OFFICE OF INSPECTOR GENERAL

NOVEMBER 23, 2020

Audit of Fiscal Year 2020 Financial Statements

Audit Report OIG-AUD-2021-01

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.

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 23, 2020

TO: J. Brett Blanton
Architect of the Capitol

FROM: Christopher P. Failla, CIG
Inspector General

SUBJECT: Audit of Fiscal Year 2020 Financial Statements
(Audit Report OIG-AUD-2021-01)

We contracted with the independent public accounting firm, 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, 2020 and 2019, 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. Government 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 20, 2020, 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:

Thomas J. Carroll III, Assistant to the Architect
Peter Bahm, Chief of Staff
Jonathan Kraft, Acting Chief Financial Officer,
William O'Donnell, Chief Administrative Officer
Jason Baltimore, General Counsel
Jonathan Migas, Chief Information Officer
Curtis McNeil, Risk Management Officer
Mary Jean Pajak, Senior Advisor

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ACRONYMS AND ABBREVIATIONS

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 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, 2020 and 2019 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, 2020 and 2019, 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 the 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 considers 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.

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 20, 2020, 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, 2020. 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 20, 2020

KEARNEY& COMPANY

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Architect of the Capitol and Inspector General of 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, 2020, 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 20, 2020.

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.

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 20, 2020

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 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, 2020, 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 20, 2020.

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 applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. We limited our tests of compliance to these provisions and did not test compliance with all laws, regulations, contracts, and grant agreements applicable to the AOC. 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 20, 2020

Section 2

Architect of the Capitol Comments

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

www.aoc.gov

November 20, 2020

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

Dear Mr. Failla:

We have received the Independent Auditor's Report related to the Architect of the Capitol's (AOC) financial statements for the Fiscal Years ending September 30, 2020 and 2019. Thank you for the opportunity to comment on the independent audit.

We appreciate working in partnership with you in support of an efficient and effective audit. The AOC works diligently to establish strong financial management practices in order to address our fiscal compliance requirements, manage our financial processes and systems, and meet our day-to-day responsibilities. The annual audit continues to provide us with new insights and valuable recommendations for improvement.

We concur with the findings in your report and are pleased that the audit resulted in an unmodified opinion — marking the 16th consecutive year that the AOC received a "clean" opinion. In addition, the auditor's report identified zero material weaknesses and significant deficiencies. While we are pleased with these results, we also recognize that more can be done to strengthen our fiscal stewardship. Our management agrees with the auditor's notices of findings and recommendations. We will develop an appropriate corrective action plan for these issues, provide it to the Office of Inspector General by February 1, 2021, and monitor the implementation of this plan throughout the corrective action process.

I would like to thank you, your staff and the auditor, Kearney & Company, P.C., for the professionalism in conducting the audit.

Sincerely,

J. Brett Blanton
Architect of the Capitol

Doc. No. 200922-04-02

Section 3

Management Representation Letter

ARCHITECT OF THE CAPITOL

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

www.aoc.gov

November 20, 2020

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, 2020 and 2019, 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 $1.0 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 20, 2020, 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 26, 2020, for the preparation and fair presentation of the financial statements in accordance with United States Generally Accepted Accounting Principles

[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.

(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 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 preparing and presenting the OI included in the documents containing the audited financial statements and the auditor's report and for ensuring the consistency of that information with the audited financial statements and 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 and liabilities.

12. We have disclosed to you the identities of the 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 the 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, 2020, 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 the AOC since September 30, 2020, nor have there been any changes to the application of such principles since September 30, 2019.

19. Account receivables represent bona fide claims or other charges arising on or before September 30, 2020. 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, 2020, based on our evaluation.

25. We evaluated the effectiveness of the 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, 2020 and September 30, 2019 and indicated which deficiencies were corrected by September 30, 2020.

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, 2020, 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. The AOC only uses contractors in the role, and the underlying contract contains an indemnification clause covering damages caused by the contractor.

32. We have assessed the internal controls related to new business processes (e.g.,

teleworking and remote operations) and identified no deficiencies related to financial reporting errors and misstatements or fraud risk.

Fraud

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

34. 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.

35. 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.

36. 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.

37. 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.

38. 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

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

40. 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.

41. 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.

42. 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, 2020, and through the date of this letter.

Budgetary and Restricted Funds

43. 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) 2020 actual column of the Program and Financing Schedules reported in the FY 2022 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.

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

45. We have disclosed to you all additional funds received under the Coronavirus Aid, Relief, and Economic Security Act, Families First, and other stimulus bills and the current status of monitoring requirements of those bills.

Service Organizations

46. 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.

47. 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.

J. Brett Blanton
Architect of the Capitol

William R. O'Donnell
Chief Administrative Officer

Jonathan Kraft

Jonathan Kraft
Acting Chief Financial Officer

Jon J. Migas
Chief Information Officer

Kathy Sherrill

Kathy Sherrill
Accounting Officer

Section 4

AOC Fiscal Year 2020 Financial Statements

Architect of the Capitol
Balance Sheet
As of September 30, 2020, and 2019

Dollars in Thousands		2020		2019
Assets:				
Intragovernmental:				
Fund Balance with Treasury (Note 3)	$	1,014,778	$	1,094,152
Investments (Note 5)		20,366		24,591
Accounts receivable (Note 6)		607		1,857
Other (Note 10)		214		834
Total intragovernmental		1,035,965		1,121,434
Cash and other monetary assets (Note 4)		14		45
Investments (Note 5)		10,761		10,673
Accounts receivable, net (Note 6)		357		876
Inventory & related property, net (Note 7)		1,185		624
General property, plant and equipment, net (Note 8)		2,450,456		2,250,783
Other (Note 10)		-		4
Total assets (Note 2)	$	**3,498,738**	$	**3,384,439**
Stewardship PP&E (Note 9)				
Liabilities:				
Intragovernmental:				
Accounts payable	$	104	$	262
Unfunded FECA (Note 12)		8,720		9,159
Advances from Others		44,327		50,365
Other (Note 16)		2		57
Total intragovernmental		53,153		59,843
Accounts payable		3,429		3,328
Debt held by the public (Note 13)		58,229		70,082
Actuarial FECA (Note 12)		51,668		52,073
Contingent and Environmental liabilities (Note 14)		79,062		79,243
Accrued Annual Leave and Other (Note 12)		32,612		23,608
Capital Lease Liability (Note 15)		4,207		4,408
Contract Holdbacks		27,254		14,442
Other (Note 16)		94,117		102,427
Total liabilities (Note 11)	$	**403,731**	$	**409,454**
Commitments and Contingencies (Note 14)				
Net position:				
Unexpended appropriations	$	801,991	$	895,155
Cumulative results of operations		2,293,016		2,079,830
Total Net Position	$	**3,095,007**	$	**2,974,985**
Total liabilities and net position	$	**3,498,738**	$	**3,384,439**

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

Architect of the Capitol
Statement of Net Cost
For the Periods Ending September 30, 2020, and 2019

