United States House *of* Representatives Financial Audit Report

2017

Audit *of the* Financial Statements
for the Fiscal Year Ended September 30, 2017

June 29, 2018 | *Report No. 18-HSW-10*

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Office *of* Inspector General Audit Report Summary

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ANNUAL FINANCIAL STATEMENTS
FISCAL YEAR 2017

SUMMARY

This report presents the audited Annual Financial Statements of the United States House of Representatives (House) for the fiscal years ended September 30, 2017 and 2016[1]. We contracted with Cotton and Company LLP, a certified public accounting firm, to perform an audit of the House's financial statements, and to report on internal control over financial reporting and on any reportable noncompliance with tested laws and regulations. The contract required the audit be performed in accordance with auditing standards generally accepted in the United States of America.

For the twentieth consecutive year, the external auditors expressed an unmodified[2] opinion on the House's financial statements, a noteworthy accomplishment for the House. An unmodified opinion means the financial statements present fairly, in all material respects, the financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

However, Cotton and Company LLP reported a repeat significant deficiency[3] relating to controls over property and equipment. Additionally, a new significant deficiency was reported relating to controls over financial statement presentation and disclosures.

Cotton and Company LLP is solely responsible for the attached auditor's report dated May 31, 2018 and the conclusions expressed therein. The Office of Inspector General does not express an opinion on the House's financial statements, the effectiveness of internal control over financial reporting, or compliance with tested laws and regulations.

We would like to thank House management and staff for their assistance and cooperation during the course of this audit.

[1] Comparative statements presenting the current and preceding years are required by professional standards.
[2] Prior to fiscal year 2013, a "clean" audit opinion was reported as an "unqualified" audit opinion.
[3] A significant deficiency is a deficiency, or a combination of deficiencies, in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. 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.

Management's Discussion *and* Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2017

INTRODUCTION

The U.S. House of Representatives (House) is one of two legislative chambers that comprise the Congress of the United States. The other is the U.S. Senate. Congress is a part of the Federal Government's legislative branch. Fiscal Year (FY) 2017 (October 1, 2016 – September 30, 2017) coincided with sessions of the 114th and 115th U.S. Congresses.

Our History

Article I, Section 1 of the Constitution, adopted by the Constitutional Convention on September 17, 1787, created and vested all legislative powers to the Congress. As outlined in the Constitution, the House represents citizens based on district populations, while the Senate represents citizens on an equal state basis. The primary purpose of the House is to pass legislation, and represent constituents and provide oversight over federal agencies. The House has several powers assigned exclusively to it, including the power to initiate revenue bills, impeach federal officials, and elect the President in the case of an Electoral College tie.

OUR ORGANIZATION

House Membership

The House is comprised of 435 voting Representatives, proportionally representing the population of the 50 states. The current size was set by Public Law 62-5 on August 8, 1911, and in effect since 1913. Article I, Section 2 of the U.S. Constitution provides for both the minimum and maximum numbers of Members in the House; and each state, territory, or district is entitled to at least one Representative. A Resident Commissioner from Puerto Rico and Delegates from American Samoa, the District of Columbia, Guam, the Northern Mariana Islands, and the Virgin Islands complete the composition of the House.

Members are elected by the people for 2-year terms, with all terms running for the same period. Elections for Representatives are held every even-numbered year on Election Day. Article I, Section 2 of the U.S. Constitution states: "No Person shall be a Representative who shall not have attained to the Age of twenty five Years, and been seven Years a Citizen of the United States, and who shall not, when elected, be an Inhabitant of that State in which he shall be chosen."

House Leadership

Article I, Section 2 of the Constitution states, "The House of Representatives shall chuse (sic) their Speaker and other officers." In addition to the Speaker, each political party in the House has a leadership hierarchy, typically including a Majority Leader, Minority Leader, Majority Whip, and Minority Whip.

The Speaker acts as leader of the House and combines several institutional and administrative roles. Majority and minority leaders represent their respective parties on the House floor. Whips assist leadership in managing their party's legislative program on the House floor.

A party caucus or conference is the name given to a meeting or organization of all party Members in the House. During these meetings, party Members discuss matters of concern. The majority party Members and the minority party Members meet in separate caucuses to select their leader. Third parties rarely have had enough Members to elect their own leadership, and independents will generally join one of the larger party organizations to receive committee assignments.

Committees

The Rules of the House, adopted at the beginning of each new Congress, allow for the creation of Standing and Special and Select Committees. Before Members are assigned to Committees, each Committee's size and the proportion of Republicans to Democrats must be decided by the party leaders. The total number of Committee slots allotted to each party is approximately the same as the ratio between majority party and minority party Members in the full Chamber.

The House's 22 Standing, Special and Select Committees have different legislative jurisdictions. Each considers bills and issues and recommends measures for consideration by the House. Committees also have oversight responsibilities to monitor agencies, programs, and activities within their jurisdictions, and in some cases in areas that cut across Committee jurisdictions. Current Joint Committees include the Joint Economic Committee, the Joint Committee on the Library, the Joint Committee on Printing, and the Joint Committee on Taxation.

The Committee of the Whole House is a Committee of the House on which all Representatives serve and which meets in the House Chamber for the consideration of measures from the Union calendar.

Commissions

Congress has created a wide variety of temporary and permanent commissions to serve as advisory bodies for investigative or policy-related issues, or to carry out administrative, interparliamentary, or commemorative tasks. Such commissions are typically created by either law or House Resolution, and may be composed of House Members, private citizens, or a mix of both. In some cases, the commissions are entities of the House or Congress itself; in other cases, they are crafted as independent entities within the legislative branch.

House Officers and Officials

Rule II of the Rules of the House for the 114th and 115th Congresses provided for the election of four officers to support House operations: a Clerk, a Sergeant-at-Arms, a Chief Administrative Officer (CAO), and a Chaplain. The Rules of the House also established the Offices of Inspector General, Historian, and General Counsel.

Under House Rule II, the CAO has "operational and financial responsibility for functions as assigned by the Committee on House Administration and shall be subject to the policy direction and oversight of the Committee on House Administration." According to Committee on House Administration records, the CAO has been designated as the disbursing officer for the House of Representatives since July 1, 1995. Additionally, House Rule II requires the CAO to "fully cooperate with the appropriate offices and persons in the performance of reviews and audits of financial records and administrative operations." Accordingly, an audit of the financial statements of the House, as prepared by the CAO, is performed annually.

Location

The House Chamber is located in the U.S. Capitol in Washington, D.C. Other House administrative buildings in Washington, D.C. include the Cannon, Ford, Longworth, O'Neill, and Rayburn House office buildings.

The financial summary and highlights that follow provide an overview of the FY 2017 financial statements of the House. The independent auditor, Cotton & Company, LLP audited the House's financial statements. The complete financial statements, including the independent auditor's reports, notes, and required supplementary information, begins on page 17.

In order to help the reader to understand the House's financial results, position, and condition, the following analysis addresses the relevance of particular balances and amounts as well as major changes in types and/or amounts of assets, liabilities, costs, revenues, obligations, and outlays.

Basis of Accounting and Presentation

The FY 2017 financial statements present the financial position, net cost of operations, changes in net position and budgetary resources of the House. These statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) issued by the Federal Accounting Standards Advisory Board (FASAB) and the applicable form and content requirements of the Office of Management and Budget's (OMB) Circular No. A-136, *Financial Reporting Requirements*.

The House's accounting structure, in accordance with GAAP, utilizes both accrual and budgetary accounting. Under accrual accounting, events are recognized as they occur, as opposed to when cash is received or disbursed. Therefore, revenues are recorded when earned and expenses are recorded when a liability is incurred, without regard to receipt or payment of cash. The budgetary accounting, on the other hand, facilitates compliance with legal constraints on, and controls over, the use of Federal funds.

Balance Sheet

The Balance Sheet is a representation of the House's financial condition at the end of the fiscal year. It shows the resources that the House holds to meet its statutory requirements (Assets); the amounts it owes that will require payment from these resources (Liabilities); and, the difference between them (Net Position).

Condensed Balance Sheet Data

Dollars in Millions	2017	2016	% Change
Fund Balance with Treasury	$309	$319	-3%
Property and Equipment, Net	20	21	-5%
Other Assets	16	14	14%
Total Assets	**$345**	**$354**	**-3%**
Accounts Payable	23	24	-4%
Actuarial FECA Liabilities	28	27	4%
Other Liabilities	18	16	13%
Total Liabilities	**$69**	**$67**	**3%**
Unexpended Appropriations	259	267	-3%
Cumulative Results from Operations	17	20	-15%
Total Net Position	**$276**	**$287**	**-4%**
Total Liabilities and Net Position	**$345**	**$354**	**-3%**

Assets

The House reported total assets of $345 million as of September 30, 2017, a 3 percent decrease from prior year total assets of $354 million. The Fund Balance with Treasury of $309 million represents the primary asset on the Balance Sheet of the House (90 percent of total assets).

Property and Equipment is the second largest asset, with a net balance of $20 million. The major items in this category include computer software, hardware, and equipment. Other Assets include Cash, Accounts Receivable, Inventory and Operating Materials and Supplies, and Advances and Prepayments.

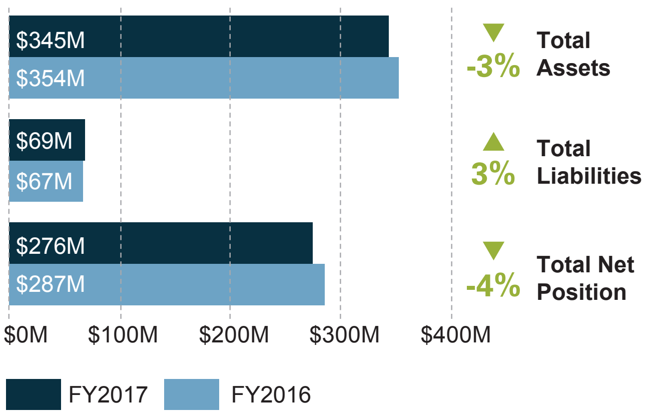
Liabilities

The House reported total liabilities of $69 million as of September 30, 2017, a 3 percent increase from the prior year total of $67 million. The primary categories include Accounts Payable of $23 million (33 percent of total liabilities) and Actuarial Federal Employees' Compensation Act (FECA) Liabilities of $28 million (41 percent of total liabilities).

Other Liabilities include categories such as Accrued Payroll and Benefits, Accrued Annual Leave, Advances from Others and Other Liabilities.

Total Net Position

The Net Position as of September 30, 2017 was $276 million, a decrease of $11 million (4 percent) from the prior fiscal year. The balance was primarily comprised of Unexpended Appropriations of $259 million.



Statement of Net Cost

The Statement of Net Cost (SNC) in the Federal Government is different from a private-sector income statement in that the SNC reports expenses first and then subtracts the revenues that financed those expenses to arrive at a net cost.

Earned Revenues

Earned revenues occur when the House provides goods or services to another Federal entity or the public. The House reports earned revenues regardless of whether it is permitted to retain the revenue or remit it to Treasury.

Net Cost of Operations

The Net Cost of Operations for FY 2017 was $1.5 billion, the same as FY 2016, and primarily comprised of Legislative Activities.

Statement of Changes in Net Position

The Statement of Changes in Net Position (SCNP) reports the change in net position during the reporting period. Net Position is affected by changes to its two components: Cumulative Results from Operations and Unexpended Appropriations.

Net Position for FY 2017 totaled $276 million, an $11 million decrease from FY 2016.

Cumulative Results from Operations

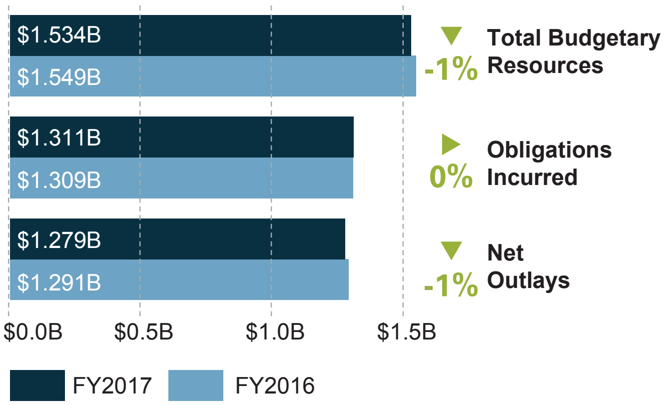
The Total Cumulative Results from Operations for FY 2017 was $17 million, a decrease of $3 million from FY 2016.

Unexpended Appropriations

Unexpended Appropriations for FY 2017 was $259 million, a decrease of $8 million from FY 2016.

Statement of Budgetary Resources

In accordance with Federal statutes and regulations, the House may incur obligations and make payments to the extent it has budgetary resources to cover such items. The Statement of Budgetary Resources (SBR) presents the sources of the House's budgetary resources, their status at the end of the year, obligated balances, and the relationship between its budgetary resources and the outlays it made against them.



