FOR OFFICIAL USE ONLY

OFFICE OF INSPECTOR GENERAL

NOVEMBER 15, 2019

Audit of Fiscal Year 2019 Financial Statements

Audit Report OIG-AUD-2020-01

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.

ARCHITECT OF THE CAPITOL

Office of Inspector General
Fairchild Bldg.
499 S. Capitol St., SW, Suite 518
Washington, D.C. 20515
202.593.1948
www.aoc.gov

United States Government

MEMORANDUM

DATE: November 18, 2019

TO: Thomas J. Carroll III
Acting Architect of the Capitol

FROM: Christopher P. Failla, CIG
Inspector General

SUBJECT: Audit of Fiscal Year 2019 Financial Statements
(Audit Report OIG-AUD-2020-01)

We contracted with the independent public accounting firm of Kearney & Company (Kearney), P.C. to audit the financial statements of the Architect of the Capitol (AOC) as of and for the fiscal years that ended September 30, 2019, and 2018, and to provide reports on internal control over financial reporting and on 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. 19-03, *Audit Requirements for Federal Financial Statements*; the U.S. General Accountability Office's (GAO) Federal Information System Controls Audit Manual; and the GAO/Council of the Inspectors General on Integrity and Efficiency Financial Audit Manual.

In its audit of the AOC, Kearney reported:

- the financial statements were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses[1] in internal control over financial reporting;
- no instances in which the AOC's financial management systems did not substantially comply; and
- no reportable noncompliance issues with provisions of laws tested or other matters.

Kearney is responsible for the attached auditor's report dated November 15, 2019 and the conclusions expressed therein. We do not express opinions on the AOC's financial statements or internal control over financial reporting, or conclusions on compliance and other matters.

[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.

If you have any questions or wish to discuss this report, please contact Erica Wardley, at 202.593.0081 or Erica.Wardley@aoc.gov.

Distribution List:

Jonathan Kraft, Acting Chief Financial Officer,
William O'Donnell, Chief Administrative Officer
Jason Baltimore, General Counsel
Jay Wiegmann, Chief Information Officer
Curtis McNeil, Risk Management Officer
Mary Jean Pajak, Senior Advisor to Chief Operating Officer

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Section 1

Independent Auditor's Reports

KEARNEY& COMPANY

1701 Duke Street, Suite 500, Alexandria, VA 22314
PH: 703.931.5600, FX: 703.931.3655, www.kearneyco.com

INDEPENDENT AUDITOR'S REPORT

To the Architect of the Capitol and Inspector General of the Architect of the Capitol

Report on the Financial Statements

We have audited the accompanying financial statements of the Architect of the Capitol (AOC), which comprise the balance sheets as of September 30, 2019 and 2018, the related statements of net cost and changes in net position, and the combined statements of budgetary resources (hereinafter referred to as the "financial statements") for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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; and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 19-03 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the AOC as of September 30, 2019 and 2018, and its net cost of operations, changes in net position, and budgetary resources for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Required Supplementary Information (hereinafter referred to as the "required supplementary information") be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by OMB and the Federal Accounting Standards Advisory Board (FASAB), who consider it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing it for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audits of the 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

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. Other Information, as named in the Performance and Accountability Report (PAR), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements; accordingly, we do not express an opinion or provide any assurance on it.

KEARNEY&
COMPANY

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* and OMB Bulletin No. 19-03, we have also issued reports, dated November 15, 2019, on our consideration of the AOC's internal control over financial reporting and on our tests of the AOC's compliance with provisions of applicable laws, regulations, contracts, and grant agreements, as well as other matters for the year ended September 30, 2019. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance and other matters. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 19-03 and should be considered in assessing the results of our audits.

Kearney & Company

Alexandria, Virginia
November 15, 2019

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Architect of the Capitol and Inspector General of the Architect of the Capitol

We have audited, 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; and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, the financial statements of the Architect of the Capitol (AOC) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the AOC's financial statements, and we have issued our report thereon dated November 15, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the AOC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 19-03. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982 (FMFIA), such as those controls relevant to ensuring efficient operations.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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 may exist that have not been identified. In the accompanying Appendix A, we provide a status of prior-year deficiencies.

We noted certain additional matters involving internal control over financial reporting that we will report to the AOC's management in a separate letter.

KEARNEY& COMPANY

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the AOC's internal control. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 19-03 in considering the entity's internal control. Accordingly, this communication is not suitable for any other purpose.

Kearney & Company

Alexandria, Virginia
November 15, 2019

KEARNEY& COMPANY

APPENDIX A: STATUS OF PRIOR YEAR DEFICIENCIES

In the *Independent Auditor's Report on Internal Control over Financial Reporting* within the audit report on the Architect of Capitol's (AOC) fiscal year (FY) 2018 financial statements, Kearney & Company, P.C. (Kearney) did not identify any issues related to internal control over financial reporting.

KEARNEY & COMPANY

1701 Duke Street, Suite 500, Alexandria, VA 22314
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANT AGREEMENTS

To the Architect of the Capitol and Inspector General of the Architect of the Capitol

We have audited, 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; and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, the financial statements of the Architect of the Capitol (AOC) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the AOC's financial statements, and we have issued our report thereon dated November 15, 2019.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the AOC's financial statements 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 determination of financial statement amounts. 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* and OMB Bulletin No. 19-03.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 19-03 in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

Kearney & Company

Alexandria, Virginia
November 15, 2019

Section 2

Architect of the Capitol Comments

ARCHITECT OF THE CAPITOL

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

www.aoc.gov

November 15, 2019

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

Dear Mr. Failla:

Thank you for the opportunity to comment on the Independent Auditor's Report concerning the audit of our financial statements for the Fiscal Years ending September 30, 2019 and 2018. We appreciate working in partnership with you in support of an efficient and effective audit. The Architect of the Capitol (AOC) works diligently to establish strong financial management practices to address our compliance requirements, manage our financial processes and systems, and meet our day-to-day fiscal responsibilities. The annual audit is an essential part of these responsibilities and it continues to provide us with new insights and valuable recommendations. We are pleased that this year's audit resulted in an unmodified opinion — marking the fifteenth consecutive year that the AOC received a "clean" opinion.

In addition, the auditor's report identified zero material weaknesses and significant deficiencies. While pleased with these results, we recognize that there is always more that can be done to strengthen our fiscal stewardship. Our management is committed to addressing the auditor's notices of finding and recommendation. We concur with their findings and we will develop appropriate corrective action plans for execution in Fiscal Year 2020.

I would like to thank the Office of Inspector General and our auditors, Kearney & Company, P.C., for your professionalism throughout the audit. We remain committed to financial management excellence and look forward to the coming year.

Sincerely,

Thomas J. Carroll, III
Acting Architect of the Capitol

Doc. No. 191022-04-03

Section 3

Management Representation Letter

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

www.aoc.gov

November 15, 2019

Mr. Kenneth Naugle
Kearney & Company, P.C.
1701 Duke Street, Suite 500
Alexandria, VA 22314

Dear Mr. Naugle:

This Representation Letter is provided in connection with your audits of the financial statements of Architect of the Capitol (AOC), which comprise the balance sheets as of September 30, 2019 and 2018, the related statements of net cost and changes in net position, and the combined statements of budgetary resources for the years then ended, as well as the related notes to the financial statements (hereinafter referred to as the "financial statements").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than $1.1 million collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment or disclosure in the financial statements. Such quantitative materiality considerations do not apply to representations that are not directly related to amounts included in the financial statements, required supplementary information (RSI),[1] and Other Information (OI).[2]

We confirm that, as of November 15, 2019, the following representations made to you during your audits. These representations pertain to both years' financial statements and update the representations we provided in the prior year.

Financial Statements, Supplementary Information, RSI, and OI

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 28, 2019, for the preparation and fair presentation of the financial

[1] RSI consists of Management's Discussion and Analysis and Deferred Maintenance and Repairs.
[2] OI consists of Combined Schedule of Spending, Management Challenges, Summary of Financial Statement Audit and Management Assurances, Improper Payments Information Act (as amended by Improper Payments Elimination and Recovery Act and Improper Payments Elimination and Recovery Improvement Act) Reporting Details.

statements in accordance with United States Generally Accepted Accounting Principles (GAAP), issued by the Federal Accounting Standards Advisory Board (FASAB). The financial statements are fairly presented in accordance with GAAP and Office of Management and Budget (OMB) audit guidance.

2. We have fulfilled our responsibility for the presentation of supplementary information in accordance with the applicable criteria and prescribed guidelines and the following:

    a. The supplementary information is fairly presented in accordance with the applicable criteria and prescribed guidelines.
    b. There are no changes in the methods of measurement or presentation of the supplementary information from the prior year.
    c. There are no significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

3. We have fulfilled our responsibilities for the measurement, preparation, and presentation of the RSI in accordance with the prescribed guidelines established in U.S. GAAP and OMB audit guidance, and:

    a. The RSI is measured and presented in accordance with prescribed guidelines in GAAP and OMB audit guidance, is consistent with the financial statements and contains no misstatements of fact.
    b. There are no changes in the methods of measurement or presentation of RSI from the prior year.
    c. There are no significant assumptions or interpretations underlying the measurement or presentation of the RSI.

4. We have fulfilled our responsibilities for the preparation and presentation of the OI included in the documents containing the audited financial statements and the auditor's report and for ensuring that consistency of that information with the audited financial statements, RSI and:

    a. The OI included in the document containing the audited financial statements and auditor's report is consistent with the financial statements, RSI and contains no material misstatement of fact.
    b. There are no changes in the methods of preparation or presentation of OI from the prior year.
    c. There are no significant assumptions or interpretations underlying the preparation or presentation of the OI.

5. Significant assumptions that we used in making accounting estimates, including those measured at fair value, are reasonable.