Dollars in Thousands	**2020**	**2019**
Program costs:		
Capital Construction and Operations:		
Gross costs	$ 144,755	$ 102,401
Less: earned revenue	(657)	(822)
Net program costs:	144,098	101,579
Capitol Building:		
Gross costs	60,161	61,726
Less: earned revenue	(428)	(515)
Net program costs:	59,733	61,211
Capitol Grounds and Arboretum:		
Gross costs	15,927	14,120
Less: earned revenue	(33)	(77)
Net program costs:	15,894	14,043
Capitol Police Buildings, Grounds, and Security:		
Gross costs	33,359	34,030
Less: earned revenue	-	-
Net program costs:	33,359	34,030
Capitol Power Plant:		
Gross costs	99,827	106,524
Less: earned revenue	(9,044)	(11,335)
Net program costs:	90,783	95,189
House Office Buildings:		
Gross costs	108,757	120,533
Less: earned revenue	(10,499)	(10,058)
Net program costs:	98,258	110,475
Library Buildings and Grounds:		
Gross costs	59,086	50,369
Less: earned revenue	(12,238)	(1,519)
Net program costs:	46,848	48,850
Senate Office Buildings:		
Gross costs	85,924	91,785
Less: earned revenue	(1,056)	(2,795)
Net program costs:	84,868	88,990
Supreme Court Buildings and Grounds:		
Gross costs	59,557	54,531
Less: earned revenue	(50,588)	(35,428)
Net program costs:	8,969	19,103
U.S. Botanic Garden:		
Gross costs	16,684	14,924
Less: earned revenue	-	-
Net program costs:	16,684	14,924
U.S. Capitol Visitor Center:		
Gross costs	29,968	27,675
Less: earned revenue	(2,210)	(6,560)
Net program costs:	27,758	21,115
Net cost of operations (Note 23)	**$ 627,252**	**$ 609,509**

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

Architect of the Capitol
Statement of Changes In Net Position
For the Periods Ending September 30, 2020, and 2019

Dollars in Thousands		**2020**		**2019**
Unexpended Appropriations:				
Beginning Balance	$	895,155	$	820,284
Budgetary Financing Sources:				
Appropriations received (Note 19)		728,504		742,744
Other adjustments		(3,424)		(1,974)
Appropriations used		(818,244)		(665,899)
Total Budgetary Financing Sources		**(93,164)**		**74,871**
Total Unexpended Appropriations	$	**801,991**	$	**895,155**
Cumulative Results Of Operations:				
Beginning Balances	**$**	**2,079,830**	**$**	**1,995,569**
Budgetary Financing Sources:				
Appropriations used		818,244		665,899
Non-exchange revenue		97		229
Other Financing Sources (Non-Exchange):				
Transfers in/(out) without reimbursement		122		1,000
Imputed financing from costs absorbed by others (Note 17)		21,975		26,642
Total Financing Sources		840,438		693,770
Net Cost of Operations		(627,252)		(609,509)
Net Change		213,186		84,261
Cumulative Results Of Operations	**$**	**2,293,016**	**$**	**2,079,830**
Net Position	**$**	**3,095,007**	**$**	**2,974,985**

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

Architect of the Capitol
Combined Statement of Budgetary Resources
For the Periods Ending September 30, 2020, and 2019

Dollars in Thousands		**2020**		**2019**
Budgetary resources:				
Unobligated balance from prior year budget authority, net (Note 22)	$	642,614	$	694,922
Appropriations (Note 19)		728,531		749,803
Borrowing authority		5,662		6,608
Spending authority from offsetting collections		59,990		55,746
Total budgetary resources	$	**1,436,797**	$	**1,507,079**
Status of budgetary resources:				
New obligations and upward adjustments (total)	$	964,489	$	901,105
Unobligated balance, end of year:				
Exempt from apportionment, unexpired accounts		449,356		585,996
Unexpired unobligated balance, end of year		449,356		585,996
Expired unobligated balance, end of year (Note 3)		22,952		19,978
Unobligated balance, end of year (total):		472,308		605,974
Total budgetary resources	$	**1,436,797**	$	**1,507,079**
Outlays, net:				
Outlays, net (total) (discretionary and mandatory)		797,098		654,579
Agency outlays, net (Note 23)	$	**797,098**	$	**654,579**

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

ARCHITECT OF THE CAPITOL
NOTES TO THE FINANCIAL STATEMENTS
For the Periods Ending September 30, 2020, and 2019

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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 (the Marshall Building), Union Station, and the Folger Shakespeare Library, and steam-only to the Government Publishing Office (GPO) and the Postal Square building, and;
- Providing educational programs and guide services to visitors at the CVC and USBG

Some of the assets and liabilities reported by AOC may be eliminated from Government-wide reports because they are offset by assets and liabilities of another U.S. Government entity. These financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

B. Basis of Accounting and Presentation

As a legislative branch agency, AOC is not required to follow the accounting standards promulgated by the Federal Accounting Standards Advisory Board (FASAB). Also, 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 regulations as a general guide for best practices and incorporates them into its financial management practices, as appropriate. Also, AOC has adopted GAAP for financial reporting in a manner consistent with other federal agencies. Therefore, 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 records both proprietary and budgetary accounting transactions. Following the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred, without regard to the actual collection or payment of cash.

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

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 that are held in accounts outside of Treasury, as described in Notes 4 and 5, respectively.

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

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

D. Accounts Receivable

The AOC's receivables may include, but are not limited to amounts due for steam and chilled water provided to other agencies, food service commissions from operations at the CVC and Senate restaurants, flag-flying fees and employees' payroll-related debt. If applicable, accounts receivable from federal (intragovernmental) and 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 (see Note 6).

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

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 *Capitol Visitor Center Act of 2008* (2 U.S.C. § 2201 et seq.) allows for proceeds from the sale of the CVC Gift Shops' inventory, restaurant commissions, and miscellaneous receipts from the CVC Gift Shops to be invested in government securities through the Bureau of the Fiscal Service's web-based application, Fed Invest. By law, interest income is credited to the fund.

Public (Investments Held Outside Treasury)
The AOC has funds invested by a trustee outside of Treasury as a result of financing the construction of the Marshall Building. 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 Marshall Building.

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

The National Garden Trust Fund is subject to the direction of the 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 AOC as a result of commercial activity that is conducted in the area known as Union Square. Funds in this account are available for maintenance, improvements, and other Union Square projects subject to the approval of the Committees of the House of Representatives and Senate.

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

- House (of Representatives) Gymnasium Revolving Fund
- Senate Health and Fitness Facility Revolving Fund
- Senate Restaurant Revolving Fund
- Judiciary Office Building Development and Operations Fund
- CVC Revolving Fund
- Recyclable Materials Revolving Fund, 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 Marshall Building. The fund includes an investment that is held outside Treasury with The Bank of New York Mellon, via a Trust Agreement established to finance the construction of the Marshall Building.

