Financial Statements

Balance Sheet
as of September 30, 2023
(in dollars)

		FY 2023
ASSETS:		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	$	72,597,482
Accounts Receivable, Net (Note 3)		50,269
Advances and Prepayments (Note 4)		43,168
Total Intragovernmental		72,690,919
Other Than Intragovernmental		
Accounts Receivable, Net (Note 3)		20,514,277
Property, Plant, and Equipment, Net (Note 5)		7,030,642
Advances and Prepayments		2,717,795
Total Other Than Intragovernmental		30,262,714
Total Assets	**$**	**102,953,633**
LIABILITIES (Note 6):		
Intragovernmental:		
Accounts Payable		1,311,237
Other Liabilities (Note 7)		
Employee Benefits		351,484
Workers Compensation		285,722
Employer Contributions Payable		103,802
Custodial Liability		20,500,433
Other Liabilities Without Related Budgetary Obligations (Note 8)		1,145,639
Total Intragovernmental		23,698,317
Other than Intragovernmental:		
Accounts Payable		7,973,324
Federal Employee Benefits Payable (Note 9)		9,272,392
Other Liabilities (Note 7)		
Accrued Funded Payroll		1,444,175
Other Liabilities with Related Budgetary Obligations		14,003
Total Other Than Intragovernmental		18,703,894
Total Liabilities	**$**	**42,402,211**
NET POSITION:		
Unexpended Appropriations - Funds from Other than Dedicated Collections	$	64,119,056
Total Unexpended Appropriations		64,119,056
Cumulative Results of Operations - Funds from Dedicated Collections		18,953
Cumulative Results of Operations - Funds from Other than Dedicated Collections		(3,586,587)
Total Cumulative Results of Operations		(3,567,634)
Total Net Position	**$**	**60,551,422**
Total Liabilities and Net Position	**$**	**102,953,633**

The accompanying notes are an integral part of these statements.

Statement of Net Cost
For the Year Ended September 30, 2023
(in dollars)

		FY 2023
STRATEGIC GOAL 1 - PREVENT:		
Gross Cost	$	64,529,229
Earned Revenue		(2,574,902)
Net Cost Strategic Goal 1	**$**	**61,954,327**
STRATEGIC GOAL 2 - ADDRESS:		
Gross Cost	$	24,352,116
Earned Revenue		
Net Cost Strategic Goal 2	**$**	**24,352,116**
STRATEGIC GOAL 3 - COMMUNICATE:		
Gross Cost	$	18,033,284
Earned Revenue		-
Net Cost Strategic Goal 3	**$**	**18,033,284**
STRATEGIC GOAL 4 - SUPPORT:		
Gross Cost	$	65,820,029
Earned Revenue		-
Net Cost Strategic Goal 4	**$**	**65,820,029**
TOTAL ENTITY:		
Total Gross Cost	$	172,734,658
Less: Earned Revenue		(2,574,902)
Total Net Cost of Operations (Note 15)	**$**	**170,159,756**

The accompanying notes are an integral part of these statements.

Statement of Changes in Net Position
For the Year Ended September 30, 2023
(in dollars)

		FY 2023
UNEXPENDED APPROPRIATIONS:		
Beginning Balance	$	67,419,775
Corrections of Errors (Note 17)	$	8,398,138
Beginning Balance, as adjusted	$	75,817,913
Appropriations Received		152,500,000
Other Adjustments		(1,082,158)
Appropriations Used		(163,116,699)
Net Change in Unexpended Appropriations		(11,698,857)
Total Unexpended Appropriations	**$**	**64,119,056**
CUMULATIVE RESULTS OF OPERATIONS:		
Beginning Balance		(3,273,771)
Appropriations Used		163,116,699
Transfers In/Out without Reimbursement		-
Imputed Financing (Note 9)		6,749,294
Other		(100)
Net Cost of Operations (Note 15)		(170,159,756)
Net Change in Cumulative Results of Operations		(293,862)
Total Cumulative Results of Operations	**$**	**(3,567,634)**
Net Position	**$**	**60,551,422**

The accompanying notes are an integral part of these statements.

