

LIBRARY
LIBRARY
OF CONGRESS

AGENCY FINANCIAL REPORT

For the Fiscal
Year 2023





Library of Congress Agency Financial Report

For the Fiscal Year 2023

On the cover: The Library of Congress Jefferson Building in the evening just before a lighting test for the upcoming 125th anniversary of the building opening, October 26, 2022. *Shawn Miller*

Inside front cover: The entrance to the Main Reading Room in the Library of Congress, April 13, 2023. *Shawn Miller*

This page: Mosaic floor detail, Great Hall, Library of Congress. *Shawn Miller*



Library of Congress
101 Independence Avenue, S.E.
Washington, D.C. 20540

For the Library of Congress online, visit [loc.gov](https://www.loc.gov).



THE LIBRARIAN OF CONGRESS

May 10, 2024

The President of the Senate
The Speaker of the House of Representatives

Dear Madam President and Mr. Speaker:

It is my pleasure to submit to you the Library of Congress (Library) fiscal 2023 financial statements and accompanying opinion of the independent auditors, KPMG LLP. For the twenty-eighth consecutive year, the independent auditors have issued an unmodified (clean) opinion on the Library's consolidated financial statements.

The net cost of the Library's six major programs totals \$891.5 million, including \$109.9 million in costs incurred by five other agencies (e.g., Architect of the Capitol, Government Publishing Office, United States Capitol Police, United States Treasury, and the United States Office of Personnel Management) in support of the Library's programs. The net cost also includes \$121.5 million in earned revenue from copyright registration fees, cataloging distribution sales, and other fee-based and reimbursable programs.

Should you have any questions regarding the fiscal 2023 financial statements and/or auditors' opinion, I would be pleased to address. Thank you for your continued support of the Library of Congress.

Sincerely,

A handwritten signature in black ink that reads "Carla Hayden". The signature is fluid and cursive, with the first name "Carla" and last name "Hayden" clearly distinguishable.

Carla Hayden
Librarian of Congress

Table of Contents

MANAGEMENT’S DISCUSSION AND ANALYSIS

Introduction.....	7
The Library of Congress and Its Mission.....	7
Strategic Plan.....	7
Brief History of the Library of Congress.....	8
The Library of Congress Today	12
Overview of Financial Statements	13
Performance Targets and Accomplishments.....	20
Integrated Risk management and Internal Control Program..	38
Limitations of the Financial Statements	39

FINANCIAL STATEMENTS AND NOTES

Consolidated Balance Sheets.....	41
Consolidated Statements of Net Cost.....	42
Consolidated Statements of Changes in Net Position	43
Combined Statements of Budgetary Resources	44
Notes to the Financial Statements	47

REPORT OF INDEPENDENT AUDITORS

Results of the Library of Congress Financial Statements Audit	75
Independent Auditors’ Report	77
Management Response to Independent Auditors’ Report.....	83

MANAGEMENT REPORT

Assessment of Condition of Heritage Assets.....	84
Glossary of Acronyms	85

The Library of Congress
celebrates the 125th
anniversary of the Jefferson
Building with an open house and
party, November 3, 2022.
Shawn Miller



Management's Discussion and Analysis - Unaudited

Introduction

The Management's Discussion and Analysis is designed to provide a high-level overview of the Library: who we are, what we do, and how we accomplished our mission during fiscal year (FY) 2023.

The Library of Congress and its Mission

The Library of Congress, a Legislative Branch agency of the federal government, is the world's largest and most comprehensive library, managing 178 million items in our 95 collections and extensive expert services and programs. Many of the collections are unique and irreplaceable items and are in more than 470 languages. The Library serves Congress and the American people with its collections and human expertise, providing invaluable intellectual and inspirational content on a vast array of subjects. The Library's central mission is "to engage, inspire, and inform Congress and the American people with a universal and enduring source of knowledge and creativity." Service to Congress has been and remains at the core of our mission. As the steward of a unique, universal, and ever-growing collection that belongs to the American people, the Library of Congress also has a mandate to inspire, inform, and serve all Americans by engaging their cultural and intellectual curiosity and creativity. The Library's vision is that all Americans are connected to the Library of Congress. This vision is aspirational and speaks to the tangible and intangible connections that are possible with the nation we serve.

Strategic Plan

The Library's 2019–2023 strategic plan, *Enriching the Library Experience*, was the roadmap to expanding the Library's reach and deepening our impact, thus fulfilling our mission to engage, inspire, and inform our users.

The Library's strategy had four goals:



Expand Access: Make our unique collections, experts, and services available when, where, and how users need them



Optimize Resources: Modernize, strengthen, and streamline our operational capabilities







Enhance Services: Create valuable experiences for every user to foster lifelong connections to the Library



Measure Impact: Use data to measure our impact on the world around us and share a powerful story

The plan included 13 objectives associated with the four strategic goals as presented below:

Goal		Objective Number	Objective Name
 Expand Access		1	Increase Discoverability and Availability
		2	Use Connectors to Extend Reach
		3	Expand Physical Presence
 Enhance Services		4	Elevate Digital Experiences
		5	Transform In-Person Experiences
		6	Develop User-Centered Content
 Optimize Resources		7	Align Core Library Activities
		8	Modernize Operations
		9	Invest in Talent for the Future
		10	Diversify and Expand Funding
 Measure Impact		11	Understand Our Users
		12	Communicate Impact
		13	Promote a Culture of Continuous Improvement

In executing this strategic plan, the agency made a decisive shift to be more user-centered, digitally enabled, and data driven.

The Library will continue to pursue our vision of connecting all Americans to our unparalleled collections, services, events, and products as we make progress on the goals set forth in our FY 2024 – FY 2028 strategic plan, *A Library for All*. Launched on October 1, 2023, this plan maintains our focus on our goals to Expand Access and Enhance Services as we also prioritize two new goals: Strengthen Capacity and Foster Innovation. *A Library for All* represents the next phase of the journey we began in 2019. Building on our many achievements, the Library will continue to improve access, offer services that meet diverse needs, and leverage digital technology and innovative approaches to connect with users near and far.

Brief History of the Library of Congress

At the dawn of the 19th century, the American republic was still little more than a bold experiment. Barely a decade removed from the establishment of constitutional democracy, our lasting future as a nation was not yet assured and our national character was only beginning to emerge.

It was in this context that the U.S. Congress created what would become one of the greatest and most distinct American institutions. Mindful of the link between an informed people and functional governance, the Congress in 1800 established the Library of Congress by appropriating \$5,000 to purchase a collection of 740 books and three maps.

President Thomas Jefferson would make early and indelible contributions to the growing Library, signing a law in 1802 defining the institution's roles and functions, creating the first joint congressional committee (the Joint Committee on the Library) and establishing the position of Librarian of Congress.

After the British burned the Capitol during the War of 1812, destroying the Library's collection of some 3,000 volumes, it was Jefferson who again helped ensure that the Library of Congress would endure as a central contributor to American democracy, culture, and intellect. Accepting the now-retired president's offer to "recommence" the Library, in 1815 the Congress purchased Jefferson's 6,487-volume personal collection (then the finest in America) at a price of \$23,950. It contained books in many languages and on a wide variety of topics, reflecting Jefferson's belief that there was "no subject to which a Member of Congress might not have occasion to refer" (Jefferson, 1814).

While its origins were humble, key milestones in the Library's early decades significantly expanded its scope and reach:

- The establishment of the Law Library in 1832 as, the first department of the Library of Congress recalled the Library's origins as a collection of law books to support the legislative work of the Congress. The Law Library remains Congress' primary source for research and reference services in foreign, comparative, and international law.
- The Copyright Act of 1870 centralized the nation's copyright registration and deposit system at the Library and stipulated that two copies of every book, pamphlet, map, print, photograph, and piece of music registered for copyright in the United States be deposited in the Library. The law reflected Jefferson's aspirations for the Library to serve as a universal repository of knowledge.
- In 1886, the Congress authorized the first separate Library of Congress building to store growing collections and to provide openly accessible reading rooms and exhibition space for the general public. In 1897, the Thomas Jefferson Building opened to the public.
- In 1901, the Congress created an international exchange program to send federal publications to overseas partners in exchange for their executive and parliamentary publications to broaden the Library's international legal collections.
- In 1902, the Congress authorized the Library to sell copies of its cataloging records inexpensively to the nation's libraries, thus substantially strengthening the entire American library system.
- In 1914, the Congress created the Legislative Reference Service as a separate entity within the Library to provide specialized services to "Congress and committees and Members thereof." Additional laws enhanced its mission in 1946 and 1970 when it was renamed the Congressional Research Service.
- In 1931, the Congress established a program in the Library to create and distribute free library materials to blind and print disabled readers throughout the country.

Since the mid-1970s, the Congress has statutorily created 14 programs that have further enhanced the Library's national role:

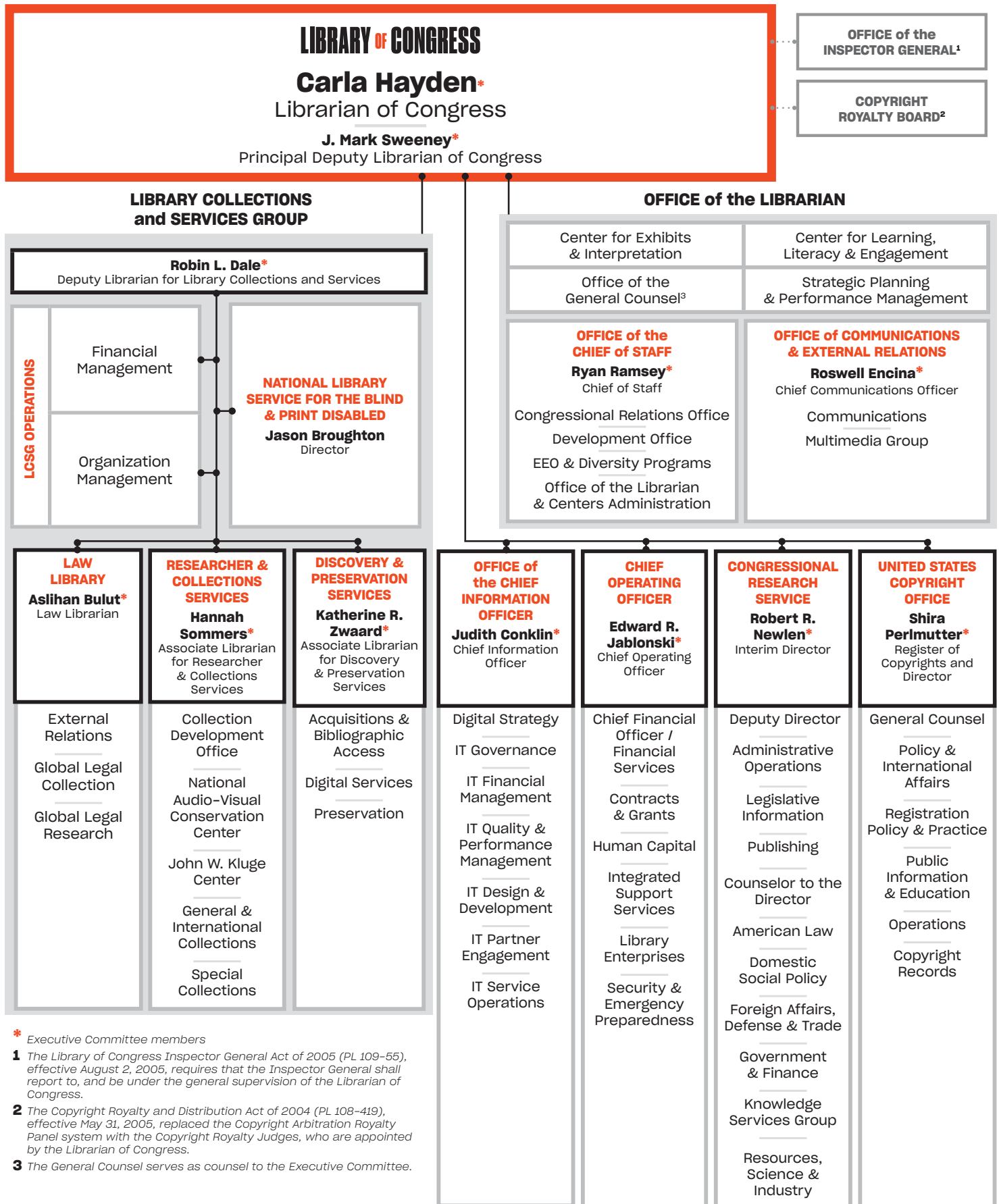
- American Folklife Center (1976)
- American Television and Radio Archives (1976)
- National Center for the Book (1977)
- National Film Preservation Board (1988)
- National Film Preservation Foundation (1996)
- Cooperative Acquisitions Program Revolving Fund (1997)
- Sound Recording Preservation Board and Foundation (2000)
- Three additional revolving funds for fee services (2000)
- National Digital Information Infrastructure and Preservation Program (NDIIPP) (2000)
- Veterans History Project (2000)
- Digital Collections and Educational Curricula Program (2005)
- National Collection Stewardship Fund (2017)

Mosaic of Minerva
by Elihu Vedder
above staircase to
Main Reading Room
observation area,
second floor of the
Great Hall. Shawn Miller



ORGANIZATION CHART

As of September 30, 2023



* Executive Committee members

¹ The Library of Congress Inspector General Act of 2005 (PL 109-55), effective August 2, 2005, requires that the Inspector General shall report to, and be under the general supervision of the Librarian of Congress.

² The Copyright Royalty and Distribution Act of 2004 (PL 108-419), effective May 31, 2005, replaced the Copyright Arbitration Royalty Panel system with the Copyright Royalty Judges, who are appointed by the Librarian of Congress.

³ The General Counsel serves as counsel to the Executive Committee.

The Library of Congress Today

The Library of Congress is a renowned bastion of knowledge, culture, and history, serving the U.S. Congress and its constituents with the greatest collection of information and resources ever assembled. The Library is truly an awe-inspiring American achievement.

As the largest library in the world, with 178 million physical items and a growing digital collection, the Library's dedicated professionals continue to collect, preserve, and share these resources and treasures with visitors and patrons from coast to coast.

Through these vast collections and a variety of services, events, and products, the Library is nurturing significant and enduring bonds with people across America, whether they are visiting Washington, D.C., or exploring the Library's resources from their classrooms, local libraries, community centers, or living rooms.

Particularly at this pivotal time in our national experience, the Library continues to invite more Americans to engage with the Library and to add their unique perspectives and experiences to its collections, allowing the national library to share a more inclusive American story.

In her introduction to the Library's newly updated FY 2024 – FY 2028 strategic plan, which will guide the institution's work in the next five years, Librarian of Congress Dr. Carla Hayden said, "The Library's collection and its human expertise hold untold intellectual and inspirational value. We have seen firsthand the spark that results when someone makes a connection with the Library." The FY 2024 – FY 2028 strategic plan is available through <https://www.loc.gov/strategic-plan/>

Through this strategic plan, the Library of Congress holds itself accountable to the American people and their elected representatives and measures itself by the results that are achieved. We seek to be ardent champions furthering the cause of human understanding and wisdom, with a vision that all Americans will be connected to the Library of Congress.

The Library's mission remains as a beacon that guides this strategic plan and the work of the Library – to engage, inspire, and inform Congress and the American people with a universal and enduring source of knowledge and creativity.

Past, present, and future, the Library of Congress endeavors to remain the preeminent repository of information on a global scale, an inspiration for future generations, and a celebrant of achievement. The Library ensures that its

Live at the Library event with NASA and Ada Limón, U.S. Poet Laureate. *Elaina Finkelstein*



information is universally accessible through its premier websites “www.loc.gov”, “www.congress.gov”, and “www.copyright.gov”.

The Librarian of Congress, appointed by the President with the advice and consent of the Senate, directs the Library. Seven service units execute the Library’s mission (see organizational chart on page 11).

The Library’s programs and services are primarily funded by four salaries and expenses appropriations, receipts from offsetting collections (copyright registrations, Cataloging Distribution Service fees), revolving fund (business-like) income, donations, and investment income.

Overview of Financial Statements

For FY 2023 and FY 2022, the Library has prepared Consolidated Balance Sheets, Consolidated Statements of Net Cost, Consolidated Statements of Changes in Net Position, and Combined Statements of Budgetary Resources.

Consolidated Balance Sheets

The purpose of the Consolidated Balance Sheets is to provide financial statement users with information about the Library’s assets, liabilities, and net position as of September 30, 2023 and 2022. The Library’s Net Position consists of: (1) the portion of the Library’s appropriations that are unexpended; and (2) the cumulative results of operations, including funds from dedicated collections.

	(in thousands)	
	2023	2022
Total Assets	\$948,490	\$842,679
Liabilities and Net Position		
Liabilities Covered by Budgetary Resources	\$110,728	\$101,688
Liabilities Not Covered or Requiring Budgetary Resources	53,039	49,477
Total Liabilities	163,767	151,165
Net Position	784,723	691,514
Total Liabilities and Net Position	\$948,490	\$842,679

The Library’s assets total \$948,490 thousand for FY 2023 and \$842,679 thousand for FY 2022. Assets increased by \$105,811 thousand during FY 2023. The primary increase in assets is from General Property and Equipment, specifically internal use software development. The Library’s liabilities total \$163,767 thousand and \$151,165 thousand for FY 2023 and FY 2022, respectively. The primary increase results from advances from other Federal agencies for Revolving Fund activity.

The value of the Library’s collections is not calculated and reported with a monetary value. Instead, the Library reports unit measurement, mission, and acquisition information in the financial statement notes and provides other relevant information about their use, preservation, security, etc., in supplemental information. In general, the accompanying Balance Sheets exclude the acquisition and costs of the Library’s buildings and grounds with the exception of leasehold improvements. By law, these buildings and grounds are under the structural and mechanical care of the Architect of the Capitol.

Consolidated Statements of Net Cost

The purpose of the Consolidated Statements of Net Cost is to provide financial statement users with information about the costs and earned revenues for the Library’s programs for the fiscal years ended September 30, 2023 and 2022. The statements present the net costs of our programs: \$891,534 thousand and \$821,988 thousand for FY 2023 and FY 2022, respectively. Net costs increased by \$69,546 thousand during FY 2023. Net costs include allocated management support costs and revenues (e.g., human resources, financial services, facility services).

Library Collections and Services Group

The Library Collections and Services Group (LCSG), with net program costs of \$542,524 thousand and \$524,289 thousand for FY 2023 and FY 2022 respectively, is the Library's largest organization.

Led by the Deputy Librarian for Library Collections and Services (DLLCS), the LCSG comprises the service units and programmatic offices that are responsible for acquiring, stewarding, describing, and sharing the Library's vast collection, to include Discovery & Preservation Services (DPS), the Law Library (LAW), Researcher & Collection Services (RCS) and the National Library Service (NLS) for the Blind and Print Disabled.

Under the authority of 2 U.S.C. §182, the Library operates the Cooperative Acquisitions Program revolving fund and the revolving fund for duplication services associated with the National Audio-Visual Conservation Center.

Discovery & Preservation Services

Established in FY 2022 and led by the Associate Librarian for Discovery & Preservation Services (ALDPS), the DPS service unit brings together the Acquisitions and Bibliographic Access (ABA) Directorate, the Digital Services Directorate (DSD), and the Preservation Directorate (PRES). Its central charge is to improve user discovery and collections stewardship by leveraging new metadata, digitization, and preservation workflows. It closely collaborates with the RCS and LAW service units to improve user discovery and collections usability through its preservation, digitization, metadata, and technology programs as the Library's tangible and digital collections continue to grow.

DPS manages the following functions and services:

Acquisitions – Each year the Library acquires nearly three million new items in all formats for addition to its priceless collections, which are the largest and most wide-ranging of any library in the world. The collections, and the information they contain, are the foundation for the many services the Library provides to the Congress and the nation.

Cataloging – The Library produces bibliographic records, standards, and related products for the Library as well as providing national and international leadership for libraries and bibliographic utilities in all fifty states and territories and many other countries.

Preservation – The Library manages a continuing program to preserve and extend the life of the diverse materials and formats in the Library's collections. The program provides a full range of preservation, collections management, and conservation services for materials in all major formats held by the Library, and employs preventative strategies including environmentally optimized storage, collections safe-handling, and emergency preparedness for all collections. The Library conducts research into collection materials and preservation methods and plays a key role in developing national and international standards that support the work of federal, state, and local agencies in preserving the nation's cultural heritage.

Cooperative Acquisitions Program – The Cooperative Acquisitions Program, which is operated by the Library's six overseas field offices, acquires foreign publications and research materials on behalf of more than 100 participating academic and research institutions on a cost-recovery basis.

Surplus Books Program – The Library gives surplus books annually to qualified libraries and nonprofit educational institutions through its nationwide donation program.

Law Library

The Law Library is the nation's custodian of a legal and legislative collection of over 6 million items, including 2.92 million bound volumes, and global legal materials in various formats. Its mission is to provide authoritative legal research, reference, and instruction services and access to an unrivaled collection of U.S., foreign, comparative, and international law for more than 300 legal systems and foreign and international jurisdictions and the U.S. states and territories. The Law Library provides a direct research service to the Congress in foreign, comparative, and international law. In addition to Members, committees of the Congress, and the Congressional Research Service, the Law Library provides offices of the legislative branch, justices of the Supreme Court, and other federal judges, staff of the Departments of Homeland Security, Justice, Defense, State, and other federal agencies with bibliographic and informational services, background papers, comparative legal studies, legal interpretations, expert testimony, and

translations of laws and legal documents. The Law Library makes its collections and services available to a diverse community of users, including members of the bench and bar, educational institutions, nongovernmental libraries, legal service organizations, the diplomatic corps, international organizations, the business community, and the general public.

In FY 2023, 7,716 physical items were circulated on-site to Law Library patrons.

During FY 2023, the Law Library added 3,657,447 pages of new content to its digital collections that included the United States Congressional Serial Set, Legal Reports (Publications of the Law Library of Congress), and Foreign Legal Gazettes. The Law Library completed its multi-year effort to preserve and publish the Law Library's reports on foreign, comparative, and international law by digitizing 1,293 legacy legal reports and adding 18 contemporary reports, resulting in a total of 4,200 historic and contemporary reports available in the online collection. As the Law Library continues to expand its offering of online Foreign Legal Gazettes, 16,714 issues of foreign legal gazettes from 16 legal jurisdictions were added to the digital collection. In January 2023, the website "A Century of Lawmaking for a New Nation" was migrated to the Project One web platform, which includes full text searching, metadata, catalog integration, and accessibility features.