The CVC Revolving Fund is used to administer funds from the sale of the Gift Shops' inventory, the deposit of miscellaneous receipts from the CVC Gift Shops, commissions paid to the CVC for food service operations and any fees collected from other functions within the CVC 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). Available funds in this account may be used to carry out recycling programs or other programs that promote energy savings at AOC.

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

- supplies, inventories, equipment, and other expenses
- reimbursement of any applicable appropriations account for amounts used from

such appropriations account to pay the salaries of employees of the Flag Office

- amounts necessary to carry out the authorized levels in the *Fallen Heroes Flag Act of 2016*

Funds from Dedicated Collections
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 provided in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, under the Capital Construction and Operations (CCO) account.

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
   - Capitol Police Buildings, Grounds and Security

4. Capital Construction and Operations
   - Capital Construction and Operations
   - Recyclable Materials Revolving Fund
   - 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

6. Library Buildings and Grounds
   - 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
   - Capitol Power Plant

9. U.S. Botanic Garden
   - Botanic Garden
   - National Garden (inactive)

10. U.S. Capitol Visitor Center
    - U.S. Capitol Visitor Center
    - U.S. Capitol Visitor Center Revolving Fund

11. Supreme Court Building and Grounds
    - Supreme Court
    - Judiciary Office Building Development and Operations Fund

As a component of the Government-wide reporting entity, AOC is subject to the Federal budget process, which involves appropriations that are provided annually and appropriations that are provided on a permanent basis. The financial transactions that are supported by budgetary resources, which include appropriations, are generally the same transactions reflected in agency and the Government-wide financial reports.

The AOC's budgetary resources reflect past congressional action that enable the entity to incur budgetary obligations in a given year. Budgetary obligations are legal obligations for goods, services, or amounts to be paid based on statutory provisions (e.g., employee benefits).

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 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 the Washington Gas Light Company to construct a cogeneration facility. Cogeneration, also known as combined steam and power, uses a single fuel source and simultaneously produces electricity and steam. This facility 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, in accordance with SFFAS 6, Accounting for Property, Plant, and Equipment. 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 Property, Plant & Equipment

Stewardship land and heritage assets have physical properties that resemble those of General Property, Plant & Equipment (PP&E), which are traditionally capitalized in the financial statements. Due to the nature of stewardship assets, however, determining a monetary value would be difficult, and matching costs with specific periods may not be possible or meaningful. Heritage assets are PP&E that are unique and are generally expected to be preserved indefinitely. Heritage assets have historical or natural significance; are of cultural, educational, or artistic importance or have significant architectural characteristics. These assets are reported in terms of physical units rather than cost or other monetary values 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 other probable future outflows of resources as a result of past transactions or current conditions (e.g., debt or environmental cleanup liabilities). Some liabilities are funded while others are classified as "unfunded" because no liability may be paid without an enacted appropriation. For example, accrued unfunded annual leave and workers' compensation remain unfunded until future appropriations are enacted to cover these costs. The Balance Sheet includes, but is not limited to the following types of liabilities:

Accounts Payable
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 Marshall Building 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 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 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. The 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 AOC jurisdictions), in accordance with SFFAS No. 4, Managerial Cost Accounting Concepts and Standards for the Federal Government. The AOC believes the responsibility segment approach currently provides cost 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 Building and Grounds
- U.S. Botanic Garden
- U.S. Capitol Visitor Center

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

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 are unavailable for use in its operations. Upon receipt, these funds are not available for AOC to use and are transferred to Treasury. Activities that may give rise to non-entity assets include:

- Monocle Restaurant rent collections
- USBG palm tree rental proceeds
- Repayment of employees' debt, which was established in funds that are now canceled
- Steam and chilled water collections over the annual Congressional cap (see Note 1D).

The AOC's non-entity assets as of September 30, 2020, and 2019, were as follows:

Dollars in Thousands

NON-ENTITY ASSETS	2020	2019
With the Public		
Accounts Receivable, Net (Note 6)	$2	$26
Total Non-Entity Assets	2	26
Total Entity Assets	3,498,736	3,384,413
Total Assets	**$3,498,738**	**$3,384,439**

NOTE 3: Fund Balance with Treasury

FBWT is classified as Unobligated Balance Available, Unobligated Balance Unavailable, Obligated Balance 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. The 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, such as 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	2020	2019
Unobligated Balance		
Available	$444,677	$574,909
Unavailable	22,952	19,978
Obligated Balance not yet Disbursed	547,149	499,265
Total	**$1,014,778**	**$1,094,152**

The decrease in Unobligated Balance Available is mainly due to a 2% decrease in appropriations received in FY 2020 compared to FY 2019. During the current year, AOC's disbursements also increased noticeably, as a result of ongoing work on the Cannon House Office Building renewal project as well as COVID-19 related spending, which are also reflected in the increase in Obligated Balance not yet Disbursed.

NOTE 4: Cash and Other Monetary Assets

Cash and Other Monetary Assets include change-making funds held in a bank outside Treasury for the CVC Gift Shops' operations and undeposited daily sales from the Gift Shops (if applicable). The CVC closed for public tours Thursday, March 12, at 4:30 p.m. due to public health concerns associated with COVID-19. As a result of the closing, there was no daily sales activity after that date and therefore no undeposited collections for the period ending September 30, 2020. There are no restrictions on cash.

The cash balances as of September 30, 2020, and 2019, are as follows:

Dollars in Thousands

CASH & OTHER MONETARY ASSETS	2020	2019
Undeposited Collections	$ -	$31
Cash Imprest Funds	14	14
Total	**$14**	**$45**

NOTE 5: Investments

CVC's investments are comprised of proceeds from CVC Gift Shop sales and restaurant commissions. These amounts are invested with Treasury's Bureau of the Fiscal Service and are classified as intragovernmental. Investments with the public comprise the investment of the residual Thurgood Marshall Building construction operating reserve funds with the Bank of NY Mellon.

The FY 2020 Intragovernmental Investments, Net decreased by $4.2 million compared to FY 2019 due to a) decreased sales from the CVC Gift Shops and restaurant commissions as a result of the COVID-19 pandemic-related closures (See Note 4, Cash and other Monetary Assets) and b) additional CVC spending related to the Exhibition Hall Renovation Project.