6. We have provided you with all relevant information and access, as agreed upon in the terms of the audit engagement letter, including the following:

a. Access to all information that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters
b. Additional information that you have requested from us for the purpose of the audit, including, but not limited to:
   i. Applicable minutes of meetings of the Senior Assessment Team or summaries of actions of recent meetings for which minutes have not been prepared.
   ii. Any communications from the Government Accountability Office (GAO), OMB, or other regulatory bodies concerning noncompliance with, or deficiencies in, financial reporting practices.
c. Unrestricted access to and full cooperation of personnel within the entity from whom you determined it necessary to obtain audit evidence.
d. All reports obtained from the AOC's service organizations.

7. There have been none of the following:

   a. Circumstances that have resulted in communications from the AOC's legal counsel reporting evidence of a material violation of law or breach of fiduciary duty, or similar violations by the AOC of any agent thereof.
   b. Communications from regulatory/oversight agencies (such as OMB and GAO); other Government entities or agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws or regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements, supplementary information, RSI, and OI.

8. All transactions have been recorded in the accounting records and are reflected in the financial statements.

9. There are no uncorrected misstatements in the financial statements, as we have corrected the financial statements for any misstatements you have identified during the audit and communicated to us.

10. The AOC has satisfactory title to all owned assets, including stewardship land and heritage assets. There are no liens or encumbrances on these assets and no assets have been pledged as collateral.

11. We have no plans or intentions that may materially affect the recognition, measurement, presentation, disclosure, or classification of assets, liabilities.

12. We have disclosed to you the identities of AOC's disclosure entities and related parties and all related parties' relationships and transactions of which we are aware.

13. Disclosure entities and related-party relationships and transactions, including accounts receivable or payable, revenues, expenditures, loans, transfers, leasing arrangements, assessments, and guarantees, have been appropriately accounted for and disclosed in the financial statements in accordance with the requirements of GAAP and OMB audit guidance and do not prevent the financial statements from achieving fair presentation.

14. There are no guarantees under which AOC is contingently liable that require reporting or disclosure in the financial statements.

15. We have disclosed to you all known actual or possible litigation, claims, and assessments, including those related to treaties and other international agreements, whose effects should be considered when preparing the financial statements.

16. The effects of all known actual or possible litigation, claims, and assessments, including those related to treaties and other international agreements, have been accounted for and disclosed in the financial statements in accordance with GAAP.

17. All events or transactions subsequent to September 30, 2019 and for which GAAP requires adjustment or disclosure have been adjusted or disclosed in the financial statements.

18. There have been no changes to the accepted accounting principles at AOC since September 30, 2019, nor have there been any changes to the application of such principles since September 30, 2018.

19. Account receivables represent bona fide claims or other charges arising on or before September 30, 2019. These receivables do not include any material amounts that are collectible after one year. The allowances are sufficient to provide for any losses that may be sustained upon realization of the receivables.

20. We have provided all available information related to environmental liabilities, especially information related to the estimate of asbestos cleanup liability consistent with FASAB Technical Bulletin 2006-01.

21. We have provided all available information on contract holdbacks at both the contract and account summary level. We are not aware of any material errors related to the contract holdback balance.

Intragovernmental and Intra-entity Activities

22. All intra-entity transactions and balances have been appropriately identified and eliminated for financial reporting purposes. All intragovernmental transactions and activities have been appropriately identified, recorded, and disclosed in the financial statements. There are no material unresolved differences in intragovernmental transactions and balances with Federal entity trading partners and appropriate adjustments have been made to address reconciling items.

Internal Control

23. We acknowledge and have fulfilled our responsibility for maintaining effective internal control over financial reporting. We are responsible 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.

24. We are responsible for evaluating the effectiveness of internal control over financial reporting based on the criteria established under 31 United States Code (U.S.C.) §3512 (c), (d) (commonly known as the Federal Managers' Financial Integrity Act [FMFIA]), and providing our assertion about the effectiveness of internal control over financial reporting as of September 30, 2019, based on our evaluation.

25. We evaluated the effectiveness of AOC's internal control over financial reporting as of September 30, 2019, based on the criteria established under 31 U.S.C. §3512 (c), (d) (commonly known as the FMFIA). The AOC's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that:

    a. Transactions are properly recorded, processed, and summarized to permit the preparation of the financial statements in accordance with GAAP and assets are safeguarded against loss from unauthorized acquisition, use, or disposition
    b. Transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, where noncompliance could have a material effect on the financial statements.

26. We have disclosed to you all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that existed at any time during the years ended September 30, 2019 and September 30, 2018 and indicated which deficiencies were corrected by September 30, 2019.

27. We utilize a process to track the status of audit findings and recommendations. During the audit of the financial statements for the year ended September 30, 2019, Kearney & Company, P.C. did not communicate any significant deficiencies or material weaknesses to us.

28. We have identified to you all previous audits, attestation engagements, and other studies that relate to the objectives of this audit, including whether related recommendations have been implemented.

29. We have disclosed to you all robotic process automation or other instances of artificial intelligence that process financial information.

30. There have been no changes to internal control over financial reporting subsequent to September 30, 2019 or other conditions that might significantly affect internal control over financial reporting.

31. Only WebTA users with the system account "Admin" can change the underlying AOC databases. AOC only uses contractors in the role, and the underlying contract contains an indemnification clause covering damages caused by the contractor.

Fraud

32. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of effective internal control to prevent and detect fraud.

33. We have no knowledge of any fraud or suspected fraud affecting the AOC and involving the following:

    a. Management or employees who have significant roles in internal control over financial reporting.
    b. Others when the fraud could have a material effect on the financial statements.

34. We have no knowledge of any fraud or suspected fraud involving others when the fraud could have a material effect on the financial statements or RSI.

35. We have no knowledge of any allegations of fraud or suspected fraud (affecting the financial statements or RSI) communicated by employees, former employees, or others.

36. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

37. We have no knowledge of any officer of the AOC, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.

Compliance with Applicable Laws, Regulations, Contracts, and Grant Agreements

38. We are responsible for complying with laws, regulations, contracts, and grant agreements applicable to the AOC.

39. We have identified and disclosed to you all provisions of laws, regulations, contracts, and grant agreements applicable to the AOC, noncompliance with which could have a material effect on the financial statements.

40. There are no instances of noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements applicable to the AOC whose effects should be considered when preparing the financial statements.

41. We are not aware of any violations of the Antideficiency Act that we must report to the Congress and the President (and provide a copy of the report to the Comptroller General), for the year ended September 30, 2019 and through the date of this letter.

Budgetary and Restricted Funds

42. The information presented in the AOC's Statement of Budgetary Resources is supported by and reconciles to the information submitted in the AOC's year-end Reports on Budget

Execution and Budgetary Resources from the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS). Information agreeing to GTAS is used as input for the fiscal year (FY) 2019 actual column of the Program and Financing Schedules reported in the FY 2021 Budget of the U.S. Government, and we are not aware of any adjustments that will be made to the report. This information is supported by the related financial records and related data.

43. There are no material dedicated collections, as defined by FASAB Statements of Federal Financial Accounting Standards (SFFAS) No. 43, *Funds from Dedicated Collections*, and all other material restricted funds.

Service Organizations

44. Service organizations, and subservice organizations, that we use have not reported to us, nor are we otherwise aware of, any (1) fraud; (2) noncompliance with applicable laws, regulations, contracts, and grant agreements; or (3) uncorrected misstatements affecting the financial statements that are attributable to such service, or subservice, organizations.

45. Service organizations, and subservice organizations, that we use have not reported to us, nor are we otherwise aware of any changes in the design, implementation, or operating effectiveness of internal controls at the service organizations, or subservice organizations, subsequent to the effective dates of the service, and subservice organizations, report(s) provided to you that could (1) affect the risks of material misstatement of the financial statements or (2) result in material misstatements of the financial statements arising from processing errors that would not be prevented or detected and corrected on a timely basis.

Thomas J. Carroll
Acting Architect of the Capitol

William R. O'Donnell
Chief Administrative Officer

Jonathan Kraft
Acting Chief Financial Officer

Jay J. Wiegmann
Chief Information Officer

Kathy Sherrill
Accounting Officer

Doc. No. 191107-04-02

Section 4

AOC Fiscal Year 2019 Financial Statements

ARCHITECT OF THE CAPITOL

Architect of the Capitol

Financial Statements

Architect of the Capitol
Balance Sheet
As of September 30, 2019, and 2018

Dollars in Thousands		2019		2018
Assets:				
Intragovernmental:				
Fund Balance with Treasury (See Note 3)	$	1,094,152	$	1,020,087
Investments (See Note 5)		24,591		22,700
Accounts receivable (See Note 6)		1,857		2,239
Other (See Note 10)		834		927
Total intragovernmental		1,121,434		1,045,953
Cash and other monetary assets (See Note 4)		45		49
Investments (See Note 5)		10,673		10,451
Accounts receivable, net (See Note 6)		876		1,348
Inventory & related property, net (See Note 7)		624		684
General property, plant and equipment, net (See Note 8)		2,250,783		2,161,475
Other (See Note 10)		4		4
Total assets (See Note 2)	$	**3,384,439**	$	**3,219,964**
Stewardship PP&E (See Note 9)				
Liabilities:				
Intragovernmental:				
Accounts payable	$	262	$	141
Unfunded FECA (See Note 12)		9,159		9,067
Advances from Others		50,365		46,001
Other (See Note 16)		57		50
Total intragovernmental		59,843		55,259
Accounts payable		3,328		5,227
Debt held by the public (See Note 13)		70,082		79,740
Actuarial FECA (See Note 12)		52,073		57,031
Contingent and Environmental liabilities (See Note 14)		79,243		77,952
Accrued Annual Leave and Other (See Note 12)		23,608		21,805
Capital Lease Liability (See Note 15)		4,408		5,029
Contract Holdbacks		14,442		10,913
Other (See Note 16)		102,427		91,155
Total liabilities (See Note 11)	$	**409,454**	$	**404,111**
Commitments and Contingencies (See Note 14)				
Net position:				
Unexpended appropriations	$	895,155	$	820,284
Cumulative results of operations		2,079,830		1,995,569
Total Net Position	$	**2,974,985**	$	**2,815,853**
Total liabilities and net position	$	**3,384,439**	$	**3,219,964**