Research and Reference – The Law Library of Congress is one of the LCSG's service units and, pursuant to the Act of July 14, 1832, Ch. 221, 4 Stat. 579, it is the only Library service unit to serve all three branches of government.

In FY 2023, the Law Library's Public Services Division (PSD) provided 783 hours of coverage in support of Congressional work. In FY 2023, PSD and two Foreign, Comparative and International Law (FCIL) divisions responded to a total of 10,626 research and reference inquiries from all categories of users. Of this total, 9,394 inquiries were received from executive branch agencies, the courts, members of the U.S. bar, and the public. The remaining 1,232 inquiries were from Congressional offices and legislative branch agencies.

Global Legal Research Directorate (GLRD) staff provided 71 webinars, and online briefings, orientations, and presentations for Congressional users, federal government attorneys, and general public with 4,489 attendees. Additionally, 51 in-person classes and tours were conducted for 958 people.

Additionally, 307 reports on legal developments around the world were published in the Global Legal Monitor, Law Library's online legal news product, with an average of 100,000 page views per month. In response to requests from the Congressional Office for International Leadership and House Democracy partnership, the Law Library staff met with 8 foreign parliamentary and Rule of Law delegations and briefed them on Law Library's resources and services.

National Library Service for the Blind and Print Disabled

The National Library Service for the Blind and Print Disabled remains under the Library Collections and Services Group but still maintains its own appropriation and facility. The National Library Service for the Blind and Print Disabled manages a national reading program for blind and print disabled people – circulating approximately 23 million items a year at no cost to users. This program consists of two elements:

1. The Library of Congress selects, produces, and contracts for the production of full-length books and magazines in Braille, downloadable digital and digital audio cartridges, and playback machines.
2. A cooperating network of 55 regional libraries, 24 sub-regional libraries, 15 advisory and outreach centers, and 3 separate machine-lending agencies distribute the machines and library materials provided by the Library of Congress.

Researcher & Collections Services

Established in FY 2022, RCS service unit brings together the Collection Development Office (CDO), Special Collection Directorate (SCD), General & International Collections Directorate (GICD), the National Audio-Visual Conservation Center (NAVCC), and the John W. Kluge Center (Kluge). RCS collaboratively builds, stewards, and supports research and use of the Library's unparalleled collections, which encompass over 176 million items spanning topics, formats, languages, and geographical areas, making collections available when, where, and how users need them. RCS leads the core researcher, reference, scholarly, and public-service work of the National Library, as well as collection development, and selected processing and preservation activities, spearheading initiatives focused on strategic



Librarian of Congress Carla Hayden and Manuscript Division historian Michelle Krowl look over a 54-foot long civil rights petition from Black South Carolinians demanding voting rights following the Civil War, March 29, 2023. The Library launched a crowd-sourced online campaign to get public help transcribing the 3,740 names on the scroll. *Shawn Miller*

acquisitions, researcher experience, and sustainable stewardship and engagement The Kluge Center, CDO, NAVCC are organized and associated with the Associate Librarian's Office for RCS.

RCS manages the following functions and services:

Research and Reference – The Library makes available to scholars and other researchers vast information resources, many of which are unique, covering almost all formats, subjects, and languages. The Library provides reference assistance to researchers and general public users, conducts field research, and promotes the preservation of American culture throughout the United States. In FY 2023, the Library Services responded to nearly 138,205 information requests a year from across the nation. During the year, more than 226,504 physical items, including ones from the Law Library, were circulated on-site to Library patrons using research centers open to the public in Washington, D.C. In addition, the Library fulfilled 26,163 free interlibrary loan requests from across the nation and fulfilled 4,459 requests for book loans from the Congress. The Library issued 56,266 new Reader Cards and 7,402 renewed cards.

Online Access Services – The Library provides free online access to many of its most popular rights-free collections and to its automated collection descriptions in the Library of Congress Online Public Access Catalog (<http://catalog.loc.gov>).

Collections Documenting American Creativity – The Library manages the nation's largest, most varied, and most important archival collection of American creativity, including motion pictures, sound recordings, maps, prints, photographs, manuscripts, music, and folklore covering a wide range of ethnic and geographic communities. To ensure these valuable collections are accessible, the Library organizes, describes, preserves, and digitizes its rare and unique holdings, spearheading initiatives to reduce the Library's special formats arrearage and producing online finding aids and research tools to increase discoverability, accessibility, and availability of Library collections for onsite and offsite users.

Collections Use & Public Engagement – The Library encourages knowledge and use of its collections through other programs (cable TV, lectures, publications, conferences and symposia, exhibitions, poetry readings – all primarily supported by private funding) and through use of the Library's website.

Copyright Office, including the Copyright Royalty Board

The Copyright Office is composed of three separate program areas:

(1) Copyright Basic, which funds most of the Office's core operations, including the majority of payroll-related expenses. These operations are funded with a combination of appropriated dollars and authority to spend fee revenue, with fees constituting approximately 41% of this funding; (2) Copyright Licensing funds are derived completely from licensing royalty collections otherwise payable to copyright owners and filing fees paid by cable and satellite licensees pursuant to statutory licenses administered by the Office; and (3) the Copyright Royalty Board (CRB). Costs of administering the Licensing and CRB programs are funded through deductions from royalty receipts and filing fees.

The Copyright Office administers the U.S. copyright registration system and related programs, assists with the administration of statutory licenses, provides copyright law and policy advice and analysis to the Congress and federal departments and agencies, and provides public information and education on copyright. The Copyright Office reported net program costs of \$77,436 thousand and \$67,480 thousand for FY 2023 and FY 2022, respectively.

In FY 2023, the Copyright Office registered 441,526 copyright claims; transferred to or facilitated online access of 574,784 works to the Library at a value of \$47,268,661; recorded 16,592 documents affecting 978,912 titles of works; and responded to more than 142,673 in-person, telephone, and e-mail requests for information. Copies of works received through the copyright system form the core of the Library's immense Americana collections, which provide the primary record of American creativity. The registration program is substantially funded by fees paid by authors and other copyright owners.

CRB, as established by Congress in Section 8 of the Copyright Act, is provided with budget and administrative support on behalf of the Library of Congress. The CRB is composed of three Copyright Royalty Judges appointed by the Librarian of Congress. It directed distribution of millions of dollars in royalties that are collected under various compulsory license provisions of the copyright law, and set and adjusted the royalty rates of these license provisions. Costs of administering the CRB are partially funded through filing fees and deductions from royalty receipts.

Congressional Research Service

The Congressional Research Service, with net program costs of \$182,161 thousand and \$172,234 thousand for FY 2023 and FY 2022, respectively, provides non-partisan analytical research and information services to all Members and committees of the Congress. The Congressional Research Service assists the Congress with its deliberations and legislative decisions by providing objective, authoritative, timely, and confidential research and analysis. Serving the Congress exclusively, Congressional Research Service experts work alongside the Congress at all stages of the legislative process and provide integrated and interdisciplinary analysis and insights in all areas of policy interest. Congressional Research Service support takes the form of reports, videos, short policy briefs, tailored confidential memoranda, individual consultations, and formal seminars.

The Office of the Librarian

The Office of the Librarian reported net program costs of \$65,250 thousand and \$47,421 thousand for FY 2023 and FY 2022 respectively.

Center for Learning Literacy and Engagement (CLLE) – The CLLE brings the Library's collections to life and deepens impact through educational and cultural programming, visitor engagement, and literary partnerships, transforming visitors into regular users of the Library. CLLE leads the institution in the creation and adoption of an annual programming theme, new programming series and frameworks, and the development of best practices for event execution. CLLE is directly responsible for the following offices: Literary Initiatives and Center for the Book, Professional Learning and Outreach Initiatives Office (LIO), Library Events Office, formerly the special events office, Signature Programs Office (SPO), Visitor Engagement Office (VEO), and the Informal Learning Office (IFO), which includes the Young Readers Center. The Signature Program Office includes the Gershwin Prize for Popular Song and the National Book Festival.

Center for Exhibits and Interpretation (CEI) – The CEI creates exhibitions, learning spaces and publications that provide access for and connections with the physical and digital collections. The newly created group is responsible for

ensuring the Library puts forth a consistent, unified message to all Library users. CEI is directly responsible for the following offices: Design & Printing, Exhibits Office, and Publishing.

Chief Operating Officer (COO)

The Library Enterprises Director is responsible for the Federal Library and Information Network (FEDLINK), the Federal Research Division, and Business Enterprises. Business Enterprises includes the Gift Shop, Document Reproduction and Microfilm Services, and Catalog Distribution Services.

The Chief Operating Officer reported net program costs of \$24,163 thousand and \$10,564 thousand for FY 2023 and FY 2022, respectively.

Revolving Funds - Under the authority of 2 U.S.C. §182b-182c, the Library operates revolving funds for the gift shop, document reproduction and microfilm services, special events and public programs and related services, and the revolving funds for the FEDLINK program and Federal Research program. 2 U.S.C. §182b was amended in FY 2003 to authorize the Library's special events and programs activities under the revolving fund statute. Through these activities, the Library is able to further its programs dealing with the reader and reference services and support for public programs. The Library's special events and programs activities are under CLLE.

General descriptions of major revolving fund activities are:

Gift Shop, Document Reproduction and Microfilm Services - This revolving fund provides for the operation of a gift shop or other sales of items associated with collections, exhibits, performances, and special events of the Library of Congress; the preservation and microfilming services for the Library's collections and reproduction services to other libraries, research institutions, government agencies, and individuals in the United States and abroad.

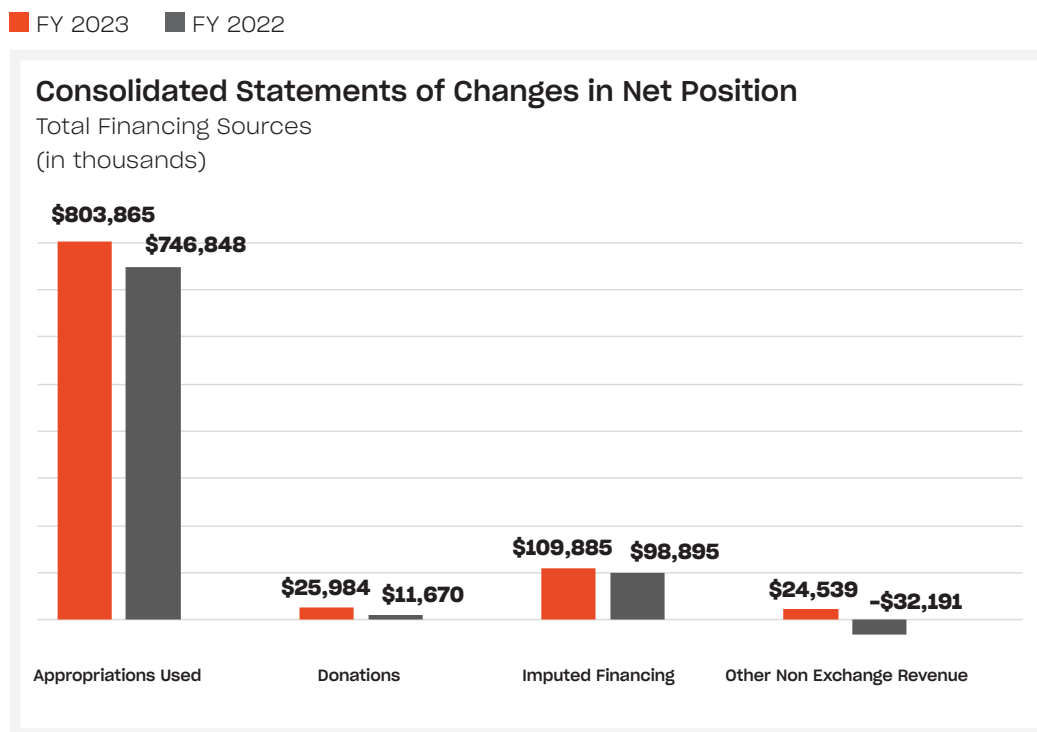
The FEDLINK program and the Federal Research program - FEDLINK serves federal libraries and information centers as their purchasing, training, and resource-sharing consortium. The program provides cost-effective access to an array of automated information and retrieval services, print serials, books, electronic publications, and preservation services. FEDLINK contracts with more than 125 major vendors resulting in cost avoidance benefits and vendor volume discounts for the federal libraries and information centers participating in the program. The Federal Research program, via the Library's Federal Research Division (FRD), provides customized research services that the Library is uniquely able to perform because of its collections and the subject and language expertise of its staff. A popular FRD product, available online via the Library's website, is the country study series.

"Barbie" collection items from the Rare Book and Special Collections Division, July 19, 2023. Shawn Miller



Consolidated Statements of Changes in Net Position

The purpose of the Consolidated Statements of Changes in Net Position is to provide financial statement users with information about the Library's financing sources and the components of the changes in net position. The Library's financing sources totaled \$964,273 thousand and \$825,222 thousand for fiscal years ended September 30, 2023 and 2022, respectively.



The major source of the Library's funding is from congressional appropriations for programs: Library Services, Law Library, Copyright Office, Congressional Research Service, and National Library Service for the Blind and Print Disabled.

Appropriations used during the fiscal years ended September 30, 2023 and September 30, 2022 totaled \$803,865 thousand and \$746,848 thousand or 83.4% and 90.5% of all financing for FY 2023 and FY 2022, respectively. The increase is due to appropriations made directly to the Library.

Combined Statements of Budgetary Resources

The Combined Statements of Budgetary Resources and the related disclosures provide information about how budgetary resources were made available, as well as their status at the end of the period. The Budgetary Resources section of the statement presents the total budgetary resources available to the Library. The Status of Budgetary Resources section of the statement presents information about the status of those resources at the end of the period. The remainder of the statement presents the information about net outlays of the Library.

The Library's budgetary resources were \$1,278,711 thousand and \$1,206,132 thousand for the fiscal years ended September 30, 2023 and 2022, respectively, of which \$920,156 thousand and \$872,307 thousand were from appropriated funds and \$358,556 thousand and \$333,825 thousand were from non-appropriated funds for fiscal years ended September 30, 2023 and 2022, respectively.

Total net outlays of \$845,250 thousand and \$770,664 thousand were incurred with the outlays of appropriated funds (\$805,840 thousand and \$744,102 thousand) combined with net outlays of the non-appropriated funds (\$39,410 thousand and \$26,562 thousand) in FY 2023 and FY 2022.

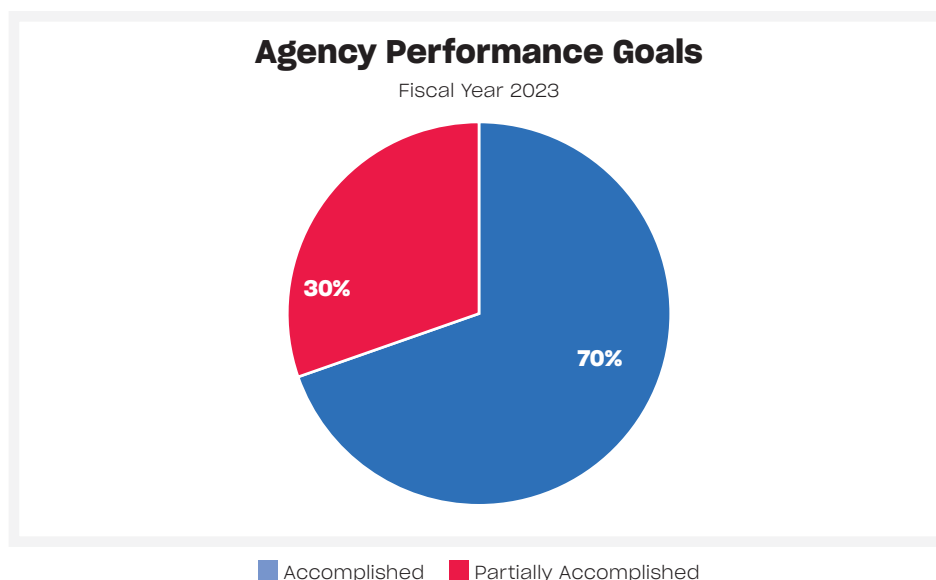
Performance Targets and Accomplishments

This section of the Financial Statements presents the Library's agency performance goals and related performance targets for FY 2023.

On October 1, 2018, the Library released its FY 2019–2023 strategic plan, *Enriching the Library Experience*. Intended to transform the Library into a more user-centered, digitally-enabled, and data-driven organization, the plan presented four strategic goals: Expand Access, Enhance Services, Optimize Resources, and Measure Impact.

In FY 2023, the final year of the plan, the Library of Congress established 56 agency performance goals with 120 associated performance targets to drive progress to these four strategic goals. As of the close of FY 2023, 39 (70%) were accomplished as planned and 17 (30%) were partially accomplished as planned.

The Library's FY 2023 performance goals, targets, and accomplishments are reported below, organized by strategic goal.



STRATEGIC GOAL 1

Expand Access

We will make our unique collections, experts, and services available when, where, and how users need them.

16 Performance Goals | 14 (88%) Accomplished | 2 (12%) Partially Accomplished

Agency Performance Goal: Improve discoverability and access to the Law collection by applying the Library of Congress Classification System to books in the collection.

Performance Target: Classify 24,000 volumes from the obsolete LAW shelving system into K class.

Accomplishment: This goal was accomplished. Law Library staff and contractors classified 258 and inventoried 19,187 retrospective titles into the K class of the Library of Congress classification system. This yielded a total of 26,825 volumes, exceeding the performance target. The application of the K classification system to these items has improved patron discoverability by adding subject data to bibliographic records, creating item level data in catalog holding records, and allows browsing by shelf order in the online public access catalog.

Agency Performance Goal: Provide a safer workplace by replacing compact shelving in Law Stacks.

Performance Target: Complete Phase 1 and begin Phase 2 of shelving replacement in Quad B.

Accomplishment: This goal was accomplished. Phase 1 of the Quad B shelving replacement project is complete. Phase 2 is in process and on schedule. The shelving vendor removed all obsolete shelving and Architect of the Capitol staff completed upgrades to the fire suppression and lighting systems. The Law Library secured funding to replace deteriorating shelving in the fourth and final collection area, Quad D.

Agency Performance Goal: Strategically digitize Law materials to better meet user needs.

Performance Target 1: 3,000 Serial Set volumes prepared for digitization.

Performance Target 2: Ingest all remaining legacy legal reports into Content Transfer Services (CTS) and all “public” legacy reports are published or queued for publication.

Performance Target 3: Prepare to launch the digitization of the U.S. Supreme Court Records and Briefs by inventorying the collection, exploring a suitable digital tracking system, preparing a Statement of Work (SOW) and contract request for a proof-of-concept pilot to digitize this collection, define a digital tracking system, and prepare to launch a proof-of-concept pilot by September 30, 2023.

Accomplishment: This goal was accomplished. During FY 2023, Law Library staff and contractors reviewed Serial Set volumes for completeness and condition, tracked volumes through the review process, and prepared 3,013 volumes for digitization. The digitization of the Serial Set will be completed in FY 2024, the project’s fifth year. In a collaborative effort, work has been underway to develop and expand document-level access and facet searching for this collection. All remaining eligible legacy legal reports (1,293 reports) were ingested into CTS and published on loc.gov, thus completing this four-year project, resulting in 4,231 reports available to the public. Planning continued for the Supreme Court Records and Briefs digitization project. Law Library staff completed phases one and two of the volume-level collection inventory (comprising those volumes published from 1980–2012) and transitioned to a document-level inventory of volumes in phase 3 (1947–1979) in FY 2023. As of August 2023, over 16,000 volumes have been inventoried from the collection. Law Library staff coordinated the development of an Access database as a digital tracking system for the Supreme Court Records and Briefs, patterned after the very successful Serial Set database; drafted the SOW and coordinated with FEDLINK who awarded the pilot digitization contract; prepared volumes for digitization; and launched the proof-of-concept pilot.

Agency Performance Goal: Provide online access to collections in preferred formats through the production of master files for digitized items.

Performance Target: The Library produces 10.5 million master files for digitized items.

Accomplishment: This goal was accomplished. In FY 2023, a total of 12,665,770 master digital files were produced, exceeding the target. As an outcome, digitized materials that have been prioritized from an institutional perspective and which have been advanced with public engagement value in mind are made available to users online, and Library collections are preserved in digital form.

Agency Performance Goal: Expand user access to high-value digital content with rights restrictions acquired by the Library.

Performance Target 1: The Library provides users with access to additional rights-restricted content in Stacks, including at least 10,000 new eBooks and 25,000 new newspaper issues.

Performance Target 2: Provide development and operations support for the addition of at least 10,000 new eBooks and 25,000 new newspaper issues into the Stacks platform, including any enhancements necessary to meet the performance goal.

Accomplishment: This goal was accomplished. In FY 2023, 26,484 new eBooks and 138,541 new newspaper issues were made available in Stacks, the system for onsite access to rights restricted content, exceeding the fiscal year targets of 10,000 new eBooks and 25,000 new newspaper issues. An unanticipated delivery of over 7,000 titles from Rosen Publishing at the end of FY 2022 partially accounted for the high number of eBooks. Large sets of ongoing deliveries for reformatted foreign newspapers accounted for the high number of newspaper issues.

Agency Performance Goal: Retire the Library's microform reformatting program and fully transition to a digital reformatting program by the close of FY 2024.

Performance Target 1: The Library continues its transition from microfilm to digital reformatting (5.8 million pages reformatted in FY 2023, with less than 10% microfilmed), closing out filming of titles to reduce the production of microfilm by approximately 50%, compared to the prior fiscal year, and transitioning all other titles to digital workflows for preservation reformatting.

Performance Target 2: Researcher & Collections Services supports the Library's effort to retire the microform reformatting program by identifying the final titles from the General & International Collections to be microfilmed by September 30.

Accomplishment: This goal was accomplished. Preservation reformatting has produced 7.4 million master files of foreign newspapers and legal gazettes as of September 30, 2023. Microfilm production by the Preservation Directorate ceased in the third quarter with 630,000 pages produced. All Preservation Directorate reformatting is now fully digital production and in addition, the Reformatting Projects Section has supported the Overseas Offices in making microfilm to digital transitions.

Agency Performance Goal: Protect and preserve the nation's cultural heritage by strengthening the security of platinum and other collection treasures.

Performance Target: Support issuance of the approved updates to the Library's Strategic Plan for Safeguarding the Collections (Safeguarding Plan).