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

At September 30, 2020, Dollars in Thousands

INVESTMENTS	SHARES/PAR	AMORTIZED PREM. /(NET OF DISC.)	INTEREST RECEIVABLE	INVESTMENTS, NET	MARKET VALUE
INTRAGOVERNMENTAL, NONMARKETABLE: Capitol Visitor Center Revolving Fund					
One Day Certificate, 0.07% Annual Yield Maturing 10/01/2020	$11,325	$-	$-	$11,325	$11,325
Six Month Certificate, 0.125% Annual Yield Maturing 01/21/2021	5,003	(2)	$-	5,001	5,002
One Year Certificate, 1.45% Annual Yield Maturing 01/28/2021	4,059	(19)	$-	4,040	4,058
Total Intragovernmental	**$20,387**	**$(21)**	**$-**	**$20,366**	**$20,385**
With the Public, Held to Maturity:					
The Bank of New York Mellon Operating Reserve Fund Serial Zero Coupon Certificates Maturing 08/15/2024	$10,761	$-	$-	$10,761	$10,761
Total With the Public	**$10,761**	$-	$-	**$10,761**	**$10,761**
Total Investments	**$31,148**	**$(21)**	**$-**	**$31,127**	**$31,146**

At September 30, 2019, Dollars in Thousands

INVESTMENTS	SHARES/PAR	AMORTIZED PREM. /(NET OF DISC.)	INTEREST RECEIVABLE	INVESTMENTS, NET	MARKET VALUE
INTRAGOVERNMENTAL, NONMARKETABLE: Capitol Visitor Center Revolving Fund					
One Day Certificate, 1.90% Annual Yield Maturing 10/01/2019	$14,009	$-	$-	$14,009	$14,009
Six Month Certificate, 2.06% 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 08/31/2020	1,525	(23)		1,502	1,501
Total Intragovernmental	**$24,681**	**$(90)**	**$-**	**$24,591**	**$24,603**
With the Public, Held to Maturity:					
The Bank of New York Mellon Operating Reserve Fund 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**

NOTE 6: Accounts Receivable, Net

The AOC's Accounts Receivable as of September 30, 2020, and 2019, are as follows:

Dollars in Thousands

ACCOUNTS RECEIVABLE	2020	2019
Intragovernmental		
Entity	$607	$1,857
Total Intragovernmental	**$607**	**$ 1,857**
With the Public		
Entity	$355	$850
Non-Entity	2	26
Total With the Public	**$357**	**$876**
Total	**$964**	**$2,733**

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

The decrease in the total accounts receivables was due to multiple factors. First, steam and chilled water usage and billing were lower as a result of the COVID-19-related shutdown. Also, AOC transitioned to monthly billing and collections which reduced the amount outstanding at the end of the current reporting period. Additionally, CVC closed for public tours Thursday, March 12, at 4:30 p.m. due to public health concerns associated with COVID-19. As a result, there are no restaurant commissions due as of September 30, 2020.

NOTE 7: Inventory & Related Property, Net

Inventory consists of retail goods that were purchased for resale at the CVC'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, 2020, and 2019, is as follows:

Dollars in Thousands

INVENTORY CATEGORY	2020	2019
Purchased Goods Held for Current Sale	$1,185	$624
Total	**$1,185**	**$624**

The FY 2020 inventory on hand is higher compared to FY 2019. This is due to a reduced inventory turnover in the current period due to the closing of the CVC Gift Shops on March 12 at 4:30 p.m. due to public health concerns associated with COVID-19.

Inventory on hand may include damaged items which consist of broken and/or stained merchandise that are no longer in saleable condition, such as display items. Discontinued or defective merchandise may also be restricted from future sales and carried as damaged inventory until disposed. 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, 2020.

NOTE 8: General Property, Plant and Equipment, Net

The AOC records property and equipment by distinct categories as shown below (see Note 1.K for AOC's capitalization thresholds and related useful lives).

The following chart represents AOC's real property and equipment values, by asset category, as of September 30, 2020, and 2019:

At September 30, 2020, Dollars in Thousands

CLASS OF PROPERTY AND EQUIPMENT	ACQUISITION VALUE	ACCUMULATED DEPRECIATION	NET BOOK VALUE	%
Buildings	$1,440,184	$838,164	$602,020	24.5%
Buildings Improvements	2,362,061	1,167,300	1,194,761	48.8%
Capital Leases (Real Property)	40,143	37,036	3,107	0.1%
Construction Work-in-Progress	425,090	-	425,090	17.3%
Equipment and Internal Use Software	21,686	17,636	4,050	0.2%
Land	169,231	-	169,231	6.9%
Land Improvements	164,010	118,590	45,420	1.9%
Leasehold Improvements	22,934	20,389	2,545	0.1%
Other Structures	9,289	5,057	4,232	0.2%
Total	**$4,654,628**	**$2,204,172**	**$2,450,456**	**100%**

At September 30, 2019, Dollars in Thousands

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%
Capital Leases (Real Property)	39,749	36,423	3,326	0.2%
Construction Work-in-Progress	221,016	-	221,016	9.8%
Equipment and Internal Use Software	20,822	17,216	3,606	0.2%
Land	169,231	-	169,231	7.5%
Land Improvements	159,483	110,841	48,642	2.2%
Leasehold Improvements	22,935	19,924	3,011	0.1%
Other Structures	9,288	4,696	4,592	0.2%
Total	**$4,322,876**	**$2,072,093**	**$2,250,783**	**100%**

The increase in Construction Work-in-Progress is primarily due to ongoing work on various AOC-wide capital improvement projects such as the Cannon House Office Building renewal project.

The AOC's current year PP&E activity is as follows:

Current Year Activity Net PP&E	Dollars in thousands
Balance at Beginning of year	$2,250,783
Capitalized Acquisitions	332,208
Dispositions	(456)
Depreciation	(132,079)
Balance at end of year	**$2,450,456**

The educational, artistic, architectural, and historical significance of many of AOC's buildings meet 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 related to its mission to serve Congress and the Supreme Court, preserve America's Capitol and inspire memorable experiences. Tracing its beginnings to the laying of the U.S. Capitol Building cornerstone in 1793, authority for AOC's care and maintenance of the U.S. Capitol was established by legislation in 1876. The agency maintains multiple categories of heritage assets, including historic buildings and structures, stewardship lands and cultural landscapes, artwork, architectural features, reference and library materials, and living botanical assets. The AOC shares stewardship responsibility for certain heritage assets with the curators for the U.S. Senate and the House of Representatives. These heritage assets are categorized as joint works of art and included in AOC's inventory. In addition, while 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 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 stewardship PP&E is described more fully in the Required Supplementary Information (RSI). Deferred maintenance and repairs are separately disclosed as RSI.

Historic Buildings and Structures

The AOC maintains multiple historic buildings and structures, along with their historic fabric. These facilities include the U.S. Capitol Building, Russell Senate Office Building, Dirksen Senate Office Building, Hart Senate Office Building, Senate Underground Garage, Daniel Webster Page Residence, Cannon House Office Building, Longworth House Office Building, Rayburn House Office Building, East and West House Underground Garages, Ford House Office Building, Thomas Jefferson Building, John Adams Building and James Madison Memorial Building. They also include the U.S. Botanic Garden (USBG) Conservatory, USBG Administration Building, Capitol Power Plant Main Boiler Building, Capitol Power Plant East Refrigeration Plant, Capitol Power Plant Old Generator Building, U.S. Supreme Court Building and Thurgood Marshall Federal Judiciary Building. All of these facilities are predominantly used in general government operations and are considered multiuse heritage assets. Multiuse heritage assets are shown at cost and presented as General Property, Plant and Equipment, Net on the Balance Sheet. 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 the U.S. Capitol Grounds, the approximately 286 acres 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, the Marshall Building site and the memorial trees planted on the U.S. Capitol Grounds to honor distinguished citizens, groups and national events. In general, units of stewardship land are added or withdrawn through congressional action. Memorial trees are added through congressional action or donation.