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

Architect of the Capitol
Statement of Net Cost
For the Years Ending September 30, 2019, and 2018

Dollars in Thousands		**2019**		**2018**
Program costs:				
Capital Construction and Operations:				
Gross costs	$	102,401	$	102,172
Less: earned revenue		(822)		(370)
Net program costs:		101,579		101,802
Capitol Building:				
Gross costs		61,726		54,198
Less: earned revenue		(515)		(463)
Net program costs:		61,211		53,735
Capitol Grounds and Arboretum:				
Gross costs		14,120		14,833
Less: earned revenue		(77)		(82)
Net program costs:		14,043		14,751
Capitol Police Buildings, Grounds, and Security:				
Gross costs		34,030		29,007
Less: earned revenue		-		-
Net program costs:		34,030		29,007
Capitol Power Plant:				
Gross costs		106,524		101,422
Less: earned revenue		(11,335)		(10,332)
Net program costs:		95,189		91,090
House Office Buildings:				
Gross costs		120,533		94,131
Less: earned revenue		(10,058)		(11,580)
Net program costs:		110,475		82,551
Library Buildings and Grounds:				
Gross costs		50,369		46,833
Less: earned revenue		(1,519)		(3,146)
Net program costs:		48,850		43,687
Senate Office Buildings:				
Gross costs		91,785		78,386
Less: earned revenue		(2,795)		(1,269)
Net program costs:		88,990		77,117
Supreme Court Buildings and Grounds:				
Gross costs		54,531		52,946
Less: earned revenue		(35,428)		(31,010)
Net program costs:		19,103		21,936
U.S. Botanic Garden:				
Gross costs		14,924		13,381
Less: earned revenue		-		-
Net program costs:		14,924		13,381
U.S. Capitol Visitor Center:				
Gross costs		27,675		27,256
Less: earned revenue		(6,560)		(5,677)
Net program costs:		21,115		21,579
Net cost of operations (See Note 23)	**$**	**609,509**	**$**	**550,636**

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

Architect of the Capitol
Statement of Changes In Net Position
For the Years Ending September 30, 2019, and 2018

Dollars in Thousands	**2019**	**2018**
Unexpended Appropriations:		
Beginning Balance	$ 820,284	$ 717,962
Budgetary Financing Sources:		
Appropriations received (See Note 19)	742,744	728,258
Appropriations transferred in/(out) (See Note 19)	-	15,000
Other adjustments	(1,974)	(3,994)
Appropriations used	(665,899)	(636,942)
Total Budgetary Financing Sources	**74,871**	**102,322**
Total Unexpended Appropriations	$ **895,155**	$ **820,284**
Cumulative Results Of Operations:		
Beginning Balances	**$ 1,995,569**	**$ 1,882,143**
Beginning balance, as adjusted	$ 1,995,569	$ 1,882,143
Budgetary Financing Sources:		
Appropriations used	665,899	636,942
Non-exchange revenue	229	321
Other Financing Sources (Non-Exchange):		
Transfers in/(out) without reimbursement	1,000	(8)
Imputed financing from costs absorbed by others (See Note 17)	26,642	26,807
Total Financing Sources	693,770	664,062
Net Cost of Operations	(609,509)	(550,636)
Net Change	84,261	113,426
Cumulative Results Of Operations	**$ 2,079,830**	**$ 1,995,569**
Net Position	**$ 2,974,985**	**$ 2,815,853**

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

Architect of the Capitol
Combined Statement of Budgetary Resources
For the Years Ending September 30, 2019, and 2018

Dollars in Thousands	**2019**	**2018**
Budgetary resources:		
Unobligated balance from prior year budget authority, net (See Note 22)	$ 694,922	$ 616,191
Appropriations (See Note 19)	749,803	743,323
Borrowing authority	6,608	7,478
Spending authority from offsetting collections	55,746	37,679
Total budgetary resources	$ **1,507,079**	$ **1,404,671**
Status of budgetary resources:		
New obligations and upward adjustments (total)	$ 901,105	$ 748,576
Unobligated balance, end of year:		
Exempt from apportionment, unexpired accounts	585,996	634,920
Unexpired unobligated balance, end of year	585,996	634,920
Expired unobligated balance, end of year (See Note 3)	19,978	21,175
Unobligated balance, end of year (total):	605,974	656,095
Total budgetary resources	$ **1,507,079**	$ **1,404,671**
Outlays, net:		
Outlays, net (total) (discretionary and mandatory)	654,579	621,952
Agency outlays, net (See Note 23)	$ **654,579**	$ **621,952**

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

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NOTE 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

The AOC is also responsible for:

- supporting Congress during official national events (e.g., Presidential Inaugural Ceremonies) held at the Capitol or on the Capitol Grounds and Arboretum
- providing steam and chilled water to the Supreme Court, Thurgood Marshall Federal Judiciary Building (TMFJB), Union Station, and the Folger Shakespeare Library, and steam-only to the Government Publishing Office (GPO) and the Postal Square building, and
- providing visitor guide services at the CVC and USBG

B. Basis of Accounting and Presentation

As a legislative branch agency of the federal government, AOC is not required to follow the accounting standards promulgated by the Federal Accounting Standards Advisory Board (FASAB). 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, AOC refers to these acts as a general guide for best practices and incorporates them into its financial management practices, as appropriate. The AOC's financial statements have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as promulgated by FASAB. The American Institute of Certified Public Accountants (AICPA) recognizes FASAB standards as GAAP for federal reporting entities. The AOC has adopted GAAP for financial reporting in a manner consistent with other federal agencies.

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

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

C. Fund Balance with Treasury

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

D. Accounts Receivable

Receivables may include, but are not limited to, food service commissions from operations at the CVC and Senate restaurants, flag-flying fees, employee payroll overpayments and rent collections from the Monocle Restaurant. If applicable, Accounts Receivable from non-federal sources may be reduced to net realizable value by the Allowance for Doubtful Accounts, which is based on management's review of outstanding receivables. Intragovernmental Accounts Receivable are regarded as fully collectible (See Note 6).

Accounts Receivable also includes reimbursement for supplying certain AOC and non-AOC entities on Capitol Hill with steam and chilled water (See Note 1.A). The AOC is legislatively authorized to collect a pre-determined amount to recover the cost of supplying these services as offsetting collections. Any amount collected over the pre-determined amount is credited to Treasury's Miscellaneous Receipts account and is a non-entity asset.

E. Investments

All investments are reported at their acquisition (par) value, net of amortized premiums and discounts, as it is AOC's intent to hold the investments to maturity. Purchases and sales of investments are recorded as of the trade date. Investment income is reported when earned. The market value of the investments is the current market value at the end of the reporting period.

Intragovernmental (Investments Held With Treasury)
The CVC Revolving Fund was established under the *Capitol Visitor Center Act of 2008* (2 U.S.C. § 2201 et seq.) to provide for the sale of Gift Shop items and the deposit of miscellaneous Gift Shop receipts. A portion of related funds are invested in government securities through the Bureau of the Fiscal Service using their web-based application, Fed Invest. By law, interest income is credited to the fund.

Entity (Investments Held Outside Treasury)
The AOC has funds invested by a trustee outside of Treasury as a result of financing the construction of the TMFJB. Congress did not appropriate funds for the construction of the building but, instead, authorized the use of private financing to cover its cost. In 1989, AOC entered into a Development Management Agreement with Boston Properties for the design, development, and construction of the TMFJB.

Shearson Lehman Hutton, Inc., and Kidder, Peabody, & Co., Inc., issued 30-year Serial Zero Coupon Certificates of Participation to finance its construction. The discount on the purchase reflects the absence of coupon interest payments, and is amortized over the life of these certificates. Pursuant to the Trust Agreement, the proceeds were received by a trustee, The United States Trust Company of New York (now The Bank of New York Mellon). These proceeds were deposited into two funds, the Project Fund and the Operating Reserve Fund, to cover the costs of the construction project. In 2007, the Project Fund balance was transferred to the Operating Reserve Fund. The Operating Reserve Fund is held outside the Treasury by the trustee and, at AOC's direction, the funds are invested and disbursed. The Operating Reserve Fund is held in reserve for future needs of the building (e.g., roof replacement or other major renovation) (See Note 5).

F. Trust and Revolving Funds

Trust and Special Funds
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 Joint Committee on the Library (of Congress) 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 P.L. 113-76. The balance in this fund consists of permit fees collected by the United States Capitol Police (USCP) to cover costs incurred by the AOC as a result of commercial activity that is conducted in Union Square. Funds in this trust are available for maintenance, improvements, and projects with respect to Union Square, subject to the approval of the Committees of the House of Representatives and Senate.

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

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

The House (of Representatives) Gymnasium Revolving Fund was established in the Treasury for AOC to deposit dues paid by members and other authorized users of the House of Representatives Wellness Center. The AOC may expend fund amounts 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 AOC's Senate recycling program. The AOC, subject to the approval of the Senate Committee on Appropriations, may expend fund amounts 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, control of the Senate restaurants was transferred to a private vendor and AOC took over 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 in from the U.S. Senate to 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 TMFJB. The fund includes an investment that is held outside Treasury with The Bank of New York Mellon, via a Trust Agreement established to finance the construction of the TMFJB.

The CVC Revolving Fund is used to administer funds from the sale of Gift Shop items, the deposit of miscellaneous Gift Shop receipts such as net profits or commissions paid to the CVC for food service operations, and any fees collected from other functions within the CVC facility. 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 from across AOC (excluding the Senate, which deposits such funds in the Senate Health and Fitness Facility Revolving Fund). The fund balance may be used to carry out recycling programs or other programs that promote energy savings at the AOC.

