The background features a stylized, light-colored illustration of the United States Capitol building, centered in the upper half. The entire background is a warm, golden-brown color. Overlaid on the right side and extending towards the center are vertical columns of binary code (0s and 1s) in a light, semi-transparent font. The text is arranged in a clean, sans-serif font.

# UNITED STATES GOVERNMENT PRINTING OFFICE

## ANNUAL REPORT

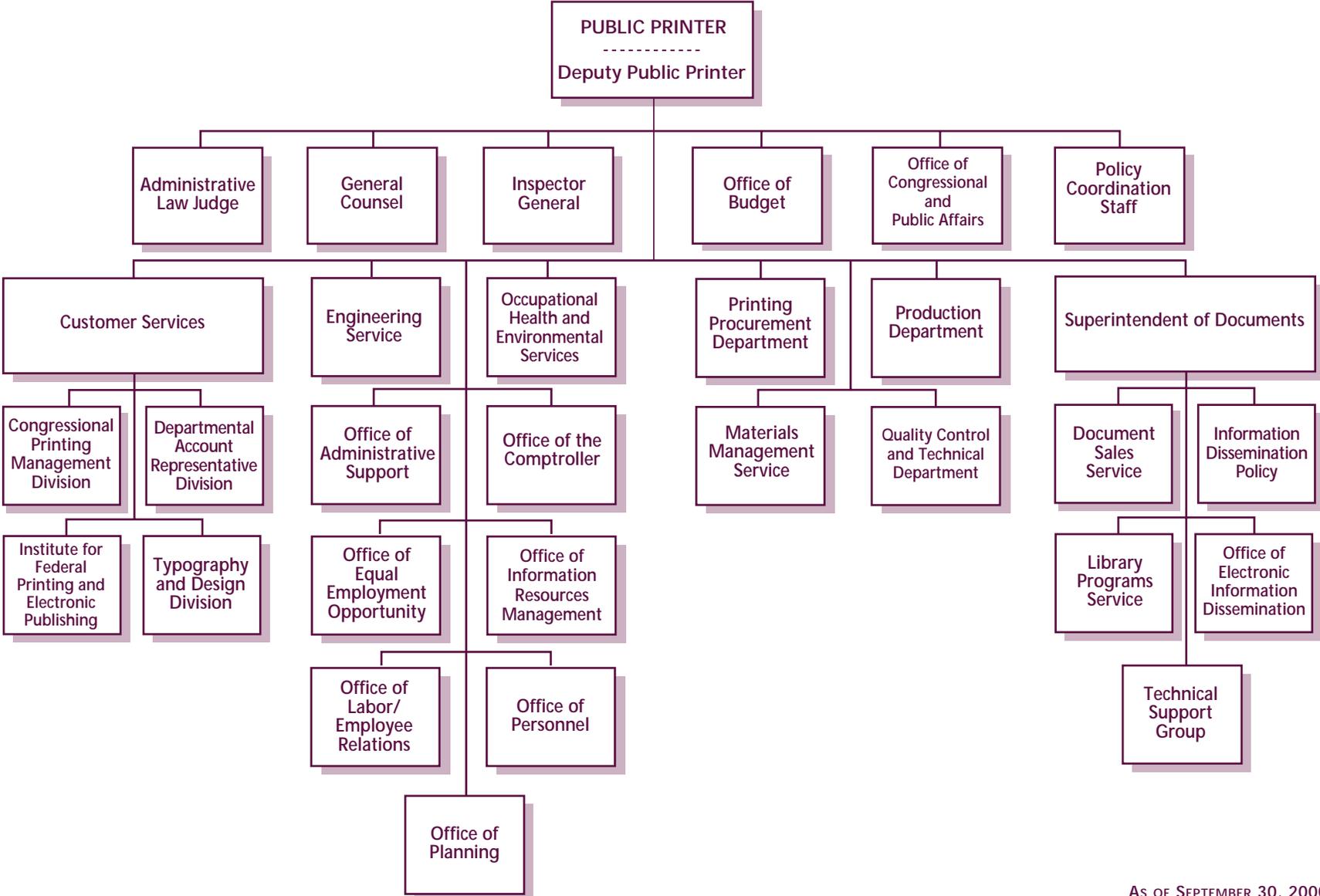
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FISCAL YEAR  
2000

KEEPING  
AMERICA  
INFORMED

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# U.S. Government Printing Office