Statement of Budgetary Resources
For the Year Ended September 30, 2023
(in dollars)

		FY 2023
BUDGETARY RESOURCES:		
Unobligated balance from prior year budget authority, net	$	34,374,133
Appropriations		152,500,000
Spending authority from offsetting collections		4,551,635
Total Budgetary Resources	**$**	**191,425,768**
STATUS OF BUDGETARY RESOURCES:		
New Obligations and Upward Adjustments (Note 11)	$	173,445,056
Unobligated balance, end of year:		
Apportioned, unexpired account		13,793,173
Unapportioned, unexpired accounts		1,858,984
Expired Unobligated Balance, end of year		2,328,555
Unobligated balance, end of year (total)		17,980,712
Total Status of Budgetary Resources	**$**	**191,425,768**
OUTLAYS, NET:		
Outlays, net (total)	$	162,348,293
Distributed offsetting receipts		(28,219)
Total Agency Outlays, net (Note 15)	**$**	**162,320,074**

The accompanying notes are an integral part of these statements.

Statement of Custodial Activity
For the Year Ended September 30, 2023
(in dollars)

		FY 2023
REVENUE ACTIVITY:		
Sources of Cash Collections:		
Miscellaneous		42,143,151
Total Cash Collections		42,143,151
Accrual Adjustments		13,239,423
Total Custodial Revenue (Note 14)	**$**	**55,382,574**
DISPOSITION OF COLLECTIONS:		
Transferred to Others (by Recipient)		
U.S. Department of Treasury		42,143,151
Increase/(Decrease) in Amounts Yet to be Transferred		13,239,423
Retained by the Reporting Entity		-
Total Disposition of Collections	**$**	**55,382,574**
Net Custodial Activity	**$**	**-**

The accompanying notes are an integral part of these statements.

Notes to the Financial Statements

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The accompanying financial statements present the financial position, net cost of operations, changes in net position, budgetary resources, and custodial activities of the U.S. Consumer Product Safety Commission (CPSC), an independent federal regulatory agency with a mission to save lives and keep families safe by reducing the risk of injuries and deaths associated with consumer products. CPSC was created in 1972 by Congress under the Consumer Product Safety Act (CPSA) and began operating in 1973. The agency is headed by five commissioners nominated by the President and confirmed by the Senate for staggered seven-year terms. The President designates one of the commissioners as Chair, who is the agency head. The CPSA (as amended) authorizes CPSC to:

- Issue and enforce mandatory standards
- Pursue recalls of products or arrange for their repairs
- Develop voluntary standards
- Conduct research on potential product hazards
- Inform and educate consumers
- Respond to industry and consumer inquiries

Fund Accounting Structure

CPSC's financial activities are accounted for by federal account symbols. They include the accounts for appropriated funds and other fund groups described below for which the CPSC maintains financial records.

Appropriated Funds: These funds consist of salaries and expenses appropriation accounts used to fund agency operations and capital expenditures, the grant programs under the Virginia Graeme Baker Pool and Spa Safety Act (VGB Act) and Nicholas and Zachary Burt Memorial Carbon Monoxide Poisoning Prevention Act of 2022, as well as COVID-19 relief under the American Rescue Plan Act (ARPA) (Pub .L. No. 117-2).

General Fund Receipt Accounts: CPSC collects civil penalties, Freedom of Information Act (FOIA) fees, and other miscellaneous receipts, which by law are not retained by CPSC. The U.S. Treasury automatically transfers all cash balances in these receipt accounts to the general fund of the U.S. Treasury at the end of each fiscal year.

Gifts and Donations Receipt Account: U.S.C. Title 15, Chapter 47, section 2076, paragraph (b)(6), authorizes CPSC "to accept gifts and voluntary and uncompensated services." CPSC occasionally receives donations from non-governmental sources in support of the agency's mission.

Budget Authority

Congress enacts appropriations that provide CPSC with authority to obligate funds for necessary expenses to carry out authorized program activities. The funds appropriated are subject to the Office of Management and Budget (OMB) apportionment. CPSC's Administrative Control of Funds directive complies with federal budgetary accounting guidelines of OMB Circular No. A-11, *Preparation, Submission and Execution of the Budget*, as amended. This directive places internal restrictions on the apportioned funds by designating the amount, use, and authorized party of any division of the apportioned funds. These restrictions (known as allotments, sub-allotments, and allowances) limit the amounts available so obligations will not exceed the appropriated or apportioned amounts.