The Flag Office Revolving Fund was established pursuant to P.L. 115-31 for services provided by the AOC Flag Office. This fund consists of Flag fees collected by the AOC 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; and
- amounts necessary to carry out the authorized levels in the *Fallen Heroes Flag Act of 2016*.

Funds from Dedicated Collections

Statements of Federal Accounting Standards (SFFAS) No. 27 *Identifying and Reporting Funds from Dedicated Collections*, as amended by SFFAS No. 43, *Dedicated Collections: Amending SFFAS No. 27, Identifying and Reporting Funds* defines funds from dedicated collections as financed by specifically identified revenues, provided to the government by non-Federal sources, often supplemented by other financing sources, which 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.

G. Recognition of Financing Sources

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 funding for the House Historic Buildings Revitalization Trust Fund, which is a general fund that is funded by direct appropriations. Amounts in this fund are restricted for the revitalization of the major historical buildings and assets of the House of Representatives with the approval of the House Appropriations Committee.

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

1. Capitol Building
    - Capitol Building
    - Flag Office Revolving Fund
2. Capitol Grounds and Arboretum
    - Capitol Grounds and Arboretum
    - West Central Front (inactive)
    - Capitol Trust Account (Union Square)
3. Capitol Police Buildings, Grounds, and Security
4. Capital Construction and Operations
    - Capital Construction and Operations
    - Americans with Disabilities Act (inactive)
    - Congressional Cemetery (inactive)
5. House Office Buildings
    - House Office Buildings
    - House Office Buildings Fund
    - House of Representatives Gymnasium Revolving Fund
    - House Historic Buildings Revitalization Trust Fund
    - Recyclable Materials Revolving Fund
6. Library Buildings and Grounds
7. Senate Office Buildings
    - Senate Office Buildings
    - Senate Health and Fitness Facility Revolving Fund
    - Senate Restaurant Revolving Fund
8. Capitol Power Plant
9. U.S. Botanic Garden
    - Botanic Garden
    - National Garden (inactive)
10. U.S. Capitol Visitor Center Revolving Fund
11. Supreme Court Buildings and Grounds
    - Supreme Court
    - Judiciary Office Building Development and Operations Fund

H. 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. This method 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. Therefore, the related usage of those materials and supplies is intended for those specific jurisdictions making the purchases.

I. Inventory

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

J. Public-Private Partnerships

In FY 2016, AOC entered into a contract with Washington Gas Light Company to construct a cogeneration facility. Cogeneration, also known as combined heat and power, uses a single fuel source and simultaneously produces electricity and heat. This facility will provide heat and electricity for use by 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*, (P3) and determined that cogeneration does not meet the conclusive and suggestive characteristics of a P3 (See Notes 8, 11, and 14).

K. General Property, Plant and Equipment, Net

The AOC records property at cost. Real property and equipment are depreciated over their estimated useful lives, which range from three to 40 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 AOC's possession and there is nothing held by others (See Note 8).

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

Property Type	Useful Life (Years)	Capitalization Threshold
Real Property	40	$500,000
Improvements	20	$500,000
Equipment and Vehicles	3-15	$25,000
Assets Under Capital Lease	Shorter of Lease Term or Useful Life of Property Type	See Related Property Type
Internal Use Software (Intellectual Property)	3	$5,000,000

L. Stewardship PP&E

Stewardship land and heritage assets have physical properties that resemble those of General 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 per SFFAS No. 29 *Accounting for 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 (See Note 9).

M. Liabilities

Liabilities represent the amounts owed to others for goods or services received, claims against the agency, and amounts owed for progress in contract performance. Some liabilities are funded while others are unfunded because no liability may be paid without an enacted appropriation. For example, future appropriations may be enacted to fund activities for accrued unfunded annual leave and workers' compensation. The Balance Sheet presents the following types of liabilities:

- Accounts Payable
- Advances from Others
- Debt Held by the Public
- Unfunded Actual and Actuarial Workers' Compensation
- Contingent and Environmental Liabilities
- Accrued Annual Leave
- Capital Lease Liability
- Contract Holdbacks, and
- Other Liabilities

Accounts Payable
Accounts Payable are amounts owed by AOC to vendors, contractors, and federal agencies for goods and services received but not yet paid at the end of the reporting period.

Advances from Others
Advances from Others consists of amounts advanced to AOC by other Federal trading partners for services provided under reimbursable agreements.

Debt Held by the Public
The AOC recognizes a liability for the 30-year Coupon Certificates of Participation issued to finance the TMFJB construction. The liability is reduced by semi- annual payments of principal and interest. These payments are secured by the rent collected from the Administrative Office of the U.S. Courts (See Note 13).

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

Contingent and Environmental Liabilities
The AOC accounts for contingencies in accordance with SFFAS No. 5, *Accounting for Liabilities of the*

Federal Government. This standard defines a contingency as an existing condition, situation, or set of circumstances involving uncertainty as to the possible gain or loss to an entity that will ultimately be resolved when one or more future events occur or fail to occur. Management recognizes a contingent liability for liabilities equal to or greater than $100 thousand when a past transaction or event has occurred, a future outflow or other sacrifice of resources is probable, and the related future outflow is measurable (See Note 14).

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*, AOC recognizes a liability and related expense for friable and non-friable asbestos cleanup costs when it is both probable and reasonably estimable - consistent with SFFAS No. 5, SFFAS No. 6, and Technical Release No. 2 (See Note 14).

N. 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 principally long-term in nature and is classified as unfunded. Other types of leave are expensed when taken and no future liability is recognized for these amounts (See Note 12).

Federal Employees' Compensation Act Benefits
The *Federal Employees' Compensation Act* (FECA) provides income and medical cost protection to covered federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The FECA program is administered by the U.S. Department of Labor (DOL), which initially pays valid claims and subsequently seeks reimbursement from the federal agencies employing the claimants. The DOL determines the actuarial liability for claims outstanding at the end of each fiscal year. This liability includes the estimated future costs of death benefits, workers' compensation, and medical and miscellaneous costs for approved compensation cases (See Note 12).

Pensions
Most employees of the AOC 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. AOC also withholds the necessary payroll deductions for employee contributions.

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

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

O. Statement of Net Cost

The Statement of Net Cost (SNC) is presented by responsibility segment (which are the AOC jurisdictions), in accordance with SFFAS No. 4, *Managerial Cost Accounting Concepts and Standards for the Federal Government*. The AOC uses a managerial cost accounting system to track and summarize costs by mission activity and business unit. During FY 2018, the Office of the CFO updated and streamlined the agency's cost accounting codes to allow for more accurate recording of AOC's financial transactions. At the time of issuance of these Financial Statements, AOC is still developing management reports that will assign or allocate the net cost of operations to strategic goals, objectives and program activities in order to provide management with insight into resource utilization and the full cost of outputs.

While these initiatives are in various stages of progress, the AOC believes the responsibility segment approach currently provides information to its stakeholders in a direct, informative, and succinct manner.

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

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

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

P. 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.

Q. Classified Activities

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

NOTE 2: Non-Entity Assets

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

- rent collections from the Monocle Restaurant
- provision of palm trees for rent by the USBG
- repayment of employees' debt, which was established in funds that are now canceled
- steam and chilled water collections over the annual Congressional cap

Upon receipt, these funds are not available for AOC use, and are transferred to Treasury.

The AOC's non-entity assets as of September 30, 2019, and 2018, were as follows:

Dollars in thousands		
Non-Entity Assets	**2019**	**2018**
With the Public		
Accounts Receivable, Net (Note 6)	$26	$15
Total Non-Entity Assets	**$26**	**$15**
Total Entity Assets	**$3,384,413**	**$3,219,949**
Total Assets	**$3,384,439**	**$3,219,964**

The increase in Public Accounts Receivable is due to outstanding Monocle rent collections as well as payroll receivables that were established in funds that canceled at the end of the current fiscal year. These receivables are tracked in the Treasury miscellaneous receipts account until collected.

NOTE 3: Fund Balance with Treasury

FBWT is classified as unobligated (available and unavailable), obligated (not yet disbursed), or non-budgetary FBWT.

Unobligated Balance Available represents unexpired budget authority. The amount disclosed in this note as Unobligated Balance Available may not reconcile to the amount reported as Unobligated- Exempt from apportionment on the Combined Statement of Budgetary Resources (SBR) due to anticipated collections (closed out at year end); and budgetary resources that do not affect FBWT such as investments (See Note 5). Additionally, any amounts in FBWT for which the related budgetary authority is restricted will not reconcile to the SBR. AOC has unobligated balances derived from offsetting collections for space rented in the O'Neill Building. These amounts are restricted to future use, pending Congressional appropriation.

Unobligated Balance Unavailable represents expired budget authority that is no longer available to incur new obligations unless authorized by Congress, for example FECA payments.

Obligated balances not yet disbursed include undelivered orders or orders that have been received but not yet paid for.

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

Dollars in thousands		
Balance Type	**2019**	**2018**
Unobligated Balance		
Available	$574,909	$623,090
Unavailable	19,978	21,175
Obligated Balance not yet Disbursed	499,265	375,822
Total	**$1,094,152**	**$1,020,087**

In FY 2019, the Obligated Balance not yet Disbursed is higher mainly due to an increase in undelivered orders for major ongoing capital projects.

The decrease in Unobligated Balance Available is primarily due to the timing of AOC's FY 2019 full year appropriation (as opposed to the FY 2018 continuing resolution) which allowed more program spending throughout the year.

NOTE 4: Cash and Other Monetary Assets

Cash and Other Monetary Assets include change-making funds held outside Treasury for CVC Gift Shop operations and undeposited daily Gift Shop sales. There are no restrictions on cash.