UNITED STATES  
GOVERNMENT  
PRINTING OFFICE

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**ANNUAL  
REPORT**

**FISCAL YEAR  
2000**



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## MESSAGE FROM THE PUBLIC PRINTER

**G**PO began the fiscal year with its second consecutive annual designation as the Nation's leading in-plant printing operation, a tribute to the continuing efforts and dedication of its skilled workforce. Noting that 2000 marked GPO's 139<sup>th</sup> year, the December 1999 issue of *In-Plant Graphics* magazine reported that "GPO has drastically changed itself over the past few years from a strictly ink-on-paper provider to a high-tech digital data delivery organization." Throughout FY 2000, GPO engaged in a number of high-tech online and print activities that supported Congress and Federal agencies, and which helped keep America informed.

Improving public access to electronic Government information was a major focus of our activities in FY 2000. Early in the year, having successfully met the challenge of the Y2K transition, GPO released *Ben's Guide to U.S. Government for Kids* on **GPO Access**—a kids' guide to Federal Government information on the Web—drawing praise from parents, educators, and the library community. By arrangement with the U.S. District Court for the District of Columbia, GPO was the outlet for all documents issued by the Court during the Microsoft case in both online and print formats. GPO provided technical support and hosting technology for the Supreme Court's new Web site, which later in the year was the focus of intense public scrutiny with the release of the Court's decisions in the Florida election case.

GPO also launched new partnerships with the Department of Energy and the National Library of Medicine to create new online links to scientific and technical as well as medical information, and continued talks with legislative, executive, judicial branch agencies toward the development of effective strategies for ensuring permanent public access in this electronic age. Technology improvements included installing a new T3 fiber optic Internet connection to handle the increased demand for public access to Government information on **GPO Access**, and investigation of public key infrastructure (PKI) technology to enhance security. By the end of the year, **GPO Access** was being used by the public to retrieve more than 26 million Government documents published by all three branches of the Government each month—the equivalent of about 637 million typewritten pages of information.

GPO's printing functions also had a strong year in FY 2000. Our printing procurement program was a major participant in Census 2000, placing more than 80 contracts worth more than \$65 million with dozens of private sector printing contractors across 17 states for the forms and other materials needed in the

conduct of the Nation's decennial headcount. We continued to support Congress with the daily production of the *Congressional Record* as well as the copies of bills, reports, hearings, and other documents needed by the legislative process. Daily production of essential executive publications such as the *Federal Register*, *Code of Federal Regulations*, passports, and other items continued as well.

During the year, we worked closely with the Joint Congressional Committee on the Inauguration to prepare the programs, tickets, and other materials needed for the inaugural ceremony in January 2001, and on behalf of the Senate Committee on Governmental Affairs produced the 2000 edition of *U.S. Government Policy and Supporting Positions*—the so-called "Plum Book"—that draws a great deal of attention with the change of Administrations. We also revised and published a new edition of the *GPO Style Manual*, meeting public demand for this widely-used document.

GPO received an "unqualified opinion" on its financial statements for FY 2000 following a comprehensive, independent audit of its financial operations by KPMG LLP. This is the highest level of assurance that an audit firm can give on an organization's financial statements. FY 2000 was the fourth consecutive year that we have received such an opinion since an annual audit requirement for GPO was enacted by Congress in 1996.

The financial statements reflect that GPO completed FY 2000 with a consolidated under-recovery of \$115,000 on total revenues of \$807.5 million, a margin of about one one-hundredth of 1 percent. This is a significant improvement over the previous year. GPO undertook a major cost-reduction effort in FY 2000 with the consolidation of warehouse facilities for publications and paper, a move that will save more than \$5 million over the next 5 years. Staffing levels also continued to decline through attrition, falling by 121 FTE's during the year. In action on the FY 2001 Legislative Branch Appropriations bill, GPO received strong direction from Congress to reduce costs by accelerating the transition of the Federal Depository Library Program to an increasingly online basis—a transition that has been underway since 1996.

After eight years of service as Public Printer, I am pleased to report that GPO has come a long way over the past decade, successfully transitioning itself from a conventional printing and hard-copy distribution facility staffed by nearly 5,000 employees to a "high-tech digital data delivery organization" with 3,100 staff serving Congress, Federal agencies, the courts, and the public. Along the way, we developed one of the

Government's early online dissemination efforts, **GPO Access**, into a comprehensive service that today links millions of Americans in their offices, homes, schools, and libraries with information provided by all three branches of their Government.