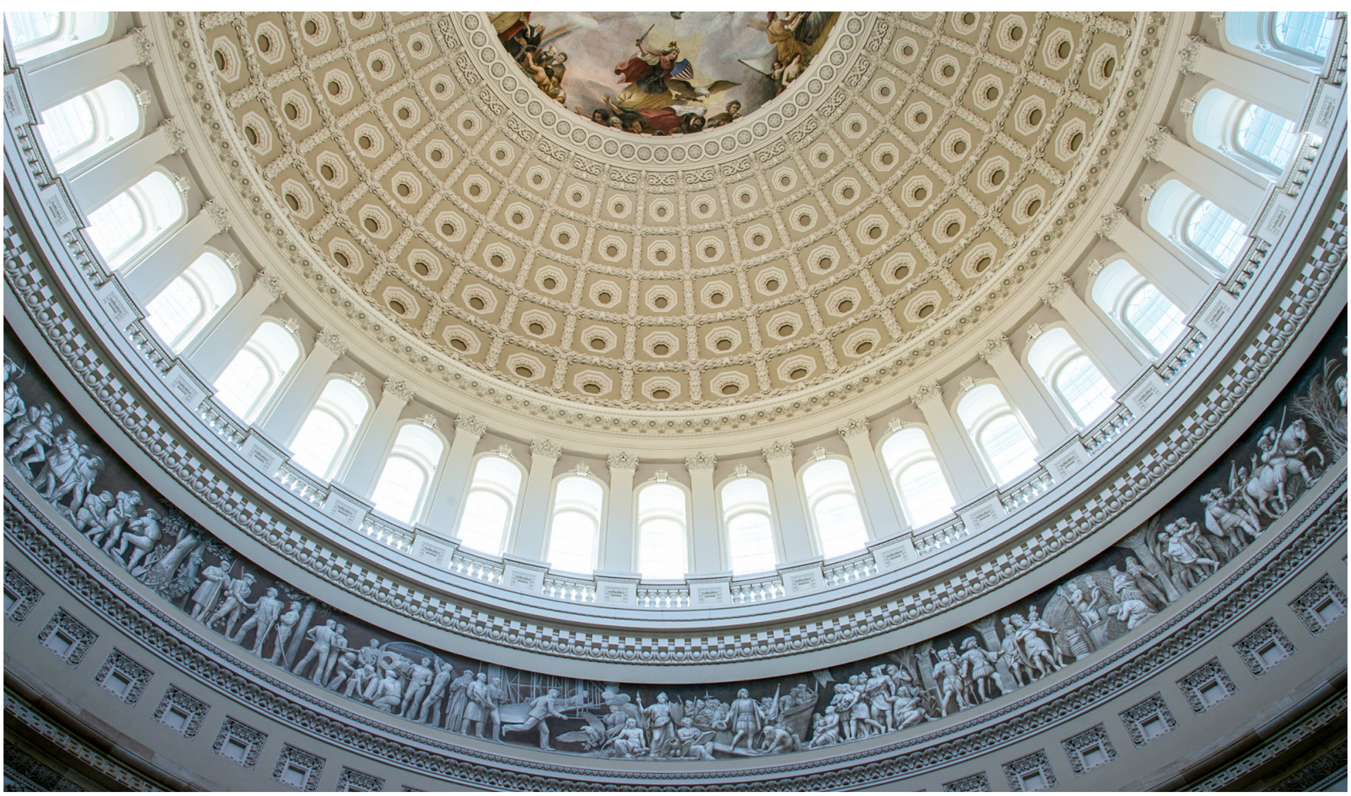
The House finances most of its operations through congressional appropriations of budget authority. To the extent that revenue generated by some House entities does not cover expenses, appropriations are required. The House receives annual, multi-year and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. A financing source is recognized for these appropriated funds received, less appropriations transferred or not available through rescission or cancellation. The House usually receives the full amount of its appropriation at the beginning of each fiscal year as stated in the public law. The House reported total budgetary resources for FY 2017 of $1.534 billion, down 1 percent from FY 2016.

Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of the House.

While the statements have been prepared from the books and records of the House of Representatives in accordance with GAAP for federal entities and in the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources that are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.



Philip G. Kiko
Chief Administrative Officer

Office of the
Chief Administrative Officer
U.S. House of Representatives
Washington, DC 20515–6860

HB–28, The Capitol

September 29, 2017

MANAGEMENT ASSURANCES

**Fiscal Year 2017 Statement of Assurance
on Internal Control over Financial Reporting**

The Office of the Chief Administrative Officer (CAO) management is responsible for managing risks and maintaining effective internal control over financial reporting that meets the objectives of Sections 2 and 4 of the Federal Manager's Financial Integrity Act (FMFIA) and Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control.* The CAO conducted its assessment of the effectiveness of the CAO's internal control over financial reporting in accordance with the intent of Appendix A of OMB Circular A-123. Based on the results of this evaluation, the CAO can provide reasonable assurance that its internal control over financial reporting as of June 30, 2017, was operating effectively and no material weaknesses were found in the design or operation of the internal control over financial reporting.

Philip G. Kiko

Philip G. Kiko
Chief Administrative Officer

Internal Control Assessment
OMB Circular A-123, Appendix A Review

The Internal Control Assessment is a review of the design and operating effectiveness of key internal control activities for the CAO's business processes, for safeguarding of assets, and for compliance with applicable laws and regulations. The Internal Control Program follows a risk-based approach in determining the key controls to be assessed during the current year in accordance with Appendix A of OMB Circular A-123, *Management's Responsibilities for Enterprise Risk Management and Internal Control.*

Under Rule II of the Rules of the U.S. House of Representatives (House) for the 115th Congress, as amended, the CAO has "operational and financial responsibility for functions as assigned by the Committee on House Administration." The Rule further requires the CAO to "fully cooperate with the appropriate offices and persons in performance of reviews and audits of financial records and administrative operations."

A Senior Assessment Team (SAT) provides senior managerial oversight for assessment of internal control over financial reporting as it relates to budgetary and financial policies, standard operating procedures and business systems. The SAT has held meetings, as needed, to review, monitor, and report on the findings and status to date, and discuss remediation efforts. The Office of Internal Control supports the SAT in performing the day-to-day functions of the program.

The SAT assessed and evaluated the CAO's internal control over financial reporting following the intent of Appendix A of OMB Circular A-123, determined it to be operating effectively as of June 30, 2017. While the CAO has made considerable progress to remediate and improve processes, the deficiency identified related to property and equipment continued to be significant to financial reporting as of September 29, 2017.

Office of the Inspector General (OIG) Assessment for Previous Fiscal Year

Under House Rule II of the House for the 115th Congress, the Office of the Inspector General (OIG) provides "audit, investigative, and advisory services to the House and joint entities in a manner consistent with government-wide standards. For FY 2016, the OIG engaged Cotton & Company LLP to perform the external audit of the House's financial statements. The House received an unmodified audit opinion. Cotton & Company LLP did not report any material weakness in FY 2016. The audit report noted three significant deficiencies related to ineffective controls over property and equipment, information technology, and internal control assessment. Cotton & Company remains the financial statements auditor for FY 2017.

Table I – Summary of the Financial Statement Audit for FY 2017

Independent Auditor's Report						
Audit Opinion	**Unmodified**					
Restatement	No					
Name of Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None	0	0	0	0	0	0

Table 2 – Summary of Management Assurances for FY 2017

Effectiveness of Internal Control over Financial Reporting (FMFIA §2)						
Statement of Assurance	**Unqualified**					
Name of Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None	0	0	0	0	0	0

Independent Auditor's Report

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INDEPENDENT AUDITORS' REPORT

To the Inspector General
U.S. House of Representatives

In our audits of the fiscal years (FYs) 2017 and 2016 financial statements of the U.S. House of Representatives (House), we found:

- The financial statements as of and for the FYs ended September 30, 2017 and 2016, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- No material weaknesses in internal control over financial reporting as of September 30, 2017.
- Two significant deficiencies in internal control over financial reporting as of September 30, 2017.
- No reportable noncompliance in FY 2017 with the provisions of applicable laws, regulations, and contracts that we tested.

The following sections contain:

1. Our report on the House's financial statements, including required supplementary information included with the financial statements.
2. Other reporting required by *Government Auditing Standards*, which includes: a) our report on the House's internal control over financial reporting; b) our conclusions on the House's compliance with laws, regulations, and contracts; and c) the House's comments on a draft of this report.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the House, which comprise the consolidated balance sheets as of September 30, 2017 and 2016, and the related consolidated statements of net cost, consolidated statements of changes in net position, and combined statements of budgetary resources 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.

Auditors' 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; standards applicable to financial statement audits contained in *Government Auditing*

Standards, issued by the Comptroller General of the United States; and as applicable, Office of Management and Budget (OMB) Bulletin No. 17-03, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 17-03 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 consolidated financial position of the House as of September 30, 2017 and 2016, and its consolidated net cost, consolidated changes in net position, and combined 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, and as applicable, OMB Circular No. A-136, *Financial Reporting Requirements,* require that the Management's Discussion and Analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board (FASAB) and OMB, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and 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. These procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Report on Internal Control Over Financial Reporting and on Compliance with Laws, Regulations, and Contracts

Internal Control Over Financial Reporting
In planning and performing our audit of the FY 2017 financial statements, we considered the House'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the House's internal control. Accordingly, we do not express an opinion on the effectiveness of the House's internal control.

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

Our consideration of internal control over financial reporting 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Significant Deficiencies
We identified the following deficiencies in the House's internal control over financial reporting that we consider to be significant deficiencies:

1. Controls Over Property and Equipment Need Improvement
2. Controls to Ensure That Financial Statement Presentation and Disclosures Are Appropriate Need Improvement

These significant deficiencies are described in more detail in Appendix A.

Limitations of Internal Control
Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with controls may deteriorate.

Compliance with Laws, Regulations, and Contracts
As part of obtaining reasonable assurance about whether the House's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the

determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We did not test compliance with all laws and regulations applicable to the House. We limited our tests of compliance to those provisions of laws and regulations OMB audit guidance requires that we test and we deemed applicable to the financial statements for the FY ended September 30, 2017. We caution that noncompliance may have occurred and may not have been detected by these tests, and that such testing may not be sufficient for other purposes. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB audits.

The House's Response to Findings
The House's response to the findings identified in our audit is included in Appendix B. The House concurred [did not concur] with the findings and recommendations in our report. The House's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of the Other Reporting Required by Government Auditing Standards
The purpose of the "Other Reporting Required by *Government Auditing Standards*" is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This other reporting is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this other reporting is not suitable for any other purpose.

COTTON & COMPANY LLP

Catherine L Nocera

Catherine L. Nocera, CPA, CISA
Partner
Alexandria, VA
May 31, 2018

Appendix A
Significant Deficiencies Noted During the FY 2017 Financial Statement Audit

During our audit of the House's FY 2017 financial statements, we identified two significant deficiencies in internal control, described in this appendix. We do not consider these deficiencies to be material weaknesses.

Finding 1:	**Controls Over Property and Equipment Need Improvement**
Summary Status:	**Prior-Year Significant Deficiency** **Open**

The House's property and equipment (property) records are not always accurate, as indicated by the following:

1. **Property additions:** We noted that property additions during FY 2017 included costs that (a) did not meet the criteria for capitalization, and (b) were not fully supported by vendor invoices. We also noted that certain property costs that should have been capitalized were incorrectly classified as non-capital costs (expenses) when acquired.
2. **Property disposals:** We noted that the House did not always record capitalized property disposals in PeopleSoft in a timely manner in relation to the actual asset disposal, and that it did not record certain accountable property disposals. We also found that General Services Administration (GSA) transfer manifests (SF-126, *Report of Personal Property for Sale*) did not always accurately reflect items actually transferred to GSA.

During FY 2017, the House continued to implement corrective actions in response to previously reported internal control deficiencies related to property. For instance, the Asset Management Directorate:

- Prepared detailed documentation of its policies and procedures for receiving, transferring, disposing, and taking inventory of assets.
- Expanded the scope of its annual Chief Administrative Officer (CAO) inventory, to include all CAO and non-CAO capitalized property; off-site facilities; a detailed analysis of its cabling asset inventory; and an analysis of its software inventory.
- Developed a risk register for its core processes and initiated steps to acquire process improvement support and program management assistance.

During FY 2017, the CAO conducted annual inventory procedures for the fourth year[1] and continued to perform periodic inventories of non-CAO offices. These inventory processes aided in correcting misstatements that occurred at the time of acquisition or disposal, confirming that recorded assets were still in service, and updating detail information contained in the fixed asset system. However, business processes over additions, transfers, and disposals have not reached the desired maturity level and controls to prevent errors and safeguard assets are not fully operating as intended. Examples are discussed below.

1. Timely and Accurate Reporting of Property Additions

We performed testing on a statistical sample of property additions, conducted analytical procedures, and reviewed the results of the House's annual inventory process and identified instances in which assets were not properly recorded in PeopleSoft at the time of acquisition.

