Without Related Budgetary Obligations include 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 future annual appropriations to the Capitol Power Plant. These payments are expected to occur each year until the debt is paid off in 2037. Interest Payable includes the accrued interest for the financed portion of the cogeneration facility until the recurring annual payment is made.

The breakdown of the Liabilities not Covered by Budgetary Resources as of September 30, 2025, is as follows:

Dollars in Thousands	
LIABILITIES	2025
Intragovernmental Liabilities	
Unfunded FECA Liability (Note 13)	\$ 6,847
Total Intragovernmental Liabilities	\$ 6,847
Other than Intragovernmental Liabilities	
Federal Employee, Salary, Leave and Benefits Payable	\$ 18,798
Post-Employment Benefits Payable	37,354
Environmental and Disposal Liabilities (Notes 12 and 15)	231,427
Other Liabilities (Note 13)	
Unfunded Lease Liability (Notes 13 and 14)	99,150
Contingent Liabilities (Notes 13 and 15)	890
Other Liabilities Without Related Budgetary Obligations	40,708
Interest Payable	560
Total Other than Intragovernmental Liabilities	\$ 428,887
Total Liabilities Not Covered by Budgetary Resources	\$ 435,734
Total Liabilities Covered by Budgetary Resources	\$ 153,496
Total Liabilities Not Requiring Budgetary Resources	\$ 882
Total Liabilities	\$ 590,112

NOTE 12: ENVIRONMENTAL AND DISPOSAL LIABILITIES

Environmental Cleanup Cost Liabilities Related to Asbestos Cleanup

The AOC manages and abates friable and nonfriable asbestos-containing materials (ACM) found in all federally owned buildings under its jurisdiction. 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 estimable. 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. In developing estimates, AOC considers and tracks inflation/deflation trends as well as changes in technology, health and safety requirements and applicable laws and regulations related to managing and abating asbestos.

Actual cleanup costs may differ from the recorded estimate due to additional cost factors that are not reasonably estimable 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.

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See: **Notes 11
and 15**

The AOC's accrued estimated liability for environmental cleanup costs, as of September 30, 2025, is \$231 million.

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 13: OTHER LIABILITIES

See: **Notes 2, 4,
11, 14 and 15**

Other liabilities is used to aggregate activities that give rise to future claims but are not individually or distinctly disclosed on the balance sheet. Such liabilities may stem from intragovernmental or other than intragovernmental activity, as discussed in additional detailed Notes as applicable.

Examples of Other Liabilities

Contract Holdbacks

Amounts invoiced and held back from AOC vendor payments, pending satisfactory work completion

Interest Payable

Interest due on upcoming installment payment for the cogeneration facility long-term financing debt

Other Liabilities Without Related Budgetary Obligations

Upcoming (current) and future principal payments for the cogeneration facility long-term financing debt



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Other Liabilities, as of September 30, 2025, are as follows:

Dollars in Thousands

OTHER LIABILITIES		2025
Intragovernmental Other Liabilities		
Liability for Non-Fiduciary Deposit Funds and Undeposited Collections (Note 4)	\$	27
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity (Note 2)		855
Unfunded FECA Liability (Note 11)		6,847
Total Intragovernmental Other Liabilities	\$	7,729
Other than Intragovernmental Other Liabilities		
Contract Holdbacks	\$	23,117
Contingent Liabilities (Current, Not Covered) (Note 15)		890
Lease Liability (Current, Not Covered) (Note 14)		11,667
Lease Liability (Note 14)		87,483
Other Liabilities Without Related Budgetary Obligations (Note 11)		38,574
Other Liabilities Without Related Budgetary Obligations (Current - Not Covered) (Note 11)		2,134
Interest Payable (Current - Not Covered) (Note 11)		560
Total Other than Intragovernmental Other Liabilities	\$	164,425
Total Other Liabilities	\$	172,154

Contract Holdbacks consists of incremental retainage on progress payments for ongoing construction projects. These amounts are expected to be liquidated and released upon satisfactory completion of the associated projects.

NOTE 14: 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 another entity's PP&E 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 September 30, 2025, the AOC has 14 non-intragovernmental leasing arrangements covering administrative office space, storage facilities, and antennas with lease terms between 2 and 20 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 9 years. The AOC has no material lessor positions that meet SFFAS No. 54 criteria.