Accomplishment: This goal was accomplished. By the end of FY 2023, the Librarian's Office approved the new Collections Safeguarding Plan (CSP) version 1.0 that was collaboratively developed by DPS, RCS, the Law Library, and the COO.

Agency Performance Goal: Advance the BIBFRAME (Bibliographic Framework) initiative to a more stable platform and broader application to facilitate use of Library data in the linked open-data environment.

Performance Target 1: The Library transitions the BIBFRAME 2.0 Pilot to an actual descriptive cataloging operation, producing a total of at least 30,000 BIBFRAME descriptions by trained cataloging staff during the year, and providing other libraries and developers with a testbed of Library BIBFRAME descriptions that they can use to test their own schemas and profile editors.

Performance Target 2: The Library demonstrates BIBFRAME stability through the outcomes of three additional PCC libraries' successful implementation of an externally developed, linked open-metadata system based on BIBFRAME principles, increasing the community of libraries whose users can access catalog data online.

Performance Target 3: The Library enables the BIBFRAME descriptive cataloging environment to include more descriptions for special categories of materials through ongoing refinements and updates, with 80% of issues reported by staff tracked and resolved within 60 days.

Accomplishment: This goal was accomplished. In FY 2023, the Library made substantial progress toward the implementation of BIBFRAME. Production implementation was planned in concert with LCAP development in FOLIO, which will eventually enable an open-source solution for libraries who want to adopt the standard. Staff continued to make progress on the BIBFRAME editor, MARVA, for usability and resources for non-Latin scripts.

Agency Performance Goal: Advance the Library's Of the People program goals by expanding the geographic and cultural diversity of grant program applicants.

Performance Target: Implement and assess an outreach strategy to expand the geographic and cultural diversity of Community Collections Grant program applicants.

Accomplishment: This goal was accomplished. In FY 2023, the American Folklife Center (AFC) increased the applicant pool across the three annual application cycles for the Community Collections Grant (CCG) program, both geographically and in terms of cultural diversity. AFC staff helped facilitate the overall increase through

multiple outreach initiatives, including paid and targeted advertising; public presentations about the CCG opportunity (often including recent awardees); and informational webinars and workshops. The impact of these efforts will enable the Center to sustain the Community Collections Grant beyond the Mellon-funded project, as staff can draw on applicant pool data to determine future outreach methods. While several facets of diversity emerged over the three years, of note are an overall increase in applications from the western United States, a robust presence of applications from Latino communities in the third year, and a steady presence of tribal-led applications in years two and three at the latest.

Agency Performance Goal: Execute the Digital Collections Strategy (DCS) according to the approved plan.

Performance Target 1: 100% of the FY 2023 Digital Collections Strategy targets assigned to RCS are achieved.

Performance Target 2: DPS will develop and document new workflows for acquiring and making available open access and openly available e-serials using web archiving.

Performance Target 3: Office of the Chief Information Officer (OCIO) will support the implementation of FY 2023 Digital Collections Strategy targets.

Performance Target 4: Revision of the U.S. Copyright Office (USCO) regulation in section 202.18 of the Code of Federal Regulations to allow the Library to select and provide secure access to either all section 408 published electronic registration deposits or at least a significantly wider array of such electronic deposits.

Performance Target 5: DPS will support USCO in the revision of 37 CFR 202.18, expanding the depth and breadth of digital content acquisition via the Copyright Office.

Performance Target 6: RCS will support the Copyright Office in the revision of 37 CFR 202.18, expanding the depth and breadth of digital content acquisition via the Copyright Office.

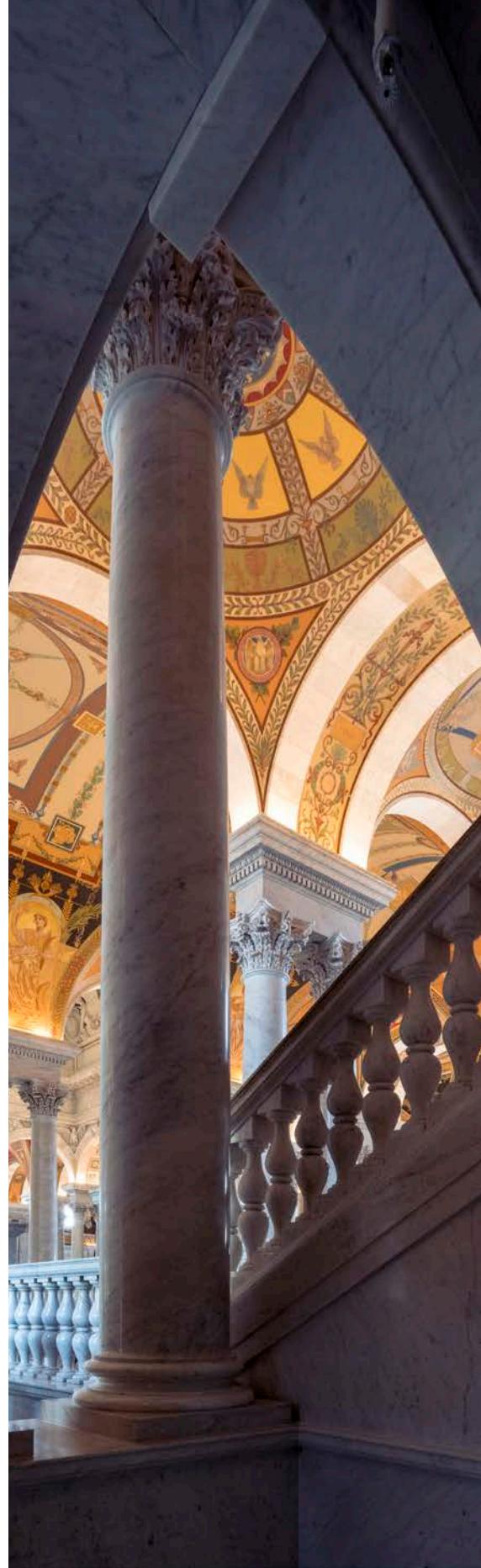
Performance Target 7: DPS will launch pilot projects supporting use of collections for digital scholarship.

Performance Target 8: DPS will modernize and expand efforts to collect diverse perspectives on everyday life through supporting the implementation of workflows to process simple Oral History ingests.

Performance Target 9: RCS will support the iterative development and implementation of workflows to process simple Oral History ingests for AFC and Veterans History Project (VHP).

Performance Target 10: OCIO will modernize Digital Library Services applications supporting implementation of workflows to ingest and process simple Oral History content.

Accomplishment: This goal was accomplished. The FY 2023 DCS targets for which an RCS unit was assigned primary responsibility were completed to the degree possible by the end of the fourth quarter. A report detailing all FY 2023 DCS implementation work, regardless of service unit, was written



Arch and column, Great Hall second floor
Shawn Miller

by the Collection Development Office and the Digital Services Directorate, then submitted to the Associate Librarians of DPS and RCS, then posted on Confluence. Of particular interest during the fiscal year, RCS reviewed the USCO drafts of the Notice of Proposed Rulemaking (NPRM) regarding the revision to 202.18 and sent feedback to USCO. On September 1, the NPRM was published, with a public comments period stretching into October. Through the five-year planned implementation of the DCS, the Library will move toward a digital-forward and e-preferred acquisitions model, along with improving service and access for its users.

Agency Performance Goal: Improve accessibility of special formats collections by reducing the arrearage (as described in Appendix E, Table 6 – Unprocessed Arrearage, of the Library’s fiscal 2019 Annual Report) to less than 10% of the total collections by FY 2028.

Performance Target 1: The Library reduces the arrearage in the formats listed in Appendix E, Table 6 – Unprocessed Arrearage, of the Library’s fiscal 2019 Annual Report, by a net amount of 750,000–1 million items, compared to FY 2022.

Performance Target 2: The Library processes three million items.

Performance Target 3: The Library’s arrearage (as described in Appendix E, Table 6 – Unprocessed Arrearage, of the Library’s fiscal 2019 Annual Report) is no more than 12.4% of the Library’s total collection (as described in Table 4–Additions to the Collections–Items).

Accomplishment: This goal was accomplished. The Library’s arrearage (as described in Appendix E, Table 6 – Unprocessed Arrearage, of the Library’s fiscal 2019 Annual Report) at the end of FY 2023 is 19,666,160 items, which is less than 12.4% of the Library’s total collection (as described in Table 4–Additions to the Collections–Items). For FY 2023, the SCD and the NAVCC significantly exceeded annual targets, reducing the gross arrearage by over 4 million items and achieving a net reduction of over 2 million items, making the Library’s unique collections increasingly discoverable and accessible for users.

Agency Performance Goal: Make USCO records digital, interconnected, searchable, and easy to navigate.

Performance Target 1: 710,000 card catalog records are available in the Copyright Public Record System by end of FY 2023.

Performance Target 2: 9,000 record books are available online to the public by end of FY 2023.

Performance Target 3: Complete conservation assessment and box level inventory of microfilm collection by Q2 of FY 2023.

Performance Target 4: Complete record-level analysis of Historical Public Records (HPR) microfilm reels to identify records for digitization.

Accomplishment: This goal was accomplished. Copyright Records met all performance targets underneath this goal. USCO exceeded the target for record books by making 9,488 record books available online. This represents nearly 36% of the total copyright record book collection. The Office also completed the conservation assessment and box-level inventory of 100% of the boxes in the microfilm collection in February 2023. This effort fulfills the objective to identify for digitization Copyright Historical Records.

USCO completed the review of 26,317 microfilm reels and identified 5,050 reels for digitization. The Office has identified 28 reels containing registration applications not in the bound record books. The Office also identified 5,022 reels of recorded documents not in the bound assignment books for digitization. Analysis has confirmed the integrity of the microfilm collection for preservation and informs the objective to identify for digitization Copyright Historical Records, which supports the goal of Copyright for All and Expanding Access.

1,143,779 card catalog records are available in the Copyright Public Records System, exceeding the milestone and the fiscal year goal by 61%. Newly implemented weekly automated updates will continue to increase the record count throughout FY 2024 as the Office reviews metadata from the vendor and adds them to the online collection.

The Recordation paper backlog has been reduced by over 42%, exceeding the fiscal year target. This accomplishment highlights the Recordation staff's stellar efforts to address the paper recordation backlog. Recordation will continue to focus on reducing the paper backlog into FY 2024.

These efforts all support the shared goals of Copyright for All and Expanding Access by making historical copyright records accessible to as many members of the public as possible.

Agency Performance Goal: Meet the statutory requirements of the Copyright Alternative in Small Claims Enforcement (CASE) Act to make the Copyright system more accessible.

Performance Target 1: Evaluate the Copyright Claims Board's (CCB) performance to determine efficient processing and correct application of statutory and regulatory requirements.

Performance Target 2: Produce and provide public information on filing claims, initiating appeals, viewing decisions, and understanding the CCB policies and procedures ongoing and on schedule.

Performance Target 3: Evaluate build out of permanent CCB Administrative Suite.

Accomplishment: This goal was accomplished. The USCO Office of the General Counsel (OGC) has met this goal by continuing to monitor and evaluate the CCB's performance. The OGC published two final rules governing the CCB: one on Agreement Based Counterclaims, and another four-part rule on District Court Referrals, Proof of Service Forms, Default Proceedings, and Law Student Representation. USCO of OGC continues to work closely with the Copyright Claims Officers to identify issues that may require additional attention, including regulatory changes. USCO of OGC also continues to monitor the CCB's effectiveness in hearing cases, the success of its outreach (including to additional law schools interested in providing student representation), and the breadth of copyright stakeholders who have availed themselves of the tribunal.

Agency Performance Goal: Improve Library-wide space management and optimization.

Performance Target: Develop a space optimization framework by September 30, 2023.

Accomplishment: This goal was partially accomplished. The Integrated Support Services Directorate initiated market research for space management and met with General Services Administration (GSA) and Federal subject matter experts to discuss their similar activities. Logistics Services exceeded the FY 2023 warehouse optimization goal by 9.66%. The Space Utilization and Design Section completed an annual space audit, expedited contracts for the retail shop design and fabrication, created a lactation room in the Jefferson building, and has been preparing for the NLS move.

Agency Performance Goal: Facilitate the Gift Shop relocation through completion of architectural plans and remediation of any plan issues.

Performance Target: Gain architecture plan approval by the Architectural Review Board by September 30, 2023.

Accomplishment: This goal was accomplished. Architectural plans and remediation of issues were completed. Building and quality assurance contracts have been awarded and work has begun on executing the store build-out.

Agency Performance Goal: Expand visitor and audience experience offerings to better connect people to the Library of Congress.

Performance Target 1: By September 30, 2023, launch at least three new or reimagined onsite experiences to enhance services for onsite visitors.

Performance Target 2: By September 30, 2023, demonstrate consistent, sustainable growth in the Live! At The Library (LATL) audience, while also expanding onsite experience offerings.

Performance Target 3: By September 30, 2023, complete at least five enhanced experiences and launch teen hybrid program.

Accomplishment: The CLLE partially accomplished this goal. In FY 2023, feedback on the current audio guide from daily visitor surveys was universally positive and as a result, the VEO team has made the decision not to amend the audio guide materials. VEO is still working to expand the audio guide offerings when new exhibitions become available and to expand the guide to other languages in FY 2024. Mobile carts and school group visit guides have not yet been added to engagement services but are planned to return in FY 2024. LATL attendance averaged 831 people weekly in FY 2023, with a high of 1,900 attendees attending the week of September 13, 2023. The teen internship ran from June to July 2023 with an expanded cohort from across the USA (12 teens in FY 2023 from seven in 2022). The Informal Learning Office (ILO) completed more than five enhanced experiences in FY 2023, including enhanced teen programs; enhanced Young Readers Center and Programs Lab activities; and enhanced family offerings such as the expanded story time program with the Washington Nationals, the new fall family day, and Girl Scout programs. CLLE also increased online reach with 86% of blog subscribers coming from outside of Washington DC, Maryland, and Virginia.



STRATEGIC GOAL 2

Enhance Services

We will create valuable experiences for every user to foster lifelong connections to the Library.

10 Performance Goals | 4 (40%) Accomplished | 6 (60%) Partially Accomplished

Agency Performance Goal: Make Braille and Audio Reading Download (BARD) products more scalable, user-friendly, and flexible.

Performance Target 1: Improve BARD services to increase annual patron usage from 18% to 25%.

Performance Target 2: Ensure BARD has capacity capability to meet the NLS goal of a 25% patron increase for the year.

Accomplishment: This goal was partially accomplished. In FY 2023, NLS continued to make BARD more scalable, user-friendly, and flexible. The BARD 2.0 interface has received extremely positive feedback from early adopters and that feedback will inform additional improvements. Content delivery was re-architected and content protection enabled. Analysis of single sign on (SSO) provided insights into how NLS might enable this capability for patrons while minimizing the potential negative impacts on patron experience and BARD usage. Substantial research into recommendation engine tools revealed the relative immaturity of this particular COTS market. After reviewing and reevaluating end of year FY 2022 BARD usage data, final numbers have been amended to describe the usage baseline more accurately. This appraisal led to the adjustment of FY 2022 BARD usage data to 16.5%; usage increased to 18.3% in FY 2023.

Agency Performance Goal: Enhance patron self-service capabilities.

Performance Target 1: Improve patron self-service capabilities to increase annual patron usage of BARD from 18% to 25%.

Performance Target 2: Improve NLS potential patron interest form (LEADS) processing, improve follow-up rate to 95%.

Accomplishment: This goal was partially accomplished. In FY 2023, NLS continued to improve BARD self-service capabilities based on key business drivers including NLS' goals to improve patron service delivery while deprecating the BARD 1.5 legacy platform. The automated synchronization of patron account data between the patron information system and BARD will result in significant improvements to the patron experience and accelerate access to NLS services. Integration of the LEADS form into network library systems as well as procedural changes to ensure follow-up by network library staff have resulted in significant processing improvements with a follow-up rate of 95%+ achieved. After reviewing and reevaluating end of year FY 2022 BARD usage data, final numbers have been amended to describe the usage baseline more accurately. This appraisal led to the adjustment of FY 2022 BARD usage data to 16.5%; usage increased to 18.3% in FY 2023.

Agency Performance Goal: Increase patron use and access by distributing new Braille eReaders and accessories.

Performance Target: By the end of FY 2023, increase by 50% over FY 2022 the dissemination of Braille eReader devices to designated NLS libraries and corresponding patrons.

Accomplishment: This goal has been met. 3,110 eReader devices were distributed during FY 2023, bringing the total devices distributed to over 9,000, which meets the 50% over FY 2022 dissemination target. NLS is planning to complete dissemination to all 50 states and territories by end of Q1 FY 2024. These devices continue to support literacy among NLS patrons and complement the NLS Braille Modernization initiative.

Agency Performance Goal: Modernize CRS mission-specific information systems to allow staff to more efficiently and creatively provide expert research and analysis to the Congress across a broad range of products and services while continuing to protect the security and confidentiality of congressional data. The desired end state is an efficient, effective, and secure integrated research information system (IRIS).

Performance Target 1: Provide subject matter expert support to the IRIS program in accord with development contract obligations. Congressional Research Service (CRS) user feedback affirms solution via CRS Communications Plan.

Performance Target 2: Replacement of legacy systems and tools (including retirement of LIS).

Performance Target 3: Provide a stable, highly available, cloud-hosted environment with improved functionality for the IRIS system.

Accomplishment: The goal was accomplished. CRS successfully launched the Minerva application which serves as the replacement for Mercury as CRS's customer relationship management system. CRS further successfully consolidated all client relationship management (CRM) and inquiry archives into a single Minerva repository. User acceptance testing of the authoring and publishing tool (AP+) began in mid-August and the document management and publishing pieces of the AP+ solution were successfully deployed at the end of September. Development of the new CRS.gov website continued throughout FY 2023; user acceptance testing is scheduled to begin in early FY 2024.

Agency Performance Goal: The CLLE will continue the development of experiences for young visitors to better connect audiences to the Library.

Performance Target 1: By September 30, 2023, 1) collaborate with the Center for CEI to complete the Southwest Corridor production and fabrication phase including final content, object lists, graphic elements, and text; 2) name the Center; and 3) launch year two of the Youth Advisory Council.

Performance Target 2: Finalize design and content development for the Southwest Corridor to complete final design and prepare fabrication request for proposals (RFP).

Accomplishment: This goal was partially accomplished. CLLE named the new young visitor experience "The Source: Creative Research Studio for Kids." All collection items for the experience have been identified and film collection transcripts have been produced. CLLE also completed Year Two of the Youth Advisory Council. The Informal Learning Office's teen summer interns created six primary source learning activities for The Source. The Young Reader Center relocation was indefinitely postponed due to shifts in priorities and other Architect of the Capitol project plans.

Agency Performance Goal: Implement an enterprise-wide event ticketing solution to provide new functionality applicable to ticketing, scheduling, and event planning.

Performance Target 1: By September 30, 2023, solicit, acquire, and implement a new Library-wide ticketing system.

Performance Target 2: Implement an enterprise-wide event ticketing solution to manage ticketing for multiple, sometimes simultaneous events from across the Library.

Accomplishment: This goal was partially accomplished. The Library-wide ticketing contract was awarded on July 14, 2023. The instrument is currently being developed but has not yet been fully implemented. Thus far, all project deadlines have been met, and the implementation team is working with the vendor for a January 8, 2024 public launch date.

Agency Performance Goal: Increase access to and expertise about the collections through virtual and in-person events and presentations focused on RCS collections, experts, and services.

Performance Target 1: The Library reaches 40,000 attendees and/or views through virtual or in-person collections-focused events and presentations that are organized and/or tracked by RCS.

Performance Target 2: The Library hosts or supports 400 in-person or virtual collections-focused events and presentations that are organized and/or tracked by RCS.

Accomplishment: This goal was accomplished. In FY 2023, RCS reached over 41,709 attendees through a wide variety of online and onsite event offerings (excluding concerts) increasing access to and expertise about the collections and significantly exceeding the annual target. Highlights include the Intersection Between Texts and Textiles across Africa, the Middle East, and Asia, a one-day multi-division display (400+ attendees), the Live! at the Library Literary Costume Ball display (400+ attendees), the Japanese Culture Day (471 attendees), the multi-division displays for Live! at the Library for the Poet Laureate's NASA Collaboration (409 attendees), the Publishing Office's book launch for American Feast (246 attendees), and the cross-directorate display for the Dominicans on the Hill event including members of Congress and their constituents in the CVC (250+ attendees). RCS staff hosted, supported, or planned over 1,461 in-person or virtual events focused on the collections. These presentations and displays ranged from research orientations and subject-specific lectures, as well as Congressional displays highlighting 18,540 objects from the collections.

Agency Performance Goal: Promote user understanding of the Library through the execution and implementation of the Visitor Experience Master Plan (VEMP).

Performance Target 1: Complete the following tasks of the Treasures Gallery exhibit project: exhibit prototype, artifact conservation, casework fabrication, and audiovisual and interactives production.

Performance Target 2: Finalize design and content for the Orientation Gallery to complete the final design and prepare RFP documents for the exhibit fabrication.

Performance Target 3: Begin implementation phase for the Treasures Gallery, Orientation Gallery, Southwest Corridor, and Wayfinding /Signage Program.

Performance Target 4: RCS collaborates with the CEI on the VEMP effort and ensures smoother execution by actively participating in VEMP implementation efforts.

Accomplishment: This goal was partially accomplished. The treasures exhibit prototype was approved, artifact conservation is in progress, casework fabrication has started, and the audiovisuals and interactives are in final draft production. Draft final design and content for the Orientation Gallery will be completed in the first quarter of FY 2024. SOW documents for the exhibit fabrication and AV integration will also be submitted at that time. The implementation phase for the Treasures Gallery fabrication has begun. Fabrication and integration SOWs for the Orientation Gallery and Wayfinding/Signage Program will be submitted in the first quarter of FY 2024. Implementation tasks for the Youth Center will be delayed until late FY 2024 or FY 2025.

Agency Performance Goal: Maintain or increase Kluge event attendee satisfaction across event formats.

Performance Target: The Kluge Center maintains event satisfaction rates of 85% or higher by leveraging recommendations from event attendee assessments.

Accomplishment: The Kluge Center accomplished this goal. Attendee satisfaction indicators remained well above the 85% baseline and in fact approached 100% for the third consecutive quarter, based on attendee surveys.

Agency Performance Goal: Expand strategic promotion efforts to increase public awareness of the Kluge Prize.

Performance Target: The Kluge Center develops expanded, full cycle Kluge Prize communication plans with baselines for press coverage and website traffic established.