[1] The inventory scope and methodology varied each year.

a) We performed existence and other attribute testing on a statistical sample of 25 capitalized property items that were added during FY 2017 and identified the following exceptions:

- A one-year license fee of $18,000 was classified as capitalized software during FY 2017 because it was recorded to a Budget Object Class (BOC) code used for capital assets. This item, however, did not meet the House's capitalization criteria. The House had not corrected this issue as of September 30, 2017.
- The acquisition cost recorded in PeopleSoft for two capitalized equipment assets exceeded the acquisition cost listed on the supporting vendor invoices by $10,584 ($9,950 plus $634). The House had not corrected these amounts as of September 30, 2017.
- The acquisition cost for one capitalized equipment asset included $2,896 of non-asset supplies that were recorded to a BOC code used for capital assets. The House had not corrected this amount as of September 30, 2017.

b) We reviewed recorded activity related to the House's parent/child methodology for tracking non-CAO audio-visual system assets and noted that the House identified $76,379 that it had erroneously recorded in PeopleSoft as non-capitalized costs during FY 2016; however, the House did not correct the error until it recorded the new parent/child asset additions in PeopleSoft during December 2016.

c) We noted that one asset totaling $31,355 was included in the prior year Work in Progress (WIP) account (assets received but not yet in service) and placed into service in December 2016. However, this asset did not meet the House's capitalization criteria, and as such, should have been expensed and recorded using a non-capital asset BOC code. The House identified the error during Asset Management's CAO inventory process in August 2017, at which time it disposed the asset in PeopleSoft.

d) We noted one instance in which a $90,160 non-capital asset cost was recorded in error as a capitalized asset in September 2016, with an effective date of June 2016. The House did not identify and correct the error until September 2017.

These errors may have occurred because the House records its asset costs for property additions in PeopleSoft using the purchase order amounts associated with each asset; these purchase order amounts may differ from the actual cost reflected on the vendor invoice. In addition, persons responsible for the acquisition of capital assets did not accurately assign BOC codes to correctly classify asset acquisitions as either capital or non-capital.

As a result of these errors, the House overstated its FY 2017 acquisition costs for capitalized property by a known error of $31,480 and a likely error of $568,100.

The House overstated its FY 2017 expenses by a known net error of $16,276, consisting of the following:

- $26,480 understatement ($31,480 less $5,000 of depreciation expense)
- $68,741 understatement ($76,379 less $7,638 of FY 2016 depreciation expense)
- $31,355 overstatement
- $80,142 overstatement ($90,160 less $10,018 of FY 2016 depreciation expense)

Without effective controls over the classification of capitalized property and the timely and accurate recording of capital property additions, the risk of misstatements of the financial statements is increased.

2. Timely and Accurate Reporting of Property Disposals

We performed testing on a sample of property disposals, performed procedures to the capitalized property account balances, conducted analytical procedures, and reviewed the result of the House's annual inventory process and identified instances in which assets were not properly disposed in PeopleSoft at the time the asset was removed from service.

a) We tested a statistical sample of 45 capitalized property items that the House disposed in PeopleSoft during FY 2017. Our sample included two property items with a net book value of zero, that were disposed in PeopleSoft during FY 2017 based on its periodic inventories of non-CAO offices. One of the items could not be located during the inventory, and was believed to have been removed from service in a prior year. The other item represented multiple broadcast system equipment components that the House had purchased in 2004 and had recorded in PeopleSoft as one asset using the lump-sum amount. The entire broadcast system was physically removed in August 2015 and replaced in 2016, however, the asset was not disposed in PeopleSoft at the time the asset was removed from service.

b) We performed existence and other attribute testing of a statistical sample of capitalized property items and determined that one capitalized equipment asset was no longer in the House's possession. This item had an acquisition cost of $34,849 and a net book value of zero. We determined that the asset had been returned to the vendor as part of a vendor trade-in during July 2017, but the asset was not disposed in PeopleSoft until October 2017.

c) During the CAO's FY 2017 capitalized property inventory, the House located and reinstated one capitalized asset that it had previously disposed in PeopleSoft based on the FY 2016 inventory process. This item had an acquisition cost of $40,500 and a net book value of zero. The House also identified 18 capitalized equipment items that it was unable to locate during the FY 2017 inventory, and disposed the assets in PeopleSoft. The House's records indicated that 13 of these items had been located during the FY 2016 inventory process. These items did not appear on the FY 2017 GSA transfer manifests, which may indicate that the items were transferred to GSA prior to FY 2017, were lost, or still remain in the House's possession.

d) During our review of the House's inventory reconciliation worksheets for inventories performed at non-CAO offices, we noted two instances in which accountable property items that were not found during the inventory were determined by the House to have previously been disposed of. Each item had an equipment removal form dated in a prior year; however, the House had not updated the asset's PeopleSoft record at the time of disposal.

e) To test the completeness of disposals recorded in PeopleSoft, we compared the disposals recorded in PeopleSoft during FY 2017 to items listed on the House's GSA transfer manifests. We noted that six accountable property items listed on the GSA manifests and transferred to GSA were not included in the PeopleSoft disposal records as of September 30, 2017. The House did not dispose two of these items in PeopleSoft until February 2018. The House had correctly disposed the other four items in PeopleSoft during FY 2017; however, it had erroneously reinstated them at the completion of the office inventory reconciliation process. The House located these items as part of the asset inventory because the inventory occurred before the House disposed of the items.

f) We noted the following items that indicate that the GSA transfer manifests may not always accurately reflect items transferred to GSA:

Capitalized Property

- One capitalized property item that was listed on a July 2017 GSA transfer manifest was never actually transferred to GSA. The House erroneously identified the item as missing and disposed it in PeopleSoft during August 2017; the item was subsequently located and reinstated in PeopleSoft during August 2017.

Accountable Property

- Three accountable property items were listed on GSA transfer manifests but were not transferred to GSA because the House made an operational decision to keep the items in inventory.
- One accountable property item was listed on a GSA transfer manifest but was never transferred to GSA. The House later located the item during an office inventory.
- Five accountable property items were included twice on GSA transfer manifests. The House did not transfer the items to GSA at the time they were recorded on the original GSA transfer manifests; it then incorrectly disposed the items in PeopleSoft and subsequently reinstated them when management identified the errors. The House later included the items on a subsequent manifest and re-disposed the items in PeopleSoft, at which time it transferred the assets to GSA.

These errors may have occurred because:

- Updates to improve overall property accountability, including the accuracy of information recorded in PeopleSoft, have been occurring incrementally going forward, and in some cases, past errors in the recording of disposals are not identified until new inventories are performed.
- Persons responsible for processing a disposal as part of a vendor trade-in did not ensure that the disposal was processed in a timely manner and did not communicate this information to persons that could have recorded a temporary reporting adjustment.
- The House incorrectly identified certain capitalized property items as located or missing during the prior-year inventory process.
- The process of reconciling House office inventories did not identify disposal and transfer transactions that occurred between the time the House performed the inventory and the time the House completed the inventory reconciliation process.
- Persons responsible for compiling GSA transfer manifests did not ensure that the manifests accurately reflected property items actually transferred to GSA.

The House overstated its capitalized property acquisition cost and accumulated depreciation by a known error of $34,849 and a likely error of $2,210,906. In addition, the House's property records included accountable property items that were no longer in the House's possession. Finally, inaccurate GSA transfer manifests may decrease their usefulness as a record of the capitalized and accountable property items removed from service and transferred to GSA, as well as the timing of such removal, when resolving physical inventory reconciliations and other accountability questions.

The House's Property, Plant and Equipment (PP&E) Policy states:

> *All PP&E with an initial acquisition cost of $25,000 or more per base unit and an estimated useful life of more than 2 years must be capitalized… Software with an acquisition cost of $10,000 or more is capitalized.*

FASAB Statement of Federal Financial Accounting Standards (SFFAS) No. 6*, Accounting for Property, Plant, and Equipment*, states:

> *All general PP&E shall be recorded at cost. Although the measurement basis for valuing general PP&E remains historical cost, reasonable estimates may be used to establish the historical cost of general PP&E, in accordance with the asset recognition and measurement provisions herein. Cost shall include all costs incurred to bring the PP&E to a form and location suitable for its intended use.*

SFFAS No. 6 also states:

> *In the period of disposal, retirement, or removal from service, general PP&E shall be removed from the asset accounts along with associated accumulated depreciation/amortization. Any difference between the book value of the PP&E and amounts realized shall be recognized as a gain or a loss in the period that the general PP&E is disposed of, retired, or removed from service.*

The Government Accountability Office's (GAO's) *Standards for Internal Control in the Federal Government* states:

> *A subset of the three categories of objectives is the safeguarding of assets. Management designs an internal control system to provide reasonable assurance regarding prevention or prompt detection and correction of unauthorized acquisition, use, or disposition of an entity's assets.*
>
> *Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from the initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.*

We recommend that the CAO continue its efforts to improve the design and effectiveness of internal controls and processes, to ensure that property additions, disposals, and transfers are processed and recorded in an accurate and timely manner, and that assets are safeguarded from loss or unauthorized use.

Finding 2: **Controls to Ensure That Financial Statement Presentation and Disclosures Are Appropriate Need Improvement**
Summary Status: **New**

We noted the following matters that resulted in misstatements to the financial statements and related notes:

1. The House made an accounting error when recording FY 2017 appropriations received; the error was not identified during the review and approval of the accounting entry, or during House's quality control review of the financial statements.

2. The Office of Accounting did not ensure that all amounts presented in the notes to the financial statements as of September 30, 2017, were accurate and complete.

    a) The House enters into operating leases for building structures, vehicles, and district office space and parking. The House incorrectly determined that it was not required to provide an operating lease note disclosure because it deemed all of its operating leases to be cancelable. In addition, the House does not have a process for tracking cancelable versus non-cancelable operating leases, which is necessary for accurate note disclosure. Accordingly, the House did not provide adequate disclosures related to its operating leases in its September 30, 2017 draft financial statements.

    b) The House did not properly classify costs between intragovernmental costs, and costs with the public in Note 11 – *Intragovernmental Costs and Exchange Revenue*. Specifically, the House improperly classified the following as intragovernmental costs: amounts disbursed to the Office of Personnel Management (OPM) for Thrift Savings Plan employer contributions, payments made to the Department of Education for student loan repayment benefits, the change in the actuarial Federal Employees' Compensation Act (FECA) liability, and gratuity payments to widows and heirs. It also improperly classified imputed costs related to the Treasury Judgment Fund as costs with the public rather than as intragovernmental costs.

The Office of Accounting's financial statement preparation procedures state that the House will follow OMB and the U.S. Treasury's prescribed formats and guidance when preparing the financial statements.

USSGL Section II, Account Number 640000, *Benefit Expense*, states, "In the specific instance of employer contributions to the Thrift Savings Plan, record in USSGL account 610000 with Federal/Non-Federal Code attribute domain value 'N.'" [sic]

The Treasury Financial Manual, Chapter 4700, *Agency Reporting Requirements for the Financial Report of the United States Government*, states: *"Agencies must record the FECA actuarial liability and changes in FECA actuarial liability in USSGL accounts 265000N, "Actuarial FECA Liability," and 760000N, "Changes in Actuarial Liability" respectively. DOL does not have corresponding accounts for agency accounts 265000N and 760000N. These amounts are considered non-federal because they represent the actuarial present value of future FECA benefits to be paid to federal employees or their beneficiaries."*

OMB Circular No. A-136, *Financial Reporting Requirements*, section II.4.9.18, states, "Enter future lease payments, by major asset category, for all non-cancelable leases with terms longer than one year."

Statement of Financial Accounting Standards (FAS) No. 13: *Accounting for Leases*, states:

> *A lease that is cancelable (a) only upon the occurrence of some remote contingency, (b), only with permission of the lessor, (c) only if the lessee enters into a new lease with the same lessor, or (d) only if the lessee incurs a penalty in such amount that continuation of the lease appears, at inception, reasonably assured shall be considered 'noncancelable' for purposes of this definition.*

GAO's *Standards for Internal Control in the Federal Government* states:

> *Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.... These objectives and related risks can be broadly classified into one or more of the following three categories: …*
> ***Reporting –** Reliability of reporting for internal and external use*

The House did not apply sufficient and appropriate subject matter expertise in federal accounting principles, the USSGL, OMB budget execution concepts, and intragovernmental transactions when reviewing its accounting transactions, trial balances, financial statements, and notes. As a result, the House misstated its September 30, 2017, draft financial statements as follows:

1. The Statement of Changes in Net Position line items *Appropriations Received* and *Other Adjustments* were each overstated by $1,350,133.

2. The following amounts were misstated in the notes to the financial statements:
    a) Future lease payments for non-cancelable operating leases were understated, as the House did not include the related note disclosure in the September 30, 2017 draft financial statements.
    b) The following lines on the September 30, 2017, draft *Intragovernmental Costs and Exchange Revenue* note were misstated by $46,281,495 as a result of the incorrect classification between intragovernmental cost and costs with the public:
        - *Legislative Activities Intragovernmental Costs* and *Total Intragovernmental Costs* (overstated)
        - *Legislative Activities Public Costs* and *Total Public Costs* (understated)

We recommend that the CAO design and implement improvements to its internal control process over financial reporting to ensure that the House's accounting practices, accounting transactions, trial balances, and financial statements and notes comply with federal accounting principles and OMB and Treasury guidance. This includes ensuring that resources with sufficient and appropriate subject matter expertise are available for consultation and review of accounting practices, transactions, trial balances, and financial statements and notes.

Appendix B
Management's Response

Philip G. Kiko
Chief Administrative Officer

Office of the
Chief Administrative Officer
U.S. House of Representatives
Washington, DC 20515–6860

HB–28, The Capitol

MEMORANDUM

To: Michael Ptasienski
Inspector General

From: Philip G. Kiko
Chief Administrative Officer

Philip G Kiko

Subject: Chief Administrative Officer Response to the *Independent Auditor's Report* on the House's Fiscal Year 2017 Financial Statements

Date: May 18, 2018

Thank you for the opportunity to comment on the U.S. House of Representatives (House) Financial Statement Audit for fiscal year (FY) 2017. I am pleased the House has received a clean audit opinion for the twentieth consecutive year.