An inventory of the memorial trees as of September 30, 2020, and 2019 follows:

DESCRIPTION	2019	ADDED	WITHDRAWN	OTHER ADJUSTMENTS	2020	CONDITION
Memorial Trees	145	2	(1)	4	150	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 through congressional action or donation, and withdrawn due to plants dying or being composted/discarded due to disease or change in institutional need. Collectible heritage assets include:

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

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

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

Living Botanical Assets: As Acting Director of the USBG, 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 AOC's collectible heritage assets as of September 30, 2020, and 2019 follows:

DESCRIPTION	2019	ACQUIRED	WITHDRAWN	OTHER ADJUSTMENTS	2020	CONDITION
Artwork	2,032	1	-	(80)	1,953	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)	1,216	3	-	-	1,219	Good
Other Traditional Archival Records	540,666	11,969	-	(586)*	552,049	Fair to Excellent
Electronic Archival Records (Megabytes)	5,417.57	7,966.50	-	(1,282.69)*	12,101.38	N/A
Living Botanical Assets (Accessions)	9,651	658	(386)	-	9,923	N/A

*The AOC made the determination to exclude preaccessioned materials from their heritage assets inventory, although these materials will continue to be described in the RSI. Preaccessioned materials are records that have been transferred to the Records Management and Archives Branch, but not yet screened and registered as part of the official archival collection. As a result of this change, 586 items were removed from the Other Traditional Archival Records inventory and 1,282.69 MB were removed from Electronic Archival Records inventory. These items appear in the Adjustments column in the summary above.

NOTE 10: Other Assets

As of September 30, 2020, Other Assets consist of the unliquidated balance on advance payments to other federal agencies for work performed under interagency agreements. In FY 2019, Other Assets consisted of employee travel advances in addition to the advance payments.

Dollars in Thousands

OTHER ASSETS	2020	2019
Intragovernmental		
Advances to Others	$214	$834
Total Intragovernmental	**$214**	**$834**
With the Public		
Advances to Others	$-	$4
Total With the Public	$-	$4
Total	**$214**	**$838**

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

NOTE 11: Liabilities Not Covered by Budgetary Resources

The Balance Sheet as of September 30, 2020, and 2019, includes some liabilities not covered by current budgetary resources. Such liabilities require future Congressional action whereas liabilities covered by budgetary resources reflect prior congressional action. Regardless of when the congressional action occurs, when the liabilities are liquidated, Treasury will finance the liquidation in the same way that it finances all other disbursements, which is to borrow from the public if the Government has a budget deficit (and to use current receipts if the Government has a surplus). The AOC's liabilities that do not require the use of budgetary resources are undeposited CVC Gift Shops sales and miscellaneous receipts that are to be forwarded to Treasury.

The amount reported as "Other" in the table below represents the financed portion of the cogeneration project. 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 1 and Note 16).

Liabilities covered and not covered by budgetary resources as of September 30, 2020, and 2019, are as follows:

Dollars in Thousands

LIABILITIES	2020	2019
Intragovernmental		
Accrued Unfunded Worker's Compensation (Note 12)	$8,720	$ 9,159
Total Intragovernmental	**$8,720**	**$ 9,159**
Debt Held by Public (Note 13)	$58,229	$70,082
Actuarial Unfunded Worker's Compensation (Note 12)	51,668	52,073
Environmental Liabilities – Unfunded (Note 14)	79,062	79,243
Unfunded Accrued Annual Leave and Other (Note 12)	18,611	12,626
Other (Note 16)	49,307	58,031
Capital Lease (Note 15)	4,207	4,408
Total Liabilities Not Covered by Budgetary Resources	**$269,804**	**$ 285,622**
Total Liabilities Covered by Budgetary Resources	**133,925**	**123,775**
Total Liabilities Not Requiring Budgetary Resources (Note 16)	**2**	**57**
Total Liabilities	**$403,731**	**$409,454**

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 accrued liabilities for Workers' Compensation.

Accrued Payroll and Annual Leave, by type, as of September 30, 2020, and 2019, are as follows:

Dollars in Thousands

ACCRUED ANNUAL LEAVE & OTHER	2020	2019
Funded Accrued Payroll	$14,001	$10,982
Unfunded Accrued Annual Leave	18,611	12,626
Total	**$32,612**	**$23,608**

The increase in Funded Accrued Payroll was due to a longer accrued timeframe in FY2020 (13 working days) compared to that of FY 2019 (11 working days). The increase in Unfunded Accrued Annual Leave is attributed to employees taking less leave compared to previous fiscal years, as a result of the COVID-19 related quarantine. Also, employees who were unable to continue working were allowed to use administrative leave.

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, 2020, and 2019, is as follows:

Dollars in Thousands

WORKERS' COMPENSATION, BY TYPE	2020	2019
Unfunded Workers' Compensation (Current)	$8,720	$9,159
Actuarial Workers' Compensation (Long-Term)	51,668	52,073
Total	**$60,388**	**$61,232**

The change in the Actuarial Workers' Compensation liability is due to reduced claims during FY 2020 which lower the overall projection.

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 federal debt and interest payable. The AOC is responsible for paying 30-year Serial Zero Coupon Certificates of Participation that were issued in 1989 for financing the construction of the Marshall Building. The certificates were issued at $125.4 million with a maturity value of $525.5 million and are amortized using the effective interest rate of 9 percent (corresponding to the discount). Interest payable is accrued for the coupon certificates as well as the financed portion of the cogeneration project.

The balance of Debt Held by the Public, as of September 30, 2020, and 2019, is as follows:

Dollars in Thousands

DEBT HELD BY THE PUBLIC, BY TYPE	2020	2019
Securities	$68,920	$86,150
Interest Payable	1,086	1,453
Subtotal	**$70,006**	**$87,603**
Discount on Securities	$ (400,123)	$(400,123)
Less: Amortization of Discount	388,346	382,602
Subtotal	**$(11,777)**	**$(17,521)**
Total	**$58,229**	**$70,082**

Various judiciary offices and personnel occupy the Marshall Building 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 $17.2 million annually, which is the amount necessary to retire the debt 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 AOC's accrued and potential liabilities for contingent and environmental cleanup costs, as of September 30, 2020, and 2019, are shown below.

Dollars in Thousands

At September 30, 2020 CONTINGENT AND ENVIRONMENTAL CLEANUP COST LIABILITIES	ACCRUED LIABILITIES	ESTIMATED RANGE OF LOSS	
		LOWER END	UPPER END
Legal Liabilities:			
Reasonably Possible	$ -	$ -	$2,800
Environmental Cleanup Cost Liabilities:			
Probable	$79,062	$79,062	$79,062
	$79,062	**$79,062**	**$81,862**

Dollars in Thousands

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
	$79,243	**$79,743**	**$88,643**

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 herein for those cases that are determined to meet management's materiality threshold (see Note 1.M). 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.