The cash balances as of September 30, 2019, and 2018, are as follows:

Dollars in thousands		
Cash & Other Monetary Assets	**2019**	**2018**
Undeposited Collections	$31	$35
Cash Imprest Funds	14	14
Total	**$45**	**$49**

NOTE 5: Investments

Intragovernmental investments comprise the investment of the sales proceeds from the CVC Gift Shop, which is invested with Treasury's Bureau of the Fiscal Service. Investments with the public comprise the investment of the residual operating reserve funds from the construction of the TMFJB. These funds are invested by the Bank of NY Mellon.

The FY 2019, Intragovernmental Investments Net, increased by $1.9 million compared to FY 2018. This is the expected cumulative increase, as daily CVC Gift Shop sales are invested with Treasury.

Also, the difference in the type of certificates (one-day, six-month, and one-year) reflects the maturity of previously held one-year securities. Upon maturity, the proceeds from six-month and one-year securities remain in one-day certificates until they are reinvested in longer term certificates.

The increase in Investments with the Public is primarily the result of monthly dividends earned from the investment of residual operating reserves funds from the construction of the TMFJB. The earned dividends were re-invested to purchase additional security certificates.

Dollars in thousands

At September 30, 2019

Investments Intragovernmental, Nonmarketable:	Shares/Par	Amortized Prem. /(Net of Disc.)	Interest Receivable	Investments, Net	Market Value
Capitol Visitor Center Revolving Fund					
One Day Certificate, 1.9% Daily Yield Maturing 10/01/2019	$14,009	$-	$-	$14,009	$14,009
Six Month Certificate, 2.07% Annual Yield Maturing 01/23/2020	5,052	(33)	-	5,019	5,023
One Year Certificate, 2.52% Annual Yield Maturing 01/30/2020	4,095	(34)	-	4,061	4,070
One Year Certificate, 1.71% Annual Yield Maturing 08/13/2020	1,525	(23)	-	1,502	1,501
Total Intragovernmental	**$24,681**	**$(90)**	**$-**	**$24,591**	**$24,603**
With the Public					
The Bank of New York Mellon Operating Reserve Fund Serial Zero Coupon Certificats Maturing 08/15/2024	$10,673	$-	$-	$10,673	$10,673
Total With the Public	**$10,673**	**$-**	**$-**	**$10,673**	**$10,673**
Total Investments	**$35,354**	**$(90)**	**$-**	**$35,264**	**$35,276**

Dollars in thousands

At September 30, 2018

Investments Intragovernmental, Nonmarketable:	Shares/Par	Amortized Prem. /(Net of Disc.)	Interest Receivable	Investments, Net	Market Value
Capitol Visitor Center Revolving Fund					
One Day Certificate, 2.10% Daily Yield Maturing 10/01/2018	$16,010	$-	$2	$16,012	$16,010
Six Month Certificate, 2.15% Annual Yield Maturing 01/24/2019	5,055	(35)	-	5,020	5,019
One Year Certificate, 1.93% Annual Yield Maturing 02/28/2019	1,682	(14)	-	1,668	1,666
Total Intragovernmental	**$22,747**	**$(49)**	**$2**	**$22,700**	**22,695**
With the Public:					
The Bank of New York Mellon Operating Reserve Fund Serial Zero Coupon Certificates Maturing 08/15/2024	$10,451	$-	$-	$10,451	$10,451
Total With the Public	**$10,451**	**$-**	**$ -**	**$10,451**	**$10,451**
Total Investments	**$33,198**	**$(49)**	**$2**	**$33,151**	**$33,146**

NOTE 6: Accounts Receivable, Net

The breakdown of the consolidated Accounts Receivable (both Intragovernmental and With the Public), as of September 30, 2019, and 2018, is as follows:

Dollars in thousands		
Accounts Receivable	**2019**	**2018**
Intragovernmental		
Entity	$1,857	$2,239
Total Intragovernmental	**$1,857**	**$2,239**
With the Public		
Entity	$850	$1,333
Non-Entity	26	15
Total With the Public	**$876**	**$1,348**
Total	**$2,733**	**$3,587**

During FY 2019, the decrease in the Entity Accounts Receivable is mainly attributed to the collection of outstanding collections for Steam and Chilled Water and Senate Restaurant Commissions, which were timelier during FY 2019 than the previous year. As of the current period, all accounts are considered current and there is no allowance for doubtful accounts.

NOTE 7: Inventory & Related Property, Net

Inventory consists of retail goods purchased for resale at the Capitol Visitor Center's Gift Shops. The AOC may record an allowance which is based on slow-moving, excess or obsolete and damaged inventory, if applicable.

Inventory, as of September 30, 2019, and 2018, is as follows:

Dollars in thousands		
Inventory Category	**2019**	**2018**
Purchased Goods Held for Current Sale	$624	$684
Total	**$624**	**$684**

The decrease in inventory on hand was due to a higher inventory turnover rate in FY 2019 compared to the same reporting period in FY 2018.

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

Based upon management's reviews and the most recent inventory count, all damaged inventory was disposed in accordance with normal operating practices. Therefore, there is no damaged or restricted inventory to report as of September 30, 2019.

NOTE 8: General Property, Plant and Equipment, Net

The AOC differentiates its property and equipment by distinct categories (see Note 1.K for the AOC's capitalization thresholds and related useful lives). In September, 2018, the cogeneration project was completed and AOC took possession of the asset.

The following represents these categories and their balances as of September 30, 2019, and 2018:

Dollars in thousands				
At September 30, 2019				
Class of Property and Equipment	**Acquisition Value**	**Accumulated Depreciation**	**Net Book Value**	**%**
Buildings	$1,440,072	$809,299	$630,773	28.0%
Buildings Improvements	2,240,280	1,073,694	1,166,586	51.8%
Land	169,231	-	169,231	7.5%
Land Improvements	159,483	110,841	48,642	2.2%
Capital Leases (Real Property)	39,749	36,423	3,326	0.2%
Leasehold Improvements	22,935	19,924	3,011	0.1%
Equipment and Internal Use Software	20,822	17,216	3,606	0.2%
Other Structures	9,288	4,696	4,592	0.2%
Construction Work-in-Progress	221,016	-	221,016	9.8%
Total	**$4,322,876**	**$2,072,093**	**$2,250,783**	**100%**

Dollars in thousands				
At September 30, 2018				
Class of Property and Equipment	**Acquisition Value**	**Accumulated Depreciation**	**Net Book Value**	**%**
Buildings	$1,438,973	$778,871	$660,102	30.5%
Buildings Improvements	1,988,978	989,758	999,220	46.2%
Land	169,231	-	169,231	7.8%
Land Improvements	159,483	103,177	56,306	2.6%
Capital Leases (Real Property)	39,749	35,877	3,872	0.2%
Leasehold Improvements	22,934	19,462	3,472	0.2%
Equipment and Internal Use Software	20,003	17,313	2,690	0.1%
Other Structures	9,288	4,336	4,952	0.2%
Construction Work-in-Progress	261,630	-	261,630	12.2%
Total	**$4,110,269**	**$1,948,794**	**$2,161,475**	**100%**

The decrease in work in process reflects the completion of ongoing capital improvement projects. This is also consistent with the increase in Buildings and related improvements, and is primarily attributed to various House Office Buildings projects.

The educational, artistic, architectural, and historical significance of the U.S. Capitol, Senate, House, Supreme Court, and Jefferson buildings meets the FASAB criteria for heritage assets. Since these buildings are currently used for day-to-day business, they are further classified as multi-use heritage assets (See Note 9). As a result, they are depreciated in the same manner as if they were general purpose assets. Although the original assets are fully depreciated, subsequent improvements and betterments to the buildings are currently being depreciated in accordance with established policy. The AOC is responsible for reviewing and authorizing all structural and architectural changes to the buildings and grounds prior to any change occurring.

NOTE 9: Stewardship PP&E

The AOC maintains and preserves stewardship PP&E that is central to its mission to serve Congress and the Supreme Court, preserve America's Capitol and inspire memorable experiences. Authority for the AOC's care and maintenance of the U.S. Capitol Building was established by legislation in 1876. The agency maintains multiple categories of heritage assets, including historic buildings and structures and their historic fabric, stewardship lands and cultural landscapes, artwork, architectural features, reference and library materials, archival records and living botanical assets. The AOC shares responsibility for certain heritage assets with the curators for the U.S. Senate and the House of Representatives. These heritage assets are categorized as joint works of art and included in the AOC's inventory. For example, while the AOC is responsible for the architectural fine art adorning the U.S. Supreme Court Building, 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 principally 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 reference and library materials collection is 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 heritage asset collections are described more fully in the Required Supplementary Information (RSI). Deferred maintenance and repairs related to its heritage assets are separately disclosed as RSI.

Historic Buildings and Structures

The AOC maintains multiple historic buildings and structures, including 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, U.S. Supreme Court Building and Thurgood Marshall Federal Judiciary Building (TMFJB). All of these facilities are predominantly used in general government operations and are considered multi-use heritage assets. Multi-use heritage assets are assigned a cost and presented as General Property, Plant and Equipment, Net on the Balance Sheet. In general, historic buildings and structures are added or withdrawn through Congressional action.

Stewardship Lands and Cultural Landscapes

The AOC-administered stewardship lands encompass more than 570 acres of grounds. This includes Capitol Square, the approximately 286 acres of grounds immediately surrounding the U.S. Capitol Building designed by noted American landscape architect Frederick Law Olmsted. In addition, the cultural landscapes include Senate Park, Senate office building sites and courtyards, House office building sites and courtyards, Botanic Garden and National Garden, Bartholdi Park, USBG Administration Building site, Union Square, Thomas Jefferson Building site, John Adams Building site, James Madison Memorial Building site, U.S. Supreme Court Building site, TMFJB site and 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. An inventory of the memorial trees as of September 30, 2019, and 2018 follows:

Description	2018	Withdrawn	2019	Condition
Memorial Trees	147	(2)	145	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 or withdrawn through Congressional action or inter-agency transfers. Collectible heritage assets include:

Artwork: The AOC cares for artwork that is part of the Capitol campus. The Artwork collection includes fine art, decorative art, architectural fine art, and architectural decorative art.