Right-To-Use Lease Asset and Liability

RTU leases have either remaining lease terms (for existing 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.

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The balances of the RTU lease assets as of September 30, 2025, are as follows:

Dollars in Thousands	
SUMMARY OF RIGHT-TO-USE LEASE ASSETS	
	2025
Right-To-Use Lease Assets (Note 8)	\$ 117,590
Accumulated Amortization (Note 8)	(24,690)
Total Right-To-Use Lease Assets	\$ 92,900

The future principal and interest payments under RTU lease liabilities as of September 30, 2025, are as follows:

Dollars in Thousands				
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL	
2026	\$ 11,667	\$ 4,546	\$	16,213
2027	12,355	3,975		16,330
2028	12,520	3,387		15,907
2029	8,195	2,835		11,030
2030	4,744	2,566		7,310
2031	4,225	2,341		6,566
2032-36	19,527	8,947		28,474
2037-41	14,288	4,647		18,935
2042-45	11,629	1,174		12,803
Total	\$ 99,150	\$ 34,418	\$	133,568

RTU Lease Asset and Liability activities in the current year include the acquisition of a new warehouse to support the operations of the Capitol Grounds & Arboretum jurisdiction, as well as the expansion of leased space in the Fairchild building.

The balances of the RTU lease expenses for the period ended September 30, 2025, are as follows:

Dollars in Thousands	
RIGHT-TO-USE LEASE EXPENSES	
	2025
Amortization (Note 8)	\$ 12,873
Interest	4,355
Total	\$ 17,228

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 of real estate taxes, operating costs, and security charges. The FY 2025 variable lease payments are approximately \$898,000.

Intragovernmental Leases

The real property intragovernmental lease agreements held with GSA and GPO expire on various dates throughout FY 2025. These leases are renewable annually, per AOC's operational needs. Additionally, the AOC leases a variety of passenger vehicles and trucks via GSA Fleet services. These leases expire on various dates through FY 2034.

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NOTES TO THE FINANCIAL STATEMENTS
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The balances of the Intragovernmental lease expenses for the period ended September 30, 2025, are as follows:

Dollars in Thousands		
LEASE CATEGORY		2025
Office and Storage Space	\$	6,524
Fleet		230
Total	\$	6,754

In FY 2025, the AOC made variable lease payments of \$1.3 million for non-lease components such as operating and security costs. These variable costs are not reflected in the fixed lease costs shown above.

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 15: 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, 2025, are shown in the following table.

Dollars in Thousands		ESTIMATED RANGE OF LOSS			
CONTINGENT LOSS		ACCRUED		LOWER END	UPPER END
Legal Contingencies		LIABILITIES			
Probable	\$	890	\$	-	-
Reasonably Possible	\$	-	\$	100	7,100
Environmental Contingencies					
Probable (Note 12)	\$	231,427	\$	231,427	308,260

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.

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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.

Certain claims against the AOC, when payable, are covered by the Judgment Fund maintained by the U.S. Department of Treasury under 31 U.S.C. § 1304. The Judgment fund is a permanent indefinite appropriation that is available to pay monetary awards against federal agencies that are not otherwise funded.

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, 2025, 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

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The AOC will pay off the total amount of government contract payments (including interest) for the cogeneration facility in 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 16: IMPUTED FINANCING

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 (FGLI) 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 costs and financing sources also 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 for various legal claims.

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Imputed Financing for the period ended September 30, 2025, is as follows:

Dollars in Thousands	
IMPUTED FINANCING, BY TYPE	2025
Pensions	
CSRS	\$ 266
CSRS Offset	272
FERS	93,037
Less: Contributions	(59,242)
Subtotal: Employee Pensions	\$ 34,333
Health Insurance	\$ 22,150
Life Insurance	49
Subtotal: All Employee Benefits	\$ 56,532
Other Agency - Campus Infrastructure	\$ 3,857
Department of Justice-Treasury Judgment Fund	35
OCWR-Settlement and Awards Fund	275
Reversal of Imputed OCWR Payments	(170)
Total	\$ 60,529

The largest components of the Imputed Financing costs for employee benefits are pensions (FERS) and Health Insurance. These amounts fluctuate based on changes in annual basic pay, staffing levels, and OPM cost factors.