Basis of Accounting and Presentation

The financial statements have been prepared on an accrual basis and the budgetary basis of accounting in conformity with the Generally Accepted Accounting Principles (GAAP) for the federal government. Accordingly, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. These principles differ from budgetary reporting principles. The differences relate

primarily to the capitalization and depreciation of property and equipment, as well as the recognition of other long-term assets and liabilities. The statements were also prepared in conformity with OMB Circular No. A-136, *Financial Reporting Requirements*, as amended.

Assets

Intragovernmental assets are assets that arise from transactions with other federal entities. The Fund Balance with Treasury comprises of the majority of intragovernmental assets on CPSC's Balance Sheet.

A. Fund Balance with Treasury

The U.S. Department of Treasury (U.S. Treasury) collects and disburses cash on behalf of CPSC. Fund Balance with Treasury consists of appropriated funds and general fund receipt accounts. Appropriated funds are available to pay down current liabilities and authorize purchase commitments. General fund receipt accounts are used to record collections made by CPSC. The U.S. Treasury automatically transfers all cash balances in these receipt accounts to the general fund of the U.S. Treasury at year end. CPSC's Fund Balance with Treasury is carried forward until such time as goods or services are received and payment is made, or until the funds are returned to the U.S. Treasury.

CPSC's cash receipts and disbursements are processed by the U.S. Treasury. Fund Balance with Treasury represents obligated and unobligated balances, which are available to finance allowable expenditures and restricted balances, including amounts related to expired authority and amounts not available for use by CPSC.

B. Accounts Receivable and Allowance for Uncollectible Accounts

CPSC's accounts receivable are classified into two types of accounts: entity and non-entity accounts receivable. Entity accounts receivable include amounts due from customers for reimbursable agreement and overpayment to vendors and current and former employees. Non-entity accounts receivable are civil monetary penalties resulting from CPSC's enforcement actions and fees billed to fulfill FOIA requests. CPSC holds these non-entity receivables in a custodial capacity. CPSC calculates the allowance for uncollectible accounts using an analysis of historical collection data. No allowance for uncollectible amounts nor related provisions for estimated losses has been established, as these amounts are fully collectible based on historical experience.

C. Property, Plant, and Equipment (PPE)

PPE consists of equipment, software, furniture, fixtures, other equipment, and leasehold improvements.

Beginning in October 2019, equipment and software with a useful life of two or more years are capitalized when the acquisition cost is greater than or equal to $30,000 per unit or $100,000 for bulk purchases of lesser-value items. Furniture, fixture, and other equipment purchases with an aggregate or bulk acquisition cost of $100,000 and a useful life of two or more years are capitalized. CPSC reports PPE purchases and additions at historical costs. CPSC treats PPE acquisitions that do not meet the capitalization criteria as an expense. Leasehold improvements are capitalized based on contractual agreements.

CPSC depreciates PPE using the straight-line method of depreciation. Leasehold improvements are amortized over the lesser of the leasehold improvement's useful life or the lease term. CPSC removes PPE from its asset account in the period of disposal, retirement, or removal from service. CPSC recognizes the difference between the book value and any proceeds as a gain or loss in the period that the asset is removed.

Liabilities

Liabilities represent amounts that are likely to be paid by CPSC as a result of transactions that have already occurred.

A. Accounts Payable

Accounts payable consist of amounts owed by CPSC to federal agencies and commercial vendors for goods and services received.

B. Salaries and Federal Employee Benefits

Liabilities covered by budgetary resources represent liabilities funded by available budgetary resources, which include appropriated funds and reimbursable authority. These liabilities consist of the salaries and wages of CPSC's employees and the corresponding agency share for the pension, health insurance, and life insurance for employees receiving these benefits. CPSC employees are eligible to participate in the contributory Federal Employees Health Benefit (FEHB) Program and the Federal Employees Group Life Insurance (FEGLI) Program. CPSC makes contributions in addition to the employee contributions to each program to pay for current benefits.