Architectural Features: The Capitol campus is graced with many unique architectural features. The Architectural Features collection 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, textual records on paper, small architectural models, photographs, conservation reports and pre-accessioned materials related to the AOC construction projects. The electronic archival records are heritage assets retained on electronic storage media including, but not limited to, architectural and engineering drawings, textual records and pre-accessioned materials.

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

An inventory of the AOC's collectible heritage assets as of September 30, 2019, and 2018 follows:

Description	2018	Acquired	Withdrawn	2019	Condition
Artwork	2,027	5	-	2,032	Poor to Excellent
Architectural Features	202	-	-	202	Fair to Excellent
Reference and Library Materials:					
Art and Reference Files (Drawers)	108	-	-	108	Good
Art and Reference Library Materials (Volumes)	1,211	5	-	1,216	Good
Other Traditional Archival Records	519,815	20,851	-	540,666	Fair to Excellent
Electronic Archival Records (Megabytes)	1,504.32	3,913.25	-	5,417.57	N/A
Living Botanical Assets (Accessions)	9,105	2,077	(1,531)	9,651	N/A

NOTE 10: Other Assets

Other Assets consist of employee's travel advances and a reimbursable advance payment to the U.S. Capitol Police for service related to the Cannon House Office Building renewal project.

Dollars in thousands Other Assets	2019	2018
Intragovernmental		
Advances to Others	$834	$927
Total Intragovernmental	**$834**	**$927**
With the Public		
Advances to Others	$4	$4
Total With the Public	**$4**	**$4**
Total	**$838**	**$931**

The decrease in Intragovernmental Advances to Others is attributed to the liquidation of the advance payment as services are rendered and costs are incurred.

NOTE 11: Liabilities Not Covered by Budgetary Resources

The Balance Sheet as of September 30, 2019, and 2018, includes, amongst others, some liabilities not covered by current budgetary resources. Such liabilities require Congressional action prior to budgetary resources being provided. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund them.

In September 2018, the cogeneration project was completed and the AOC took possession of the asset. The approximately $60 million in "Other" described in the table below includes the financed portion of the cogeneration project, plus interest accrued on the liability to date. While this amount is currently not covered by budgetary resources, the annual payment of principal and interest on the liability will be made from annual appropriations to the Capitol Power Plant (See Note 16).

Liabilities covered and not covered by budgetary resources as of September 30, 2019, and 2018, are as follows:

Dollars in thousands Liabilities	2019	2018
Intragovernmental		
Accrued Unfunded Worker's Compensation (See Note 12)	$9,159	$9,067
Total Intragovernmental	**$9,159**	**$9,067**
Debt Held by Public (See Note 13)	$70,082	$79,740
Actuarial Unfunded Worker's Compensation (See Note 12)	52,073	57,031
Environmental Liabilities – Unfunded (See Note 14)	79,243	77,952
Unfunded Accrued Annual Leave and Other (See Note 12)	12,626	12,044
Other (See Note 16)	58,031	59,959
Capital Lease (See Note 15)	4,408	5,029
Total liabilities not covered by budgetary resources	**$285,622**	**$300,822**
Total liabilities covered by budgetary resources	**123,775**	**103,239**
Total liabilities not requiring budgetary resources	**57**	**50**
Total Liabilities	**$409,454**	**$404,111**

NOTE 12: Payroll-Related Liabilities

Payroll related liabilities include three accounts: Funded Accrued Payroll (payroll that has been earned but not paid), Unfunded Accrued Annual Leave (employee leave that has been earned but not taken in current year) and Workers' Compensation.

Accrued Payroll and Annual Leave, by type, as of September 30, 2019, and 2018, are as follows:

Dollars in thousands Accrued Annual Leave & Other	2019	2018
Funded Accrued Payroll	$10,982	$9,761
Unfunded Accrued Annual Leave	12,626	12,044
Total	**$23,608**	**$21,805**

Workers' Compensation is reported as required by FECA. The liability is presented in two parts: an annual accrued liability for billed costs (current portion) and a long-term, actuarially-calculated unfunded liability (See Note 1.M). The actuarial workers' compensation liability was calculated using a formula provided by the DOL.

Workers' Compensation, by type, as of September 30, 2019, and 2018, is as follows:

Dollars in thousands Workers' Compensation, by Type	2019	2018
Unfunded Workers' Compensation (Current)	$9,159	$9,067
Actuarial Workers' Compensation (Long-Term)	52,073	57,031
Total	**$61,232**	**$66,098**

The change in the Actuarial Workers' Compensation (Long-Term) liability is due to a decreased liability projection as per DOL's FECA model and cost factors.

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. Actuarial Workers' Compensation is included in Liabilities not covered by Budgetary Resources, as described in Note 11.

NOTE 13: Debt Held by the Public

Debt held by the public consists of 30-year Serial Zero Coupon Certificates of Participation issued in 1989 for $125.4 million with a maturity value of $525.5 million. The certificates are amortized using the effective interest rate of 9 percent (corresponding to the discount).

The balance of Debt Held by the Public, as of September 30, 2019, and 2018, is as follows:

Dollars in thousands		
Debt Held by the Public, by Type	**2019**	**2018**
Securities	$86,150	$103,380
Interest Payable	1,453	565
Subtotal	**$87,603**	**$103,945**
Discount on Securities	$(400,123)	$(400,123)
Less: Amortization of Discount	382,602	375,918
Subtotal	**$(17,521)**	**$(24,205)**
Total	**$70,082**	**$79,740**

Various judiciary offices and personnel occupy the TMFJB under an Interagency Agreement between AOC and the Administrative Office of the U.S. Courts. Base rent will not change over the initial 30 years, and is set at the amount necessary to retire the debt at $17.2 million annually. Payment of the certificates will end in August 2024. This certificate is not subject to prepayment or acceleration under any circumstance, pursuant to the language in the certificate agreement.

NOTE 14: 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. The AOC also has responsibility to remediate certain sites with environmental contamination hazards related to ongoing operations. Additionally, AOC has contractual agreements with various energy service providers, which may require future financial obligations.

The accrued and potential Contingent and Environmental Cleanup Cost Liabilities, as of September 30, 2019, and 2018, are shown below.

Dollars in thousands			
As of September 30, 2019			
Contingent and Environmental Cleanup Cost Liabilities	**Accrued Liabilities**	**Estimated Range of Loss Lower End**	**Upper End**
Legal Liabilities:			
Reasonably Possible	$-	$500	$9,400
Environmental Cleanup Cost Liabilities:			
Probable	$79,243	$79,243	$79,243
Total	**$79,243**	**$79,743**	**$88,643**

Dollars in thousands			
As of September 30, 2018			
Contingent and Environmental Cleanup Cost Liabilities	**Accrued Liabilities**	**Estimated Range of Loss Lower End**	**Upper End**
Legal Liabilities:			
Reasonably Possible	$-	$500	$14,700
Environmental Cleanup Cost Liabilities:			
Probable	$77,952	$77,952	$77,952
Total	**$77,952**	**$78,452**	**$92,652**

Legal Liabilities

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

For the purpose of estimating contingent liabilities for the financial statements, AOC conducted a review of existing claims for which the likelihood of loss to AOC is probable. Additionally, management and 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 (See Note 1.N). No amounts are accrued in the financial records for claims where the estimated amount of potential loss is less than $100 thousand or where the likelihood of an unfavorable outcome is less than probable. During the current and prior year reporting period there were no reported cases that met this criteria.

Matters for which the likelihood of an unfavorable outcome is less than probable but more than remote involve a wide variety of allegations and claims. These matters arise in the course of carrying out AOC programs and operations. The ultimate outcomes in these matters cannot be predicted at this time; however as of September 30, 2019, the lower and higher level estimate of these cases are $500 thousand and $9,400 thousand, respectively. 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.

Environmental Cleanup Cost Liabilities Related to Asbestos Cleanup
The AOC is responsible for managing and/or abating friable and non-friable asbestos-containing materials (ACM) in all Capitol Complex Buildings owned by the federal government. Pursuant to the FASAB Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-related Cleanup Costs*, 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 derive a total estimated liability.

Actual cleanup costs may differ from the recorded estimate due to additional cost factors that are, at this time, not reasonably estimable. For example, there may be an additional difficulty factor associated with AOC projects due to the unique working conditions on Capitol Hill. Additionally, containment (room or area) for asbestos abatement is a required work element that is not reasonably estimable at this time. 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 the lower level estimate of potential containment cost could be up to $98.5 million.

Fort George G. Meade, Maryland
In addition to the requirements of *Technical Bulletin 2006-1*, 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 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 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 AOC, and is pursuing appropriate remediation of this contamination.

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

With approval from Congress, AOC has partnered with private energy service providers for Energy Savings Performance Contracts (ESPCs) in various jurisdictions. In accordance with OMB guidance, the total capital costs for AOC's energy savings projects are obligated on an annual basis, as per the payment schedule specified in each individual contract. These projects play an important role in AOC's strategy to reduce energy consumption by thirty percent within 10 years.

The ESPCs have helped AOC complete conservation measures by way of:

- Converting from pneumatic to direct digital heating, ventilation and air conditioning (HVAC) control and upgrading building automation.
- Retrofitting existing light fixtures with high-efficiency lamps, ballasts, controls and reflectors; installing LED lighting in hearing rooms and expanding the lighting control rooms.
- Upgrading transformers to high-efficiency models.
- Adding removable insulation covers to reduce heat loss from steam valves.
- Replacing aged air handling units with new energy efficient units.
- 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.

In FY 2019, the AOC's Library Buildings and Grounds jurisdiction awarded an ESPC to install energy efficient systems, lighting, HVAC control enhancements and water conservation improvements throughout the Library of Congress' facilities. This project is currently on going. Construction on earlier ESPCs in the Capitol Building, House Office Buildings and Senate Office Buildings jurisdictions is complete, and those projects have transitioned into training, implementation and performance phases, as expected.