NOTE 17: COST OF OPERATIONS RELATED TO PAYROLL

Expenses for salaries and related benefits for the period ended September 30, 2025, are shown in the following table. The amount was approximately 47 percent of the annual gross cost of operations. 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 period ended September 30, 2025, are as follows:

Dollars in Thousands	
EXPENSES FOR PAYROLL AND RELATED BENEFITS	2025
Payroll Expense	\$ 383,382
Benefit Expenses	
FECA and UCFE	3,377
Imputed Costs (Note 16)	56,532
Other Accrued Expenses	
Current Year Accrued Expenses	13,589
Reversal of Prior Year Accrued Expenses	(12,256)
Total Expenses for Payroll and Related Benefits	\$ 444,624
Total Gross Cost	\$ 943,283
Payroll Related Expenses to Gross Costs (%)	47%

Payroll Expense primarily consists of basic pay and associated personnel benefits. The FECA and UCFE balance consists of costs billed by DOL due to workers' compensation and unemployment benefits claims submitted by AOC claimants. Accrued expenses reflect the number of working days accrued for payroll earned but undisbursed and the FECA accruals.

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NOTE 18: 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 (if applicable), and new budget authority from the special fund receipts collected in the Capitol Trust Account for Union Square permit fees.

The reconciliation for the period ended September 30, 2025, is as follows:

Dollars in Thousands	
RECONCILIATION OF SCNP APPROPRIATIONS TO THE SBR	
	2025
SCNP	
Appropriations Received	\$ 850,949
Total SCNP Appropriations	\$ 850,949
SBR	
Trust or Special Fund Receipts	\$ 49
Appropriations Transfer	3,800
Total SBR Appropriations	\$ 854,798

NOTE 19: STATEMENT OF BUDGETARY RESOURCES – UNOBLIGATED BALANCE BROUGHT FORWARD, OCTOBER 1

Unobligated balance brought forward includes prior year budget authority from annual, multiyear and no year appropriations, as well as spending authority from offsetting collections that is not committed for a specific purpose. Such amounts are available to cover future obligations or expenditures, primarily for capital improvements and construction projects. Unobligated balance brought forward may be increased when prior year obligations or expenditures are reduced (e.g., adjustments, contract modifications or refunds). There were no material adjustments during the 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	
	2025
Unobligated Balance Brought Forward, October 1	\$ 994,490
Net Adjustments	
Cancelled Authority	(8,395)
Downward Adjustment Prior Year Unpaid Unexpended Obligations	35,977
Downward Adjustment Prior Year Unpaid Expended Authority	9,582
Downward Adjustment Prior Year Paid Expended Authority (Refunds Collected)	5,187
Total Net Adjustments	\$ 42,351
Unobligated Balance from Prior Year Budget Authority, Net	\$ 1,036,841

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NOTE 20: UNDELIVERED ORDERS AT THE END OF THE PERIOD

Undelivered orders represent the amount of budgetary resources that are obligated but not yet delivered. These obligations may include vendor contracts for operational needs such as goods and services (e.g., supplies, equipment and utilities), or for capital construction projects as previously discussed.

Undelivered Orders for the period ended September 30, 2025, are as follows:

Dollars in Thousands	
UNDELIVERED ORDERS	2025
Paid	
Federal	\$ 327,428
Non-Federal	2
Total Paid	\$ 327,430
Unpaid	
Federal	\$ 6,770
Non-Federal	503,258
Total Unpaid	\$ 510,028

Undelivered Orders includes federal and non-federal prepayments (i.e., paid) as discussed in Note 10. Additionally federal undelivered orders include unpaid obligations to Treasury for DC Water and Sewer Authority services, U.S. Army Corps of Engineers for the Security Assessment Project, and GSA for the Senate Sergeant at Arms Relocation, to name a few. Non-federal Undelivered Orders are primarily unpaid vendor obligations for various ongoing construction projects including the Canon Renewal Phase 4, Collection Storage Module 7, Fort Meade, and RPR Phase VI and VII.