Accomplishment: The Kluge Center partially met this goal. The fourth quarter of FY 2023 saw extensive planning and implementation of the off-year communications plan for the Kluge Prize related to the previous year's selection of George Chauncey as prize recipient. In particular, hiring delays in the Library's Office of Communications held back the ability to draft a formal marketing plan. A fully drafted communications plan relating to the Kluge Prize will go to Library leadership for approval in FY 2024 and will depend heavily on work done and lessons learned in FY 2023 relating to the full cycle of Prize communications.



STRATEGIC GOAL 3

Optimize Resources

We will modernize, strengthen, and streamline our operational capabilities.

26 Performance Goals | 17 (65%) Accomplished | 9 (35%) Partially Accomplished

Agency Performance Goal: Improve Gershwin Prize for Popular Song program planning model, timeline, and honoree selection to maximize fundraising opportunities, program exposure, broadcast, promotion and honoree's participation in Library programs.

Performance Target 1: FRD reports, data, metrics, and attendee feedback to establish and implement appropriate scale, budget, and goals for 2023 National Book Festival (NBF) events in consultation with key stakeholders.

Performance Target 2: Utilize FRD reports, data, metrics, and attendee feedback to establish baseline expectations for budgeting and execution of the 2024 Gershwin Prize for Popular Song.

Performance Target 3: Improve Gershwin Prize for Popular Song program planning model, timeline, and honoree selection to maximize fundraising opportunities, program exposure, broadcast, promotion, and honoree's participation in Library programs.

Performance Target 4: The Development Office will identify and initiate target fundraising timelines and cultivation strategies around signature events (NBF 2023 and Gershwin 2024) in order to expand the Library's outreach to new prospects and maximize the impact of existing donors.

Performance Target 5: Evaluate, update, and implement improvements to program planning model, timeline, internal communications, and honoree selection for Gershwin Prize for Popular Song, with finalized program participation for 2024 events confirmed by the close of FY 2023.

Accomplishment: This goal was accomplished. The CLLE, in concert with the Library's Offices of Communication and Development, the Music Division, and other key stakeholders, developed a comprehensive outline of the Gershwin Prize for Popular Song roles, responsibilities, priorities, and new expectations for event programming. The Library negotiated with potential 2024 Honorees for the Gershwin Prize for Popular Song and has confirmed Honoree participation. Additionally, post-event audience and attendee data was compiled, including the post-NBF survey, and have been presented to senior leaders. Areas of improvement and key findings are informing decision-making for the future and are being incorporated in tasks associated with IDIQs and contracting.

Agency Performance Goal: Improve administration to promote efficiency, effectiveness, and sustainability across CLLE offices.

Performance Target: If budget is approved, implement a NEPR with 100% of positions filled by September 30, 2023.

Accomplishment: This goal was accomplished. In FY 2023, 100% of NEPR positions were hired and all but one were onboarded by end of the year.

Agency Performance Goal: Integrate the digital strategy with broader Library strategic goals in response to internal and external trends.

Performance Target: Integrate digital strategy in the Library's FY2024-2028 Strategic Plan.



Columns frame artwork in the Great Hall.
Shawn Miller

Accomplishment: This goal was accomplished. As members of the Library's core Strategic Planning Working Group, the Library's DSD worked with the Office of Strategic Planning and Performance Management (SPPM), the Strategic Planning Leadership Group, and staff around the Library to integrate digital in the Library's FY24-28 Strategic Plan. SPPM, DSD, and OCIO staff created detailed plans to surface digital priorities, opportunities, and risks, as well as ideas for communicating the digital components of the strategic plan to wide audiences. Drawing on findings from previous visioning work and continuously iterating based on responses from leadership and staff, the group identified digital priorities, wrote and refined the strategic plan framework and narrative in collaboration with the Office of Communications, validated ideas with the Librarian and advisors, and communicated the plan to Congress, Library staff, and the public.

Agency Performance Goal: Connect audiences with Library's digital products and services, using new approaches, technologies, and cross-agency collaboration.

Performance Target: Cultivate partnerships, initiatives, and plans to widen public engagement with digital Library products and services.

Accomplishment: This goal was accomplished. The Library's DSD used new approaches, technologies, and partnerships to broaden engagement with the Library's digital products and services. The 2023 Innovator in Residence completed the first year of his residency and premiered virtual sites of Portland and Providence's lost Chinatowns in the Seeing Lost Enclaves project. The Connecting Communities Digital Initiative (CCDI) team advertised, reviewed, and selected awardees in higher education institutions, libraries, archives, and museums, and Artist/Scholar in Residence grant programs. DSD staff collaborated with the Copyright Office, CRS, LCSG, and other OCIO units to formulate and kick off experiments using artificial intelligence. DSD planned and publicized these initiatives collaboratively with units throughout the Library, with other federal agencies, and with peer organizations around the world.

Agency Performance Goal: CCDI grant program to support imaginative uses of the Library's digital collections which center on Black, Indigenous, Latinx, Asian and Pacific Islander, and/or other communities of color in the United States (including DC and US territories).

Performance Target 1: The DSD administers the CCDI grant programs, part of the Mellon-funded Of the People initiative, by managing review of applications, supporting cohorts of grantees and Junior Fellows, convening an advisory board, and exploring future avenues for collaboration within and outside the Library.

Performance Target 2: The LCSG supports the CCDI, a key grant program within the Of the People initiative, by actively providing subject matter expertise and research support services.

Accomplishment: The Library accomplished this goal. DSD administered the Mellon-funded Of the People CCDI grant programs. DSD managed grant programs for higher education institutions; libraries, archives, and museums; and Artist/Scholar in Residence, including guideline creation, outreach, application review, contracting, and onboarding. Six 2023 Junior Fellows used the Library's digital collections to complete research and outreach projects.

CCDI convened the advisory board and hosted a successful 2023 Summer Fuse event to bring project participants together with Library staff and explore further avenues for collaboration.

Agency Performance Goal: Implement new features and content for Congress.gov and retire the Legacy Data Interchange in order to enhance the value of the website as the sole legislative information platform serving Congressional Members, staff, and constituents.

Performance Target 1: In 16 releases, implement new features and content for Congress.gov and retire the legacy data interchange in order to enhance the value of the website as the sole legislative information platform serving Congressional Members, staff, and constituents.

Performance Target 2: Daily feedback from Congress and data partners trends positive. Respond to requests to the Congress.gov email help desk within the established standard of 2 hours, at least 80% of the time.

Accomplishment: This goal was partially accomplished. There were 17 successful Congress.gov releases in FY 2023 with a significant amount of new features and content added to the site. The legacy data interchange work is mostly completed and the beta label for the Public Application Programming Interface (API) was retired. House Clerk and Secretary of the Senate data partners affirm that CRS support of their Congress.gov requirements meets or exceeds expectations.

Agency Performance Goal: Provide unified access to and search functionality across the collections, enabling easier navigation and discovery for users.

Performance Target 1: The Library begins implementing new Library Collections Access Platform (LCAP).

Performance Target 2: Support development and implementation of the LCAP platform and related system integrations.

Accomplishment: This goal was partially accomplished. During FY 2023, the Library worked with the selected vendor toward the implementation of the new LCAP. The vendor has delivered a conceptual design, implementation plan, and an instance of FOLIO for testing and security review. The Library has migrated data into FOLIO and developed test plans. A contract is in place to support the second phase of user research, which will deliver a prototype discovery layer.

Agency Performance Goal: Better understand the movement of and actions performed on collections in order to provide user access.

Performance Target: The Library shares and maintains collection-access process maps.

Accomplishment: This goal was accomplished. The Business Analysis Team completed 155 process maps that document the movement of and actions performed on collections in order to provide user access. The maps are organized and visible to all Library staff in an online repository.

Agency Performance Goal: Improve management of audio/visual (AV) collections by implementing a new AV Collections Management System (AVCMS).

Performance Target 1: Phase 1 AVCMS capability is live, supporting all activities previously performed using the Merged Audio-Visual Information System (MAVIS).

Performance Target 2: Deploy Phase 1 AVCMS to production replacing MAVIS and the majority of PCWA activities.

Accomplishment: The goal was accomplished. The targets were met shortly after the close of the fiscal year. As of October 11, 2023, Phase 1 AVCMS capability is live, supporting all activities previously performed using MAVIS.

Agency Performance Goal: Continuously develop and update robust, state-of-the-art, and flexible Copyright Office services.

Performance Target 1: 63% of FY 2023 recordings are submitted through the ECS Recordation Module by September 30, 2023.

Performance Target 2: By September 30, 2023, deliver four Minimum Viable Products (MVP) associated with ECS into the production environment.

Performance Target 3: Work with OCIO to begin designing enhancements of upload capabilities for eDeposit examination and Stacks integration for purposes of Library selection and secure access.

Performance Target 4: By September 30, 2023, USCO will work with OCIO to deliver functionality in support of the Licensing EPIC for Licensing staff use.

Performance Target 5: By September 30, 2023, USCO will work with GSA and the contractor to deliver functionality in support of the Customer Contact Center.

Accomplishment: This goal was accomplished. The U.S. Copyright Office exceeded its Recordation System target by processing 77% of online recordation submissions. The Office celebrated a full year of the Recordation System open to the general public on August 1, 2022 for electronic online recording transfers of copyright ownership under section 205. In the first year of online recordation operation, more than 75% of all recorded documents were submitted online, constituting over 8,000 documents containing over 350,000 works. With more than three of every four documents submitted through the Recordation System, it continues to demonstrate the value of a modern electronic system. As well, the Copyright Office completed the first three phases of the Copyright Contact Center project, providing subject matter expertise to the contractors and GSA and working closely with OCIO. This new high-performing, multi-channel contact center will enhance communications with the public. Also, significant progress has been made in the ECS eDeposit initiative. The team is working collaboratively to develop a functional prototype capable of conducting user testing in 2024. The ECS Licensing system met its initial target of automating processes and interfaces with the Library financial system. Lastly, OCIO delivered three of four planned MVPs associated with ECS: one for licensing, one for the Service Request Processing (SRP) MVP, and one for a API.

Agency Performance Goal: Ensure higher level of reliable service for NLS operations and patrons by implementing NLS Business and IT Modernization.

Performance Target 1: Implement and mature a business/operating model that supports newly developed project management protocols and addresses the Office of Inspector General's (OIG) audit recommendations.

Performance Target 2: Aid in the implementation of NLS' new project management practices and provide review of project/effort documentation to advise NLS of alignment to previous OIG audit findings by moving two products/services into approved CI/CD efforts.

Accomplishment: This goal was accomplished. NLS was able to make great strides in maturing its project and program management operating model in partnership with the OCIO Project Management Office. Implementation of the program management framework within which NLS anticipates operating under in FY 2024 and beyond is pending final approval. By the end of FY 2023, 14 of the 15 audit recommendations had been closed.

Agency Performance Goal: Broaden capabilities to monitor collection services activities by implementing a methodology that addresses the acquisition, processing, and storing of materials across different formats.

Performance Target: The Library submits responses to all open OIG recommendations from Report 2018-SP-101, requesting closure of all remaining recommendations.

Accomplishment: This goal was partially accomplished. The recommendation related to collection monitoring was closed during the year, demonstrating the Inspector General's confidence in LCSG's broadening of its capability to monitor collection services activities by implementing a methodology that addresses the acquisition, processing, and storing of materials across different formats. Responses were submitted requesting closure of 12 open OIG recommendations from Report 2018-SP-101 by the close of FY23. As of Oct. 1, recommendations 1-4, and 12 were closed, recommendations 5-11 remain open, with estimated target completion dates of FY24 Q1. Recommendations 6-9 have a closure request document in process within LCSG; once approved, it will be submitted to OIG. Regarding recommendations 10 and 11, the data is largely complete, but methodology requires LCSG leadership review and approval.

Agency Performance Goal: Improve the Project Management Office (PMO) policies, processes, and execution through incremental improvements as outlined in the PMO Execution Roadmap.

Performance Target: By September 30, 2023, the PMO will ensure program management principles, processes, guidelines, and templates are leveraged to improve operational efficiencies. This will enable effective management of interconnected projects and activities, and ensure continued cross-organizational coordination.

Accomplishment: By successfully completing 28 milestones on the PMO Execution Roadmap this year, the IT Partner Engagement Directorate (ITPE) met its FY 2023 performance goal to measurably improve PMO policies, processes, and execution. This includes improvements to cost estimation and scheduling practices, new project actuals reporting processes and tools, updates to the LCR on Project Management, publication of agile and Earned Value Management (EVM) guidance and policies, and other PMO process and technology improvements. Together, these resulted in the closure of over 25 PMO-related audit recommendations. Beyond these achievements, the specific target for FY 2023 focused on the advancement of program management. To this end, PMO led a concerted effort to establish new processes, guidelines, and templates to standardize program management practices. As the first major accomplishment in this area, PMO established an initial IT program inventory as a framework for organizing and managing IT work. PMO also updated the ServiceNow Project and Portfolio Management (PPM) system to accommodate tracking of both project and non-project program activities, and created guidelines for program reporting. Also this year, PMO developed a draft program initiation process and template including a comprehensive listing of all program components and out year costs by component and IT Tower. Five program charters for the highest priority programs have been developed according to the new template and initiation process and are under review by senior OCIO and service unit management.

Agency Performance Goal: Improve IT security monitoring and assessment in order to safeguard the Library's IT systems and information, which includes the nation's cultural heritage, sensitive congressional and copyright data, as well as business (financial/human resources) data.

Performance Target 1: Enhance IT security controls assigned to High Value Assets (HVA).

Performance Target 2: Extend the LC-SOC security tool capabilities into the LC cloud environments.

Performance Target 3: Implement new NIST 800-53 Rev 5 IT security controls into the Continuous Monitoring Program. Continuously monitor, test, and manage incidents as well as anticipate counter evolving cyber-based threats throughout FY 2023. At least 90% of Library systems are under Ongoing Authorization.

Accomplishment: This goal was partially accomplished. The Library's IT Security Division (ITSEC) enhanced IT security controls for HVA by completing the control catalog for HVA and successfully configured the cloud security platform. Due to the delay in receiving the required hardware, SOAR integration into the SIEM and cloud security platform is delayed. ITSEC also ensured at least 90% (94%) of Library systems were under ongoing authorization.

Agency Performance Goal: Create a more agile environment with access to powerful and collaborative cloud-based office productivity tools for Library users.

Performance Target: Implement a cloud-based office productivity solution as a SaaS for the Library, hosted in the FedRAMP accredited Cloud Service Provider platform.

Accomplishment: The Library partially accomplished this goal. OCIO has completed 2,254 mailbox (user) migrations to M365. OCIO has published the M365 migration schedule and is on track to migrate remaining domestic users to M365 before the end of calendar year 2023. After domestic Library users have been migrated, OCIO will finalize the overseas offices M365 environment and schedule migrations.

Agency Performance Goal: Ensure Library records retention policies and procedures conform with government directives and best practices.

Performance Target: By the end of FY 2023, complete Phase 2 Records Management System (RMS) implementation for five program offices.

Accomplishment: This goal was partially accomplished. Records Management (RM) executed the largest centralization and integration of Library records in the history of the Library during FY 2023. This included evaluation, analysis, integration, and categorization of COO, OCIO, Office of Equal Employment Opportunity and Diversity Programs, and Congressional Relations Office file plans and shared drive data within the RMS. 100% systems integration is dependent on vendors supporting COO, and completion of shared drive sync is dependent on data access controls assurance for a specific office, which is a part of Phase 2. To ensure successful completion of the project, RM has extended the Phase 2 contract to the end of February 2024.

Agency Performance Goal: Improve in-building wireless connectivity (5G cellular and Wi-Fi).

Performance Target 1: Replace the existing Library in-building cellular system to support 5G technology.

Performance Target 2: Install and configure Wi-Fi hardware in Capitol Hill buildings.

Accomplishment: This goal was partially accomplished. OCIO is on track with the in-building wireless systems project. The project schedule was re-baselined and OCIO processed contract modifications to reflect changes to the project and schedule.

Agency Performance Goal: Implement an integrated Enterprise Planning and Management (EPM) Program.

Performance Target 1: Acquire EPM tool and begin implementation Phase 1 by September 30, 2023.

Performance Target 2: The Office of Strategic Planning and Performance Management will support the EPM toolset acquisition process and FY 2023 implementation activities.

Performance Target 3: The Financial Services Directorate will support the EPM toolset acquisition process and FY 2023 implementation activities.

Performance Target 4: The LCSG Financial Management Directorate will support the EPM toolset acquisition process and FY 2023 implementation activities.

Performance Target 5: OCIO will support the EPM toolset acquisition process and FY 2023 implementation activities.

Accomplishment: By the end of FY 2023, the Library had partially accomplished this performance goal. In the third quarter, there were some schedule delays with the acquisition process. While it was anticipated that the award would have occurred at that time, because of a longer than expected acquisition process, this slipped to the fourth quarter. Overall, the project is on track with the adjustment to schedule and other key outcomes having been delivered. The EPM Data Strategy, EPM Data Governance, EPM Change Management and Communication Plan, and EPM Integration Report were delivered in the second quarter as expected. These artifacts will enable smoother implementation and will reduce design work. By ensuring that an award was made before the end of the fiscal year, the implementation can proceed with an adjusted schedule.

Agency Performance Goal: Improve financial data and reporting by upgrading the Legislative Branch Financial Management System (LBFMS).

Performance Target: Begin upgrade of LBFMS by September 30, 2023.

Accomplishment: This performance goal was met. The upgrade keeps the financial system on a supported version, adds new functionality for acquisitions and the G-Invoicing interface, and will eventually lead to less costly upgrades in the future when the system architecture changes are complete. However, the cost of this project exceeded the expected cost for a financial system upgrade by about 100%. There are two reasons for the cost: 1) it requires significant changes to the system hosting architecture, which adds cost to the hosting environments; and 2) the cost for system testing was 300% greater than the last upgrade. The increased upgrade cost was offset by funding contributed from Legislative Branch partners.

Agency Performance Goal: Improve customer service through user feedback, transportation service automation, and identifying processes for reengineering.

Performance Target: Conduct customer service improvements by September 30, 2023.

Accomplishment: The goal was accomplished. Processes were reviewed following the Federal Research Division's study of the Integrated Support Services (ISS) customer experience. The report included twelve recommendations, of which one (intranet upgrade) has been fully implemented. Further, government vehicles/GSA vehicles have implemented telematics on seven vehicles assigned to ISS, which will track vehicle speed and improve driver safety. Additionally, revisions have been made to the Facility Asset Management Enterprise System to aid customers scheduling relocations, checking out vehicles, and deploying furniture and excess property removal.

Agency Performance Goal: Improve collection and staff safety through upgrading the physical security network.

Performance Target: Execute 100% of security LCR funding by September 30, 2023.

Accomplishment: The goal was met. All funding allocated for the fiscal year was obligated. Significant portions of the Physical Security Network were upgraded during FY 2023. All but three of the 27 data servers were replaced, and all servers were updated to be compliant with information security requirements. For the data switch network, 48 of the 83 data switches have been replaced.

Agency Performance Goal: Improve workload management and contract award timelines through acquisition planning.

Performance Target: Obligate 100% of funding by September 30, 2023.

Accomplishment: The goal to obligate 100% of funding by September 30, 2023 was met, although interim milestones were not fully met. Increased fidelity and availability of acquisition information enabled the Library to successfully execute 42% of its procurement budget in the first half of the fiscal year (target: 50%) and 70% by the end of the third quarter (target: 80%), almost meeting the four milestones set for this goal for FY 2023. This balanced rate of contract and grant obligations allowed for effective negotiation during the fourth quarter and a greater focus on contract administration.

Agency Performance Goal: Improve internal controls by reviewing and documenting Financial Services Directorate (FSD) processes and procedures.

Performance Target: Review and document 32 processes, policies, and information resources by September 30, 2023.

Accomplishment: The goal was accomplished. FSD implemented standardized knowledge management practices and processes throughout the directorate. Further, FSD awarded a contract to provide documentation support that assisted in documentation efforts. Through business process documentation, review, and updates, FSD improved its operations efficiencies, decreased the risk of audit findings due to inconsistencies and breakdowns, and prevented the critical knowledge loss by ensuring there is reusable documentation.

Agency Performance Goal: Improve payroll processing and reconciliation.

Performance Target: Complete planning for system migration by September 30, 2023.

Accomplishment: The goal was accomplished. During FY 2023, the Human Capital Directorate (HCD) submitted an IT plan, awarded a contract, conducted project kickoff, and developed a project plan. GovTA implementation is progressing with efforts focused on the preparation of data migration from WebTA to support going live in June 2024.

Agency Performance Goal: Improve human capital processes through implementation of a new hiring process.

Performance Target: Draft revision to merit selection plan by September 30, 2023.

Accomplishment: The goal was accomplished. HCD's revisions to the Merit Selection Plan were developed and forwarded to the Library's Office of the General Counsel for review and eventual implementation and bargaining.

Agency Performance Goal: Maintain and grow a strong donor base for the Library of Congress.

Performance Target 1: In FY 2023, the Development Office will solicit and close gifts totaling \$24M in new gifts through the solicitation, cultivation, and stewardship of current and prospective donors for Library priorities.

Performance Target 2: In FY 2023, the Development Office will refine and maintain a cohesive and structured cultivation/solicitation strategy to build diverse revenue streams.

Accomplishment: This goal was accomplished. The Development Office exceeded the \$24M annual target, securing \$33M of contributions with \$29M in cash and equivalents (including \$2.2M in pledge balances) and \$4M in outstanding planned giving commitments. Major commitments of support from long-term partners and individuals with connections to the Library resulted in a \$2.5 million gift from AARP, a \$3 million bequest, and an \$890,000 gift from the Bob & Dolores Hope Foundation. As well, renewed conversations with the Lilly Endowment resulted in its first gift to the Library since 2001—a \$2.5 million gift to the African and Middle Eastern Division to increase the public's understanding of religion. The Friends of the Library of Congress program continued to grow with the establishment of new stewardship practices like the creation of the annual Friends Choice Awards. Such efforts allow donors to see how their gifts impact the Library and its ability to achieve its mission. In FY 2024, the Development Office will continue to leverage signature programs and the opening of the new David M. Rubenstein Treasures Gallery to sustain and grow the Friends of the Library of Congress, Madison Council, Institutional Partnerships, and Planned Giving programs.



STRATEGIC GOAL 4

Measure Impact

We will use data to measure our impact and to share a powerful story.

4 Performance Goals | 4 (100%) Accomplished

Agency Performance Goal: Demonstrate the Library's value to our stakeholders through the use of data.