Finding 1: Controls Over Property and Equipment Need Improvement

While the CAO's office continued to make progress in maturing our asset management program during FY17, we acknowledge additional improvements are needed to strengthen processes and internal controls related to equipment management. Progress has been made to ensure equipment related processes and internal controls are designed and operating effectively and we are reinforcing existing policies, procedures, and internal controls to ensure timely and accurate reporting of equipment transactions including additions, transfers, and disposals.

Finding 2: Controls to Ensure that Financial Statement Presentation and Disclosures are Appropriate Need Improvement

The CAO acknowledges the importance of preparing the House's annual financial statements in accordance with applicable federal standards and that a strong internal control process is critical to detecting misstatements and ensuring the accuracy of the financial statements and footnotes. We are conducting a thorough review of our process for preparing the House's annual financial statements and footnotes. This opportunity will be used to strengthen existing controls, including ensuring appropriate subject matter expertise for review of accounting practices, transactions, trial balances, financial statements, footnotes, and training of staff.

Fiscal Year 2017 Financial Statements

FINANCIAL STATEMENTS INCLUDED IN THIS REPORT

FISCAL YEAR 2017 FINANCIAL STATEMENTS

The U.S. House of Representatives (House) has prepared financial statements for fiscal year (FY) 2017 in accordance with U.S. Generally Accepted Accounting Principles (GAAP) issued by the Federal Accounting Standards Advisory Board (FASAB) and the applicable form and content requirements of the Office of Management and Budget's (OMB) Circular No. A-136, *Financial Reporting Requirements*. The responsibility for the integrity of the financial information included in these statements rests with management of the House. The audit of the House's financial statements was performed by Cotton & Company LLP. The auditor's report accompanies the financial statements.

The House's financial statements for FY 2017 and FY 2016 consisted of the following:

The **Consolidated Balance Sheets** present as of September 30, 2017 and 2016 those resources owned or managed by the House that are available to provide future economic benefits (assets); amounts owed by the House that will require payments from those resources or future resources (liabilities); and residual amounts retained by the House comprising the difference (net position).

The **Consolidated Statements of Net Cost** present the net cost of the House's operations for the years ended September 30, 2017 and 2016. The House's net cost of operations includes the gross costs incurred by the House less any exchange revenue earned from House activities.

The **Consolidated Statements of Changes in Net Position** present the change in the House's net position resulting from the net cost of the House's operations, budgetary financing sources other than exchange revenues, and other financing sources for the years ended September 30, 2017 and 2016.

The **Combined Statements of Budgetary Resources** present the budgetary resources available to the House during FY 2017 and FY 2016, the status of these resources at September 30, 2017 and 2016, the change in obligated balance during FY 2017 and FY 2016, and net outlays of budgetary resources for the years ended September 30, 2017 and 2016.

U.S. HOUSE OF REPRESENTATIVES
CONSOLIDATED BALANCE SHEETS

As of September 30, 2017 and 2016

		2017		2016
ASSETS				
Intragovernmental:				
Fund Balance with U.S. Treasury (Note 2)	$	309,424,343	$	319,136,168
Accounts Receivable, Net (Note 3)		171,778		132,377
Advances and Prepayments (Note 7)		2,667,137		3,139,340
Total Intragovernmental		312,263,258		322,407,885
Cash and Other Monetary Assets (Note 2)		2,856		8,181
Accounts Receivable, Net (Note 3)		330,046		303,394
Inventory and Operating Materials and Supplies (Note 4)		1,372,452		1,138,376
Property and Equipment, Net (Note 5)		20,002,004		20,772,921
Advances and Prepayments (Note 7)		10,556,496		9,345,670
Total Assets	**$**	**344,527,112**	**$**	**353,976,427**
Stewardship Property and Equipment (Note 6)				
LIABILITIES				
Intragovernmental:				
Accounts Payable	$	1,932,707	$	2,993,483
Advances from Others		1,215,491		789,509
Other Liabilities		1,762,285		1,728,846
Total Intragovernmental		4,910,483		5,511,838
Accounts Payable		21,236,282		20,840,452
Actuarial Federal Employees' Compensation Act Liabilities		28,405,926		26,935,615
Accrued Payroll and Benefits		6,594,641		6,688,187
Accrued Annual Leave		7,393,607		6,863,143
Other Liabilities		14,317		39,838
Total Liabilities (Note 8)	**$**	**68,555,256**	**$**	**66,879,073**
NET POSITION				
Unexpended Appropriations	$	258,857,703	$	267,275,262
Cumulative Results from Operations		17,114,153		19,822,092
Total Net Position	**$**	**275,971,856**	**$**	**287,097,354**
Total Liabilities and Net Position	**$**	**344,527,112**	**$**	**353,976,427**

U.S. HOUSE OF REPRESENTATIVES
CONSOLIDATED STATEMENTS OF NET COST
For the Years Ended September 30, 2017 and 2016

	2017	2016
NET COST OF OPERATIONS (Note 11)		
Net Costs by Program Area		
Legislative Activities		
Gross Costs	$ 1,500,722,076	$ 1,517,697,843
Less: Earned Revenue	(4,365,697)	(4,167,666)
Net Program Costs	**1,496,356,379**	**1,513,530,177**
Revolving Fund Activities		
Gross Costs	4,079,950	3,855,413
Less: Earned Revenue	(4,889,763)	(4,672,451)
Net Program Costs	**(809,813)**	**(817,038)**
Net Cost of Operations	**$ 1,495,546,566**	**$ 1,512,713,139**

U.S. HOUSE OF REPRESENTATIVES
CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2017 and 2016

	2017	2016
Cumulative Results from Operations		
Beginning Balance	$ 19,822,092	$ 16,603,118
Budgetary Financing Sources		
Appropriations Used	1,276,844,834	1,286,480,256
Non-exchange Revenue	11,600	13,400
Other Financing Sources		
Imputed Financing from Costs Absorbed by Others (Note 15)	216,194,898	229,655,784
Other Adjustments	(212,705)	(217,327)
Total Financing Sources	1,492,838,627	1,515,932,113
Net Cost of Operations	(1,495,546,566)	(1,512,713,139)
Net Change	(2,707,939)	3,218,974
Total Cumulative Results from Operations	**$ 17,114,153**	**$ 19,822,092**
Unexpended Appropriations		
Beginning Balance	$ 267,275,262	$ 263,423,019
Budgetary Financing Sources		
Appropriations Received	1,305,600,766	1,305,669,000
Appropriations Transferred-In/Out	-	(8,300,000)
Other Adjustments	(37,173,491)	(7,036,501)
Appropriations Used	(1,276,844,834)	(1,286,480,256)
Total Budgetary Financing Sources	(8,417,559)	3,852,243
Total Unexpended Appropriations	**$ 258,857,703**	**$ 267,275,262**
Net Position	**$ 275,971,856**	**$ 287,097,354**

U.S. HOUSE OF REPRESENTATIVES
COMBINED STATEMENTS OF BUDGETARY RESOURCES
For the Years Ended September 30, 2017 and 2016

	2017	2016
Budgetary Resources:		
Unobligated balance brought forward, Oct 1	$ 239,209,872	$ 233,993,317
Recoveries of prior year unpaid obligations	1,465,066	1,444,332
Other changes in unobligated balance	(36,131,850)	(6,499,128)
Unobligated balance from prior year budget authority, net	204,543,088	228,938,521
Appropriations (discretionary and mandatory)	1,305,600,766	1,297,369,000
Spending authority from offsetting collections (discretionary and mandatory)	23,592,608	22,209,498
Total budgetary resources	**$ 1,533,736,462**	**$ 1,548,517,019**
Status of Budgetary Resources:		
New obligations and upward adjustments (total)	$ 1,311,079,717	$ 1,309,307,147
Unobligated balance, end of year:		
Exempt from apportionment, unexpired accounts	184,127,408	198,900,056
Unexpired unobligated balance, end of year	184,127,408	198,900,056
Expired unobligated balance, end of year	38,529,337	40,309,816
Unobligated balance, end of year (total)	222,656,745	239,209,872
Total budgetary resources	**$ 1,533,736,462**	**$ 1,548,517,019**
Change in Obligated Balance:		
Unpaid Obligations:		
Unpaid obligations, brought forward, Oct 1	$ 80,689,906	$ 86,602,281
New obligations and upward adjustments	1,311,079,717	1,309,307,147
Outlays (gross)	(1,303,551,793)	(1,313,775,190)
Recoveries of prior year unpaid obligations	(1,465,066)	(1,444,332)
Unpaid obligations, end of year	86,752,764	80,689,906
Memorandum (non-add) Entries:		
Obligated balance, start of year	$ 80,689,906	$ 86,602,281
Obligated balance, end of year	$ 86,752,764	$ 80,689,906
Budget Authority and Outlays, Net		
Budget authority, gross (discretionary and mandatory)	$ 1,329,193,374	$ 1,319,578,498
Actual offsetting collections (discretionary and mandatory)	(24,634,249)	(22,746,871)
Recoveries of prior year paid obligations (discretionary and mandatory)	1,041,641	537,373
Budget authority, net (total) (discretionary and mandatory)	**$ 1,305,600,766**	**$ 1,297,369,000**
Outlays, gross (discretionary and mandatory)	$ 1,303,551,793	$ 1,313,775,190
Actual offsetting collections (discretionary and mandatory)	(24,634,249)	(22,746,871)
Outlays, net (total) (discretionary and mandatory)	1,278,917,544	1,291,028,319
Distributed offsetting receipts	(221,494)	(233,675)
Agency outlays, net (discretionary and mandatory)	**$ 1,278,696,050**	**$ 1,290,794,644**

Notes *to the* Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The U.S. House of Representatives (House) is one of two separate legislative chambers that comprise the Congress of the United States. The other is the U.S. Senate (Senate). All lawmaking powers of the Federal government are given to the Congress under Article I of the Constitution of the United States. The House and Senate jointly agree on a budget for the Legislative Branch and submit it to the President of the United States. The Members of the House serve two-year terms of office, which coincide with the sequential numbering of the entire Congress.

To help carry out its constitutional duties, the House creates Committees of Members and assigns them responsibility for gathering information, identifying policy problems, proposing solutions, and reporting bills to the full chamber for consideration. The House elects and appoints Officers and officials to administer both legislative and non-legislative functions, which support the institution and its Members in carrying out its legislative duties. The financial statements of the House provide financial information on the activities of all entities, which are subject to the authority vested in the House by the U.S. Constitution, public laws, and rules and regulations adopted by the membership of the House.

These financial statements reflect the organizational structure of the House under the 114th and 115th Congresses. The Fiscal Year (FY) 2017 financial statements are comprised of two programs: Legislative Activities and Revolving Fund Activities.

Legislative Activities

Legislative Activities consist of all financial activity related to the operations of all Member Offices, both in Washington, D.C. and Congressional districts; all Committees both Standing and Special and Select; Leadership Offices; House Officers and Offices; and Joint Functions that the House shares with the Senate including the Attending Physician and Joint Committee on Taxation.

House **Members** are elected from congressional districts of approximately equal population. The financial information aggregates transactions of the Member districts and Washington, D.C. offices, and includes 435 Representatives; five Delegates, one each from the District of Columbia, Guam, Virgin Islands, American Samoa, and Northern Mariana Islands; and one Resident Commissioner from Puerto Rico.

The **Committees** financial information aggregates transactions of the Standing and Special and Select Committees of the 114th and 115th Congresses. Committees are organized at the beginning of each Congress according to their jurisdictional boundaries incorporated in the Rules of the House. The Committees of the House under the 114th and 115th Congresses are:

Committee on Agriculture
Committee on Appropriations
Committee on Armed Services
Committee on the Budget
Committee on Education and the Workforce
Committee on Energy and Commerce
Committee on Ethics
Committee on Financial Services
Committee on Foreign Affairs
Committee on Homeland Security
Committee on House Administration
Committee on the Judiciary
Committee on Natural Resources
Committee on Oversight and Government Reform
Committee on Rules
Committee on Science, Space, and Technology
Committee on Small Business
Committee on Transportation and Infrastructure
Committee on Veterans' Affairs
Committee on Ways and Means
Permanent Select Committee on Intelligence
Select Committee on Benghazi

The House **Leadership Offices** financial information aggregates transactions of:

Speaker of the House
Majority and Minority Leaders
Majority and Minority Whips
Party Steering Committees, Caucus or Conference, which consist of Representatives of the same political party

The **Officers and Legislative Offices** financial information aggregates transactions of all legislative support and administrative functions provided to Members, Committees, and Leadership offices, including:

Chaplain
Chief Administrative Officer (CAO)
Clerk of the House
Office of Congressional Ethics
Office of Interparliamentary Affairs
Office of the General Counsel
Office of the Historian
Office of Inspector General
Office of the Law Revision Counsel
Office of the Legislative Counsel
Parliamentarian
Sergeant at Arms

The **Joint Functions** financial information aggregates transactions of the joint activities of the House and the Senate to the extent that the House funds these functions. House administrative management does not exert direct control over the expenditures of these functions. The joint functions in these statements include:

Attending Physician
Joint Economic Committee
Joint Committee on the Library
Joint Committee on Printing
Joint Committee on Taxation

Revolving Fund Activities

Revolving Fund Activities consist of all financial activity related to the operations of all House revolving fund accounts.