With approval from Congress, AOC has also partnered with a private utility service provider to finance the construction of the cogeneration facility, which was completed in FY 2018.

The AOC is liable for the full funding of the cogeneration project, which is as follows:

Dollars in millions	Total
Construction costs	
Appropriations	$20
Long Term Financing	60
Total Construction Costs	**$80**
Interest On Financing	30
Total costs over the life of the Asset	**$110**

The AOC will pay off the total amount of government contract payments (including interest) in 23 annual installments ranging from $3 million – $5 million each year (and subject to prepayment penalties). The total amount of government contract payments (including interest) over the term will be $90 million.
The AOC expects that these payments will be made from utility savings and additional revenues that result from the operations of the cogeneration facility.

NOTE 15: Leases

As of September 30, 2019, AOC is committed to various non-cancelable leases primarily covering administrative office space and storage facilities, motor vehicles, and office equipment. Many of these leases contain escalation clauses tied to inflationary and tax increases, and renewal options.

Capital Leases

Capital leases have initial or remaining non-cancelable lease terms in excess of one year. The capital lease liability is amortized over the term of the lease. At the end of the current reporting period, AOC had one non-federal real property (building) capital lease for the Senate Sergeant at Arms Warehouse facility in Landover, MD. This lease is active through FY 2025. As of September 30, 2019, and 2018, the present value of the future minimum lease payments for this capital lease is as follows:

Dollars in thousands	
At September 30, 2019	
Fiscal Year	**Total**
2020	$845
2021	845
2022	845
2023	845
2024	845
Thereafter	845
Total Minimum Future Lease Payment	**$5,070**
Less: Imputed Interest	(662)
Net Capital Lease Liability	**$4,408**
Capital Lease future payments not covered by budgetary resources	**$5,070**

Dollars in thousands	
At September 30, 2018	
Fiscal Year	**Total**
2019	$845
2020	845
2021	845
2022	845
2023	845
Thereafter	1,690
Total Minimum Future Lease Payment	**$5,915**
Less: Imputed Interest	(886)
Net Capital Lease Liability	**$5,029**
Capital Lease future payments not covered by budgetary resources	**$5,915**

The charts above show future capital lease payments totaling $5,070 and $5,915 for FY 2019 and FY 2018, respectively. These amounts are not covered by budgetary resources and include imputed interest of $662 and $886, respectively. In contrast, the uncovered capital lease liabilities disclosed in Note 11 are net of interest and, therefore, total $4,408 and $5,029 for the same periods, respectively.

Operating Leases

The AOC has equipment and vehicle leases as well as space occupancy agreements with the General Services Agency (GSA), Government Publishing Office (GPO) and other commercial vendors. These leases and agreements expire on various dates between FY 2020 and FY 2024.

As of September 30, 2019, the aggregate of future payments due under non-cancelable federal and non-federal operating leases and occupancy agreements are as follows:

Dollars in thousands				
At September 30, 2019				
	Real Property		**Personal Property**	
Fiscal Year	**Federal**	**Non-Federal**	**Non-Federal**	**Total**
2020	$5,339	$9,708	$5	$15,052
2021	5,366	9,101	-	14,467
2022	3,146	7,365	-	10,511
2023	-	6,164	-	6,164
2024	-	604	-	604
Total Future Leases	**$13,851**	**$32,942**	**$5**	**$46,798**

NOTE 16: Other Liabilities

As of September 30, 2019, and 2018, these liabilities consist of accrued accounts payable, undeposited CVC Gift Shop sales, long term debt from the cogeneration financing, and miscellaneous receipts that are to be forwarded to Treasury (intragovernmental custodial liabilities). Miscellaneous receipts include, but are not limited to, rent from the Monocle restaurant and steam and chilled water collections over the Congressional cap.

Other liabilities, as of September 30, 2019, and 2018, are as follows:

Dollars in thousands		
Other Liabilites	**2019**	**2018**
Intragovernmental		
Custodial Liability (current)	$26	$15
Liability for Deposit Funds, Clearing Accts & Undeposited Collections	31	35
Total Intragovernmental	**$57**	**$50**
With the Public		
Other Accrued Liabilities (Current)	$44,396	$31,196
Other Liabilities (Non-Current)	58,031	59,959
Total With the Public	**$102,427**	**$91,155**
Total	**$102,484**	**$91,205**

The change in the Other Accrued Liabilities (Current) is due primarily to an increase in the accounts payable accrual rate in correlation with AOC's ongoing large capital projects.

NOTE 17: Imputed Financing

Consistent with SFFAS No.4, AOC incorporates the full cost of goods and services received from other Federal entities in its Statement of Net Cost. Certain costs of the providing entity may not be not fully reimbursed by 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. The imputed costs are offset by imputed financing sources and are reported on the face of the Statement of Changes in Net Position.

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

AOC has activities with OPM that also require imputed costs and financing sources to be recognized. The OPM administers three earned benefit programs for civilian Federal employees: the Federal Employees Health Benefits (FEHB) Program; the Federal Employee Group Life Insurance (FEGLI) Program; and the CSRS, CSRS Offset, and FERS Retirement Programs. The 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 employee contribute to Medicare at the rate prescribed by law. 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 and less than five years by the end of 1986. The AOC and the employee contribute to Social Security and Medicare at the rates prescribed by law. 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 employee contribute to Social Security and Medicare at rates prescribed by law. In addition, AOC is required to contribute to the TSP a minimum of 1 percent per year of the basic pay of employees covered by this system. The AOC also matches a voluntary employee contribution up to 3 percent dollar-for-dollar, and another 2 percent is matched 50 cents on the dollar.

Imputed Financing for the years ending September 30, 2019, and 2018, is as follows:

Dollars in thousands		
Imputed Financing, by Type	**2019**	**2018**
Pensions		
CSRS	$863	$1,198
CSRS Offset	638	741
FERS	43,851	40,110
Less: Contributions	(35,336)	(33,642)
Subtotal: Employee Pensions	**$10,016**	**$8,407**
Health Insurance	$14,085	$13,759
Life Insurance	38	36
Subtotal: All Employee Benefits	**$24,139**	**$22,202**
Other Agency – Campus Infrastructure	$2,124	$4,511
OCWR-Settlement and Awards Fund	379	94
Total	**$26,642**	**$26,807**

In FY 2019, the imputed financing costs for employee benefits are $1.9 million higher mainly due to an increase in OPM's cost factors for health insurance and for all three pensions categories, which resulted in a higher AOC service cost. Additionally, there was a $300 thousand increase in legal settlements that were paid out of the Office of Congressional Workplace Rights (OCWR) Settlement and Awards Fund. The reduction in the Campus Infrastructure costs is consistent with the other agency's progress reports as the project winds down.

NOTE 18: Net Cost of Operations Related to Payroll

Expenses for salaries and related benefits for the years ending September 30, 2019, and 2018, are shown in the table below. These amounts were approximately 46 and 47 percent of the annual gross cost of operations for each respective year. This includes actual payroll and benefit expenses as well as other accrued expenses. Benefit expenses represent FECA (current portion), Unemployment Compensation for Federal Employees (UCFE), and imputed costs paid by OPM. Other Accrued Expenses consist of payroll and benefit related accruals. Those costs don't include the unfunded accrued annual leave and long term actuarial FECA.

Net Cost of Operations Related to Payroll for the years ending September 30, 2019, and 2018, is as follows:

Dollars in thousands	2019	2018
Expenses for Payroll & Related Benefits		
Payroll Expense	$276,341	$260,480
Benefit Expenses		
FECA and UCFE	4,189	4,197
Imputed Costs (see Note 17)	24,139	22,202
Other Accrued Expenses	5,428	4,533
Total Expenses for Payroll & Related Benefits	**310,097**	**291,412**
Total Gross Cost	**$678,618**	**$614,565**
Payroll related expenses to Gross Costs (%)	**46%**	**47%**

The increase in payroll expense is primarily due to an increase in employee count of approximately 50 compared to the same period in FY 2018, in addition to a 1.9% pay raise in FY 2019 as authorized by Executive Order 13866.

NOTE 19: Reconciliation of SCNP Appropriations to SBR

Amounts reported as Appropriations Received on the Statement of Changes in Net Position (SCNP) consist of funds Congressionally appropriated to the agency within the current fiscal year. Amounts reported as Appropriations on the SBR consist of appropriations received, current year transfers, and other new budget authority.

The reconciliation for the years ending September 30, 2019, and 2018 is as follows:

Dollars in thousands		
Reconciliation of SCNP Appropriations to SBR	**2019**	**2018**
SCNP		
Appropriations received	$742,744	$728,258
Appropriations transferred in/(out)	-	15,000
Total SCNP Appropriations	**$742,744**	**$743,258**
SBR		
Appropriations Transfer	$7,000	$-
Special Funds Receipts	59	65
Total SBR Appropriations	**$749,803**	**$743,323**

In FY 2018, the House CAO transferred $15 million to the House Office Buildings; this amount is part of the Appropriations number on the SBR ($743.3 million), but shown on the Appropriations transferred in/out line on the SCNP.

For the current year the amount of appropriations received, as shown on the SBR, is $749.8 million. The remaining difference of $7,059 and $65 thousand between the two statements for each respective year is attributed to a transfer between two Treasury Appropriations Fund Symbols and budget authority in the Capitol Trust account, which is a special fund established to collect permit fees for commercial activities in Union Square.

NOTE 20: Undelivered Orders

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

Undelivered Orders for the years ending September 30, 2019, and 2018, are as follows:

Dollars in thousands		
Undelivered Orders	**2019**	**2018**
Paid		
Federal	$834	$927
Non-Federal	4	4
Total Paid	**$838**	**$931**
Unpaid		
Federal	$34,846	$35,767
Non-Federal	392,552	288,515
Total Unpaid	**$427,398**	**$324,282**

In FY 2019, the Unpaid Undelivered Orders balance increased mainly due to major ongoing capital projects.