C. Accrued Annual Leave

A liability for annual leave is accrued as leave is earned and is paid when leave is taken. At year end, the balance in the accrued annual leave account is adjusted to reflect the liability at current pay rates and leave balances. Sick leave and other types of leave are treated as an expense when the leave is used by the employee.

D. Federal Employees' Compensation Act (FECA)

CPSC records an estimated unfunded liability for future workers' compensation claims based on data provided by the Department of Labor (DOL). CPSC uses the DOL-provided data to estimate a FECA actuarial liability that is recorded at year end. DOL provides CPSC with the actual claim amounts already paid out by DOL to employees.

E. Commitments and Contingencies

CPSC has claims and lawsuits pending against the agency. CPSC's policy is to include provisions in the financial statements for any losses considered probable and estimable. Management believes that losses from certain other claims and lawsuits are reasonably possible but are not material to the fair presentation of CPSC's financial statements, and provisions for these losses are not included in the financial statements.

Estimates and Assumptions

Preparation of CPSC's financial statements requires Management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results can differ from those estimates.

Changes in Entity or Financial Reporting

The presentation of the Balance Sheet, Statement of Changes in Net Position, Statement of Custodial Activity, and Undelivered Order Note has been modified to be consistent with the presentation of this document's reporting period (*i.e.*, FY 2023). The format of the Balance Sheet has changed to reflect more detail for certain line items, as required by OMB Circular No. A-136 for all significant reporting entities. This change does not affect totals for assets, liabilities, or net position and is intended to allow readers of this report to see how the amounts shown on the Balance Sheet are reflected on the Government-wide Balance Sheet, thereby supporting the preparation and audit of the Financial Report of the United States Government.

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.

Restatements

Certain prior year amounts have been restated to correct errors in the Balance Sheet, Statement of Net Costs (SONC), Statement of Changes in Net Position, and notes to the financial statements.

Note 2 – Fund Balance with Treasury

CPSC's Fund Balance with Treasury consists of apportioned and unapportioned funds. The status of this fund as of September 30, 2023 is the following:

	2023
Status of Fund Balance with Treasury	
Unobligated Balance	
Available	13,793,173
Unavailable	4,187,539
Obligated Balance, Not Yet Disbursed	54,616,770
Custodial Funds held for Treasury	-
Total Fund Balance with Treasury	$ 72,597,482

The available unobligated fund balances represent the current period amount available for obligation or commitment. The available unobligated balances as of September 30, 2023 was $13,793,173.

The unavailable unobligated fund balances represent the amount of appropriation for which the period of availability for obligation has expired. These balances are available for upward adjustments of obligations incurred only during the period for which the appropriation was available for obligation or for paying claims attributable to the appropriations. The unavailable unobligated balances as of September 30, 2023 was $4,187,539.

The obligated balance not yet disbursed includes accounts payable, accrued expenses, and undelivered orders that have reduced unexpended appropriations but have not yet decreased the Fund Balance with Treasury on hand (see **Note 12**).

The custodial funds held for Treasury consist of collections of fines and penalties received from violators of the CPSA (as amended) and fees from FOIA charges, both of which are not available for CPSC to use. The custodial funds held for Treasury makes up the difference between the Fund Balance with Treasury amount reported in the CPSC general ledger and the balance reported in the Governmentwide Accounting (GWA) Statement Module.

Note 3 – Accounts Receivable, Net

CPSC's accounts receivable are comprised of entity and non-entity accounts. The entity receivables include amounts due from other agencies for goods and services provided, amounts due from current and former employees, and other public receivables. The non-entity receivables include Civil Fines and Penalties and FOIA activities. The non-entity civil fines and penalties are aged and are either in litigation, forbearance, or a formal appeals process. No allowance for uncollectible amounts or related provision for estimated losses has been established for CPSC's accounts receivable, as these amounts are fully collectible based on historical experience.