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

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 the Capitol Building, House Office Buildings and Senate Office Buildings 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 30 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, AOC 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 ongoing. Construction related to ESPCs in the Capitol Building, House Office Buildings and Senate Office Buildings jurisdictions is complete, and those projects have transitioned to their training, implementation and performance phases.

The AOC is liable for the full funding of its recently completed cogeneration plant, as follows:

DOLLARS IN MILLIONS	TOTAL
Construction Costs	
Appropriations	$20
Long Term Financing	67
Total Construction Costs	**$87**
Interest On Financing	25
Total Costs Over the Life of the Asset	**$112**

The AOC will pay off the total amount of government contract payments (including interest) in 20 annual installments ranging from $3 million to $5 million each year (and subject to prepayment penalties). Total payments over the term, including interest and prepayments, will be approximately $92 million. The amount outstanding as of the current reporting period is approximately $49 million (See Note 16, Other Liabilities). The AOC expects that these payments will be completed by May 2037 from utility savings and additional revenues that result from the operations of the cogeneration facility.

NOTE 15: Leases

As of September 30, 2020, 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

The balance of Assets under Capital Lease, as of September 30, 2020, and 2019, is as follows:

Dollars in Thousands

SUMMARY OF ASSETS UNDER CAPITAL LEASE	2020	2019
Lands and Buildings	$40,143	$39,749
Accumulated Amortization	(37,036)	(36,423)
Total Capital Leases	**$3,107**	**$3,326**

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 capital lease for the Senate Sergeant at Arms Warehouse building in Landover, MD. This lease is active through FY 2025.

As of September 30, 2020, and 2019, the present value of the future minimum lease payments for this capital lease is as follows:

At September 30, 2020, Dollars in Thousands

FISCAL YEAR	TOTAL
2021	$928
2022	938
2023	947
2024	956
2025	966
Thereafter	-
Total Minimum Future Lease Payment	**$4,735**
Less: Imputed Interest	(528)
Net Capital Lease Liability	**$4,207**

At September 30, 2019, Dollars in Thousands

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**

The future lease payments and related capital lease liabilities as shown in the charts above are not covered by budgetary resources.

Operating Leases

The AOC has entered into various operating lease agreements for equipment, vehicles and commercial space. These lease agreements are held with various entities including the General Services Administration (GSA), Government Publishing Office (GPO) and other commercial vendors and expire on various dates between FY 2021 and FY 2025.

As of September 30, 2020, the aggregate of future payments due under non-cancelable federal and non-federal operating leases and occupancy agreements are as follows:

At September 30, 2020, Dollars in Thousands

	REAL PROPERTY		PERSONAL PROPERTY	
FISCAL YEAR	FEDERAL	NON-FEDERAL	NON-FEDERAL	TOTAL
2021	$ 6,826	$9,834	$9	$16,669
2022	3,146	8,097		11,243
2023	-	6,896	-	6,896
2024	-	941	-	941
2025	-	675	-	675
Thereafter	-	-	-	-
Total Future Leases	**$9,972**	**$26,443**	**$9**	**$36,424**

NOTE 16: Other Liabilities

As of September 30, 2020, and 2019, these liabilities consist of long term debt from the cogeneration financing, accrued accounts payable, undeposited CVC Gift Shops sales and miscellaneous receipts (intragovernmental custodial liabilities). Miscellaneous receipts include non-entity receipts that are to be forwarded to Treasury (See Note 2).

Other liabilities, as of September 30, 2020, and 2019, are as follows:

Dollars in Thousands

OTHER LIABILITES	2020	2019
Intragovernmental		
Custodial Liability (Current)	$ 2	$26
Liability for Deposit Funds, Clearing Accts & Undeposited Collections (Current)	-	31
Total Intragovernmental	$2	$57
With the Public		
Other Accrued Liabilities (Current)	44,810	44,396
Other Liabilities (Non-Current)	49,307	58,031
Total With the Public	94,117	102,427
Total	**$94,119**	**$102,484**

As previously discussed, in FY 2020 there were no undeposited collections due to the closing of the CVC Gift Shops on March 12, 2020 at 4:30 p.m. due to public health concerns associated with COVID-19.

Other Accrued Liabilities (Current) consists of accrued accounts payable. In FY 2020, AOC accrued accounts payable for work performed on ongoing large capital projects and COVID-19 spending.

The change in Other Liabilities (Non-Current) is attributed to a prepayment in addition to the regular annual payment on the cogeneration long term liability. This prepayment was made with funds from utility cost savings realized once the cogeneration equipment was placed in operation. The prepayment resulted in a 3 year reduction of the loan term.

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 NC. Certain costs of the providing entity may not be 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 SNC. The imputed costs are offset by imputed financing sources and are reported on the face of the Statement of Changes in Net Position (SCNP).

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

The AOC has activities with OPM that also require imputed costs and financing sources to be recognized. 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. The AOC does not match TSP contributions for employees who participate in the CSRS retirement program.

CSRS Offset: CSRS Offset generally covers those employees who have had a break in their CSRS service of more than one 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. The AOC does not match TSP contributions for employees who participate in the CSRS Offset retirement program.

FERS: According to PL 99-335, employees with less than five years of creditable civilian service, as of the effective date in 1986, were automatically converted to FERS. In addition, during certain periods in 1987, 1988 and 1998, employees hired before January 1, 1984, could choose to participate in FERS. This system consists of Social Security, a basic annuity plan and the TSP.
The AOC and the 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 periods ending September30, 2020, and 2019, is as follows:

Dollars in Thousands

IMPUTED FINANCING, BY TYPE	2020	2019
Pensions		
CSRS	$571	$863
CSRS Offset	489	638
FERS	46,199	43,851
Less: Contributions	(45,042)	(35,336)
Subtotal: Employee Pensions	**$2,217**	**$10,016**
Health Insurance	$15,722	$14,085
Life Insurance	40	38
Subtotal: All Employee Benefits	**$17,979**	**$24,139**
Other Agency – Campus Infrastructure	$3,315	$2,124
OCWR Settlement and Awards Fund	681	379
Total	**$21,975**	**$26,642**

In FY 2020, the change in imputed financing costs for employee benefits are due to a variety of factors. These include rate increases for FEHB and higher FERS agency contributions. Further, enrollment figures for both FEHB and FEGLI have historically fluctuated. Additionally, there was an increase in campus infrastructure costs and additional legal settlements that were paid out of the OCWR Settlement and Awards Fund.

NOTE 18: Net Cost of Operations Related to Payroll

Expenses for salaries and related benefits for the periods ending September 30, 2020, and 2019, are shown in the table below. These amounts were approximately 44 and 46 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 year payment), Unemployment Compensation for Federal Employees (UCFE), and imputed costs paid by OPM. Other Accrued Expenses consist of payroll and benefit related accruals. Those costs do not include the unfunded accrued annual leave and long term actuarial FECA.