NOTE 21: EXPLANATION OF DIFFERENCES BETWEEN THE COMBINED STATEMENTS OF BUDGETARY RESOURCES AND THE BUDGET OF THE UNITED STATES GOVERNMENT

The FY 2026 Budget of the United States Government (President's Budget) presenting the actual amounts for the year ended September 30, 2024, was published in May 2025. The FY 2026 President's Budget is reconciled to the AOC's September 2024 SBR to identify differences. The AOC's budget can be found on the OMB website (<https://www.whitehouse.gov/omb/information-resources/budget/supplemental-materials/>) under the 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 PRESIDENT'S BUDGET	BUDGETARY RESOURCES	NEW OBLIGATIONS AND UPWARD ADJUSTMENTS	NET OUTLAYS
Combined Statements of Budgetary Resources (SBR)	\$ 2,017,738	\$ 1,023,248	\$ 869,818
Items on SBR - Not on Budget:			
Expired Funds	(66,955)	-	-
Other SBR Differences	1,217	(248)	(1,818)
Budget of the United States Government:	\$ 1,952,000	\$ 1,023,000	\$ 868,000

The "Other" difference between the FY 2024 amounts presented on the SBR and the actual amounts published in the FY 2026 President's Budget are due to rounding differences and other adjustments

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NOTE 22: 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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The reconciliation for the period ended September 30, 2025, is as follows:

Dollars in Thousands

RECONCILIATION OF NET OPERATING COST AND NET BUDGETARY OUTLAYS	INTRAGOVERNMENTAL	OTHER THAN INTRAGOVERNMENTAL	TOTAL
Net Operating Cost	\$ 37,293	\$ 845,719	\$ 883,012
Components of Net Operating Cost Not Part of the Budgetary Outlays			
General and Right-to-Use Property, Plant and Equipment Depreciation Expense	\$ -	\$ (163,985)	\$ (163,985)
General and Right-to-Use Property, Plant and Equipment Disposals	-	(96)	(96)
Lessee Lease Amortization	-	(12,873)	(12,873)
Cost of goods sold	-	(3,459)	(3,459)
Gains/Losses on all other investments	-	114	114
Increase/(Decrease) in Assets:			
Accounts receivable, net	63	(203)	(140)
Securities and Investments	(11,851)	-	(11,851)
Other assets	-	72,149	72,149
(Increase)/Decrease in Liabilities:			
Accounts payable	9	5,891	5,900
Lessee Lease Liability	-	(10,556)	(10,556)
Environmental and disposal liabilities	-	17,659	17,659
Federal employee salary, leave, and benefits payable	-	(3,388)	(3,388)
Post-employment benefits payable	-	2,343	2,343
Other Liabilities	-	3,597	3,597
Financing Sources:			
Imputed Cost	(60,529)	-	(60,529)
Total Components of Net Operating Cost Not Part of the Budget Outlays	\$ (72,308)	\$ (92,807)	\$ (165,115)
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets	\$ -	\$ 276,947	\$ 276,947
Acquisition of Inventory	-	3,803	3,803
Financing Sources:			
Transfers out (in) Without Reimbursements	-	469	469
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	\$ -	\$ 281,219	\$ 281,219
Misc Items			
Custodial/Non-Exchange Revenue	-	(15)	(15)
Appropriated Receipts for Trust/Special Funds	-	49	49
Total Other Reconciling Items	\$ -	\$ 34	\$ 34
Total Net Outlays (Calculated Total)	\$ (35,015)	\$ 1,034,165	\$ 999,150
Budgetary Agency Outlays, Net			
Budgetary Agency Outlays, Net			\$ 999,150

ACRONYMS AND ABBREVIATIONS

ACM	Asbestos-Containing Materials
AICPA	American Institute of Certified Public Accountants
AOC	Architect of the Capitol
CSRS	Civil Service Retirement System
CVC	U.S. Capitol Visitor Center
DM&R	Deferred Maintenance and Repairs
DOL	U.S. Department of Labor
EEO	Equal Employment Opportunity
ESPC	Energy Savings Performance Contract
FASAB	Federal Accounting Standards Advisory Board
FBWT	Fund Balance with Treasury
FECA	Federal Employees' Compensation Act
FFMIA	Federal Financial Management Improvement Act of 1996
FMFIA	Federal Manager's Financial Integrity Act of 1982
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
HVAC	Heating, Ventilation and Air Conditioning
MB	Megabytes
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
PAR	Performance and Accountability Report
P3	Public-Private Partnerships
P.L.	Public Law
PP&E	General Property, Plant & Equipment
RSI	Required Supplementary Information

SBR	Statements of Budgetary Resources
SCNP	Statement of Changes in Net Position
SFFAS	Statements of Federal Financial Accounting Standards
SNC	Statement of Net Cost
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
USSGL	United States Standard General Ledger