Note 3 – Accounts Receivable, Net (continued)

The composition of accounts receivable as of September 30, 2023 is as follows:

Accounts Receivable	2023
Entity	
Intragovernmental	
Accounts Receivable	50,269
Other Than Intragovernmental	
Accounts Receivable	13,844
Non-Entity	
Other Than Intragovernmental	
Civil Fines and Penalties	20,500,000
Other Receivables	433
Total Non-Entity Accounts Receivable	$ 20,500,433
Total Accounts Receivable	$ 20,564,546

Note 4 – Advances and Prepayments

The majority of advances to other federal agencies are for the services contract with National Institute of Standards and Technology (NIST) in support of CPSC's work with the National Nanotechnology Initiative (NNI). Other advances are for CPSC's services contracts with federal agencies for employee benefits.

The balance of advances and prepayments as of September 30, 2023 is $43,168 for intragovernmental and $2,717,795 with the public for software licenses received, which will be expensed as used.

	2023
Intragovernmental	
Advances and Prepayments	43,168
Other Assets	-
Total Intragovernmental Other Assets	$ 43,168
With the Public	
Advances and Prepayments	2,717,795
Grant Advances	-
Other Assets	-
Total Other Assets	$ 2,760,963

Note 5 – Property, Plant, and Equipment, Net

The composition of PPE, Net as of September 30, 2023 is as follows:

Class of PPE	Acquisition Cost	Accumulated Depreciation/ Amortization	Net Book Value	Service Life in Years
Leasehold Improvement	24,283,497	23,290,273	993,224	6 - 14
Equipment	27,693,697	22,793,572	4,900,125	5 - 12
Furniture, Fixture & Other Equipment	2,608,689	2,608,689	-	3 - 5
ADP Software	1,345,736	1,293,618	52,118	5
Construction in Progress	1,085,175	-	1,085,175	
Total	$ 57,016,794	$ 49,986,152	$ 7,030,642	

Note 6 – Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources are liabilities that are not covered by budgetary resources, including: (1) new budget authority; (2) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year; (3) spending authority from offsetting collections (credited to an appropriation or fund account); and (4) recoveries of expired budget authority through downward adjustments of prior year obligations. Liabilities Not Requiring Budgetary Resources are liabilities that in the past have not required, and will not require, the use of the aforementioned budgetary resources in the future.

The liabilities on CPSC's Balance Sheet as of September 30, 2023 include liabilities not covered by budgetary resources. The intragovernmental liabilities are owed to DOL for the FECA (disability) payments and the General Services Administration (GSA) for the tenant improvement allowance (TIA) provided as a part of the long-term lease on office facilities. CPSC also recognizes liabilities for employee annual leave earned but not yet taken and for workers' compensation actuarial liability. CPSC also collects receivables that are withdrawn to Treasury with no budgetary resource associated. The composition of the liabilities not covered by budgetary resources as of September 30, 2023 is as follows:

		2023
Intragovernmental		
Workers' Compensation		285,722
Other Liabilities Without Budgetary Obligations		1,145,639
Total Intragovernmental	$	1,431,361
Accrued Annual Leave		7,173,867
Workers' Compensation Actuarial Liability		2,030,891
Total Liabilities Not Covered by Budgetary Resources	$	10,636,119
Total Liabilities Covered by Budgetary Resources	$	11,265,659
Total Liabilities Not Requiring Budgetary Resources (see Note 7)	$	20,500,433
Total Liabilities	$	42,402,211

Note 7 – Other Liabilities

CPSC's Other Liabilities on the Balance Sheet is broken into Intragovernmental and Other than Intragovernmental as detailed below:

Other Liabilities		2023
Intragovernmental		
Employee Benefits		351,484
Workers' Compensation		285,722
Employer Contributions Payable		103,802
Custodial Liability		20,500,433
Other Liabilities Without Related Budgetary Obligations		1,145,639
Total Intragovernmental	$	22,387,080
Other than Intragovernmental		
Accrued Funded Payroll		1,444,175
Other Liabilities with Related Budgetary Obligations		14,003
Total Other Than Intragovernmental	$	1,458,178
Total Other Liabilities	$	23,845,258

Civil Service Retirement System (CSRS), Federal Employees' Retirement System (FERS), Federal Insurance Contributions Act (FICA), FEHB, and FEGLI contributions are shown on the Balance Sheets and included in employee benefits and employer contributions liability balances. The amount owed to the Office of Personnel Management (OPM) and the U.S. Treasury as of September 30, 2023 was $455,286.