Performance Target: Launch the Library's first Key Performance Indicator (KPI) dashboard internally by September 30, 2023.

Accomplishment: The Office of Strategic Planning and Performance Management accomplished this goal, launching the agency's proof-of-concept KPI dashboard in September 2023. The KPI Design Team worked throughout FY 2023 to test actionable measures and met with dozens of stakeholders to obtain feedback on the proof-of-concept product. The team lead presented the dashboard and set of metrics to the Executive Committee in mid-September. The next iteration of the dashboard, which is available internally on the Office of the Librarian's Tableau website, will be published in January 2024. Throughout FY 2024, the team will continue to refine the product based on executive feedback, as well as work to align the set of metrics to the Library's newly launched FY 2024–2028 strategy. The KPI dashboard will greatly improve the Library's ability to demonstrate the scope of its work and impact through data.

Agency Performance Goal: Communication to new audiences expands awareness and understanding, leading to more Americans connecting to the Library of Congress.

Performance Target 1: Forty million or more impressions have been made in new audiences who are resistant to coverage in the outlets that usually cover the Library. This is equivalent to double or more than the total coverage for a number of LOC stories (10 million for the appointment of the register of Copyrights, 6.5 million for the Literacy Awards, etc.).

Performance Target 2: The social media accounts managed by the Office of Communications will engage Facebook users, accomplishing an average daily reach of at least 45,000 views as measured monthly. Using the Library's Twitter, recently renamed X, handle the Library will engage at least 50,000 users on average each month. On Instagram, the Library will engage at least 25,000 users on average each month. The Library will also receive 25,000 New GovDelivery subscriptions per Quarter.

Accomplishment: The Library accomplished this goal. For all the initiatives measured in FY 2023, there were 7,924 stories in small or local media outlets. Total potential reach for these stories was 163.1 million impressions. For all of FY 2023, the Library's reach on Facebook was 1.103 million engaged users. On X, there were 1.307 million engagements during that time and 1.201 million engaged users on Instagram. The Library also added 838,844 new subscriptions to email bulletin services.

Agency Performance Goal: Minimize the effect of strategic and operational risks in the execution of the Library's mission.

Performance Target 1: The Library of Congress has identified an inaugural set of Enterprise Risks for management for FY 2024 by September 30, 2023.

Performance Target 2: Close out four OIG Audit Recommendations targeted for FY 2023.

Performance Target 3: Continue the maturation of the Library's Integrated Risk Management and Internal Control (IRIC) program by completing 10 IRIC Confirmation Reviews by September 30, 2023.

Accomplishment: The Library met this goal and has made significant strides in maturing its risk management and internal control activities. The SPPM provided risk management trainings and/or risk workshops to representatives from nearly every service unit. SPPM also worked with the Risk Management Council to review and approve approaches to improving the Library's ability to monitor and evaluate risks. These new processes were implemented in the latter half of FY 2023, and include an anti-fraud framework for risk management, and an inaugural set of enterprise risks for the Library. SPPM and the Risk Management Council will continue to assess these new processes throughout FY 2024 to ensure that they are operating effectively and are successfully incorporated into the new EPM solution. As well, SPPM completed ten Confirmation Reviews for strategic and operational risks in FY23. The Confirmation Review reports were included in the Q2 and Q4 risk reports and distributed to Library leadership. Finally, SPPM successfully closed three audit recommendations in FY23. Since receiving the June 2021 OIG audit report, 2020-PA-104 Enterprise Risk Management Audit, SPPM has successfully closed ten of twelve audit recommendations. SPPM expects to close one audit recommendation regarding revisions to its LCR on risk management during Q2 of FY24. SPPM has revised its LCR to include new risk management processes, including enterprise risk, the risk management council, and an emphasis on fraud risk. This revised LCR has been under review by OGC.

Agency Performance Goal: The Library is guided by a clear, forward-looking strategic plan that is developed using a participative process engaging all Library units.

Performance Target 1: The FY 2024-2028 Library of Congress Strategic Plan is approved and ready for an October 1, 2023 launch.

Performance Target 2: Over 300 Leadership and Staff from across the Library engage in the strategic planning process and find it a meaningful experience, as measured by 70% of participants rating the experience as meaningful in after action surveys.

Performance Target 3: 75% of Strategic Planning Leadership Group (SPLG) participants rate the sessions as valuable.

Accomplishment: This goal was accomplished. Following more than a year of exploration, research and input from hundreds of staff, users, and experts, the FY 2024-2028 Strategic Plan - A Library for All - was presented to oversight committee Congressional members and staff and Library staff in September, and then launched to the public on October 1, 2023. The new plan represents the next phase of the "user-centered journey" the Library began with the FY 2019-2023 strategic plan and builds on those accomplishments. The FY 2024-2028 plan continues its predecessor's big picture while merging the agency's digital and overall strategy into a single plan. The new plan also updates and adds to the priorities that inform the Library's strategic goals, resulting in refinement of goals reflecting the maturation of the Library's work over the last five years. The plan will be accomplished by the Library's varied service units as they develop and execute carefully considered unit-level plans, designed to drive progress toward the strategic goals and objectives while ensuring achievement of their focused missions.

Integrated Risk Management and Internal Control Program

The Library of Congress continues to make progress in maturing the agency's Integrated Risk Management and Internal Control (iRIC) framework, completing another fiscal year of risk identification, analysis, and mitigation activities, and continuing to execute to a five-year Enterprise Risk Management development plan. This framework is governed by LCR 1-630, "Integrated Risk Management and Internal Control," which was published on January 3, 2019. This regulation states that:

The Library will implement and maintain an Integrated Risk Management and Internal Control Framework.¹ The Framework will support management's commitment to implementing sound management practices to identify, assess, monitor, and report on risks and internal control activities. The objectives of implementing the Framework include:

- A.** Effective management of risks that may impact achievement of Library goals,
- B.** Effective and efficient operations,
- C.** Reliable financial and non-financial (including performance) reporting, and
- D.** Compliance with applicable laws and standards.

FY 2023 was a year of notable achievements in the advancement of the Library's risk management process. The Office of SPPM worked closely with the Library's Risk Management Council (RMC) to design and consider approaches for improving the Library's ability to monitor and evaluate risks. Significant accomplishments for FY 2023 include:

- Implemented a fraud risk framework for identifying and managing Library-level fraud risks;
- Approved an inaugural set of enterprise risks for monitoring throughout FY 2024;
- Completed ten (10) Risk Confirmation Reviews covering "high priority" risks¹;
- Continued making progress closing OIG audit findings, as described in the June 2021 report: 2020-PA-104, Enterprise Risk Management Audit. As of the close of FY 2023, the Library has successfully closed 10 of 12 OIG recommendations;
- Prepared and distributed quarterly risk status reports to the Executive Committee, the RMC, and the cross-agency Planning, Performance Management, and Risk Management Working Group (PRG);
- Held eight (8) risk management training sessions and three (3) risk management workshops with staff from across the Library to improve service unit FY 2024 risk planning;
- Continued to support planning for the Library's forthcoming Enterprise Planning & Management system, led by the Office of the Chief Operating Officer and Office of the Chief Information Officer, to identify solutions for replacing the planning, performance, and risk management system of record, Compass, in FY 2024; and
- Prepared the Comprehensive Letter of Assurance for both strategic and operational risks.

By the end of FY 2023, service units reported 81 strategic and 55 operational risks in the Library-wide Risk Register. Overall, the Library-wide average Annual Performance Goal-related risk score (strategic risks) for FY 2023 Q4 was 4.5.² This constitutes a MODERATE risk posture for the Library of Congress. This 4.5 average strategic risk score is down slightly from the FY 2022 average score of 4.9, and the FY 2021 average score of 5.5. This is due to a decrease in the number of declared HIGH or CRITICAL strategic risks over the years, down from 13 risks in FY 2021 to 5 in FY 2023.

¹ Risks were identified based upon the following criteria: having a high or critical risk score; association with an OIG/GAO audit finding; or reflecting an area of "no appetite" as defined by the Library's Risk Appetite Statement;

² Low risk = 1-2; Moderate risk = 3-8; High risk = 9-12, Critical risk = 16. It is not possible to achieve a score equal to, or between 13 and 15.

As with past years, a majority of the Library's strategic risks (35) were associated with Strategic Goal 3: Optimize Services. This is likely due to the high number of technology improvement and modernization efforts across the Library. These modernization efforts should result in a significant reduction in risk across the organization as the Library mitigates its reliance on aging information systems. Should the Library fail to effectively replace these legacy systems, then their associated risks, such as system availability and rising maintenance costs, are likely to only increase in severity.

The average risk score across FY 2023 for operational risks was 4.4, slightly lower than that of strategic risks, but still rated as MODERATE risk. The count of operational risks increased, from 47 risks in FY 2022 to 54 risks in FY 2023. Unlike strategic risks, which are tied to time-bound activities or agency-level goals, operational risks are generally timeless and therefore not expected to see much variation year to year. However, since FY 2022, SPPM has focused its outreach efforts towards improving operational risk identification and reporting. This resulted in the identification and tracking of new operational risks, particularly associated with fraud risk.

In June 2023 the RMC approved an inaugural set of enterprise risks for the Library to monitor and evaluate on an annual basis. Enterprise risks are risks that may occur in, or affect multiple service units and have the potential for a significant impact on the Library's operations and/or reputation. The Library's initial set of enterprise risks will be reviewed and revised in FY 2024 to reflect emerging risks, including risks identified by service units during the FY 2024 planning cycle, as well as new risks identified and considered by the RMC.

Limitations of the Financial Statements

The statements have been prepared to report the financial position, financial condition, and results of operations of the Library of Congress, consistent with the requirements of 31 U.S.C § 3515(b). The statements are prepared from records of the Library of Congress in accordance with federal GAAP and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government. (A-136, section II.2.3). One implication of this is that liabilities cannot be liquidated without legislation that provides resources to do so. The FY 2023 Financial Report is available on the Library of Congress website at: <https://www.loc.gov/about/reports-and-budgets/financial-reports/>

There are numerous acronyms used throughout this Agency Financial Report (AFR). Refer to the "Glossary of Acronyms" located in the Appendix of this report for a complete listing of these acronyms and their definitions.



Visitors tour the Main Reading Room during the launch of new visiting hours for the public, April 4, 2023.
Shawn Miller

Financial Statements

Consolidated Balance Sheets

As of September 30, 2023 and 2022

(in thousands)

	FY 2023	FY 2022
ASSETS		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	\$ 517,263	\$ 505,387
Investments, net (Note 3)	65,716	50,499
Accounts receivable, net (Note 4)	66	172
Advances and Prepayments	24,658	5,998
Total intragovernmental assets	607,703	562,056
Other than Intragovernmental Assets:		
Cash and Other Monetary Assets	49	87
Accounts receivable, net (Note 4)	14,377	13,802
Inventory and related property, net	186	536
Property and equipment, net (Note 5)	155,476	112,560
Investments, net (Note 3)	167,781	150,926
Other Assets (Note 7)	2,918	2,712
Total other than intragovernmental assets	340,787	280,623
TOTAL ASSETS	\$ 948,490	\$ 842,679
Library Collections – Heritage Assets (Note 6)		
LIABILITIES:		
Intragovernmental liabilities:		
Accounts payable	\$ 49	\$ 320
Advances from others and deferred revenue	31,528	24,114
Other Liabilities (Note 10)	8,589	8,112
Total Intragovernmental liabilities	40,166	32,546
Other than Intragovernmental liabilities:		
Accounts payable	43,442	44,440
Federal employee and veteran benefits payable (Note 9)	41,587	40,006
Advances from others and deferred revenue	3,074	3,179
Other Liabilities (Note 10)	35,498	30,994
Total other than intragovernmental liabilities	123,601	118,619
TOTAL LIABILITIES	\$ 163,767	\$ 151,165
Commitments and Contingencies (Note 12)		
NET POSITION		
Unexpended appropriations – Funds from other than Dedicated Collections	\$ 306,314	\$ 285,844
Total Unexpended Appropriations (Consolidated)	306,314	285,844
Cumulative results of operations – Funds from Dedicated Collections (Note 13)	318,706	288,083
Cumulative results of operations – Funds from other than Dedicated Collections	159,703	117,587
Total Cumulative Results of Operations (Consolidated)	478,409	405,670
TOTAL NET POSITION	\$ 784,723	\$ 691,514
TOTAL LIABILITIES AND NET POSITION	\$ 948,490	\$ 842,679

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

Consolidated Statements of Net Cost

For the Years Ended September 30, 2023 and 2022

(in thousands)

	FY 2023	FY 2022
Gross Program Costs		
Library Services:		
Gross costs	\$548,799	\$529,775
Less: Earned revenue	(6,275)	(5,486)
Net program costs	542,524	524,289
Copyright Office:		
Program Costs	120,943	112,892
Less: Earned Revenue	(43,507)	(45,412)
Net program costs	77,436	67,480
Congressional Research Service:		
Program Costs	182,770	172,587
Less: Earned Revenue	(609)	(353)
Net program costs	182,161	172,234
Office of the Librarian Direct Programs:		
Program Costs	67,507	48,099
Less: Earned Revenue	(2,257)	(678)
Net program costs	65,250	47,421
Office of the Chief Operating Officer Direct Programs:		
Program Costs	92,966	76,000
Less: Earned Revenue	(68,803)	(65,436)
Net program costs	24,163	10,564
Net cost of operations	\$891,534	\$821,988

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

Consolidated Statements of Changes in Net Position

For the Years Ended September 30, 2023 and 2022

(in thousands)

	FY 2023			FY 2022		
	Dedicated Collections (Consolidated)	All Other Funds (Consolidated)	Consolidated Total	Dedicated Collections (Consolidated)	All Other Funds (Consolidated)	Consolidated Total
UNEXPENDED APPROPRIATIONS						
Beginning Balance	\$0	\$285,844	\$285,844	\$0	\$240,699	\$240,699
Appropriations Received	0	828,498	828,498	0	794,019	794,019
Other Adjustments	0	(4,163)	(4,163)	0	(2,026)	(2,026)
Appropriations Used	0	(803,865)	(803,865)	0	(746,848)	(746,848)
Net Change in Unexpended Appropriations	0	20,470	20,470	0	45,145	45,145
TOTAL UNEXPENDED APPROPRIATIONS	\$0	\$306,314	\$306,314	\$0	\$285,844	\$285,844
CUMULATIVE RESULTS OF OPERATIONS						
Beginning Balance	\$288,083	\$117,587	\$405,670	\$318,143	\$84,294	\$402,437
Appropriations Used	0	\$803,865	803,865	0	746,848	746,848
Non-exchange Revenue	2,527	\$22	2,549	658	0	658
Donations of Cash or Securities	25,493	\$1	25,494	11,265	0	11,265
Realized Gains on Investments and Other	6,728	0	6,728	8,213	0	8,213
Donations of Property and Services	490	0	490	405	0	405
Imputed Financing	3,459	106,426	109,885	2,828	96,067	98,895
Unrealized Gains (Losses) on Investments and Other	15,379	(117)	15,262	(41,037)	(25)	(41,062)
Net Cost of Operations	(23,453)	(868,081)	(891,534)	(12,392)	(809,597)	(821,989)
Net Change in Cumulative Results of Operations	30,623	42,116	72,739	(30,060)	33,293	3,233
Total Cumulative Results of Operations	\$318,706	\$159,703	\$478,409	\$288,083	\$117,587	\$405,670
NET POSITION	\$318,706	\$466,017	\$784,723	\$288,083	\$403,431	\$691,514

The accompanying notes are an integral part of these financial statements

Combined Statements of Budgetary Resources

For the Years Ended September 30, 2023 and 2022

(in thousands)

	FY 2023	FY 2022
BUDGETARY RESOURCES		
Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 16)	\$239,109	\$206,827
Appropriations (discretionary and mandatory) (Note 16)	874,462	832,540
Spending authority from offsetting collections (discretionary and mandatory) (Note 16)	165,140	166,765
TOTAL BUDGETARY RESOURCES	\$1,278,711	\$1,206,132
STATUS OF BUDGETARY RESOURCES		
New Obligations and upward adjustments, total (Note 16)	\$1,026,794	\$979,367
Unobligated balance, end of year: (Note 16)		
Exempt from apportionment, unexpired accounts	211,612	194,088
Expired unobligated balance, end of year	40,305	32,677
Unobligated balance, end of year (Total)	\$251,917	\$226,765
TOTAL BUDGETARY RESOURCES	\$1,278,711	\$1,206,132
OUTLAYS, NET		
Outlays, net (total) (discretionary and mandatory) (Note 16)	\$845,250	\$770,664
Distributed offsetting receipts (-) (Note 16)	(637)	(96)
AGENCY OUTLAYS, NET (DISCRETIONARY AND MANDATORY)	\$844,613	\$770,568

The accompanying notes are an integral part of these financial statements



The 2023 Library of Congress National Book Festival opens in the Walter E. Washington Convention Center, August 12. Shawn Miller



Notes to the Financial Statements

NOTE 1

Statement of Significant Accounting Policies

A. Reporting Entity and Related Party Relationships

The accompanying financial statements report the financial position, net costs, changes in net position, and budgetary resources of the Library, an agency of the Legislative Branch of the United States (U.S.) government. The terms “Library,” “we,” “our,” and “us” refer to the Library and its operating divisions, which are further discussed below.

The Library was established in 1800 primarily to provide information to the Members and committees of the U.S. Congress. Since then, the Library has been assigned other major missions such as serving as the de facto national library, administering the U.S. copyright laws, providing cataloging records to the nation’s libraries, and coordinating a national program to provide reading material for blind and print disabled residents of the U.S. and its territories and U.S. citizens residing abroad.

We use the framework established in Statement of Federal Financial Accounting Standards (SFFAS) 47 to determine which entities are administratively assigned to the Library. The criteria for inclusion in the financial statements consider whether the entity is in the Library’s submission to the Budget of the United States or whether the Library controls the entity with risk of loss or expectation of benefit. The following entities are considered consolidation entities in accordance with SFFAS 47:

- Library of Congress
- Copyright Office
- Congressional Research Service
- National Library Service for the Blind and Print Disabled
- Library of Congress Trust Fund Board

The Librarian exercises control of a Trust Fund Board (TFB, “the board”), which accepts and invests gifts on behalf of the Library. The Librarian of Congress serves as the Chair of the Trust Fund Board, and the remaining members are appointed by the Executive Branch and Congress.

A related party exists when one party to an established relationship has the ability to exercise significant influence over another party in making policy decisions. Related parties generally do not meet the SFFAS 47 inclusion principles; however, we report on a relationship that is of such significance that it would be misleading to exclude information about that entity. Related parties are not considered components of the consolidated Library reporting. The Library has a related party relationship with The Archer M Huntington Charitable Trust, which is defined as a split-interest agreement. The Library is entitled to one-half of the income from the trust for perpetuity which is currently used to fund the Poet Laureate position and the Library’s Hispanic division. The Trust is controlled and invested by the Bank of New York. The assets of the endowment are not a part of the TFB and the board’s only control over its investment activities is through the Librarian of Congress’ role as trustee.

B. Basis of Accounting and Presentation

The financial statements have been prepared from our accounting records in conformity with Generally Accepted Accounting Principles (GAAP). The Library has issued Library of Congress Regulation (LCR) 6–110, *Financial Management*, which adopts Federal Accounting Standards Advisory Board (FASAB) standards for financial reporting.

Accounting principles generally accepted for federal entities are the standards prescribed by the FASAB. The American Institute of Certified Public Accountants recognizes FASAB as the official accounting standards setting body for the U.S. government.

The statements were also prepared based on guidance published in the Office of Management and Budget (OMB) Circular No. A-136, Financial Reporting Requirements. The Library is not required to adopt this circular, and accordingly has elected to use the disclosures management deems necessary for the fair presentation of financial statement information.

As a legislative branch agency, the Library is not required to follow the executive agency accounting principles established by the Comptroller General under 31 U.S.C. §3511 or the standards developed by the FASAB to comply with laws and regulations. Similarly, the Library is not subject to the Federal Financial Management Improvement Act of 1996. The Library is not required to reconcile budgetary information with the Office of Management and Budget.

These financial statements consist of the Consolidated Balance Sheets, the Consolidated Statements of Net Cost, the Consolidated Statements of Changes in Net Position, and the Combined Statements of Budgetary Resources. The statements and the related notes are prepared in a comparative form to present both FY 2023 and FY 2022 information.

We have eliminated transactions and balances among our component organizations from the Consolidated Balance Sheets, Consolidated Statements of Net Cost, and Consolidated Statements of Changes in Net Position. We present the Statements of Budgetary Resources on a combined basis; therefore, transactions and balances between Library component organizations have not been eliminated from these statements.

Intra-governmental assets and liabilities are those due from or to other federal entities. Intra-governmental revenues are those revenues earned from other federal entities, and intra-governmental costs are those costs incurred with other federal entities.

The financial statements and accompanying notes should be read with the recognition that we are a component of the U.S. government, a sovereign entity and, accordingly, our liabilities not covered by budgetary resources cannot be liquidated without the legislative enactment of an appropriation, and that the payment of all liabilities other than for contracts can be abrogated by the sovereign entity. Liabilities represent the probable and measurable future outflow or other sacrifice of resources as a result of past transactions or events. Liabilities covered by budgetary resources are those liabilities for which Congress has appropriated funds, or funding is otherwise available to pay amounts due. Liabilities not covered by budgetary resources represent amounts owed in excess of available, congressionally appropriated funds or other amounts, and there is no certainty that the appropriations will be enacted. Liabilities not requiring budgetary resources are 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; such liabilities include liabilities for clearing accounts, non-fiduciary deposit funds, custodial collections, and unearned revenue.

The preparation of financial statements and accompanying notes in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Transactions subject to estimates principally include non-federal investment holdings, depreciation, actuarial liabilities, cost and earned revenue allocations, as well as contingencies and any related recognized liabilities.

We estimate our non-federal investment holdings based on fair value. Since the valuation is an annual process, we deem changes in valuation of our equity investments as usual and recurring. Refer to the accounting policy below entitled "Investments" and Note 3 for additional discussion related to fair value estimates.