The **Revolving Funds** financial information aggregates transactions of:

House Child Care Center
House Recording Studio
House Services
Net Expenses of Equipment
Net Expenses of Telecommunications
Stationery

B. Basis of Consolidation

The consolidated financial statements include the accounts and significant activities of the House. All significant interoffice balances and transactions have been eliminated to arrive at consolidated financial information, except for the Statement of Budgetary Resources which is presented on a combined basis in accordance with Office of Management and Budget's (OMB) Circular No. A-136.

The financial statements do not include legislative agencies that support the House and that receive separate appropriations. These agencies are:

Architect of the Capitol
Congressional Budget Office
Government Accountability Office
Government Printing Office
Library of Congress
U.S. Botanic Garden
U.S. Capitol Police

Functions jointly shared between the House and the Senate are included in the financial statements to the extent their operations are funded by House appropriations.

C. Basis of Accounting and Presentation

The financial statements present the financial position, net cost of operations, changes in net position, and budgetary resources of the House. These statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) issued by the Federal Accounting Standards Advisory Board (FASAB) and the applicable form and content requirements of the OMB Circular No. A-136.

While the House is a Legislative Branch entity, it has elected to incorporate many of the Federal government Executive Branch agency financial management and reporting standards that management deems necessary for the fair presentation of financial statement information.

The House's accounting structure, in accordance with GAAP, utilizes both accrual and budgetary accounting. Under accrual accounting, events are recognized as they occur, as opposed to when cash is received or disbursed. Therefore, revenues are recorded when earned and expenses are recorded when a liability is incurred, without regard to receipt or payment of cash. The budgetary accounting, on the other hand, facilitates compliance with legal constraints on and controls over the use of Federal funds.

Throughout these financial statements, assets, liabilities, revenues, and costs have been classified according to the type of entity with whom the transactions were made. Intragovernmental assets and liabilities are those from or to other Federal entities. Intragovernmental earned revenues are collections or accruals of revenue from other Federal entities, and intragovernmental costs are payments or accruals of liabilities to other Federal entities.

While these statements have been prepared from the records of the House in accordance with GAAP and formats prescribed in OMB Circular No. A-136, these statements are in addition to the financial reports used to monitor and control the budgetary resources that are prepared from the same records. These statements should be read with the realization that they are for a component of the U.S. government, a sovereign entity.

D. Fund Balance with the U.S. Treasury, Cash and Other Monetary Assets

The U.S. Treasury processes cash receipts and disbursements for the House through its cash management services. Fund Balance with Treasury (FBWT) represents the aggregate amount of House fund accounts with the U.S. Treasury available to pay current liabilities and finance authorized purchases. FBWT consists of balances for general fund expenditure accounts, revolving funds, and other fund types as of the end of the FY. FBWT also includes the Congressional Use of Foreign Currency account, which is held at the U.S. Treasury and is maintained and administered by the Department of State on behalf of the House. The House also maintains an account related to Other Fund Types. Cash and other monetary assets include cash on hand that represents deposits in transit and amounts held in a commercial bank account. *(See Note 2)*

The following describes the type of funds maintained by the House:

General Fund Expenditure Accounts are fund accounts used to record amounts appropriated by Congress for the general support of the Federal government.

Revolving Funds are fund accounts used to record funds authorized by specific provisions of law to finance a continuing cycle of business–type operations. Receipts are credited directly to the revolving fund as offsetting collections and are available for expenditure without further action by Congress.

Other Fund Types include General Fund Receipt and Deposit Fund accounts. General Fund Receipt accounts are used to record all receipts not earmarked by law for a specific purpose. These receipts may include miscellaneous recoveries and refunds as well as fines and penalties. The U.S. Treasury automatically transfers all cash balances in these receipt accounts to the general fund of the Treasury at the end of each FY. Deposit Fund accounts are used to record monies withheld from payroll, payments for goods and services that are pending disbursement to other entities, and receipts and disbursements awaiting determination of the proper accounting classification.

E. Accounts Receivable, Net

Accounts Receivable represents amounts due to the House from Federal entities, Members, employees, and/or vendors for money, goods, and services less an Allowance for Doubtful Accounts. Accounts Receivable primarily arises from provision of goods and services, commissions, and overpayments. Allowance for Doubtful Accounts is based on an analysis of outstanding accounts, aging methodologies, and historical collection experience. Intragovernmental accounts receivable are generally considered to be fully collectible. *(See Note 3)*

F. Inventory and Related Property, Net

Inventory is tangible personal property that is held for sale. The CAO Office Supply Service and Gift Shop maintain an inventory of supplies and merchandise purchased for resale to the public. Inventories for sale are valued by the historical cost method using the weighted average cost flow assumption.

Operating Material and Supplies are tangible personal property to be consumed during normal operations. The CAO Logistics and Support Office maintains inventories of items such as hardwood, carpet, leather, fabric, furniture components, and repair materials purchased by the House for use in its operations. The CAO House Information Resources Office maintains inventories of items such as fiber jumpers to support network connectivity and patch cords to support desktop computers. These items are not for sale and are reflected in the financial statements at an estimated value based on the historical cost method using the first in/first out cost flow assumption. *(See Note 4)*

G. General Property and Equipment, Net

General Property and Equipment (P&E) consists of office and computer equipment, furniture, vehicles, software, leasehold improvements, and software in development. The House capitalizes P&E when the unit acquisition cost equals or exceeds $25,000 and the item has a useful life of two years or more with the exception of software. Software is capitalized if the unit acquisition cost is equal to or greater than $10,000 and the item has a useful life of two years or more. Software in development consists of capitalized costs associated with software received, but not placed in service as of the end of the FY. The costs of all such items are recognized as assets when acquired.

An appropriate portion of an asset's value is reduced and an expense for depreciation or amortization is recognized over the accounting periods benefited by the asset's use. The House calculates depreciation and amortization expense based on the straight-line method over an asset's estimated useful life. Depreciation expense is applicable to tangible assets such as equipment, furniture, and vehicles. Amortization expense is applicable to intangible assets such as software and leasehold improvements.

A loss is recognized when the net book value of the asset at the time of disposal exceeds any proceeds received. A gain is recognized when the net book value of the asset at the time of disposal is less than any proceeds received. *(See Note 5)*

House office buildings and land occupied by Members and employees in Washington, D.C. are under the custody of the Architect of the Capitol (AOC) and are excluded from the House's P&E accounts. The House recognizes an imputed cost and related imputed financing source in its financial statements for the costs associated with the occupancy of the U.S. Capitol, and House office buildings. *(See Notes 1K and 14)*

H. Stewardship Property and Equipment

Stewardship P&E includes heritage assets and stewardship land. Heritage assets are unique due to their historical or natural significance; cultural, educational, or artistic importance; or significant architectural characteristics. Heritage assets consist of collection-type assets, such as objects gathered and maintained for exhibition, for example, museum collections, art collections, and library collections; and non-collection-type assets, such as parks, memorials, monuments, and buildings. These assets are expected to be preserved indefinitely. The House's heritage assets are considered collection-type assets and consist primarily of historical artwork and artifacts.

Heritage assets can serve two purposes: a heritage function and a general government operational function. If a heritage asset serves both purposes, but is predominantly used for general government operations, the asset is considered a multi-use heritage asset, which is included in general P&E on the Balance Sheet. The House office buildings and land occupied and used by Members and employees in Washington, D.C. meet the criteria of multi-use heritage assets. Stewardship responsibility for these multi-use heritage assets is maintained by the AOC and disclosed on its financial statements. The House does not possess multi-use heritage assets or stewardship land.

Heritage assets that are not multi-use are disclosed on the Balance Sheet as a note reference with no asset amount shown, and are not included in the general P&E. The cost of improving, reconstructing, or renovating heritage assets is recognized as an expense in the period incurred. Similarly, the cost to acquire or construct a heritage asset is recognized as an expense in the period incurred. Due to their nature, matching costs with specific periods would not be meaningful. *(See Note 6 and Required Supplementary Information)*

I. Advances and Prepayments

Advances and prepayments are transfers of cash to cover future expenses or the future acquisition of assets. These goods and services are delivered in increments that span several months. Advance payments are recorded as assets and consist of payments to Federal government entities for contractual services and for mailings that require address corrections or additional postage. As the goods and services are rendered, the Advance account is drawn down and the appropriate asset or expense is recognized. The House also pays for health plans under Public Law 111-148, *Patient Protection and Affordable Care Act (ACA)* and records this payment as an advance. The advance account is then drawn down and an expense is recognized when invoices are received for health care insurance premiums. Prepayments are also recorded as assets and represent payments made by a Federal entity to cover certain periodic expenses before those expenses are incurred. Prepayments include payments for subscriptions and are initially recorded as expenses. At year-end, all such payments made for the current year are analyzed to determine the proper expense and prepayment amounts applicable to the current accounting period for financial statement purposes. *(See Note 7)*

J. Liabilities

Liabilities represent the probable future outflow or other sacrifice of resources as a result of past transactions or events. Liabilities are amounts due to others as a result of items received, services rendered, expenses incurred, assets acquired and software in development regardless of whether invoices have been received. Liabilities also represent amounts received that have not yet been earned. Liabilities covered by budgetary resources are liabilities incurred that will be covered by available budgetary resources encompassing not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Liabilities not covered by budgetary resources include unfunded liabilities incurred for which revenues or other sources of funds necessary to pay the liabilities have not been made available through congressional appropriations or current earnings of the reporting entity. *(See Note 8)*

The House's liabilities include:

Accounts Payable that represent amounts owed for the cost of goods and services received but not yet paid. The House estimates certain accounts payable balances based on methodology that encompasses historical data and the first month financial activity of the subsequent FY.

Advances from Others that represent advance payments received from other Federal government entities for shared services, in advance of the delivery of these services. As the services are rendered the Advances from Others account is drawn down and the appropriate revenue is recognized. The House received payments in advance of receipt of shared services from the Library of Congress and the AOC.

Actuarial Federal Employees' Compensation Act Liabilities that represent an estimate based on actuarial calculations using historical payment patterns to predict what costs will be incurred in the future. The liability is adjusted annually by applying actuarial procedures. Any upward or downward adjustment to the liability is recorded as an annual increase or decrease to benefits expense. The House calculated the actuarial liability based on a model developed by the U.S. Department of Labor (DOL). 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. Claims paid for the benefit of House employees under FECA are administered by DOL, which pays the initial claim and obtains reimbursement from the House.

Accrued Payroll and Benefits and Annual Leave that represent both a funded and unfunded liability. A funded liability has a corresponding appropriation to liquidate it. An unfunded liability is a liability that is incurred during the current or prior year but is not payable until a future FY for which an appropriation has not yet been received.

Accrued payroll and benefits include salaries and associated benefits earned in the current FY and paid in the subsequent FY.

Annual leave for the House Officers, the Inspector General, and their employees is accrued as earned, and the liability is reduced as leave is taken. The accrued annual leave balances are calculated according to Public Law 104-53, November 19, 1995, Sec. 109 Stat. 522 (i.e., the lesser of the employee's monthly pay or the monthly pay divided by 30 days and multiplied by the number of days of accrued leave). The House utilizes actual hours to calculate the liability. Sick and other types of paid leave are expensed as they are taken. The Members' and Committees' Congressional Handbooks allow offices to adopt personnel policies that provide for the accrual of annual leave and use of such leave. Leadership and other select House offices have also adopted similar policies. While leave is tracked from one pay period to the next, a consistent policy has not been formally adopted by these entities regarding the accrual and payment of leave time. Therefore, an accrued leave liability for Members, Committees, Leadership, and select House offices is estimated on the financial statements. In FY 2017, the estimate was based on a three-year average of historical data of actual annual leave paid.

Other Intragovernmental Liabilities that represent the accrued workers' compensation amount billed by DOL that will be paid in subsequent FYs, unemployment compensation amounts owed to DOL, and accrued benefits.

Other Public Liabilities that represent amounts held pending proper accounting disposition or amounts withheld from payroll and payments for goods and services that are pending disbursement to other entities.

K. Revenue and Other Financing Sources

Appropriations

The House finances most of its operations through congressional appropriations of budget authority. To the extent that revenue generated by some House activities does not cover expenses, appropriations are required. The House receives annual, multi-year, and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. A financing source is recognized for these appropriated funds received, less appropriations transferred or not available through rescission or cancellation. The House usually receives the full amount of its appropriation at the beginning of each FY as stated in the public law.

Exchange and Non-Exchange Revenue

The House classifies revenues as either exchange revenue or non-exchange revenue. Exchange revenue is derived from transactions in which both the government and the other party receive value; and is recognized when goods have been delivered or services rendered. The House's exchange revenue consists of (1) sales of goods to the public for Office Supply Service and Gift Shop sales; (2) sales of services to the public for child care, photography sales, postal services and Attending Physician services; and (3) other revenue for vendor commissions. Non-exchange revenue is derived from the government's sovereign right to demand payment from the public (e.g., taxes, duties, fines, and penalties) but also includes donations. The House reports non-exchange revenue collected from donations for the Reduction of Public Debt and fines for Ethic Violations.