NOTE 21: Explanation of Differences between the Combined Statement of Budgetary Resources and the Budget of the United States Government

The FY 2020 Budget of the United States Government (President's Budget) presenting the actual amounts for the year ended September 30, 2018, was published in February 2019. When available the President's Budget is reconciled to the agency SBR to identify differences. Upon publication, AOC's budget can be found on the OMB website (www.whitehouse.gov/omb/budget/) under Legislative branch.

Dollars in Millions			
Reconciliation of SBR to Budget FY 2018	**Budgetary Resources**	**Obligations Incurred**	**Net Outlays**
Combined Statement of Budgetary Resources (SBR)	$1,404	$749	$622
Items on SBR - Not on Budget:			
Expired Funds	(23)	-	-
Other	(47)	-	-
Budget of the United States Government	**$1,334**	**$749**	**$622**

The differences between the FY 2018 comparative amounts presented on the SBR and the actual amounts published in the FY 2020 President's Budget are due to the activity from offsetting collections, recoveries, and expired funds (beginning balances and current year activity), that are on the SBR but are not reported in the President's Budget. Additionally, audit adjustments and other rounding differences may be reflected on the SBR.

NOTE 22: Net Adjustments to Unobligated Balance Brought Forward, October 1

The AOC has recorded prior period recoveries which include upward/downward adjustments to unpaid orders and refunds of paid orders. Net adjustments to the Unobligated Balance Brought Forward, October 1, for the years ending September 30, 2019 and 2018, are as follows:

Dollars in thousands		
Net Adjustments to Unobligated Balance Brought Forward, October 1	**2019**	**2018**
Unobligated Balance Brought Forward, October 1	$656,095	$586,641
Net Adjustments		
Cancelled Authority	(1,974)	(3,995)
Downward Adj PY Unpaid Unexpended Obligations	8,215	12,102
Downward Adj PY Unpaid Expended Authority	9,839	9,362
Downward Adj PY Paid Expended Authority Refunds Collected	22,747	12,081
Total Net Adjustments	**$38,827**	**$29,550**
Unobligated Balance From Prior Year Budget Authority, Net	**$694,922**	**$616,191**

NOTE 23: Reconciliation of Net Cost to Net Outlays

Per SFFAS No. 7, FASAB "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 and is accomplished by reconciling budgetary outlays with 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 (BAR)*, provides concepts for reconciling budgetary and financial accounting. Effective FY 2019, AOC has adopted the requirement to present this reconciliation in the format prescribed by SFFAS No. 53.

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 not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting.

The reconciliation for the year ending September 30, 2019 is as follows:

Dollars in thousands **At September 30, 2019** **Reconciliation of Net Operating Cost and Net Budgetary Outlays**	**Intragovernmental**	**With the Public**	**Total**
Net Operating Cost	**$11,081**	**$598,428**	**$609,509**
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	$-	$(124,057)	$(124,057)
Property, plant, and equipment disposal & reevaluation	-	41	41
Unrealized valuation loss/(gain) on investments in GSE's	-	(9)	(9)
Other	-	271,714	271,714
Increase/(decrease) in assets:			
Accounts receivable	(374)	(478)	(852)
Other assets	(93)	(3)	(96)
Investments	(41)	-	(41)
(Increase)/decrease in liabilities not affecting Budget Outlays:			
Accounts payable	3,952	(2,291)	1,661
Salaries and benefits	-	(1,221)	(1,221)
Environmental and disposal liabilities	-	(1,291)	(1,291)
Other liabilities	4,857	(71,190)	(66,333)
Other financing sources			
Federal employee retirement benefit costs paid by OPM and imputed to agency	(26,641)	-	(26,641)
Total Components of Net Operating Cost Not Part of the Budget Outlays	**$(18,340)**	**$71,215**	**$52,875**
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Other	(7,703)	(102)	(7,805)
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	**$(7,703)**	**$(102)**	**$(7,805)**
Net Outlays (Calculated Total)	**$(14,962)**	**$669,541**	**$654,579**
Related Amounts on the Statement of Budgetary Resources			
Outlays, net			$654,579
Agency Outlays, Net			**$654,579**

Components of Net Operating Cost Not a Part of the Budgetary Outlays reflects the budgetary resources used to finance 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 entity's net outlays on a budgetary basis and the net cost of operations during the reporting period.

Acronyms and Abbreviations

ACM	Asbestos-Containing Materials
AICPA	American Institute of Certified Public Accountants
AOC	Architect of the Capitol
BAR	Budget and Accrual Reconciliation
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CSRS	Civil Service Retirement System
CVC	U.S. Capitol Visitor Center
DOL	U.S. Department of Labor
ESPCs	Energy Savings Performance Contracts
FASAB	Federal Accounting Standards Advisory Board
FBWT	Fund Balance with Treasury
FECA	Federal Employees' Compensation Act
FEGLI	Federal Employee Group Life Insurance
FEHB	Federal Employees Health Benefits
FERS	Federal Employees Retirement System
FMFIA	Federal Managers' Financial Integrity Act of 1982
FY	Fiscal Year
GAAP	United States Generally Accepted Accounting Principles
GAO	Government Accountability Office
GPO	Government Publishing Office
GSA	General Services Agency
GTAS	Government-wide Treasury Account Symbol Adjusted Trial Balance System
HVAC	Heating, Ventilation and Air Conditioning
Kearney	Kearney & Company, P.C.
NFC	National Finance Center
OCWR	Office of Congressional Workplace Rights
OI	Other Information
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PAR	Performance and Accountability Report
PC	Professional Corporations

RSI	Required Supplementary Information
SBR	Statement of Budgetary Resources
SCNP	Statement of Changes in Net Position
SFFAS	Statements of Federal Financial Accounting Standards
SNC	Statement of Net Cost
SOC	Service Organization Controls
TMFJB	Thurgood Marshall Federal Judiciary Building
Treasury	U.S. Department of Treasury
TSP	Thrift Savings Plan
UCFE	Unemployment Compensation for Federal Employees
U.S.C	United States Code
USCP	United States Capitol Police
USBG	U.S. Botanic Garden

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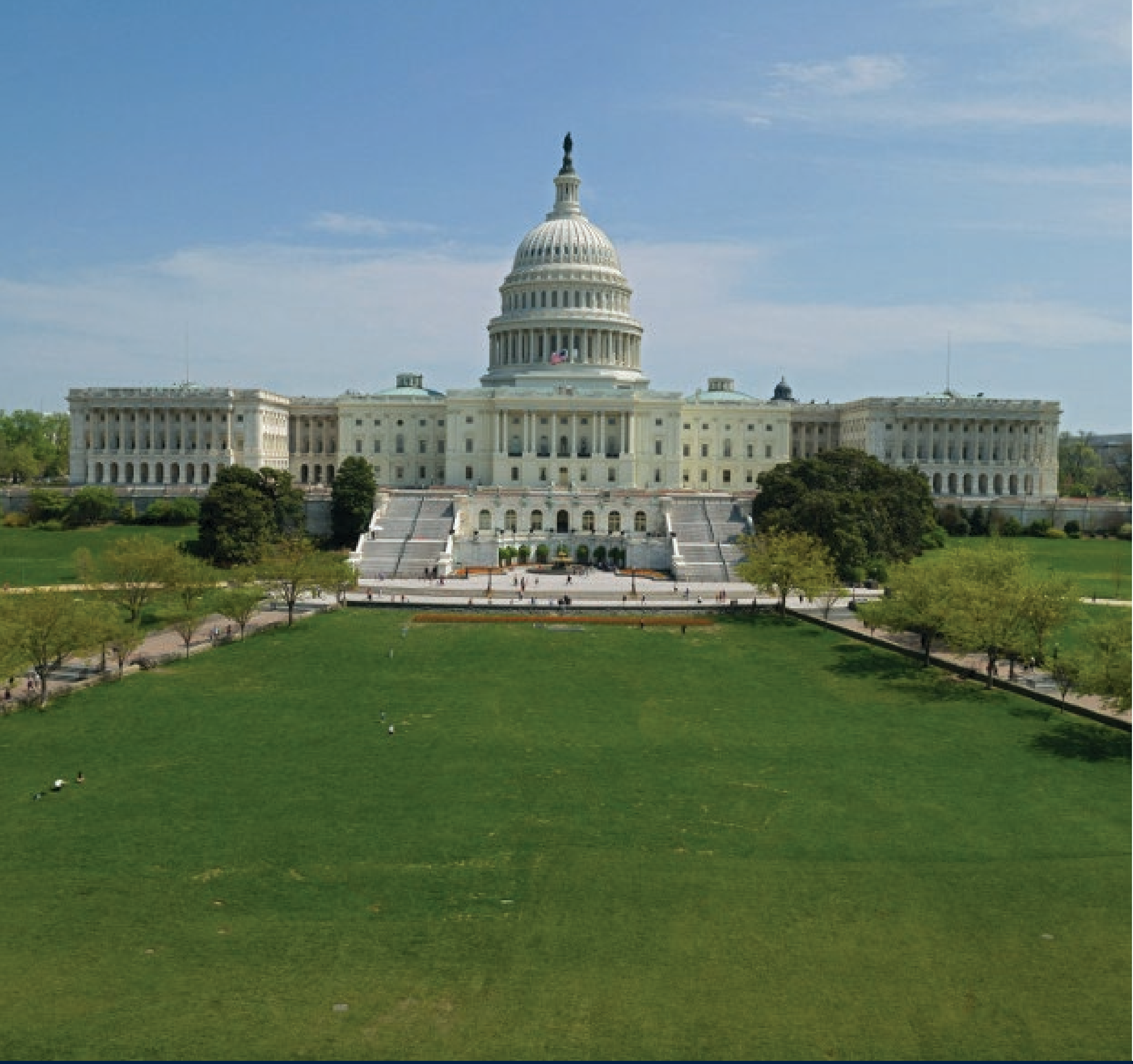

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