We have reclassified certain FY 2022 balances presented on the Consolidated Balance Sheets and Consolidated Statements of Changes of Net Position to conform to the presentation in the current year. In FY 2023, we realigned certain items to better conform to the presentation in United States Standard General Ledger and to present immaterial lines as Other Assets or Other Liabilities. We made the following changes:

- Combined Pledges Receivables and Accounts Receivable, Net (Non-Intragovernmental) into one Accounts Receivable, Net (Non-Intragovernmental) line
- Combined Beneficial Interest in Perpetual Trust and Advances and Prepaid Expenses into Other Assets line
- Separated Accounts Payable and Accrued Funded Payroll (Intragovernmental) into Accounts Payable (Intragovernmental) line. Accrued Funded Payroll (Intragovernmental) is part of Other Liabilities (Intragovernmental).
- Other Intragovernmental Liabilities now also includes Accrued Unfunded Workers Compensation.
- Separated Accounts Payable and Accrued Funded Payroll (Other than Intragovernmental) into Accounts Payable (Other than Intragovernmental) line. Accrued Funded Payroll (Other than Intragovernmental) is part of Federal Employee and Veteran Benefits Payable and Other Liabilities (Other than Intragovernmental).
- Federal Employee and Veteran Benefits Payable now also includes accrued unfunded annual and compensatory leave and actuarial unfunded workers compensation.
- Other Liabilities (Other than Intragovernmental) now also includes Deposit Liabilities.
- Net change in cumulative results of operations on the Statements of Change in Net Position includes the net cost of operations.
- Library Collections and Services Group and Law Library were consolidated into Library Services on the Statement of Net Cost.
- In addition, the FY 2022 amount for the Advances and Deferred Revenue (intragovernmental) line-item on the Balance Sheet has been corrected. The prior year published amount for this line-item wrongly differed from the properly stated trial balance amount. The FY 2022 balance has been corrected to reflect the actual \$24,114 thousand amount and related total amounts were correct. No prior period adjustment was reported because the misstatement resulted from a printing error.

C. Fund Balance with Treasury

Fund Balance with Treasury is the aggregate amount of our accounts with the U.S. government's central accounts from which we are authorized to make expenditures and pay liabilities. It is an asset because it represents our claim to the U.S. government's resources. Fund Balance differs from unexpended appropriations because it also includes non-appropriated revolving funds, suspense accounts, and custodial funds such as deposit funds and trust funds.

D. Cash and Other Monetary Assets

Cash and other monetary assets are defined as all cash not held by the U.S. Treasury. This category includes deposits in transit, cash on hand, and imprest funds.

E. Gift and Trust Fund Programs

The Library administers gift and trust fund programs, which are part of funds from dedicated collections. Funds are restricted as to their use, which must be in accordance with the terms of the gift agreement. Donor restrictions are conditions that restrict the use of funds based on the purpose of the funds being more specific than the mission of the Library or based on the passage of time. Library fund managers administer and oversee the gift and trust fund programs to ensure they are used as directed by the donors and in accordance with Library policy.

F. Investments, Net

Treasury Securities

Treasury securities are intended to be held to maturity, are valued at cost, and are adjusted for the amortization of discounts and premiums. Interest is computed using the straight-line method.

Gift and Trust Funds

All gift and trust fund investments are obtained and held by the gift and trust fund programs under conditions set forth in the respective gift and trust fund instruments. The TFB determines the investment policy for the Library's gift and trust fund programs. The gift and trust funds hold Treasury securities, a permanent loan to the Treasury, as well as stock and money market fund investments.

Under 2 U.S.C. §158, up to \$10 million of the Library's trust fund programs may be invested with the U.S. Treasury as a permanent loan at a floating rate of interest, adjusted monthly, but no less than 4% per annum. The permanent loan is an interest bearing investment recorded at cost, which is market value. The permanent loan is reported as Fund Balance with Treasury.

Stock and money market funds are reported at fair value and are considered available for sale. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Library utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Library primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Library utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial Accounting Standards Board (FASB) accounting standards codification (ASC) Topic 820 establishes a fair value hierarchy that gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). ASC Topic 820 is relevant for assessing the reliability of a fair market value of non-introgovernmental investments, as there is no corresponding standard in FASAB. The three levels of fair value hierarchy are as follows:

- **Level 1** - Valuation based on quoted (unadjusted) prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date, and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- **Level 2** - Valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, that is markets in which there are few transactions, prices are not current, or prices vary substantially over time.
- **Level 3** - Valuation based on inputs that are unobservable for an asset or liability and shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. This input therefore reflects the Library's, and other independent third parties', if and where available, assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. This classification does not imply a lack of liquidity of the investment. The Library through its third party advisor (US Bank) carefully monitors these positions as it conducts periodic reviews of both asset allocation and performance.

Realized and unrealized gains and losses are recognized as a component of non-exchange revenue in the Statement of Changes in Net Position.

The Library is able to classify fair value balances based on the observability of those inputs. The Library's assessment of the significance of a particular input to the fair value measurements requires judgment and may affect the valuation of fair value of assets and liabilities and their placement within the fair value hierarchy levels. The determination of fair value may, therefore, affect the timing of recognition of revenues and change in net position.

Deposit Funds Investment

Pursuant to 17 U.S.C. 708 (d), funds deposited by copyright applicants are invested based on the unearned balance available, by the U.S. Copyright Office in U.S. Treasury securities. These investments are held until the deposit fees are earned and income accrues to the benefit of the Copyright Office.

G. Accounts Receivable, Net

Pledges Receivable

Contributions of unconditional promises to give (pledges) to the Library and the Library of Congress TFB are recognized as donated revenue in the period the pledge is received. The related receivable is recognized with the donated revenue. Pledges receivables are recorded at their estimated present value using a discount rate. Accretion of the discount in subsequent years is also recorded as donated revenue. The Library analyzes individual pledges for evidence of collectability. Based on this analysis, the Library did not record an allowance for doubtful accounts for pledges receivable.

Other Accounts Receivable

Other accounts receivable primarily resulted from billings to other federal agencies under interagency agreements for contracting and/or accounts payable services related to database retrieval and other library services. The Library does not record bad debt allowance for intragovernmental account receivables based on the receivable is most likely to be totally collected.

The non-federal accounts receivable primarily resulted from member of the public booking Library's event spaces and other requests for the Library's services. The Library has established a percentage allowance for doubtful accounts against non-federal accounts receivable, based on 3% of the past due balance as of September 30th.

H. Advances and Prepayments

Prepayments are payments made to cover certain periodic expenses before those expenses are incurred. The Library reduces the prepayments and recognize costs as the funds are expended by the other agency.

I. Property and Equipment

The Library recognizes as a Property and Equipment asset all property and equipment acquired with a useful life of 2 years or more, and with an acquisition cost greater than the corresponding capitalization dollar threshold. Property and Equipment assets are depreciated over the corresponding designated useful life. Depreciation is included as a component of program cost in the Statement of Net Cost. The Property and Equipment line-item on the Balance Sheet is presented net of the accumulated depreciation of the assets.

The following thresholds are used for capitalizing property:

Class of Property	Useful Life	Threshold
Operating Equipment	5 years	\$50,000
Furniture & Furnishings	10 years	\$50,000
Leasehold Improvements	The shorter of 10 years or the remaining term of the lease.	\$250,000
Internal Use Software	5 years	\$750,000

Internal use software includes the cost of

1. software used to operate the Library's programs (e.g., financial and administrative software, including that used for project management),
2. software used to provide services (e.g., Catalog Distribution Services), and

3. software that is developed or obtained for internal use and subsequently provided to other federal entities with or without reimbursement (e.g., accounting software provided to other legislative branch agencies).

Leasehold improvements are capitalized if the improvements and renovations are expected to provide a useful service and benefit to the Library of at least two years.

Land and buildings (i.e. plant) are excluded from the Library's property and equipment accounts because they are under the custody and control of the Architect of the Capitol.

Depreciation is computed on a straight-line basis using the estimated useful lives presented above.

Capitalized property and equipment acquired through gifts are recognized as donated revenue in the gift and trust fund programs and transferred to the Library's appropriated programs, once the asset is accepted. The Library records the donated property and equipment at its fair market value at the time of the gift.

J. Library Collections – Heritage Assets

The cost of acquiring additions to the collections is expensed in the period incurred, in the Statement of Net Cost (See Note 6). Supplemental information regarding the condition and preservation of the collections is included with the Assessment of Condition of Heritage Assets in the Management Report section of this Agency Financial Report.

K. Intragovernmental Liabilities

Accounts payable includes amounts owed for goods and services.

Advances from Others are funds received for the revolving programs that have not yet been earned. The Library is expected to provide goods or services in exchange for receiving the advance.

Other intra-governmental liabilities include employer contributions and payroll taxes payable and unfunded workers' compensation. Employer contributions include benefit contributions for retirement, health, and life insurance benefits, with the exception of the Thrift Savings Plan, which is included in Federal Employee and Veteran Benefits Payable.

Federal Employee Retirement Benefits

The Library contributes (both funded and unfunded) to the various employee retirement programs.

Approximately 3% and 4% of the Library's employees participated in the Civil Service Retirement System (CSRS) during FY 2023 and FY 2022, respectively, to which the Library makes contributions equal to 7.0% of pay. Of those participating in CSRS, approximately 17% and 15% for FY 2023 and FY 2022, are also covered by Social Security (FICA), for which the Library's contribution is slightly less.

Approximately 94% and 94% of the Library's employees were covered by the Federal Employees Retirement System (FERS) during FY 2023 and FY 2022, respectively, to which the Library's normal contribution was 18.4% for FY 2023 and 18.4% for FY 2022. Of those participating in FERS during FY 2023 and FY 2022, approximately 45% and 40%, respectively, were under the revised annuity (FERS-Revised Annuity Employees (RAE) and FERS-Further Revised Annuity Employees (FRAE)) rates effective October 2021, to which the agency contribution rate was 16.6% for FY 2023 and 16.6% for FY 2022. Additionally, for employees under FERS, the Library contributes an automatic 1% of employee's pay, plus matches employee Thrift Savings Plan (TSP) contributions up to 5% of pay (matched dollar-for-dollar on the first 3% of pay and 50 cents on the dollar for the next 2% of pay). Under FERS, the employee is also covered by FICA to which the Library contributes the employer's matching share of 6.2%.

Approximately 2% and 2% of the Library's employees were covered only by FICA during FY 2023 and FY 2022, respectively, to which the Library contributes the employer's matching share of 6.2% of earnings up to \$160,200.

The actuarial present value of accumulated benefits, assets available for benefits, and unfunded pension liability of Social Security, FERS, and CSRS is not allocated to individual Federal departments and agencies. However, in

accordance with SFFAS No. 5, *Accounting for Liabilities of the Federal Government*, current year expenses were recorded for the service cost of the Library's employee retirement benefits.

The service cost factor is applied to the annualized employee pay, less the Library's funded contributions, to derive the imputed retirement pension cost being financed directly by OPM. This unfunded cost was offset by an imputed financing source.

Service Cost Factors for Retirement Plans:

	2023	2022
FERS & FRAE	23.2%	20.4%
FERS & RAE	22.9%	20.2%
FERS	22.4%	19.7%
CSRS	50.4%	46.2%

Service Cost Factors for FY 2022 taken from OPM Benefits Administration Letter number 22-303, January 2022

Service Cost Factors for FY 2023 taken from OPM Benefits Administration Letter number 23-304, January 2023

L. Federal Employee and Veteran Benefits Payable

Federal Employee and Veteran Benefits Payable consists of the actuarial portion of the unfunded portion of workers' compensation benefits, leave, and contributions to the Thrift Savings Plan.

Workers Compensation

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered federal civilian employees injured on the job and employees who have incurred a work-related injury or occupational disease. The Department of Labor (DOL) administers the FECA program, pays valid claims, and subsequently seeks reimbursements from us for these paid claims. The Library reimburses the DOL when funds are appropriated. The FECA liability consists of two components. The first component is based on actual claims the DOL paid but which we have not yet reimbursed. The second component is the estimated liability for future workers compensation as a result of past events. We report the accrued, unfunded portion as Intragovernmental Other Liabilities, and the actuarial portion of unfunded liabilities as Federal Employee and Veteran Benefits Payable on the Consolidated Balance Sheets. DOL generates these future workers' compensation estimates by applying actuarial procedures developed to estimate the liability for FECA benefits. The actuarial liability estimates for FECA benefits include the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases.

Accrued Annual and Compensatory Leave

Unfunded annual and compensatory leave is classified as Federal Employee and Veteran Benefits Payable. The Library's basic leave policy is contained within Title 5, Part III, of the U. S. Code, Uniform Annual and Sick Leave Regulations of the Office of Personnel Management, and the decisions of the Comptroller General. Generally, each employee may carry forward a maximum of 240 hours of annual leave per calendar year. Annual leave is accrued as it is earned and the liability is adjusted at the end of each fiscal year based on annual leave earned and taken. Annual leave earned in excess of the maximum permitted carryover is forfeited. Each year, the balance in the accrued annual leave account is also adjusted to reflect current pay rates.

Employees' compensatory time earned but not taken is also accrued at year-end. An employee may accumulate a maximum of 40 hours of compensatory time during the fiscal year. Compensatory leave earned will remain on the employee's leave record for use up to a maximum of 26 pay periods from the pay period in which it was earned. Any compensatory leave not used beyond the 26 pay periods will be forfeited.

Sick leave and other types of non-vested leave are expensed as taken.

M. Other Liabilities (Non-Intragovernmental)

Other than Intra-governmental Other Liabilities consist of accrued funded payroll and leave, contingent legal liabilities, and deposit and clearing account liabilities. Accrued funded payroll and leave is the estimated amount of liability for salaries, wages, and funded annual leave and sick leave that have been earned but are unpaid.

Deposit and Clearing Account Liabilities

Deposit Liabilities are customer funds on deposit for Copyright, Document Reproduction and Microfilm Services, and Cataloging Distribution Service products and services. Clearing funds temporarily credit unclassified transactions from the public when there is a reasonable presumption that the amounts belong to the Library.

Contingent Liabilities

We recognize material contingent liabilities meeting the following criteria:

- a past event or exchange transaction has occurred;
- a future cash outflow is probable; and
- a future cash outflow is measurable.

The Library records a point estimate for the most likely outcome using the best information available as of the audit report date.

N. Revenue and Financing Sources

We finance our activities either through exchange revenue we receive from others or through non-exchange revenue and financing sources (such as appropriations the Congress provides). We recognize exchange revenue when we earn it, i.e., we provided goods or rendered services. We record non-exchange revenues due to gains and losses in our investment positions. We recognize appropriations used as financing sources when we incur related expenses or purchase assets.

Exchange Revenue

In accordance with LCR 6-110, Financial Management, the Library must comply with OMB circulars or bulletins if they are specifically prescribed in (1) an LCR, (2) an FSD Directive, or (3) if required by law. OMB Circular No. A-25, User Charges, does not fall within these three categories, but may be used by the Library as a useful point of reference. OMB Circular No. A-25 requires that user charges be sufficient to recover the full costs to the federal government. Full costs include all direct and indirect costs to any part of the federal government providing the good or service, including unreimbursed inter-entity costs.

Were the Library to increase fees and prices to recover full costs to the government for providing goods and services in its business-like activities, this would in some cases reduce the quantity of goods and services demanded. It is not practicable to provide reasonable estimates regarding (1) revenue foregone from charging fees that do not recover full costs to the government and (2) to what extent the quantity of goods and services demanded would change as a result of changes in prices and fees. Under the Copyright Act, the Copyright Office is required to collect fees for the filing of copyright registrations. The Act does not require the recovery of the full costs of operations; instead, the Register of Copyrights is authorized to adjust fees for registration of claims, recordation of documents, and provision of services at a level not more than necessary to recover reasonable costs incurred for services plus a reasonable adjustment for inflation after having conducted a study of the costs incurred for services by the Copyright Office for such services. Fees should also be fair and equitable and give due consideration to the objectives of the copyright system.

Donation and Interest Revenue

The Library receives monetary gifts from donors and receives interest on invested funding. These donations are recorded as revenue when the cash is collected or the interest on invested funding is earned. The Library may also receive gifts of donated property or services, including revenue generating gifts recorded as donated royalties. The

Library records these in-kind donations as donated revenue in the year earned and an offsetting expense in the same year. If the donated property meets the capitalization threshold and criteria, it is capitalized.

The Library receives gifts subject to meeting certain conditions. Revenue is recognized when the conditions of the gift are met.

Imputed Financing Sources

In certain situations, the Library receives goods and services from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by the Library are recognized as imputed cost in the Statement of Net Cost and are offset by imputed revenue in the Statement of Changes in Net Position. Such imputed costs and revenues relate to business-type activities (if applicable), employee benefits, and claims to be settled by the Treasury Judgment Fund. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements.

O. Appropriations and Other Budgetary Activity

We record appropriations when authorized by legislation. We record incurred obligations of appropriations when we place orders or sign contracts for goods and services, award a grant, or take other actions that require us to make payments to the public or another federal entity. We record outlays when we make disbursements. Spending authority from offsetting collections results from reimbursement to the Library for business type goods and services. Offsetting collections are credited to appropriations and are obligated and expended to provide the goods and services.

P. Funds from Dedicated Collections

Funds from dedicated collections are financed by specifically identified revenues, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and financing sources are required by statute to be used for designated activities, benefits or purposes, and must be accounted for separately from the government's general revenues. The Library's financial statements include the results of operations and financial position of its funds identified as funds from dedicated collections. We apply the following criteria for purposes of designating funds as dedicated collections: (i) a statute committing the U.S. government to use specifically identified revenues and/or other financing sources that are originally provided to the U.S. government by a non-federal source only for designated activities, benefits, or purposes; (ii) explicit authority for the fund to retain revenues and/or other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes; (iii) a requirement to account for and report on the receipt, use, and retention of the revenues and/or other financing sources that distinguishes the fund from the U.S. government's general revenues; and (iv) for funds comprised of both federal and non-federal sources, such funding is predominantly non-federal, or the non-federal funding is material to our financial statements.

The Library does not set aside assets to pay future benefits or other expenditures associated with funds from dedicated collections. The cash receipts collected from the public for funds from dedicated collections are deposited into the U.S. Treasury, which uses the cash for general Government purposes. Treasury securities are issued to the Library as evidence of its receipts. Treasury securities are assets to the Library. Treasury Securities provide the Library with authority to draw upon the U.S. Treasury to make future expenditures.

Q. Fiduciary Activities

Fiduciary activities are the collection or receipt, and the management, protection, accounting, investment, and disposition by the U.S. government of cash or other assets in which non-federal individuals or entities have an ownership interest that the U.S. government must uphold. Fiduciary cash and other assets are not assets of the U.S. government. We do not report these activities in our financial statements, but instead report them in Note 18.

The Library of Congress Copyright Office Licensing Division administers the compulsory and statutory licenses covered by the Copyright Act (17 U.S.C.). The Licensing Division receives royalty fees from cable television operators for retransmitting television and radio broadcasts, from satellite carriers for retransmitting "super station" and network signals, and from importers and manufacturers for distributing digital audio recording technologies (DART). Refunds may arise when a cable, satellite, or DART remitter inadvertently overpays or is otherwise entitled to a

refund. Additional royalty fees may also be requested from the remitter when necessary. The Licensing Division invests the licensing royalty fees in market-based U.S. Treasury notes and bills. Because these investments are held in a fiduciary capacity for the copyright owners, the related income is part of the fiduciary activity which is not reported on the Library's financial statements.

Controversies regarding the distribution of the royalties are resolved by the Copyright Royalty Judges (CRJ). The CRJ have full jurisdiction over setting royalty rates and terms and determining distributions. Decisions may be appealed to the United States Court of Appeals for the District of Columbia Circuit.

Investments – Copyright royalties collected by the Copyright Office on behalf of copyright owners are invested, net of service fees, in U.S. Treasury securities. Treasury securities are intended to be held to maturity, are valued at cost, and are adjusted for the amortization of discounts and premiums. Interest is computed using the straight-line method. These investments will be held until distributions are made to copyright owners.

Intragovernmental Investments – Non-marketable, market-based securities are Treasury notes and bills issued to governmental accounts that are not traded on any securities exchange, but mirror the prices of marketable securities with similar terms.

R. Classified Activities

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

NOTE 2

Fund Balance with Treasury

Status of Fund Balance with Treasury

	(in thousands)	
	FY 2023	FY 2022
(1) Unobligated Balances		
(a) Available	\$ 155,932	\$ 151,844
(b) Unavailable	49,465	42,704
(2) Obligated Balance not yet Disbursed	310,946	310,007
(3) Non-budgetary	920	832
Total	\$ 517,263	\$ 505,387

Fund Balance increases when we receive appropriations, reappropriations, continuing resolutions, appropriation restorations, and allocations; and when we receive transfers and reimbursements from other federal agencies. Fund Balance can also be increased by amounts borrowed from the Fiscal Service, FFB, other federal entities, and by amounts collected and credited to appropriation or fund accounts.

Likewise, Fund Balance is reduced when we make disbursements to pay liabilities or to purchase assets, goods, and services; investments in U.S. securities (securities issued by Fiscal Service or other federal agencies); when expired appropriations are canceled; transfers and reimbursements made to other federal entities, non-federal entities, or the General Fund; and due to sequestration or rescission of appropriations.

Portions of the Unobligated Balance Not Available, as shown on the Combined Statement of Budgetary Resources, include amounts appropriated in prior fiscal years that are not available to fund new obligations. However, we may use such amounts for upward and downward adjustments for existing obligations in future years. The Obligated Balance Not Yet Disbursed represents amounts designated for payment of goods and services we ordered but have not received, or goods and services we received but for which payment has not yet been made.

Based on the SBR, budgetary resources consist of appropriations and offsetting collections. These resources affect Fund Balance With Treasury (FBWT).

NOTE 3**Investments, Net**

Investments at September 30, 2023 and 2022 are as follows:

As of September 30, 2023

(in thousands)

	Intragovernmental Investments			Other Investments		
FY 2023	Gift Fund	Trust Funds	Deposit Fund	Gift Fund	Trust Fund	Total
Face Value	\$40,665	\$16,452	\$9,180	\$0	\$0	\$66,297
Cost	0	0	0	3,554	147,469	151,023
Unamortized Premium/ (Discount), Net	(441)	(105)	(35)	0	0	(581)
Investments, Net (Intragovernmental)	\$40,224	\$16,347	\$9,145			\$65,716
Investments (Market Value, Other than Intragovernmental)				\$3,959	\$163,823	\$167,781

As of September 30, 2022

(in thousands)

	Intragovernmental Investments			Other Investments		
FY 2022	Gift Fund	Trust Funds	Deposit Fund	Gift Fund	Trust Fund	Total
Face Value	\$27,769	\$14,628	\$8,350	\$0	\$0	\$50,747
Cost	0	0	0	3,586	147,495	151,081
Unamortized Premium/ (Discount), Net	(183)	(50)	(16)	0	0	(248)
Investments, Net (Intragovernmental)	\$27,586	\$14,578	\$8,334			\$50,499
Investments (Market Value, Other than Intragovernmental)				\$3,584	\$147,342	\$150,926

Intragovernmental Investments

Intragovernmental investments are non-marketable and market based. Non-marketable, market-based securities are Treasury notes and bills issued to the Library that are not traded on any securities exchange, but mirror the prices of marketable securities with similar terms. Trust fund investment maturity dates for Treasury investments during FY 2023 and FY 2022 range from December 29, 2022, to December 28, 2023, and December 23, 2021, to December 22, 2022, respectively, and interest rates range from 3.22% to 5.33% and 0.03% to 3.16%, respectively.