Intragovernmental Costs and Earned Revenues

The House earns intragovernmental revenue by providing mail and telecommunication services primarily to other legislative entities. Intragovernmental costs and exchange revenue represent transactions made between two reporting entities within the Federal government and are disclosed separately from costs and exchange revenue with the public (exchange transactions made between the reporting entity and a non-Federal entity). Intragovernmental expenses relate to the source of goods and services purchased by the reporting entity and not to the classification of related revenue. The purpose of this classification is to enable the Federal government to provide consolidated financial statements, and not to match public and intragovernmental revenue with costs that are incurred to produce public and intragovernmental revenue. The net cost of the House's operations includes gross costs incurred by the House less any exchange revenue earned from House activities.

Imputed Financing from Cost Absorbed by Others (and Related Imputed Costs)

The House recognizes the amount of cost incurred by a Federal entity for goods and services provided and paid for in total, or in part, by other Federal entities. Since the cost is not actually reimbursed to these Federal entities, an imputed financing source is also recognized to offset the costs financed by the entities. The imputed cost and imputed financing source for costs are associated with the occupancy of the U.S. Capitol and House office buildings under the custody of the AOC; the Federal Employee and Veterans' Benefits; and settlement of claims and litigation paid from the Treasury's Judgment Fund. The imputed cost is recognized in the Statement of Net Cost and the imputed financing source is recognized in the Statement of Changes in Net Position.

Occupancy Cost

The House recognizes an occupancy cost for the U.S. Capitol and House office buildings under the custody of the AOC that are occupied by Members and staff in Washington, D.C. The House office buildings are comprised of the Cannon, Ford, Longworth, O'Neill, Rayburn, and other buildings and facilities. The AOC receives an appropriation for the maintenance, care, and operations of the House office buildings, facilities and grounds; and costs associated with the acquisition and maintenance of the land and buildings is accounted for by the AOC.

The imputed occupancy cost for the U.S. Capitol and House office buildings is calculated by multiplying the gross square footage of the buildings, which includes a 'common area factor' of 11.5 percent, by the estimated acquisition and maintenance cost per square foot.

Federal Employee and Veterans' Benefits Cost

Federal-employing entities recognize their share of the cost of providing future pension benefits to eligible employees at the time the employees' services are rendered. The pension expense recognized in the Statement of Net Cost is the current service cost for House employees less the amount contributed by the employee.

The measurement of the service cost requires the use of actuarial cost methods and assumptions, with the factors applied by the House provided by the Office of Personnel Management (OPM), the Federal agency that administers the plan. The excess of the recognized pension expense over the amount contributed by the House represents the amount being financed directly through the Civil Service Retirement and Disability Fund administered by OPM. The House does not receive an appropriation to fund this cost. Therefore, this portion of the pension cost is considered an imputed financing source to the House and is included in the Imputed Financing from Costs Absorbed by Others on the Statement of Changes in Net Position.

Federal-employing entities also recognize a current period expense for the future cost of post-retirement health benefits and life insurance for its employees while they are still employed. This cost is included in the Statement of Net Cost. Employees and the House do not currently make contributions to fund these future benefits, and the House does not receive an appropriation to fund this expense. Therefore, this portion of the post-retirement health benefits and life insurance is considered an imputed financing source to the House, and is included in Imputed Financing from Costs Absorbed by Others on the Statement of Changes in Net Position. *(See Note 15)*

L. Personnel and Benefits Compensation

House Members and employees are covered by either Civil Service Retirement System (CSRS), the Federal Employees Retirement System (FERS), the Federal Employees Retirement System – Revised Annuity Employee (FERS-RAE) or the Federal Employees Retirement System – Further Revised Annuity Employee (FERS-FRAE). Both Members and employees are eligible for retirement benefits under these plans.

A CSRS basic annuity, unreduced for age, debts to the fund, or survivor's benefits, is calculated by multiplying the highest 3 consecutive years' average salary by a percentage factor which is based on the length of Federal service. However, Members' benefits are different from those of employees. For example, a Member covered by CSRS is eligible to receive unreduced retirement benefits at age 60 if he or she has 10 years of Member service. An employee is eligible to receive unreduced benefits at age 50 with 20 years of service or at any age with 25 years of service. The FERS, FERS-RAE, and FERS-FRAE (collectively referred to as FERS) basic benefit plans provide the same benefits for either Members or employees.

CSRS employees contribute a portion of their earnings to the Civil Service Retirement Fund. The House also contributes an amount to this fund. FERS employees, in addition to paying Social Security, contribute a portion of their base earnings to the FERS retirement funds. The House also contributes an amount toward the FERS retirement and Social Security funds.

All covered employees can contribute to the Thrift Savings Plan (TSP) up to the IRS limit. FERS employees also receive an automatic one percent House-paid contribution, as well as an additional House matching TSP contribution up to five percent of their basic pay. CSRS employee contributions to TSP do not receive matching House contributions. FERS employees could receive benefits from the basic FERS annuity, the Social Security System, and TSP. CSRS employees could receive benefits from CSRS and TSP. Post-employment retirement, health, and life insurance benefits are not reported by the House, rather they are reported by OPM. *(See Note 12)*

M. Net Position

Unexpended Appropriations

Unexpended Appropriations includes the portion of the House's appropriations represented by undelivered orders and unobligated balances. The amount of unexpended appropriations reported on the Balance Sheet should equal the amount of unexpended appropriations reported on the Statement of Changes in Net Position.

Appropriations are not considered expended until goods have been received or services have been rendered. The House has single, multi, and no-year appropriations. Multi-year appropriations consist of 15-month, 18-month, and 27-month multi-year funding. Funds cancel two years after expiration and are no longer available for obligation or expenditure for any purpose and are returned to the U.S. Treasury.

Cumulative Results from Operations

Cumulative Results from Operations includes the net results of operations since inception plus the cumulative amount of prior period adjustments. The amount of cumulative results from operations reported on the Balance Sheet should equal the amount of cumulative results from operations reported on the Statement of Changes in Net Position.

N. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the amount of revenue and expense reported during the period. Actual results could differ from those estimates.

O. Reclassifications

The FY 2016 financial statements were reclassified to correctly present the reallocation of various employee benefit charges from intragovernmental to public costs in Note 11, *Intragovernmental Costs and Exchange Revenue*. The changes also impacted the Accounts Payable line items on both the Consolidated Balance Sheets and Note 8, *Liabilities*. The reclassifications had no effect on total assets, liabilities and net position, net cost of operations, or budgetary resources.

NOTE 2 – FUND BALANCE WITH THE U.S. TREASURY, CASH AND OTHER MONETARY ASSETS

Fund Balance with Treasury (FBWT) as of September 30, 2017 and 2016:

Fund Balance with Treasury	**2017**	**2016**
General and Other Funds		
House Maintained	$ 269,964,331	$ 271,190,173
Congressional Use of Foreign Currency	5,306,168	13,660,473
Total General and Other Funds	275,270,499	284,850,646
Revolving Funds	34,153,844	34,285,522
Total	**$ 309,424,343**	**$ 319,136,168**

Status of Fund Balance with Treasury as of September 30, 2017 and 2016:

Status of Fund Balance with Treasury	**2017**	**2016**
Unobligated Balance		
Available	$ 184,127,408	$ 198,900,056
Unavailable	38,529,337	40,309,816
Obligated Balance not yet Disbursed	86,752,764	80,689,906
Non-Budgetary FBWT*	14,834	(763,610)
Total	**$ 309,424,343**	**$ 319,136,168**

*Represents deposit funds held at the U.S. Treasury.

Funds that were canceled and returned to the U.S. Treasury as of September 30, 2017 and 2016:

Appropriations	**2017**	**2016**
2016 (single year)	$ 243,333	$ -
2015 (single year)	35,245,465	402,212
2014 (single year)	-	5,013,927
2014/2015 (multi-year)	1,491,357	-
2013/2015 (mulit-year)	193,336	-
2013/2014 (multi-year)	-	1,404,423
2012/2014 (multi-year)	-	215,939
Total	**$ 37,173,491**	**$ 7,036,501**

There were no significant differences between the Fund Balance reflected in the House's financial statements and the balance in the Treasury accounts.

Cash and Other Monetary Assets as of September 30, 2017 and 2016:

Cash and Other Monetary Assets	**2017**	**2016**
Cash on Hand	$ 2,856	$ 8,181
Total	**$ 2,856**	**$ 8,181**

NOTE 3 – ACCOUNTS RECEIVABLE, NET

Accounts Receivable, Net as of September 30, 2017 and 2016:

Accounts Receivable, Net	2017	2016
Intragovernmental		
Accounts Receivable	$ 171,778	$ 132,377
Total Intragovernmental	171,778	132,377
With the Public		
Accounts Receivable	346,164	331,627
Allowance for Doubtful Accounts	(16,118)	(28,233)
Total With the Public	330,046	303,394
Total	**$ 501,824**	**$ 435,771**

NOTE 4 – INVENTORY AND RELATED PROPERTY, NET

Inventory and Related Property, Net as of September 30, 2017 and 2016:

Inventory and Related Property, Net	2017	2016
Operating Materials and Supplies Held for Use	$ 519,704	$ 341,364
Inventory Purchased for Resale	852,748	797,012
Total	**$ 1,372,452**	**$ 1,138,376**

NOTE 5 – GENERAL PROPERTY AND EQUIPMENT, NET

General Property and Equipment, Net as of September 30, 2017 and the related depreciation and amortization expense:

2017 Classes of Property and Equipment	Service Life (Years)	Acquisition Cost	Accumulated Depreciation/ Amortization	Net Book Value	Depreciation/ Amortization Expense
Computer Software in Development	N/A	$ 1,381,822	$ -	$ 1,381,822	$ -
Computer Software and Hardware	3/5	81,126,815	73,011,325	8,115,490	7,039,585
Equipment	5	49,040,364	38,855,142	10,185,222	3,022,101
Motor Vehicles	5	10,935,758	10,834,525	101,233	74,448
Furnishings and Other Equipment	10	869,169	650,932	218,237	63,874
Leasehold Improvements	10	9,085,375	9,085,375	-	7,150
Total		**$ 152,439,303**	**$ $132,437,299**	**$ 20,002,004**	**$ 10,207,158**

General Property and Equipment, Net as of September 30, 2016 and the related depreciation and amortization expense:

2016 Classes of Property and Equipment	Service Life (Years)	Acquisition Cost	Accumulated Depreciation/ Amortization	Net Book Value	Depreciation/ Amortization Expense
Computer Software in Development	N/A	$ 165,000	$ -	$ 165,000	$ -
Computer Software and Hardware	3/5	85,940,310	74,299,328	11,640,982	8,110,858
Equipment	5	49,061,008	40,530,060	8,530,948	3,777,417
Motor Vehicles	5	10,906,808	10,760,077	146,731	90,430
Furnishings and Other Equipment	10	979,176	697,066	282,110	64,110
Leasehold Improvements	10	9,085,375	9,078,225	7,150	65,303
Total		**$ 156,137,677**	**$ 135,364,756**	**$ 20,772,921**	**$ 12,108,118**

NOTE 6 – STEWARDSHIP PROPERTY AND EQUIPMENT

Physical counts for collection-type heritage assets as of September 30, 2017 and 2016:

Heritage Assets	2016	Additions	Withdrawals	2017
Artwork	356	6	-	362
Artifacts	9,259	1,614	1	10,872
Total	**9,615**	**1,620**	**1**	**11,234**

The House's heritage assets are directly related to its mission to document and preserve the legislative integrity and traditions of the institution. Permanent authority for the Clerk of the House originated in the opening days of the First Congress, when John Beckley was elected Clerk on April 1, 1789, pursuant to Article I of the Constitution: "The House of Representatives shall chuse (sic) their Speaker and other Officers…." The Clerk's responsibilities to document and preserve the activities of Congress have grown over the centuries, and are found in Rules VII and XI of the House, and by the Rules of the House of Representatives Fine Arts Board, established via 40 USC Sec. 188c (Public Law 100-696 [Title X]).

The House's stewardship responsibility for its heritage assets includes those in or associated with the House, its legislative history, Members and institutional heritage. Under the provisions of the House of Representatives Fine Arts Board, the Clerk is responsible for the administration, maintenance, and display of the works of fine art and other similar property of the Congress for display or for other use in the House wing of the Capitol, the House office buildings, or any other location under the control of the House in accordance with Public Law 100-696. The House's heritage assets are curated by the House Curator in the Clerk's Office of History and Preservation. The House Curator maintains records, both paper and electronic, for works of art and artifacts. Staff and resources are devoted to the conservation and preservation of heritage assets, using professional standards established by the American Institute for Conservation and the National Archives and Records Administration. These standards provide for cleaning, storing, displaying, handling, and protecting the House's heritage assets.

The House acquires heritage assets by purchase, transfer from Federal entities, gift, or by provision of federal law. Prior to acquiring these assets, the House Curator, on behalf of the Clerk and the House of Representatives Fine Arts Board, ensures they meet minimum standards as required by the American Association of Museums' ethics guidelines and standards and best practices for accessioning of objects into museum collections. The House's collections continue to increase as it acquires additional assets and few items have been retired or disposed of to date.