Net Cost of Operations Related to Payroll for the periods ending September 30, 2020, and 2019, is as follows:

Dollars in Thousands

EXPENSES FOR PAYROLL & RELATED BENEFITS	2020	2019
Payroll Expense	$291,655	$276,341
Benefit Expenses		
FECA and UCFE	4,202	4,189
Imputed Costs (Note 17)	17,979	24,139
Other Accrued Expenses	2,580	5,428
Total Expenses for Payroll & Related Benefits	**316,416**	**310,097**
Total Gross Cost	**$714,005**	**$678,578**
Payroll Related Expenses t Gross Costs (%)	**44%**	**46%**

In FY 2020, the change in payroll related expense is primarily due to an adjustment to the cost of living index, and increased spending related to COVID-19.

NOTE: 19: Reconciliation of SCNP Appropriations to SBR

Amounts reported as Appropriations Received on the 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 and other new budget authority.

The reconciliation for the periods ending September 30, 2020, and 2019 is as follows:

Dollars in Thousands

RECONCILIATION OF SCNP APPROPRIATIONS TO SBR	2020	2019
SCNP		
Appropriations received	$728,504	$742,744
Total SCNP Appropriations	**$728,504**	**$742,744**
SBR		
Spending Authority Made Available	$-	$7,000
Trust or Special Fund Receipts	27	59
Total SBR Appropriations	**$728,531**	**$749,803**

The appropriations on the SCNP for the periods ending September 30, 2020, and 2019, consist of $728.5 million and $742.7 million, respectively for appropriations received.

The difference in prior year Spending Authority Made Available is due to the prior year classification of amounts transferred in from restricted unavailable balances in the House Office Building Fund. The reduction in Trust or Special Fund Receipts is due to the cancelation of several commercial photography permits in Union Square as a result of COVID-19 restrictions. These cancelations resulted in reduced permit fee collections.

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 periods ending September 30, 2020, and 2019, are as follows:

Dollars in Thousands

UNDELIVERED ORDERS	2020	2019
Paid		
Federal	$214	$834
Non-Federal	-	4
Total Paid	**$214**	**$838**
Unpaid		
Federal	$18,162	$34,846
Non-Federal	439,627	392,552
Total Unpaid	**$457,789**	**$427,398**

In FY 2020, the changes in the Unpaid Undelivered Orders balances are mainly due to capital improvement projects for the House Office Buildings. Vendor obligations for subsequent phases of the Cannon House Office Building renewal contributed to the increase in the Non-Federal Unpaid Undelivered Orders balance. Similarly, the Federal Unpaid Undelivered Orders balance decreased mainly due to the Security Window Installation project as obligations to GSA were delivered and paid.

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, 2019, was published in February 2020. The AOC's budget and spending is disclosed in the President's Budget, which can be found on the OMB website (www.whitehouse.gov/omb/budget/) under Legislative branch. When available, the FY 2020 President's Budget is reconciled to AOC's September 2019 SBR to identify material differences.

The chart below represents the FY 2020 President's Budget reconciliation.

Dollars in Millions

RECONCILIATION OF SBR TO BUDGET FY 2019	BUDGETARY RESOURCES	OBLIGATIONS INCURRED	NET OUTLAYS
Combined Statement of Budgetary Resources (SBR)	$1,507	$901	$655
Items on SBR - Not on Budget:			
Expired Funds	(21)	-	-
Other	(58)	1	1
Budget of the United States Government	**$1,428**	**$902**	**$656**

The "Other" difference between the FY 2019 comparative amounts presented on the SBR and the actual amounts published in the FY 2020 President's Budget are due to recoveries and unobligated balances brought forward, which 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: Statement of Budgetary Resources – Unobligated Balance Brought Forward, October 1

There were no material adjustments during the current year to correct the unobligated balance brought forward, October 1. Components of the amount reported as "Unobligated Balance from Prior Year Budget Authority, net" is disclosed below:

Dollars in thousands

NET ADJUSTMENTS TO UNOBLIGATED BALANCE BROUGHT FORWARD, OCTOBER 1	2020	2019
Unobligated Balance Brought Forward, October 1	$606,617	$656,095
Net Adjustments		
Cancelled Authority	(3,424)	(1,974)
Downward Adj PY Unpaid Unexpended Obligations	18,440	8,215
Downward Adj PY Unpaid Expended Authority	11,047	9,839
Downward Adj PY Paid Expended Authority Refunds Collected	9,934	22,747
Total Net Adjustments	**$35,997**	**$38,827**
Unobligated Balance From Prior Year Budget Authority, Net	**$642,614**	**$694,922**

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 period ending September 30, 2020 and 2019 is as follows:

At September 30, 2020, Dollars in Thousands

Reconciliation of Net Operating Cost and Net Budgetary Outlays	Intragovernmental	With the Public	Total
Net Operating Cost	**$35,303**	**$591,949**	**$627,252**
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	-	($132,466)	($132,466)
Property, plant, and equipment disposal & reevaluation	-	(75)	(75)
Other	-	(717)	(717)
Increase/(decrease) in assets:			
Accounts receivable	(1,252)	(495)	(1,747)
Other assets		(654)	(654)
Investments	47	-	47
(Increase)/decrease in liabilities not affecting Budget Outlays:			
Accounts payable	(104)	(6,327)	(6,431)
Salaries and benefits	-	(3,019)	(3,019)
Environmental and disposal liabilities	-	182	182
Other liabilities	-	20,630	20,630
Other financing sources			
Federal employee retirement benefit costs	(21,975)	-	(21,975)
Transfers out (in) without reimbursement	-	748	748
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	**($23,284)**	**($122,192)**	**($145,476)**
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Acquisition of capital assets	-	332,642	332,642
Other	-	(17,319)	(17,319)
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	**$-**	**$315,323**	**$315,323**
Net Outlays (Calculated Total)	**$12,019**	**$785,079**	**$797,098**
Related Amounts on the Statement of Budgetary Resources			
Outlays, net			$797,098
Agency Outlays, Net			**$797,098**

At September 30, 2019, Dollars in Thousands

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 (Unfunded leave, unfunded FECA, actuarial FECA)	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 Budgetary 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.

NOTE 24: COVID-19 Activity

During FY 2020, AOC received supplemental appropriations totaling $25 million as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Additionally, and in accordance with AOC's general transfer authority under 2 U.S.C. § 1862 and 31 U.S.C. § 1532, AOC received approval from the Senate Appropriations Committee to transfer up to $2 million from other appropriations to the CCO account (see Note 1.G). This transfer was requested to allow AOC to continue funding contractor reimbursements pursuant to Section 3610 of the CARES Act. As of the current reporting period, AOC has transferred $1 million from the Senate Office Building account for this purpose.

Supplemental CARES Act funding provided additional cleaning supplies and services, COVID-related overtime, temporary employee hires and authorized payments to AOC service contractors made in accordance with Section 19005(a) of the CARES Act.