Other Investments

Other investments are the Library's non-Treasury investments in the private sector. Cost was derived from the investments made plus reinvested gains, dividends, and interest and are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Library utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated, or generally unobservable. The Library primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Library utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The following methods and assumptions were used to estimate the fair value of each class of financial investment for which it is practicable to estimate that value:

Cash Equivalents - Cash Equivalents are invested in traditional money market funds that target a stable, daily net asset value and that are regulated under the Investment Company Act of 1940. These traditional money market funds are restricted to invest only in those securities permissible under Rule 2a-7 of the Investment Company Act of 1940 and typically refer to the high-quality rated debt instruments of various issuers that have maturities of 3 months or less, with a weighted average maturity of 60 days or less and with no more than 5% in any one issuer. These money market instruments include Treasury Bills, Certificates of Deposit, commercial paper, repurchase agreements and other acceptable short-term debt instruments.

Equities and Balanced Funds - The Library's holdings of equity securities are comprised of both U.S. and Global Equities and Balanced Funds. They represent the publicly listed shares on regulated exchanges of various companies or commingled investment funds holding these types of securities. For publicly listed securities, prices and thus valuations are readily available via regular trading between specialists, market makers and multiple principals and agents and are valued using Level 1. Commingled investment funds may not have current quotes and are valued using Level 2.

Fixed Income - Fixed Income securities are comprised of U.S. and global government bills, notes, and bonds (including agency issues, Treasury Inflation Protection Securities and various zero coupon issues) and also various types of corporate bonds (including asset backed securities, both residential and commercial mortgage backed securities and debentures), or commingled investment funds holding these types of securities. Commingled investment and fixed income do not have current quotes. These securities are valued using Level 2.

Collective Investment Funds - Collective Investment Funds are individual holdings including marketable securities (listed, publicly traded) with market quote and some with market quote not readily available. Given the absence of market quotations for some of these investments, fair value is estimated using level 3.

While these financial instruments contain varying degrees of risk, the Library's exposure with respect to each such investment is limited to its carrying amount (fair value as described above) in each investment. The financial statements of the investees are audited annually by nationally recognized independent auditors.

The following summarizes the Library's other investments at fair value as of September 30, 2023 and 2022:

As of September 30, 2023

(in thousands)

Category	FY 2023			
	Level 1	Level 2	Level 3	Total
Cash Equivalents	\$ 25	\$ 0	\$ 0	\$ 25
U.S. Global Equity	12,307	50,627	0	62,934
Fixed Income	0	35,040	0	35,040
Balanced Funds	0	5,189	0	5,189
Collective Investments Funds	0	0	64,593	64,593
Total	\$ 12,332	\$ 90,856	\$ 64,593	\$ 167,781

As of September 30, 2022

(in thousands)

Category	FY 2022			
	Level 1	Level 2	Level 3	Total
Cash Equivalents	\$ 66	\$ 0	\$ 0	\$ 66
U.S. Global Equity	10,450	44,026	0	54,476
Fixed Income	0	30,151	0	30,151
Balanced Funds	0	7,164	0	7,164
Collective Investments Funds	0	0	59,069	59,069
Total	\$ 10,516	\$ 81,341	\$ 59,069	\$ 150,926

NOTE 4**Accounts Receivable**

A. The breakdown of consolidated gross and net accounts receivable as of September 30, 2023 and 2022 are as follows:

	(in thousands)	
	FY 2023	FY 2022
Intragovernmental:		
Accounts Receivable, Gross	\$ 72	\$ 178
Less: Allowance for Doubtful Accounts	(6)	(6)
Accounts Receivable, Net	\$ 66	\$ 172
Other than Intragovernmental:		
Pledges Receivable	\$ 14,061	\$ 13,501
Accounts Receivable, Gross	392	437
Less: Allowance for Doubtful Accounts	(76)	(136)
Accounts Receivable, Net	\$ 14,377	\$ 13,802

B. At September 30, 2023 and 2022, the Library had unconditional pledges of contributions totaling \$20,552 thousand and \$22,630 thousand, which were discounted through FY 2033 and included in the statement of financial position at their discounted value of \$14,061 thousand and \$13,501 thousand, respectively.

The amounts due in future years, at September 30, at their current discounted value are:

	(in thousands)	
Due Within	FY 2023	FY 2022
Less than 1 year	\$6,812	\$6,496
1-5 years	5,229	4,856
After 5 years	2,020	2,149
Total	\$14,061	\$13,501

NOTE 5**Property and Equipment**

Property and equipment that were capitalized as of September 30, 2023 and 2022 are as follows:

(in thousands)

Classes of Property and Equipment	FY 2023			FY 2022		
	Acquisition Value	Accumulated Depreciation & Amortization	Net Book Value	Acquisition Value	Accumulated Depreciation & Amortization	Net Book Value
Construction in progress	\$ 6,311	\$ 0	\$ 6,311	\$ 5,096	\$ 0	\$ 5,096
Internal use software in development	114,402	0	114,402	68,722	0	68,722
Equipment and vehicles	59,118	(53,327)	5,791	70,151	(63,968)	6,183
Furniture and furnishings	2,184	(1,500)	684	2,668	(1,861)	807
Internal use software	78,206	(71,915)	6,291	77,503	(71,862)	5,541
Leasehold improvements	78,372	(56,375)	21,997	78,372	(52,261)	26,111
Total	\$ 338,593	(\$ 183,117)	\$ 155,476	\$ 302,512	(\$ 189,952)	\$ 112,560

NOTE 6**Library Collections - Heritage Assets**

The Library classifies its collections as Heritage Assets, that is, assets with historical, cultural, educational, artistic, or natural significance. The Library's mission is to make its resources available and useful to the Congress and the American people and to sustain and preserve a universal collection of knowledge and creativity for future generations.

The Library's collection development policies are designed to fulfill its responsibilities to serve (1) the Congress and United States government as a whole, (2) the scholarly and library communities, and (3) the general public. Written collection policy statements ensure that the Library makes every effort to possess books and other library materials necessary to the Congress and various offices of the United States government to perform their duties; an extensive record, in a variety of formats, documenting the life and achievement of the American people; and a universal collection of human knowledge embodying the records of other societies, past and present.

Copyright deposits are a major source of the Library's collections of Americana. The Library also acquires materials by purchase, transfer from other federal agencies, gift, domestic and international exchange, or by provisions of state and federal law. Many of these materials are foreign publications. Various preservation methods are used to maintain the collections, and disposals occur only for the exchange and gift of unwanted or duplicate copies. The Library had 95 collections as of September 30, 2023, and 95 collections as of September 30, 2022, managed by its custodial units. No collections were added or removed.

The collections are organized into major categories based primarily on how the Library manages the collections. In FY 2023 and 2022, the collections were all managed by LCSG.

See the Management report for the Assessment of Condition of Heritage Assets for further information (see table of contents).

NOTE 7**Other Assets**

(In thousands)

	FY 2023	FY 2022
Advances and Prepayments	\$ 6	\$ 6
Beneficial Interest in Perpetual Trust	2,912	2,706
Other Assets	\$ 2,918	\$2,712

All Other Assets are other than intra-governmental assets.

Advances and prepayments primarily consist of amount advanced to employees for travel expenses.

The beneficial interest represents the fair value of the library's share of the assets of the Archer M. Huntington Charitable Trust.

NOTE 8**Liabilities Not Covered by Budgetary Resources**

(in thousands)

	FY 2023	FY 2022
Liabilities Covered by Budgetary Resources	\$ 110,728	\$ 101,688
Liabilities Not Covered by Budgetary Resources-Intragovernmental	1,126	1,154
Liabilities Not Covered by Budgetary Resources-Other than Intragovernmental	41,812	39,087
Liabilities Not Requiring Budgetary Resources	10,101	9,236
Grand Total	\$ 163,767	\$ 151,165

Liabilities covered by budgetary resources include accounts payable, advances from others, accrued funded payroll and benefits, custodial liabilities, and advances from the public.

Liabilities not covered by budgetary resources- Intragovernmental are accrued unfunded workers compensation.

Liabilities not covered by budgetary resources- Other than Intragovernmental include accrued unfunded annual and compensatory leave, and other unfunded liabilities.

Liabilities not requiring budgetary resources are nonfiduciary deposit funds.

Liabilities not covered by budgetary resources require future congressional action whereas liabilities covered by budgetary resources reflect prior congressional action. Regardless of when the congressional action occurs, when the liabilities are liquidated, Treasury will finance the liquidation in the same way that it finances all other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

NOTE 9**Federal Employee and Veteran Benefits Payable**

(in thousands)

	FY 2023	FY 2022
Employer Contributions and Payroll Taxes Payable	\$ 1,026	\$ 950
Unfunded Leave	34,632	32,594
Actuarial Workers Compensation (FECA)	5,929	6,462
Total	\$ 41,587	\$ 40,006

Employer contributions and payroll taxes payable are employer contributions to the Thrift Savings Plan.

Unfunded Leave includes annual and compensatory leave.

The liability for future workers' compensation benefits includes the expected liability for death, disability, medical and miscellaneous costs for approved compensation cases and for potential cases related to injuries incurred but not reported.

NOTE 10**Other Liabilities**

Other Liabilities as of September 30, 2023 and 2022, are comprised of the following:

(in thousands)

Intragovernmental Liabilities	FY 2023	FY 2022
Employer Contributions and Payroll Taxes Payable	\$ 7,454	\$ 6,951
Unfunded Workers Compensation (FECA)	1,126	1,155
Other	9	6
Total Intragovernmental	\$ 8,589	\$ 8,112
Other than Intragovernmental Liabilities		
Accrued Funded Payroll and Leave	\$ 23,413	\$ 21,713
Contingent Legal Liabilities	1,250	30
Deposit and Clearing Accounts	10,835	9,251
Total Other than Intragovernmental	\$ 35,498	\$ 30,994
Total Other Liabilities	\$ 44,087	\$ 39,106

Other Intragovernmental Other Liabilities include refunds and custodial liabilities.

NOTE 11

Leases

The Library has federal operating leases for office and warehouse space.

Future Payments Due for Non-Cancelable Operating Leases

(in thousands)

Fiscal Year	FY 2023
Year 1	\$1,915
Year 2	1,885
Year 3	1,980
Year 4	2,084
Year 5	2,104
After 5 Years	15,872
Total Future Lease Payments	\$25,838

NOTE 12

Contingencies

Several claims against the Library relating to employment, contracts, and Constitutional matters are pending at the administrative level or in court as of September 30, 2023. The estimated loss for the claims that are probable were \$1,250 thousand as of September 30, 2023, and \$30 thousand as of September 30, 2022. Management believes the possible loss for all other claims is remote or immaterial with respect to the Library's financial statements as of September 30, 2023, and September 30, 2022. Under law, claims finally adjudicated or settled at the administrative level would be paid from the Library's funds, and claims litigated in court would be settled by the Treasury's Claims, Judgments and Relief Act Fund.

NOTE 13

Funds from Dedicated Collections

The Library's funds from dedicated collections are from multiple sources. Significant funds are presented individually while non significant funds are aggregated in other dedicated collections.

- Fees are authorized for offsetting collections programs. The offsetting collections programs are part of the salaries and expense appropriations for the Library and Copyright Office.
- The Cataloging Distribution Service (CDS) the distribution arm for the Library of Congress bibliographic data and related technical publications is part of Offsetting Collections Programs in the accompanying table. Pursuant to 2 U.S.C. §150, CDS sells its products to libraries throughout the United States and around the world and charges "...a price which will cover their costs plus ten per centum added." The source of revenue for CDS are institutions and individuals in the Federal government and the public who purchase bibliographic information. This is not a significant fund; it is disclosed in other dedicated collections.

- The Copyright Office, pursuant to 17 U.S.C. §708(a) 1–9, is authorized to collect fees for the registration of a copyright claim and other copyright recordation and filing activities and is part of Offsetting Collection Programs in the accompanying table. Copyright Basic is a significant fund.
- Public Revolving Funds are authorized by 2 U.S.C. §182 for the Cooperative Acquisitions, Audio–Visual Duplication Services, Gift Shop operations, Decimal Classification, Document Reproduction and Microfilm Services, and Special Events and Programs (these programs are discussed further in Note 14). The source revenue of revolving funds are federal agencies and the public. These are not significant funds and are disclosed in other dedicated collections.
- Gift and Trust Fund Programs are authorized by 2 U.S.C. §154–163 (and discussed further in Note 1.E.). The revenue source for the Gift and Trust Fund Programs are donors from the public. The Gift Fund and Trust Fund are significant funds. The Hubbard Bequest Fund is not a significant fund and is presented in other dedicated collections.
- The Copyright Office is also authorized pursuant to 17 U.S.C. §708(a) 10–11 to collect fees from certain cable and satellite carriers for the filing of statements of account (SOA). The SOA filing fees offset certain administrative costs of the Copyright Office Licensing Division and is part of Copyright Licensing Expense in the accompanying table. The source of revenue are from applicants of the service from the public. Copyright Licensing Expenses is a significant fund.

The Library's funds from dedicated collections for the year ended September 30, 2023, is summarized below:

(in thousands)						
FY 2023 (Combined)	Gift Fund	Trust Funds	Copyright Basic	Copyright Licensing Expenses	Other Dedicated Collections	Total Dedicated Collections
BALANCE SHEET:						
Intragovernmental						
Fund Balance with Treasury	\$7,659	\$10,509	\$33,694	\$0	\$25,816	\$77,678
Investments, net	39,487	16,333	0	0	0	55,820
Accounts receivable, net	0	0	0	2,093	0	2,093
Total intragovernmental assets	47,146	26,842	33,694	2,093	25,816	135,591
Other than intragovernmental						
Cash and Other Monetary Assets	0	0	0	0	2	2
Accounts receivable, net	10,435	3,626	0	0	223	14,284
Inventory and related property, net	0	0	0	0	186	186
General property, plant, and equipment, net	0	0	2,903	0	(150)	2,753
Advances and prepayments	2,683	0	4,448	0	94	7,225
Investments, net	3,959	163,823	0	0	0	167,782
Other assets	0	2,911	0	0	0	2,911
Total other than intragovernmental	17,077	170,360	7,351	0	355	195,143
Total assets	64,223	197,202	41,045	2,093	26,171	330,734

(in thousands)

FY 2023 (Combined)	Gift Fund	Trust Funds	Copyright Basic	Copyright Licensing Expenses	Other Dedicated Collections	Total Dedicated Collections
Intragovernmental						
Advances from others & deferred revenue	0	0	0	0	74	74
Other liabilities	22	5	423	0	35	485
Total intragovernmental liabilities	22	5	423	0	109	559
Other than intragovernmental						
Accounts payable	868	607	927	2,093	234	4,729
Federal employee and veteran benefits payable	178	36	1,313	0	238	1,765
Advances from others & deferred revenue	0	0	0	0	4,913	4,913
Other liabilities	3	1	56	0	2	62
Total other than intragovernmental	1,049	644	2,296	2,093	5,387	11,469
Total liabilities	\$1,071	\$649	\$2,719	\$2,093	\$5,496	\$12,028
Cumulative Results of Operations	\$63,150	\$196,553	\$38,329	\$0	\$20,674	\$318,706
Total liabilities and net position	\$64,221	\$197,202	\$41,048	\$2,093	\$26,170	\$330,734
Statement of Net Cost						
Gross program costs	\$11,032	\$8,249	\$41,274	\$3,747	\$13,622	\$77,924
Less: Earned Revenue	(1)	0	(38,005)	(3,747)	(12,718)	(54,471)
Net Program costs - cost of operations	11,031	8,249	3,269	0	904	23,453
Statement of Changes in Net Position						
Cumulative Results of Operations						
Beginning balance	50,061	178,069	38,890	0	21,063	288,083
Intragovernmental non-exchange revenue	1,399	1,127	0	0	1	2,527
Donations and forfeitures of cash & property	22,031	3,951	0	0	0	25,982
imputed Financing Sources	163	74	2,708	0	514	3,459
Other	527	21,581	0	0	0	22,108
Net cost of operations	(11,031)	(8,249)	(3,269)	0	(904)	(23,453)
Net Change in Cumulative Results of Operations	13,089	18,484	(561)	0	(389)	30,623
Cumulative Results of Operations - Ending	63,150	196,553	38,329	0	20,674	318,706
Net Position	\$63,150	\$196,553	\$38,329	\$0	\$20,674	\$318,706

Fiscal data as of and for the year ended September 30, 2022, is summarized below.

(in thousands)

FY 2022 (Combined)	Gift Fund	Trust Funds	Copyright Basic	Copyright Licensing Expenses	Other Dedicated Collections	Total Dedicated Collections
BALANCE SHEET:						
Intragovernmental						
Fund Balance with Treasury	9,219	10,534	34,854	0	25,835	80,442
Investments, net	27,586	14,561	0	0	0	42,147
Accounts receivable, net	0	0	0	1,420	0	1,420
Total intragovernmental assets	36,805	25,095	34,854	1,420	25,835	124,009
Other than intragovernmental						
Cash and Other Monetary Assets	0	0	0	0	12	12
Accounts receivable, net	10,458	3,042	1	0	192	13,693
Inventory and related property, net	0	0	0	0	536	536
General property, plant, and equipment, net	0	0	2,190	0	(135)	2,055
Advances and prepayments	0	0	4,270	0	68	4,338
Investments, net	3,584	147,342	0	0	0	150,926
Other assets	0	2,706	0	0	0	2,706
Total other than intragovernmental	14,042	153,090	6,461	0	673	174,266
Total assets	50,847	178,185	41,315	1,420	26,508	298,275
Intragovernmental						
Advances from others & deferred revenue	0	0	0	0	4,778	4,778
Other liabilities	0	0	411	0	29	440
Total intragovernmental liabilities	0	0	411	0	4,807	5,218
Other than intragovernmental						
Accounts payable	672	94	690	1,420	415	3,291
Federal employee and veteran benefits payable	115	22	1,268	0	205	1,610
Other liabilities	0	0	54	0	19	73
Total other than intragovernmental	787	116	2,012	1,420	639	4,974
Total liabilities	\$787	\$116	\$2,423	\$1,420	\$5,446	\$10,192
Cumulative Results of Operations	\$50,063	\$178,067	\$38,890	\$0	\$21,063	\$288,083
Total liabilities and net position	50,850	178,183	41,313	1,420	26,509	298,275

(in thousands)

FY 2022 (Combined)	Gift Fund	Trust Funds	Copyright Basic	Copyright Licensing Expenses	Other Dedicated Collections	Total Dedicated Collections
Statement of Net Cost						
Gross program costs	8,276	7,058	40,257	3,581	10,466	69,638
Less: Earned Revenue	(1)	(23)	(40,169)	(3,581)	(13,472)	(57,246)
Net Program costs - cost of operations	8,275	7,035	88	0	(3,006)	12,392
Statement of Changes in Net Position						
Cumulative Results of Operations						
Beginning balance	50,610	213,195	36,649	0	17,689	318,143
Intragovernmental non-exchange revenue	176	481	0	0	1	658
Donations and forfeitures of cash & property	8,214	3,410	0	0	46	11,670
Imputed Financing Sources	97	81	2,329	0	321	2,828
Other	(759)	(32,065)	0	0	0	(32,824)
Net cost of operations	(8,275)	(7,035)	(88)	0	3,006	(12,392)
Net Change in Cumulative Results of Operations	(547)	(35,128)	2,241	0	3,374	(30,060)
Cumulative Results of Operations - Ending	50,063	178,067	38,890	0	21,063	288,083
Net Position	\$50,063	\$178,067	\$38,890	\$0	\$21,063	\$288,083

NOTE 14**Revolving Fund Program Costs**

The Library operates several self-sustaining revolving fund programs that generate revenues from the sale of various products and services to the public and federal customers.

- Under the authority of 2 U.S.C. §182, the Cooperative Acquisitions Revolving Fund was established on October 1, 1997, and is the program under which the Library acquires foreign publications and research materials on behalf of participating institutions on a cost-recovery basis (over time). 2 U.S.C. §182 was amended for the establishment of revolving funds for Audio-Visual Duplication Services, Gift Shop operations, Document Reproduction and Microfilm Services, Special Events and Programs, Federal Library and Information Network (FEDLINK) and Federal Research program.
- The Audio-Visual Duplication Services program provides audio and video duplication and delivery services which are associated with the Packard Campus for Audio-Visual Conservation in Culpeper, Virginia.
- The Gift Shop program operates a gift shop and other sales of items associated with collections, exhibits, performances, and special events at the Library.
- The Document Reproduction and Microfilm Services program provides document reproduction and microfilming services.
- Special Events and Programs revolving fund performs services related to the hosting of special events and programs by the Librarian in Library facilities.

- The FEDLINK program is the program of the Library under which procurement of publications and library support services, along with related accounting, education, and support services are provided to federal government entities, tribal governments, and the District of Columbia.
- The Federal Research program provides research reports, translations, and analytical studies for federal government entities and the District of Columbia.

The revolving fund programs report, but are not required to recover, unreimbursed inter-entity costs (imputed costs).

The program costs below are presented individually on a combined basis, and at the Library-overall on a consolidated basis.