Deaccessioning of objects and related withdrawals or disposals will only occur if the House Curator, in accordance with the American Association of Museums' guidelines and best practices, determines the asset is in irretrievable condition; does not meet the needs of the collection; or should be withdrawn due to exchange or gift of unwanted or duplicate copies. Staff ensure that heritage assets remain in good condition, carefully preserving and saving these treasures for present and future generations.

The Required Supplementary Information section of this report provides additional information on the condition of stewardship P&E.

Descriptions of the types of heritage assets are:

Artwork

The House's artwork encompasses oil and acrylic paintings, works on paper, and sculpture in bronze, marble, and other media.

Artifacts

The House's historical artifacts include objects in all media, including but not limited to paper, metal, plaster, wood, textile, and stone.

NOTE 7 – ADVANCES AND PREPAYMENTS

Advances and Prepayments as of September 30, 2017 and 2016:

Advances and Prepayments	**2017**	**2016**
Intragovernmental	$ 2,667,137	$ 3,139,340
Public	10,556,496	9,345,670
Total	**$ 13,223,633**	**$ 12,485,010**

NOTE 8 – LIABILITIES

Liabilities are classified as either current or non-current. Current liabilities refer to liabilities that are expected to settle within 12 months of the Balance Sheet date. Non-current refers to liabilities that are expected to settle more than 12 months after the Balance Sheet date.

Liabilities Covered and not Covered by Budgetary Resources as of September 30, 2017:

Liabilities	**Liabilities Covered by Budgetary Resources**		**Liabilities not Covered by Budgetary Resources**		
	Current	**Non-Current**	**Current**	**Non-Current**	**2017**
Intragovernmental Liabilities					
Accounts Payable	$ 1,932,707	$ -	$ -	$ -	$ 1,932,707
Advances from Others	1,215,491	-	-	-	1,215,491
	3,148,198	-	-	-	3,148,198
Other Liabilities					
Withholdings Payable	-	-	-	-	-
Accrued Benefits	694,370	-	-	-	694,370
Accrued Workers' Compensation	519,285	-	-	-	519,285
Unemployment Compensation	386,486	-	-	-	386,486
Deposit Fund Liability - Federal	1,463	-	-	-	1,463
Liabilities for Non-Entity Assets	160,681	-	-	-	160,681
Total Other Liabilities	1,762,285	-	-	-	1,762,285
Total Intragovernmental Liabilities	4,910,483	-	-	-	4,910,483
Public Liabilities					
Accounts Payable	21,236,282	-	-	-	21,236,282
Actuarial FECA Liability	-	-	-	28,405,926	28,405,926
Accrued Payroll and Benefits	6,594,641	-	-	-	6,594,641
Unfunded Accrued Annual Leave	-	-	-	7,393,607	7,393,607
Other Liabilities	14,317	-	-	-	14,317
Total Public Liabilities	27,845,240	-	-	35,799,533	63,644,773
Total	**$ 32,755,723**	**$ -**	**$ -**	**$ 35,799,533**	**$ 68,555,256**

Liabilities Covered and not Covered by Budgetary Resources as of September 30, 2016:

Liabilities	Liabilities Covered by Budgetary Resources		Liabilities not Covered by Budgetary Resources		
	Current	Non-Current	Current	Non-Current	2016
Intragovernmental Liabilities					
Accounts Payable	$ 2,993,483	$ -	$ -	$ -	$ 2,993,483
Advances from Others	789,509	-	-	-	789,509
	3,782,992	-	-	-	3,782,992
Other Liabilities					
Withholdings Payable	-	-	-	-	-
Accrued Benefits	1,389,997	-	-	-	1,389,997
Accrued Workers' Compensation	771,768	-	-	-	771,768
Unemployment Compensation	150,000	-	-	-	150,000
Deposit Fund Liability - Federal	(763,522)	-	-	-	(763,522)
Liabilities for Non-Entity Assets	180,603	-	-	-	180,603
Total Other Liabilities	1,728,846	-	-	-	1,728,846
Total Intragovernmental Liabilities	5,511,838	-	-	-	5,511,838
Public Liabilities					
Accounts Payable	20,840,452	-	-	-	20,840,452
Actuarial FECA Liability	-	-	-	26,935,615	26,935,615
Accrued Payroll and Benefits	6,688,187	-	-	-	6,688,187
Unfunded Accrued Annual Leave	-	-	-	6,863,143	6,863,143
Other Liabilities	39,838	-	-	-	39,838
Total Public Liabilities	27,568,477	-	-	33,798,758	61,367,235
Total	**$ 33,080,315**	**$ -**	**$ -**	**$ 33,798,758**	**$ 66,879,073**

NOTE 9 – LEASE COMMITMENTS

OPERATING LEASES: Future Operating Lease Payments Due as of September 30, 2017:

Lease Commitments	2018	2019	2020	2021	2022	Total
Office Space	$ 9,682,534	$ 2,417,676	$ -	$ -	$ -	$ 12,100,210
Total	**$ 9,682,534**	**$ 2,417,676**	**$ -**	**$ -**	**$ -**	**$ 12,100,210**

The House maintains operating leases for district office space. The lease agreements are in accordance with House rules and regulations and agreed upon vendor terms and conditions. In accordance with the Members' Congressional Handbook, the House requires that leases entered into by Members for space be no longer than the elected term of the Member. Operating lease payments are recorded as expenses. Future operating lease payments are not accrued as liabilities. Members may lease office space in their districts through the U.S. General Services Administration or may directly lease space from the private sector.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Contingencies should be recognized as a liability when a past transaction or event has occurred, a future outflow or other sacrifice of resources is probable, and the related future outflow or sacrifice of resources is measurable. General contingent liabilities consist of claims filed against the House which are awaiting adjudication. For the purpose of estimating contingent liabilities for the financial statements, the House conducted a review of existing claims for which the likelihood of loss to the House is probable. Additionally, management and the House's General Counsel evaluated the materiality of cases determined to have a reasonably possible chance of an adverse outcome.

The House is currently involved in one legal matter where the sacrifice of resources are reasonably possible, but the likelihood of an unfavorable outcome or the range of the loss cannot be estimated.

Management believes all other claims are immaterial with respect to the House's financial statements. Under law, any settlement of claims litigated in court would be settled by Treasury's Judgment Fund.

NOTE 11 – INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

Intragovernmental Costs and Exchange Revenue for the Years Ended September 30, 2017 and 2016:

Intragovernmental Costs and Exchange Revenue	2017	2016
Legislative Activities		
Intragovernmental Costs	$ 464,301,512	$ 487,118,334
Public Costs	1,036,420,564	1,030,579,509
Total Costs	1,500,722,076	1,517,697,843
Intragovernmental Earned Revenue	(4,143,766)	(3,935,462)
Public Earned Revenue	(221,931)	(232,204)
Total Earned Revenue	(4,365,697)	(4,167,666)
Net Program Costs	**1,496,356,379**	**1,513,530,177**
Revolving Fund Activities		
Intragovernmental Costs	236,000	208,519
Public Costs	3,843,950	3,646,894
Total Costs	4,079,950	3,855,413
Intragovernmental Earned Revenue	(2,212,480)	(2,114,078)
Public Earned Revenue	(2,677,283)	(2,558,373)
Total Earned Revenue	(4,889,763)	(4,672,451)
Net Program Costs	**(809,813)**	**(817,038)**
Total		
Intragovernmental Costs	464,537,512	487,326,853
Public Costs	1,040,264,514	1,034,226,403
Total Costs	1,504,802,026	1,521,553,256
Intragovernmental Earned Revenue	(6,356,246)	(6,049,540)
Public Earned Revenue	(2,899,214)	(2,790,577)
Total Earned Revenue	(9,255,460)	(8,840,117)
Net Cost of Operations	**$ 1,495,546,566**	**$ 1,512,713,139**

NOTE 12 – PERSONNEL AND BENEFITS COMPENSATION

Personnel and Benefits Compensation for the Years Ended September 30, 2017 and 2016:

Member and Employee Personnel and Benefits Compensation	2017	2016
Personnel Compensation	$ 763,513,533	$ 750,248,754
Retirement Plan Contributions	153,473,860	154,588,557
Social Security	53,751,877	52,496,752
Health Insurance	46,996,649	45,379,023
Student Loan/Fitness Center Programs	14,160,751	14,674,514
Unemployment and Workers' Compensation	3,556,885	2,688,670
Transit Benefits	2,366,976	2,313,044
Life Insurance	1,097,705	1,090,695
Death Benefits	1,098,049	731,643
Annual Leave	530,464	(458,246)
Allowances	-	2,083
Workers' Compensation Actuarial Adjustment	1,470,311	(5,492,251)
Total	**$ 1,042,017,060**	**$ 1,018,263,238**

NOTE 13 – EMERGENCY PREPAREDNESS

The House continues to develop contingency plans and capabilities to ensure the continuation of essential House Operations in the occurrence of a disruptive event. Approximately $18 million and $23 million were expended in 2017 and 2016 respectively.

NOTE 14 – EXCHANGE REVENUES

In certain cases, the prices charged by the House for the sale of goods and services are set by House rules and regulations, which for program and other reasons may not represent full cost. In other cases, prices set for goods and services are intended to recover the full costs incurred by these activities (e.g., child care fees, postal fees, and Gift Shop sales to the public).

NOTE 15 – IMPUTED FINANCING FROM COST ABSORBED BY OTHERS

The House recognizes an imputed cost and imputed financing source for costs associated with the occupancy of the U.S. Capitol and House office buildings; a portion of Federal Employee and Veteran's Benefits (FEVB); and settlement of claims and litigation paid by Treasury's Judgment Fund. A portion of the retirement, health, and life insurance benefits provided to House employees is funded by OPM. In accordance with Federal accounting standards, the House recognizes identified costs paid by OPM on behalf of the House as an expense.

Imputed Financing from Cost Absorbed by Others for the Years Ended September 30, 2017 and 2016:

Imputed Cost and Financing Source	**2017**	**2016**
Occupancy Costs	$ 174,010,233	$ 174,706,264
Federal Employee and Veteran's Benefits		
Current Service Cost - Federal Employee Health Benefits	37,616,106	42,665,194
Current Service Cost - Federal Pensions	4,438,401	8,626,745
Current Service Cost - Federal Employee Group Life Insurance	107,758	107,581
Total Federal Employee and Veteran's Benefits	42,162,265	51,399,520
Claims to be Paid by the U.S. Treasury's Judgment Fund on Behalf of the House	22,400	3,550,000
Total	**$ 216,194,898**	**$ 229,655,784**

NOTE 16 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

Undelivered Orders represent the amount of paid and unpaid orders for goods and services ordered which have not been received.

Undelivered Orders as of September 30, 2017 and 2016:

Undelivered Orders at the End of the Period	**2017**	**2016**
Undelivered Orders, Unpaid	$ 55,390,319	$ 47,856,139
Undelivered Orders, Paid	13,223,633	12,485,010
Total	**$ 68,613,952**	**$ 60,341,149**

NOTE 17 – PERMANENT INDEFINITE APPROPRIATIONS

A permanent and indefinite appropriation is a standing appropriation which, once made, is always available for specified purposes and does not require repeated action by Congress to authorize its use. Legislation authorizing an agency to retain and use offsetting receipts tends to be permanent; if so, it is a form of permanent appropriation. This appropriation is for an unspecified amount of money; and may appropriate all or part of the receipts from certain sources, the specific amount of which is determinable only at some future date, or it may appropriate "such sums as may be necessary" for a given purpose.

The House has two permanent and indefinite appropriations. These appropriations include the Compensation of Members and Related Administrative Expenses, and Congressional Use of Foreign Currency.

Compensation of Members and Related Administrative Expenses is maintained and administered by the House. Public Law 97-51, Sec. 130(c), Oct. 1, 1981, 95 Stat. 966, *Appropriation of funds for Compensation of Members of Congress and for Administrative Expenses at Levels Authorized by Law and Recommended by the President for Federal Employees*, establishes the appropriation to fund the payroll and benefits compensation for Members of Congress and related administrative expenses in support of administering the fund.

Congressional Use of Foreign Currency is maintained and administered by the Department of State on behalf of the House. This account, which was established in 1948 and made permanent in 1981, is authorized by legislation codified in Title 22, Sec. 1754 of the United States Code. The funds are available to Congressional Committees and delegations to cover local currency expenses incurred while traveling abroad. Use of the foreign currency account for Congressional delegations and other official foreign travel of the House is authorized by either the Speaker of the House or the chairman of a Standing, Special and Select, or Joint Committee.

NOTE 18 – EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT

The Budget of the U.S. Government with actual amounts has not been published as of September 30, 2017. This document will be available in February 2018.

The House deems the differences due to rounding between the amounts reported in the Statement of Budgetary Resources and the actual amounts reported in the Budget of the U.S. Government for budgetary resources and net outlays to be immaterial and/or insignificant. As such, reconciliation of this item is not necessary and therefore not included.