CPSC has authority to levy fines and penalties against manufacturers, retailers, or distributors who violate the CPSA (as amended), Federal Hazardous Substance Act (FHSA), and the Flammable Fabrics Act (FFA). Civil penalty collections are deposited in the U.S. Treasury and are not available for CPSC to use. CPSC also charges a fee for the processing of FOIA requests. FOIA fees are also deposited in the U.S. Treasury and are not available for CPSC to use. Civil penalties and FOIA fees due and balances in the general fund receipt accounts are recognized as a custodial liability on CPSC's Balance Sheet. As of September 30, 2023, the total Custodial Liabilities are $20,500,433. The revenue and collection activities of these liabilities are presented in the Statement of Custodial Activities.

Note 8 – Other Liabilities without Related Budgetary Obligation

Other Liabilities without Budgetary Obligation are Tenant Improvement Liabilities (TIL) on CPSC's Balance Sheet as of September 30, 2023, which are $1,145,639. The composition of TIL as of September 30, 2023 is as follows:

Other Liabilities	2023
Intragovernmental	
Tenant Improvement Liability – HQ	143,344
Tenant Improvement Liability – NPTEC	1,002,295
Total Tenant Improvement Liability	$ 1,145,639

The unfunded TIL is payable to GSA over the life of the lease. CPSC's lease agreements with GSA are for two facilities in Maryland: the Headquarters (HQ) offices located in Bethesda and the National Product Testing and Evaluation Center (NPTEC) located in Rockville, MD. The two leases provided an allowance for customization of the properties. The TIL is amortized over the life of the lease. The TIL is reduced when the amortized amount is billed by GSA and paid by CPSC.

Note 9 – Federal Employee Benefits Payable

Federal employee benefits consist of the actuarial portion of future benefits earned by federal employees but not yet due and payable. These costs include pensions, other retirement benefits, and other post-employment benefits, excluding workers compensation. These benefits are administered by the U.S. Office of Personnel Management (OPM) and not CPSC. Since CPSC does not administer the benefit plans, CPSC does not recognize any liability on the Balance Sheet for pensions, other retirement benefits, and other post-employment benefits. CPSC does, however, recognize the imputed financing sources/costs related to these benefits on Net Cost of Operations and the Statement of Changes in Net Position.

The federal employee retirement benefit costs paid by OPM and imputed to CPSC for the period ended September 30, 2023 related to imputed financing sources totaled $6,749,294 for the period ended September 30, 2023.

	2023
Estimated future pension costs (CSRS/ FERS)	2,471,400
Estimated future postretirement health insurance (FEHB)	4,265,700
Estimated future postretirement life insurance (FEGLI)	12,194
Total Imputed Costs	$ 6,749,294

CPSC employees participate in either the CSRS or FERS, depending on when they started working for the federal government. FERS and Social Security cover most employees hired after December 31, 1983. Employees who are rehired after a break in service of more than one year and had five years of federal civilian service prior to 1987 are eligible to participate in the CSRS offset retirement system or may elect to join FERS.

For employees participating in CSRS, CPSC contributes seven percent to their plan. FERS is a three-tiered retirement system consisting of a Basic Benefit Plan, Thrift Savings Plan (TSP), and Social Security Benefits.

The TSP under FERS is a savings plan in which CPSC automatically contributes one percent of base pay and matches any employee contributions up to an additional four percent of base pay. For most employees hired after December 31, 1983, CPSC also contributes the employer's matching share for Social Security. CPSC's contributions are recognized as current operating expenses.

The federal employee benefits payable as shown on the Balance Sheet as of September 30, 2023 is $9,272,392 and is made up of accrued annual leave, employer contributions and payroll taxes, and actuarial Federal Employees Compensation Act (FECA).

As of September 30, 2023, CPSC accrued unfunded annual leave for employees in the amount of $7,173,867, employer contributions of $67,634, and actuarial FECA of $2,030,891.