Revolving Fund Programs

(in thousands)

	FY 2023	FY 2022
Audio Visual Services:		
Program Cost	\$156	\$171
Less: Earned Revenue	(157)	(178)
Net Program Costs	(\$1)	(\$7)
Cooperative Acquisitions Program:		
Program Cost	\$3,230	\$3,283
Less: Earned Revenue	(3,332)	(3,272)
Net Program Costs	(\$102)	\$11
Document Reproduction and Microfilm Services:		
Program Cost	\$628	\$629
Less: Earned Revenue	(609)	(718)
Net Program Costs	\$19	(\$89)
Gift Shop Operations:		
Program Cost	\$1,827	\$476
Less: Earned Revenue	(1,569)	(1,338)
Net Program Costs	\$258	(\$862)
Federal Research Division:		
Program Cost	\$4,782	\$4,542
Less: Earned Revenue	(6,025)	(5,439)
Net Program Costs	(\$1,243)	(\$897)
FEDLINK:		
Program Cost	\$72,847	\$73,661
Less: Earned Revenue	(72,070)	(74,451)
Net Program Costs	\$777	(\$790)

(in thousands)

	FY 2023	FY 2022
Special Events:		
Program Cost	\$4,757	\$2,879
Less: Earned Revenue	(5,000)	(3,379)
Net Program Costs	(\$243)	(\$500)
Total Combined Cost:		
Program Cost	\$88,227	\$85,641
Less: Earned Revenue	(88,762)	(88,775)
Net Program Cost	(\$535)	(\$3,134)
Eliminations:		
Program Cost	\$3,472	\$10,062
Less: Earned Revenue	(17,185)	(21,189)
Net Program Cost	(\$13,713)	(\$11,127)
Total Consolidated Cost:		
Program Cost	\$84,755	\$75,579
Less: Earned Revenue	(71,577)	(67,585)
Net Program Cost	\$13,178	\$7,994

NOTE 15**Inter-Entity Costs**

Other government agencies (e.g., the Architect of the Capitol, the Office of Personnel Management, Government Publishing Office, U.S. Treasury, and U.S. Capitol Police) used congressional appropriations and other financing sources to provide support for the Library's programs totaling an estimated \$109,885 thousand and \$98,895 thousand (imputed financing) for FY 2023 and FY 2022, respectively.

		(in thousands)	
Agency	Purpose	FY 2023	FY 2022
Architect of the Capitol	Buildings and grounds	\$ 61,526	\$ 62,837
Office of Personnel Management	Employee benefits	43,908	31,404
Capitol Police	Collections security services	3,558	3,343
Government Publishing Office	Acquisitions exchange services	893	848
Treasury Judgment Fund	Legal Services	0	463
Total		\$ 109,885	\$ 98,895

NOTE 16**Statement of Budgetary Resources**

As a legislative branch agency, the Library does not reconcile budget information with the Budget of the U.S government.

A. For TFB programs, approximately \$10,425 thousand and \$10,028 thousand of unobligated authority for FY 2023 and FY 2022, respectively, at the donor's request, is restricted from being spent on program costs (income from investing restricted donations under the Library's real rate of return policy can be spent on program costs). These amounts are invested either in the permanent loan or in Treasury securities. An additional \$87,117 thousand and \$87,768 thousand of restricted authority has been obligated and expended to invest in non-Treasury securities for the FY 2023 and FY 2022, respectively.

B. Obligated undelivered orders, end of period:

	(in thousands)	
	FY 2023	FY 2022
Paid	\$ 41,900	\$ 21,823
Unpaid	228,507	227,819
TOTAL	\$ 270,407	\$ 249,642

NOTE 17**Incidental Custodial Collections**

Custodial collections are amounts the Library receives for remittance to the General Fund of the Treasury. The Library does not recognize revenue for these collections but transfers the funds to the Treasury. These receipts primarily consists of unclaimed money.

	(in thousands)	
	FY 2023	FY 2022
Miscellaneous Cash Collections	\$1,116	\$2,685
Transferred to the General Fund of the Treasury	(1,116)	(2,685)
Net Custodial Activity	\$0	\$0

NOTE 18**Fiduciary Activities****Fiduciary Net Assets**

(in thousands)

	FY 2023	FY 2022
Fund Balance with Treasury	\$ 206	\$ 120
Investments in U.S. Treasury Securities, Net	1,559,330	1,301,467
Accounts Receivable, Net	2,093	1,419
Other Liabilities	(74)	0
Total Fiduciary Net Assets	\$ 1,561,555	\$ 1,303,006

Fiduciary Activity

(in thousands)

	FY 2023	FY 2022
Beginning Fiduciary Net Assets	\$ 1,303,006	\$ 1,217,202
Royalty Fees Received	211,564	215,592
Investment Earnings	61,579	7,167
Total Inflows to Fiduciary Net Assets	\$ 273,143	\$ 222,759
Distributions to Copyright Owners	(10,388)	(131,862)
Refunds of Royalty Fees	(459)	(1,512)
Net Royalty Fees retained for administrative costs	(3,747)	(3,581)
Total Outflows from Fiduciary Net Assets	\$ (14,594)	\$ (136,955)
Increase / (Decrease) in Fiduciary Net Assets	\$ 258,549	\$ 85,804
Ending Fiduciary Net Assets	\$ 1,561,555	\$ 1,303,006

Fiduciary funds investment maturity dates for FY 2023 and FY 2022 range from November 16, 2023 to August 31, 2024, and November 17, 2022, to August 31, 2023, respectively and interest rates for FY 2023 and FY 2022 range from 0.236% to 5.676% from 0.019% to 2.150% respectively.

NOTE 19**Budget Accrual Reconciliation**

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provide an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting. The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays.

For the year ended September 30, 2023

	(in thousands)		
	Intra- governmental	Other than Intra- governmental	Total FY 2023
NET COST	\$ 193,221	\$ 698,313	\$ 891,534
Components of Net Cost That Are Not Part of Net Outlays			
Property, Plant, and equipment depreciation	0	(6,374)	(6,374)
Property, plant, and equipment disposal & revaluation	0	(452)	(452)
Royalties Receipts	0	5,913	5,913
Increase/(decrease) in assets:			
Accounts Receivable	566	22	582
Other Assets	20,070	0	20,070
(Increase)/decrease in liabilities:			
Accounts Payable	(1,453)	998	(455)
Federal employee and veteran benefits payable	0	(1,580)	(1,580)
Advances from others and deferred revenue	(7,772)	104	(7,668)
Other Liabilities	(481)	(2,913)	(3,394)
Other Financing Sources:			
Federal costs paid by other agencies and imputed to this agency	(109,885)	0	(109,885)
Other Financing	0	(490)	(490)
TOTAL COMPONENTS OF NET COST THAT ARE NOT PART OF NET OUTLAYS	\$ (98,961)	\$ (4,772)	\$ (103,733)
Components of Net Outlays That Are Not Part of Net Cost:			
Acquisition of Capital Assets	\$ 0	\$ 49,740	\$ 49,740
Acquisition of Inventory	0	(349)	(349)
Acquisition of Other Assets	0	7,434	7,434
Other	0	(13)	(13)
Total Components of Net Outlays That Are Not Part of Net Cost	\$ 0	\$ 56,812	\$ 56,812
NET OUTLAYS	\$ 94,260	\$ 750,353	\$ 844,613

For the year ended September 30, 2022

(in thousands)


	Intra- governmental	Other than Intra- governmental	Total FY 2022
NET COST	\$ 181,366	\$ 640,622	\$ 821,988
Components of Net Cost That Are Not Part of Net Outlays			
Property, Plant, and equipment depreciation	0	(8,971)	(8,971)
Property, plant, and equipment – disposal & revaluation	0	2,253	2,253
Royalties Receipts	0	5,613	5,613
Increase/(decrease) in assets:			
Accounts Receivable	497	(30)	467
Other Assets	487	6	493
(Increase)/decrease in liabilities:			
Accounts Payable	(6,719)	6,580	(139)
Federal employee and veteran benefits payable	0	4,669	4,669
Advances from others and deferred revenue	1,859	551	2,410
Other Liabilities	(659)	(1,227)	(1,886)
Other Financing Sources:			
Federal costs paid by other agencies and imputed to this agency	(98,895)	0	(98,895)
Other Financing	0	(405)	(405)
TOTAL COMPONENTS OF NET COST THAT ARE NOT PART OF NET OUTLAYS	\$ (103,431)	\$ 9,039	\$ (94,392)
Components of Net Outlays That Are Not Part of Net Cost:			
Acquisition of Capital Assets	\$ 1,293	\$ 32,561	\$ 33,854
Acquisition of Inventory	0	225	225
Acquisition of Other Assets	0	8,899	8,899
Other	0	(6)	(6)
Total Components of Net Outlays That Are Not Part of Net Cost	\$ 1,293	\$ 41,679	\$ 42,972
NET OUTLAYS	\$ 79,228	\$ 691,340	\$ 770,568

Other components of net outlays that are not part of net cost include (\$4) thousand of certain royalty payments to Copyright owners, and (\$9) thousand of unreconciled differences in FY 2023 and (\$6) thousand of certain royalty payments to copyright owners in FY 2022.

The Flanagan clock in the Library of Congress Main Reading Room, featuring Father Time with his scythe surrounded by a zodiac mosaic and figures representing the seasons. Shawn Miller



MEMO

Date June 12, 2024
To Dr. Carla Hayden
Librarian of Congress
From Debbie Lehrich 
Acting Inspector General
Subject Results of the Library of Congress' FY 2023 Financial Statements
Audit, Report No. 2023-FN-101

The attached report presents the results of the annual audit of the Library of Congress' (Library) financial statements for fiscal year (FY) 2023.

We contracted with the independent certified public accounting firm of KPMG for the FY 2023 audit. The contract required that KPMG perform the audit in accordance with *Government Auditing Standards*; the Office of Management and Budget Bulletin 24-01, *Audit Requirements for Federal Financial Statements*; and the U.S. Government Accountability Office and the Council of the Inspectors General on Integrity and Efficiency's *Financial Audit Manual*.

Results of Independent Audit

Financial Statements

For the twenty-eighth consecutive year, we are pleased to report that the auditors issued an unmodified (clean) opinion on the Library's financial statements. In its audit, KPMG found that the financial statements were fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Further details are in the *Independent Auditor's Report*.

Report on Internal Controls over Financial Reporting

KPMG's consideration of internal controls over financial reporting resulted in a significant deficiency concerning a lack of policy over accounting for costs in the

appropriate accounting period.¹ Details for these finding are in Exhibit 1 of the *Independent Auditor's Report*.

Compliance with Laws and Regulations

KPMG found no instance of noncompliance with laws and regulations tested. Details of its tests are in the *Compliance and Other Matters* section of the *Independent Auditor's Report*.

Office of the Inspector General Oversight of KPMG

In connection with the contract, we reviewed KPMG's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with *Government Auditing Standards*, was not intended to enable us to express, and we do not express, opinions on the Library's financial statements, conclusions about the effectiveness of internal controls, or conclusions on compliance with laws and regulations. KPMG is responsible for the attached auditor's report dated May 10, 2024, and the conclusions expressed in the report. However, our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards.

cc: Principal Deputy Librarian
Chief Operating Officer
Chief Financial Officer
Comptroller
Chief Information Officer
Deputy Chief Information Officer
General Counsel

Attachments

¹ A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.



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

Independent Auditors' Report

Acting Inspector General of the Library of Congress
Librarian of Congress:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Library of Congress (Library), which comprise the consolidated balance sheets as of September 30, 2023 and 2022, and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Library as of September 30, 2023 and 2022, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-01 are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter – Interactive Data

Management has elected to reference to information on websites or other forms of interactive data outside the Agency Financial Report to provide additional information for the users of its consolidated financial statements. Such information is not a required part of the consolidated financial statements or supplementary information required by the Federal Accounting Standards Advisory Board. The information on these websites or the other interactive data has not been subjected to any of our auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and OMB Bulletin No. 24-01 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and OMB Bulletin No. 24-01, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis section be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the Agency Financial Report. The other information comprises the Librarian of Congress Letter to the Speaker of the House of Representatives and President of the Senate, the Table of Contents, Results of the Library of Congress Financial Statement Audit, and Management Report but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2023, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified one deficiency in internal control, described in the accompanying Schedule of Findings as Exhibit 1 – Significant Deficiency, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's consolidated financial statements as of and for the year ended September 30, 2023, are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-01.

Management's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Library's response to the findings identified in our audit and described in Exhibit I. The Library's response, included in Management Response to Independent Auditors' report, was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.



Purpose of the Reporting Required by *Government Auditing Standards*

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, District of Columbia
May 10, 2024

Independent Auditors' Report

Exhibit I – Significant Deficiency

Schedule of Findings – Significant Deficiency

The deficiency in internal control described in this Exhibit existed during the year ended September 30, 2023. The determination of which control deficiencies rise to the level of a material weakness or a significant deficiency is based on an evaluation of the impact of control deficiencies identified, considered individually and in the aggregate, on the Library of Congress (Library) consolidated financial statements as of and for the year ended September 30, 2023. The associated entity level controls, as defined by the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States (Green Book), are also identified in relation to the control activities in the corresponding areas of this Exhibit.

Lack of Policy over Accounting for Costs in Appropriate Period

The Library enters into contracts with various vendors to develop software to allow the agency to meet internal and operational needs. The costs associated with developing this software are recorded as Internal Use Software in Development (IUSD). Additionally, the periods of performance for which the costs relating to IUSD can vary in duration and at times can span across multiple fiscal years. It was the Library's policy to capitalize all IUSD costs when the invoices relating to these projects are received.

Additionally, the Library enters into contracts for subscriptions that result in the agency incurring non-capitalizable expenses on a monthly basis. These contracts also have periods of performance that may span across fiscal years, leading to the expenses being incurred throughout multiple fiscal years. It was the Library's policy to expense the subscription cost in full upon receiving and paying invoices.

Library management did not establish controls to ensure that costs are recorded in the appropriate fiscal year in which they were incurred based on the periods of performance agreed upon with vendors as required by Green Book Principle 10. Specifically, we note:

1. The Library did not recognize a prepaid asset for non-capitalizable costs paid but not yet incurred as of year-end.
2. The Library did not record a prepaid asset for capitalizable IUSD costs paid but not yet incurred as of year-end; and
3. The Library did not record an accrual relating to capitalizable IUSD costs incurred but not yet paid as of year-end.

Library management did not sufficiently assess the risk of not recording costs in the period in which they were incurred as required by Green Book Principle 6.

As a result, there is an increased risk that material misstatements in the Library's financial statements will not be prevented or detected and corrected in a timely manner. Specifically:

Advances and Prepayments / Gross Costs

The Library overstated Gross Costs and understated Advances and Prepayments by approximately \$24.1M in FY2023 and \$24.2M in FY2022.

Advances and Prepayments / Property and Equipment, net

The Library overstated Property and Equipment and understated Advances and Prepayments by approximately \$2.09M in FY2023.


Property and Equipment, net / Accounts Payable

The Library understated Property and Equipment and Accounts Payable by approximately \$634.4K in FY2023.

We recommend management:

1. Perform a risk assessment for the risk of not recording costs in the period which they were incurred;
2. Establish a control to recognize a prepaid asset for non-capitalizable costs paid but not incurred as of year-end;
3. Establish a control to recognize a prepaid asset for capitalizable IUSD costs paid but not incurred as of year-end; and
4. Establish a control to accrue for capitalizable IUSD costs incurred but not paid as of year-end.

MEMORANDUM

DATE May 29, 2024
TO Deborah Lehigh, Acting Inspector General
FROM Carla Hayden, Librarian of Congress  5/29/2024
SUBJECT Management Response to Independent Auditor's Report on the Library of Congress' FY 2023 Financial Statements

The Library of Congress (Library) has reviewed the draft Independent Auditor's Report from KPMG, which includes the auditor's opinion on the Library's financial statements, report on internal controls over financial reporting, and report on compliance with laws and regulations. We are pleased the Library received an unmodified, clean, audit opinion, finding the financial statements were fairly presented, and with no instance of noncompliance with laws and regulations.

The Library's Financial Services Directorate (FSD) has worked diligently to improve its personnel, policies and processes related to Library financial reporting. We are pleased that our efforts have resulted in the resolution of prior year material weaknesses in internal control over financial reporting. However, we recognize that we still have additional improvements to make.

The Library concurs with the identified significant deficiency in internal control over financial reporting related to a lack of policy over accounting for costs in the appropriate accounting period and will continue its significant improvement efforts.

We will provide corrective action plans in response to individual audit recommendations within 30 days of the final report issuance as required by LCR 9-160.

cc: Mary Klutts, Chief Financial Officer

Other Information

Management Report – Unaudited

Fiscal Year Ended September 30, 2023

Assessment of Condition of Heritage Assets

The Library has the largest collection of library and archival materials in the world, which includes almost every format and recording media, encompassing over 470 languages. Providing access to this collection entails risk of damage, deterioration, or loss that could impair the Library's ability to serve the Congress and other users in the future. However, since the collection exists to be used, management accepts the responsibility of mitigating risk to the collection at the same time it fulfills the Library's mission to provide access to the materials.

As of September 30, 2023, the collection was determined to be in a usable condition for fulfilling the Library's service mission. During fiscal 2023, no items were removed from the collection because of severe damage or deterioration, and a small portion of materials were kept under usage restrictions to limit the risk of further damage or deterioration. The useful life of an item varies by its medium (e.g. book, paper, film, and digital media) and manner of use, the treatment and reformatting methods that are suitable for the item, and the storage environment used to maintain the item.

The Library employs a variety of methods to prolong the useful life of its materials and conducts the scientific research and analysis required to understand and develop effective preservation strategies. This research is coupled with ongoing assessment of the collection to develop a sustainable and effective preservation program for heritage assets. In 2023, this included a thorough revision of the Collections Safeguarding Plan and initiating a major survey project to document conditions throughout the general collections stacks. Further rebalancing of funds supported conservation, inventory control, and reformatting activities that are better aligned with the Library's strategic plan, including:

- Continuing appropriate environmental storage conditions for cost effective care and inventory control of Library collections in all formats
- Utilizing conservation treatments to address damage or deterioration and enable use for research, digitization, loan, and exhibition
- Reformatting unusable media or obsolete formats to digital versions for preservation and use
- Selecting protective housings or aftermarket bindings to collate and protect items
- Determining the use of surrogates in serving the collection to the public

While the Library has made progress in developing appropriate preservation storage of collection items at its off-site facilities, the Library has inadequate space in many storage areas and insufficient resources to support all treatment, reformatting, and cataloging needs. These issues cannot be fully addressed with current funds and physical plant. The move of collection materials into the storage facilities at Fort Meade, Maryland, is serving to remedy many of these difficulties for the diverse array of materials in the Library's special and general collections and the Packard Campus for Audiovisual Conservation in Culpeper, Virginia, for preservation of film and other media.

Glossary of Acronyms

Acronym	Definition
A	
ABA	Acquisitions and Bibliographic Access
AFC	American Folklife Center
AFR	Agency Financial Report
ALDPS	Associate Librarian for Discovery & Preservation Services
API	Application Programming Interface
ASC	Accounting Standards Codification
AV	Audio/Visual
AVCMS	AV Collections Management System
B	
BARD	Braille and Audio Reading Download
BIBFRAME	Bibliographic Framework
C	
CASE	Copyright Alternative in Small Claims Enforcement
CCB	Copyright Claims Board
CCDI	Connecting Communities Digital Initiative
CCG	Community Collections Grant
CDO	Collection Development Office
CDS	Cataloging Distribution Service
CEI	Center for Exhibits and Interpretation
CLLE	Center for Learning Literacy and Engagement
COO	Chief Operating Officer
CRB	Copyright Royalty Board
CRJ	Copyright Royalty Judges
CRM	Client Relationship Management
CRS	Congressional Research Service
CSP	Collections Safeguarding Plan
CSRS	Civil Service Retirement System
CTS	Content Transfer Services
D	
DART	Digital Audio Recording Technologies
DCS	Digital Collections Strategy

DLLCS	Deputy Librarian for Library Collections and Services
DOL	Department of Labor
DPS	Discovery & Preservation Services
DSD	Digital Strategy Directorate

E

EPM	Enterprise Planning and Management
EVM	Earned Value Management

F

FASAB	Federal Accounting Standards Advisory Board
FASB	Financial Accounting Standards Board
FBWT	Fund Balance With Treasury
FCIL	Foreign, Comparative and International Law
FECA	Federal Employees' Compensation Act
FEDLINK	Federal Library and Information Network
FERS	Federal Employees Retirement System
FICA	Federal Insurance Compensation Act
FRAE	Further Revised Annuity Employees
FRD	Federal Research Division
FSD	Financial Services Directorate
FY	Fiscal Year

G

GAAP	Generally Accepted Accounting Principles
GICD	General & International Collections Directorate
GLRD	Global Legal Research Directorate
GSA	General Services Administration

H

HCD	Human Capital Directorate
HPR	Historical Public Records
HVA	High Value Assets

I

ILO	Informal Learning Office
IRIC	Integrated Risk Management and Internal Control
IRIS	Integrated Research Information System
ISS	Integrated Support Services
ITPE	IT Partner Engagement Directorate
ITSEC	IT Security Division

K

Kluge	John W. Kluge Center
KPI	Key Performance Indicator

L

LATL	Live! At The Library
LAW	Law Library
LBFMS	Legislative Branch Financial Management System
LCAP	Library Collections Access Platform
LCR	Library of Congress Regulation
LCSG	Library Collections and Services Group
LEADS	NLS Potential Patron Interest Form
LIO	Professional Learning and Outreach Initiatives Office

M

MAVIS	Merged Audio-Visual Information System
MVP	Minimum Viable Products

N

NAVCC	National Audio-Visual Conservation Center
NBF	National Book Festival
NDIIPP	National Digital Information Infrastructure and Preservation Program
NLS	National Library Service for the Blind and Print Disabled
NPRM	Notice of Proposed Rulemaking

O

OCIO	Office of the Chief Information Officer
OGC	Office of the General Counsel
OIG	Office of Inspector General
OMB	Office of Management and Budget

P

PMO	Project Management Office
PPM	Project and Portfolio Management
PRES	Preservation Directorate
PRG	Planning, Performance Management, and Risk Management Working Group
PSD	Public Services Division

R

RAE	Revised Annuity Employees
RCS	Researcher & Collections Services
RFP	Fabrication Request for Proposals
RM	Records Management

RMC	Risk Management Council
RMS	Records Management System
S	
SCD	Special Collection Directorate
SFFAS	Statement of Federal Financial Accounting Standards
SOA	Statements of Account
SOW	Statement of Work
SPLG	Strategic Planning Leadership Group
SPO	Signature Programs Office
SPPM	Office of Strategic Planning and Performance Management
SRP	Service Request Processing
SSO	Single Sign On
T	
TFB	Trust Fund Board
TSP	Thrift Savings Plan
U	
USCO	U.S. Copyright Office
V	
VEMP	Visitor Experience Master Plan
VEO	Visitor Engagement Office
VHP	Veterans History Project



101 Independence Ave, SE
Washington, DC 20540
(202) 707-5000
[loc.gov](https://www.loc.gov)