Differences between the Statement of Budgetary Resources and the Budget of the U.S. Government as of September 30, 2016:

Differences between the Statement of Budgetary Resources and the Budget of the U.S. Government		Budgetary Resources		Net Outlays
Statement of Budgetary Resources	$	1,297,369,000	$	1,290,794,644
Transfer-Out		8,300,000		-
Differences due to Rounding		331,000		2,205,356
Budget of the U.S. Government	**$**	**1,306,000,000**	**$**	**1,293,000,000**

NOTE 19 – RECONCILIATION OF BUDGETARY RESOURCES OBLIGATED TO NET COST OF OPERATIONS

For the Years Ended September 30, 2017 and 2016:

	2017	2016
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations Incurred	$ 1,311,079,717	$ 1,309,307,147
Spending Authority from Offsetting Collections and Recoveries	(26,099,315)	(24,191,203)
Obligations Net of Offsetting Collections and Recoveries	1,284,980,402	1,285,115,944
Net Obligations	1,284,980,402	1,285,115,944
Other Resources		
Imputed Financing from Costs Absorbed by Others	216,194,898	229,655,784
Net Other Resources Used to Finance Activities	216,194,898	229,655,784
Total Resources Used to Finance Activities	1,501,175,300	1,514,771,728
Resources Used to Finance Items not Part of the Net Cost of Operations:		
Change in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but not Yet Provided	(7,846,821)	761,654
Resources that Finance the Acquisition of Assets	(11,400,283)	(10,453,857)
Other Resources or Adjustments to Net Obligated Resources that do not affect Net Cost	(201,104)	(203,927)
Total Resources Used to Finance Items not Part of the Net Cost of Operations	(19,448,208)	(9,896,130)
Total Resources Used to Finance the Net Cost of Operations	**$ 1,481,727,092**	**$ 1,504,875,598**
Components of Net Cost of Operations That will not Require or Generate Resources in the Current Period:		
Components Requiring or Generating Resources in Future Periods:		
Increase/(Decrease) in Actuarial Liability	$ 1,470,311	$ (5,492,251)
Increase/(Decrease) in Annual Leave Liability	530,464	(458,246)
Other	(66,052)	209,279
Total Components of Net Cost of Operations Requiring or Generating Resources in Future Periods	1,934,723	(5,741,218)
Components not Requiring or Generating Resources:		
Depreciation and Amortization	10,207,158	12,108,118
Revaluation of Assets or Liabilities	10,936	40,149
Other	1,666,657	1,430,492
Total Components of Net Cost of Operations not Requiring or Generating Resources	11,884,751	13,578,759
Total Components of Net Cost of Operations that will not Require or Generate Resources in the Current Period	13,819,474	7,837,541
Net Cost of Operations	**$ 1,495,546,566**	**$ 1,512,713,139**

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

STEWARDSHIP PROPERTY AND EQUIPMENT

The U.S. House of Representatives (House) collection of heritage assets includes artwork, historic artifacts, and photographs that reflect the rich heritage and evolving nature of the House. The ideals and trials of the institution and our history are expressed in the heritage assets whose subject matter includes prominent Americans, distinguished individuals, significant moments in history, and symbolic representations of the nation's rich and diverse history.

The House Curator manages and cares for the House's collection which is located on display, in storage, and on loan throughout the U.S. Capitol complex including House office buildings and other locations under the jurisdiction of the House. Because display locations on campus are not in a traditional museum setting, works of art and artifacts may be more vulnerable to damage from human contact and surface deposits. However, it is the House's goal to preserve its heritage assets and manage the condition in accordance with the intended usage of the collection. The House conducts periodic assessments to monitor, inspect, and evaluate the condition of the heritage assets to determine the current condition for preservation or restoration efforts. These assessments are performed in accordance with House established practice and professional standards. General conditions are categorized as excellent, good, fair, or poor. The House has determined its heritage assets to be in fair to excellent condition.

The following tables present the general condition of the House's heritage assets and indicate an aggregate condition of the collection as of September 30, 2017:

Heritage Asset Collection - Artwork

General Condition	2016	Increase	Decrease	2017
Good to Excellent	356	6	-	362

The works of art include oil and acrylic paintings, works on paper, and sculpture in bronze, marble and other media. These items range from portraits and historical documents to statues and other works of art.

Examples of the House's collection of works of art include:

Oil Paintings

The House's collection of oil paintings primarily consists of the portraits of House of Representatives' Speakers and Committee Chairmen. A smaller collection of portraits represent "firsts" in House Membership. For example, three of these firsts are installed on the third floor of the Capitol near the press gallery. They are: Joseph Hayne Rainey, the first African American elected to the House, Jeannette Rankin, first woman in Congress, and Romualdo Pacheco, the first Hispanic American in Congress.

Acrylic Paintings

The House's collection of acrylic paintings includes Committee portraits. One such example is the portrait of former Chairman of the Banking Committee, Henry Barbosa González. This portrait was painted by an artist who was seriously wounded in Vietnam and for whom González had arranged for return home to Texas.

Works on Paper

The House's collection of works on paper includes a pencil-drawn portrait of former Appropriations Committee chairman William Natcher and 19th century prints of happenings in the House Chamber.

Sculptures

The House's collection of sculpture includes full figure portraits. For example, a bronze of Sam Rayburn greets visitors at the Independence Avenue entrance of the Rayburn Building and Thomas Jefferson in marble makes a stately presence on the second floor of the Capitol.

Heritage Asset Collection - Artifacts

General Condition	2016	Increase	Decrease	2017
Fair to Excellent	9,259	1,614	1	10,872

The artifacts include items in various types of media, including but not limited to paper, metal, plaster, plastic, wood, textile, and ceramic. For example, these items include photographs, magazines, handbills, spittoons, furniture, and drinking glasses.

Examples of the House's collection of artifacts include:

Paper

The House's collection of paper artifacts include items such as a 1930 press photograph of House Members supporting prohibition, charming and poignant letters from a House page in the 1860s to his mother, and ledgers from the Republican Cloakroom detailing daily floor activities from the late 20th century.

Metal

The House's collection of metal artifacts includes smoking stands and spittoons. The "Smokador: the Ashless Ashtray," a perfectly Art Deco stand, was probably used in the Longworth Building to team up with modern, sleek furniture designed for the building.

Plaster

The House's collection of plaster artifacts include items such as several small 1932 busts of George Washington, presented to Members of Congress on the bicentennial of the first president's birth.

Wood

The House's collection of wood artifacts includes a turn-of-the-20th century foot locker, a small wooden box used by Members to send papers back and forth to their districts. There is also a substantial collection of furniture which includes pieces from the Capitol and all three House buildings.

Textile

The House's collection of textile artifacts includes items such as T-shirts from the House Page Program and the baseball jersey worn by a Member/player during a Congressional Baseball game.

Ceramic

The House's collection of ceramics includes souvenir plates from the Capitol and a full place setting of china used in the Speaker's dining room in the 1980s complete with serving pieces and glassware.

U.S. HOUSE OF REPRESENTATIVES
COMBINING STATEMENTS OF BUDGETARY RESOURCES

For the Year Ended September 30, 2017

	2017 Appropriated Funds	2017 Revolving Funds	2017 Total
Budgetary Resources:			
Unobligated balance brought forward, Oct 1	$ 208,241,999	$ 30,967,873	$ 239,209,872
Recoveries of prior year unpaid obligations	1,465,066	-	1,465,066
Other changes in unobligated balance	(36,131,850)	-	(36,131,850)
Unobligated balance from prior year budget authority, net	173,575,215	30,967,873	204,543,088
Appropriations (discretionary and mandatory)	1,305,600,766	-	1,305,600,766
Spending authority from offsetting collections (discretionary and mandatory)	4,569,489	19,023,119	23,592,608
Total budgetary resources	**$ 1,483,745,470**	**$ 49,990,992**	**$ 1,533,736,462**
Status of Budgetary Resources:			
New obligations and upward adjustments (total)	$ 1,288,253,123	$ 22,826,594	$ 1,311,079,717
Unobligated balance, end of year:			
Exempt from apportionment, unexpired accounts	156,963,010	27,164,398	184,127,408
Unexpired unobligated balance, end of year	156,963,010	27,164,398	184,127,408
Expired unobligated balance, end of year	38,529,337	-	38,529,337
Unobligated balance, end of year (total)	195,492,347	27,164,398	222,656,745
Total budgetary resources	**$ 1,483,745,470**	**$ 49,990,992**	**$ 1,533,736,462**
Change in Obligated Balance:			
Unpaid Obligations:			
Unpaid obligations, brought forward, Oct 1	$ 77,370,107	$ 3,319,799	$ 80,689,906
New obligations and upward adjustments	1,288,253,123	22,826,594	1,311,079,717
Outlays (gross)	(1,284,396,996)	(19,154,797)	(1,303,551,793)
Recoveries of prior year unpaid obligations	(1,465,066)	-	(1,465,066)
Unpaid obligations, end of year	79,761,168	6,991,596	86,752,764
Memorandum (non-add) Entries:			
Obligated balance, start of year	$ 77,370,107	$ 3,319,799	$ 80,689,906
Obligated balance, end of year	$ 79,761,168	$ 6,991,596	$ 86,752,764
Budget Authority and Outlays, Net			
Budget authority, gross (discretionary and mandatory)	$ 1,310,170,255	$ 19,023,119	$ 1,329,193,374
Actual offsetting collections (discretionary and mandatory)	(5,611,130)	(19,023,119)	(24,634,249)
Recoveries of prior year paid obligations (discretionary and mandatory)	1,041,641	-	1,041,641
Budget authority, net (total) (discretionary and mandatory)	**$ 1,305,600,766**	**$ -**	**$ 1,305,600,766**
Outlays, gross (discretionary and mandatory)	$ 1,284,396,996	$ 19,154,797	$ 1,303,551,793
Actual offsetting collections (discretionary and mandatory)	(5,611,130)	(19,023,119)	(24,634,249)
Outlays, net (total) (discretionary and mandatory)	1,278,785,866	131,678	1,278,917,544
Distributed offsetting receipts	(221,494)	-	(221,494)
Agency outlays, net (discretionary and mandatory)	**$ 1,278,564,372**	**$ 131,678**	**$ 1,278,696,050**

U.S. HOUSE OF REPRESENTATIVES
COMBINING STATEMENTS OF BUDGETARY RESOURCES

For the Year Ended September 30, 2016

	2016 Appropriated Funds	2016 Revolving Funds	2016 Total
Budgetary Resources:			
Unobligated balance brought forward, Oct 1	$ 203,248,964	$ 30,744,353	$ 233,993,317
Recoveries of prior year unpaid obligations	1,444,332	-	1,444,332
Other changes in unobligated balance	(6,499,128)	-	(6,499,128)
Unobligated balance from prior year budget authority, net	198,194,168	30,744,353	228,938,521
Appropriations (discretionary and mandatory)	1,297,369,000	-	1,297,369,000
Spending authority from offsetting collections (discretionary and mandatory)	3,921,222	18,288,276	22,209,498
Total budgetary resources	**$ 1,499,484,390**	**$ 49,032,629**	**$ 1,548,517,019**
Status of Budgetary Resources:			
New obligations and upward adjustments (total)	$ 1,291,242,391	$ 18,064,756	$ 1,309,307,147
Unobligated balance, end of year:			
Exempt from apportionment, unexpired accounts	167,932,183	30,967,873	198,900,056
Unexpired unobligated balance, end of year	167,932,183	30,967,873	198,900,056
Expired unobligated balance, end of year	40,309,816	-	40,309,816
Unobligated balance, end of year (total)	208,241,999	30,967,873	239,209,872
Total budgetary resources	**$ 1,499,484,390**	**$ 49,032,629**	**$ 1,548,517,019**
Change in Obligated Balance:			
Unpaid Obligations:			
Unpaid obligations, brought forward, Oct 1	$ 84,048,318	$ 2,553,963	$ 86,602,281
New obligations and upward adjustments	1,291,242,391	18,064,756	1,309,307,147
Outlays (gross)	(1,296,476,270)	(17,298,920)	(1,313,775,190)
Recoveries of prior year unpaid obligations	(1,444,332)	-	(1,444,332)
Unpaid obligations, end of year	77,370,107	3,319,799	80,689,906
Memorandum (non-add) Entries:			
Obligated balance, start of year	$ 84,048,318	$ 2,553,963	$ 86,602,281
Obligated balance, end of year	$ 77,370,107	$ 3,319,799	$ 80,689,906
Budget Authority and Outlays, Net			
Budget authority, gross (discretionary and mandatory)	$ 1,301,290,222	$ 18,288,276	$ 1,319,578,498
Actual offsetting collections (discretionary and mandatory)	(4,458,595)	(18,288,276)	(22,746,871)
Recoveries of prior year paid obligations (discretionary and mandatory)	537,373	-	537,373
Budget authority, net (total) (discretionary and mandatory)	**$ 1,297,369,000**	**$ -**	**$ 1,297,369,000**
Outlays, gross (discretionary and mandatory)	$ 1,296,476,270	$ 17,298,920	$ 1,313,775,190
Actual offsetting collections (discretionary and mandatory)	(4,458,595)	(18,288,276)	(22,746,871)
Outlays, net (total) (discretionary and mandatory)	1,292,017,675	(989,356)	1,291,028,319
Distributed offsetting receipts	(233,675)	-	(233,675)
Agency outlays, net (discretionary and mandatory)	**$ 1,291,784,000**	**$ (989,356)**	**$ 1,290,794,644**

OIG

U.S. House of Representatives

OFFICE OF INSPECTOR GENERAL