Note 10 – Operating Leases

CPSC's lease agreements with GSA are for three facilities in Maryland: HQ offices located in Bethesda, the National Product Testing and Evaluation Center (NPTEC) located in Rockville, and the Sample Storage Facility (SSF) located in Gaithersburg. Although CPSC has smaller operating leases, they are minimal and do not have a significant impact on overall operations and thus are not presented. The operating lease agreements for the three facilities expire between fiscal years 2023 and 2035. Lease costs for the period ended September 30, 2023, amounted to approximately $8,108,748. Estimated future minimum lease payments for the three facilities are as follows:

Fiscal Year	Estimated Future Lease Payments
2024	8,154,867
2025	8,458,476
2026	8,544,006
2027	8,632,103
2028	8,272,801
After 2028	26,809,230
Total Estimated Future Lease Payments	$ 68,871,483

Note 11 – Apportionment Categories of Obligations Incurred: Direct vs. Reimbursable Obligations

CPSC's apportionments fall under three Categories: Direct Category A, quarterly apportionment for salaries and expenses; Direct Category B, restricted and activity apportionment for the VGB Act grant program and COVID-19 relief under the ARPA; and Reimbursable Category B, restricted and activity apportionment for reimbursable activities. CPSC currently does not have any Reimbursable Category A apportionments. Apportionment categories of obligations incurred for the fiscal year ended September 30, 2023, are as follows:

	2023
Direct:	
Category A	$ 148,109,968
Category B	20,570,289
Reimbursable:	
Category A	-
Category B	4,764,799
Total Obligations Incurred	$ 173,445,056

Note 12 – Undelivered Orders

The amount of budgetary resources obligated for undelivered orders as of September 30, 2023, are:

	Federal	Non-Federal	Total
Paid Undelivered Orders	$ 43,168	$ 2,717,795	$ 2,760,963
Unpaid Undelivered Orders	758,692	45,568,522	46,327,214
Total Undelivered Orders	$ 801,860	$ 48,286,317	$ 49,088,177

Note 13 – Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government – (unaudited)

A reconciliation of CPSC's fiscal year 2022 statement of budgetary resources with the corresponding information presented in the fiscal year 2023 President's Budget is as follows:

FY 2022	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	194,992,941	161,242,749	4,718	151,106,915
Actual Offsetting Collections	-	-	-	-
Expired Unobligated Balance, end of year	(1,764,145)	-	-	-
Differences	(228,796)	(242,749)	(4,718)	(1,106,915)
Budget of the U.S. Government	$ 193,000,000	$ 161,000,000	-	$ 150,000,000

The FY 2025 Budget of the U.S. Government (also known as the President's Budget) will not be published prior to February 2024. Accordingly, a comparison between the FY 2023 data reflected on the statement of budgetary resources and FY 2023 data in the President's Budget cannot be performed. The Budget with the actual amount for FY 2023 will be available at a later date at https://www.whitehouse.gov/omb/budget. The differences reported are due to differing reporting requirements for expired and unexpired appropriations between the Treasury guidance used to prepare the SBR and the OMB guidance used to prepare the President's Budget. The SBR includes both expired and unexpired appropriations, while the President's Budget presents only unexpired budgetary resources that are available for new obligations.

Note 14 – Custodial Revenue

CPSC has authority to levy fines and penalties against manufacturers, retailers, or distributors who violate the CPSA (as amended), the FHSA, and the FFA, as mentioned in Note 7. Custodial revenue collections are derived from two primary sources: civil penalties paid by regulated entities for violations of consumer product safety laws and regulations; and reimbursement of FOIA expenses incurred by the agency when requests are made from the public for CPSC documents.

In FY 2023, CPSC assessed civil penalties and fines in the amount of $55,382,574. However, there were two civil penalties assessed in the fourth quarter of FY 2022 and collected in FY 2023 totaling $7,250,000. Thus, the civil penalties recorded for receipt in FY 2023 financial statements amounted to $42,115,000, which CPSC collected as of September 30, 2023.

The custodial amount yet to be collected (civil penalties, FOIA fines, interest accrued, etc.) by CPSC is $20,500,433 as of September 30, 2023. All custodial revenue collections are deposited in the U.S. Treasury and are not available for CPSC to use.