The table below depicts available funding and spending by program activity. COVID-related spending within the jurisdictions' current appropriations as part of their operational expenses are separately presented herein.

As of September 30, 2020, Dollars in Thousands

Budget Authority	CARES Act	Transfers	Total Authority
	$25,000	**$1,000**	**$26,000**

CARES Act Spending	Obligations	Expenditures	Total Spending
Supplies and Services	$3,187	$12,998	$16,185
Payroll	-	3,759	3,759
Contract Payments	564	2,804	3,368
Total CARES Act Spending	**$3,751**	**$19,561**	**$23,312**
		CARES Act Funds Available	**$2,688**

Jurisdiction Spending from Current Appropriations	
Additional Jurisdiction Spending for COVID-19 Related Costs	**$5,884**
Total COVID-19 Spending	**$29,196**

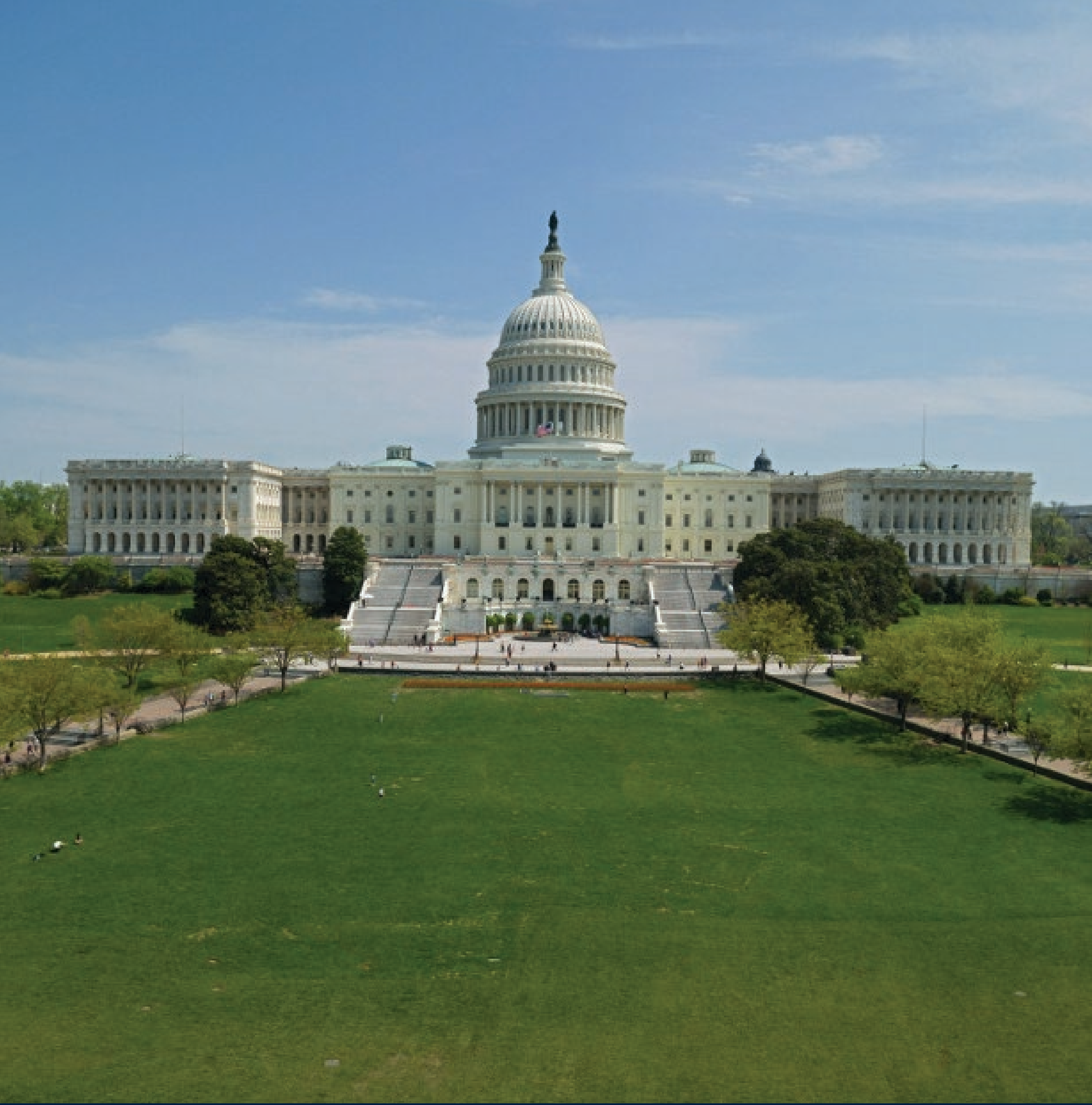
The CVC closed for public tours Thursday, March 12, at 4:30 p.m. due to public health concerns associated with COVID-19. Accordingly, AOC recorded no sales from the CVC gift shops and no outstanding restaurant commissions from March 2020 to date, resulting in a decrease of CVC's earned revenues. The COVID-19-related Gift Shop closures also caused large fluctuations in Cash and Other Monetary Assets, Investments, and in Inventory & Related Property, as reported in Notes 4, 5, and 7, respectively.

Additional footnotes discussing COVID-related impacts are Note 3 - Fund Balance with Treasury, Note 16 - Other Liabilities, Note 12 - Payroll-Related Liabilities, Note 18 - Net Cost of Operations Related to Payroll, and Note 19 - Reconciliation of SCNP Appropriations to SBR.

Acronyms and Abbreviations

ACM	Asbestos-Containing Materials
AI	Artificial Intelligence
AICPA	American Institute of Certified Public Accountants
AOC	Architect of the Capitol
BAR	Budget and Accrual Reconciliation
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CCO	Capital Construction and Operations
COVID	Coronavirus Disease of 2019
CSRS	Civil Service Retirement System
CVC	U.S. Capitol Visitor Center
DOL	U.S. Department of Labor
ESPC	Energy Savings Performance Contracts
FASAB	Federal Accounting Standards Advisory Board
FBWT	Fund Balance with Treasury
FECA	Federal Employees' Compensation Act
FEGLI	Federal Employee Group Life Insurance
FEHB	Federal Employees Health Benefits
FERS	Federal Employees Retirement System
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 Administration
GTAS	Government-wide Treasury Account Symbol Adjusted Trial Balance System
Kearney	Kearney & Company, P.C.
NFC	National Finance Center
OI	Other Information
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PAR	Performance and Accountability Report

PC	Professional Corporations
RPA	Robotic Process Automation
RSI	Required Supplementary Information
SFFAS	Statements of Federal Financial Accounting Standards
SNC	Statement of Net Cost
SCNP	Statement of Changes in Net Position
SOC	Service Organization Controls
SBR	Statement of Budgetary Resources
Treasury	U.S. Department of Treasury
UCFE	Unemployment Compensation for Federal Employees
U.S.	United States
USBG	U.S. Botanic Garden
USCP	United States Capitol Police
U.S.C	United States Code



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