Note 15 – Reconciliation of Net Cost to Net Outlays

The Budget Accrual Reconciliation (BAR) is a reconciliation of net outlays that are presented on a budgetary basis and the net cost that are presented on an accrual basis, to provide an explanation of the relationship between budgetary and financial accounting information. The BAR for the period ending September 30, 2023, is as follows:

Reconciliation of Net Cost to Net Outlays
Budget and Accrual Reconciliation
For the Year Ended September 30, 2023
(in Dollars)

	Intragovernmental	Other Than Intragovernmental	Total
Net Operating Cost (SNC)	$ 41,400,370	$ 128,759,386	$ 170,159,756
Components of Net Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(2,567,115)	(2,567,115)
Property, Plant, and Equipment Disposals & Revaluations	-	(11,424)	(11,424)
Increase/(Decrease) in Assets:			
Accounts Receivable, Net	(2,147,989)	(2,162)	(2,150,151)
Other Assets	(5,550)	2,717,795	2,712,245
(Increase)/Decrease in Liabilities:			
Accounts Payable	378,896	(2,694,902)	(2,316,006)
Federal Employee Benefits Payable	-	103,369	103,369
Other Liabilities	203,973	1,011,079	1,215,052
Financing Sources:			
Imputed Cost	(6,749,294)	-	(6,749,294)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	$ (8,319,964)	$ (1,443,360)	$(9,763,324)
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets	-	1,951,761	1,951,761
Total Components of the Budget Outlays That Are Not Part of Net Operating Cost	-	$ 1,951,761	$ 1,951,761
Miscellaneous Items			
Distributed Offsetting Receipts (SBR 4200)	-	(28,219)	(28,219)
Custodial/Non-Exchange Revenue	55,382,574	(55,382,574)	-
Non-Entity Activity	100	-	100
Total Other Reconciling Items	$ 55,382,674	$ (55,410,793)	$ (28,119)
Total Net Outlays (Calculated Total)	$ 88,463,080	$ 73,856,994	$ 162,320,074
Budgetary Agency Outlays, Net (SBR 4210)			
Budgetary Agency Outlays, Net			$ 162,320,074

Note 16 – COVID-19 Activity

The American Rescue Plan Act (ARPA) of 2021 (Pub. L. No. 117-2), Nonemergency, was signed into law by President Joseph R. Biden on March 11, 2021. This bill provided additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. CPSC received $50 million in FY 2021 supplemental appropriations to remain available until September 30, 2026 to:

- Carry out the requirements in Title XX of Division FF of the FY 2022 Consolidated Appropriations Act, 2022 (Pub. L. No. 116-260);
- Enhance targeting, surveillance, and screening of consumer products, particularly COVID-19 products entering the United States at ports of entry, including ports of entry for *de minimis* shipments;
- Enhance monitoring of Internet websites for offers for sale of new and used violative consumer products, particularly COVID-19 products, and coordination with retail and resale websites to improve identification and elimination of listing of such products;
- Increase awareness and communication, particularly of COVID-19 product-related risks and other consumer product safety information; and
- Improve the agency's data collection and analysis system, especially with a focus on consumer product safety risks resulting from the COVID-19 pandemic to socially disadvantaged individuals and other vulnerable populations.

CPSC's budgetary activity for ARPA funds is illustrated below as of September 30, 2023:

COVID-19 Activity	**FY 2023**
Budgetary Resources: Unobligated (and unexpired) Balance Carried Forward from Prior Year	$ **28,616,040**
New Budget Authority +	$ 0
Rescissions (-)/Other Changes (+/-) to Budgetary Resources	$ 0
Budgetary Resources Obligated (-)	$ **16,960,036**
Budgetary Resources Obligated: Ending Unobligated (and unexpired) Balance to be Carried Forward	$ **11,656,004**
Outlays, Net (Total)	$ **17,045,970**

Note 17 – Restatement

The previously reported accounts payable as of September 30, 2022 were overstated by $8.4 million. As a result, the beginning "net position – unexpended appropriations" as of October 1, 2022 has been restated to correct the error to increase "net position – unexpended appropriations" by $8.4 million as of October 1, 2022 as presented on the Statement of Changes in Net Position for the year ended September 30, 2023.