GPO's operations have changed, too. An independent management review by Booz-Allen & Hamilton, Inc., in 1998 found that GPO "effectively satisfies its priority congressional customers and meets the variable demands and outputs requested by Congress," provides a printing procurement service that customer agencies view as "an example of 'government at its best,'" and successfully meets Government and public expectations for electronic information dissemination. The scope of the transition at GPO over the past ten years has marked the 1990's as perhaps the single most dramatic decade of change in this agency's history.

However, the successes of the past decade have come at a price. There has been an ongoing decline in GPO's sales of publications, due principally to the increasing availability of titles on the Internet. GPO proposed a consolidation of the Government's publications dissemination functions in 1999 for economy purposes, but in the absence of any action on that proposal we have been compelled to begin downsizing actions for our sales program. At the same time, decade-long employment reductions have forced GPO's employees in other programs to do more with less, and many critical areas are now operating understaffed. Increased recruitment, training, and associated measures will be necessary in the coming years to ensure the continued strength of GPO's workforce.

Finally, while the drive to make more Government publications available electronically has benefited millions, it has also raised new issues with respect to security, authenticity, permanence, and equity that have yet to be effectively resolved. Addressing

these will require the effective use of technology, the development of innovative partnerships with both Government and non-governmental organizations, and broad consultation and cooperation with Congress, Federal agencies, the courts, and the public.

I am proud of what GPO accomplished during FY 2000, and what it has achieved over the past several years. New technology has enabled GPO to perform its mission more effectively and efficiently than ever, while expanding our capability to keep America informed. More important than technology, however, have been the skilled and dedicated efforts of the men and women who work here, who have made the new technology work for Congress, Federal agencies, the courts, and the public. To them belongs the real credit for the achievements GPO has made and will continue to make in the years to come.



MICHAEL F. DiMARIO  
Public Printer  
April 2001

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## THE GOVERNMENT PRINTING OFFICE – *Keeping America Informed*

**T**he Government Printing Office (GPO) keeps America informed. For nearly 140 years, GPO has produced and distributed Federal Government information products. Whether providing public access to Government information online, or producing or procuring printed publications, GPO combines conventional technology with state-of-the-art methods for supporting nearly all the information needs of the Congress, Federal agencies, and the American public.

### ***Role in Government***

GPO is part of the legislative branch of the Federal Government. The Public Printer, who serves as GPO's chief officer, is nominated by the President and confirmed by the Senate. GPO operates under the authority of the public printing and documents chapters of Title 44 of the U.S. Code.

***GPO combines conventional technology with state-of-the-art methods for supporting nearly all the information needs of the Congress, Federal agencies, and the American public.***

Created primarily to satisfy the printing needs of Congress, GPO today is the focal point for printing and information dissemination for the entire Federal community. In addition to Congress and the White House, approximately 130 Federal departments and agencies rely on GPO's services. Congressional documents, Federal regulations and reports, IRS tax forms, and U.S. passports—all are produced by or through GPO. At one time, GPO's mission was accomplished through the production and procurement of traditional ink-on-paper printing. Today, after more than a generation's experience with electronic printing systems, GPO is at the forefront in providing Government information through a wide range of formats, including printing, microfiche, CD-ROM, and online technology through **GPO Access** ([www.gpo.gov/gpoaccess](http://www.gpo.gov/gpoaccess)).

### ***Facilities and Personnel***

Carrying out GPO's mission today takes the skills and dedication of a workforce of more than 3,100 employees nationwide. Most are based at GPO's central office facility in the Nation's Capital, making GPO the largest industrial employer in the District of Columbia. Also located in the National Capital area is a warehouse for paper and publications. Across the country, a printing plant in Denver, 20 regional and satellite procurement offices, a distribution facility in Pueblo, CO, and 24 bookstores—each located in a major metropolitan area—complete GPO's overall structure.

### ***Funding***

Unlike most Federal agencies, GPO operates just like a business—it is reimbursed by its customers for the cost of the work it performs. However, GPO receives two modest appropriations, one to pay for the cost of congressional printing, and the other to fund the distribution of Government documents as required by law. These funds are provided through the annual legislative branch appropriations bill, and together they comprise about 4 percent of total legislative branch appropriations. In FY 2000, GPO's revenues totaled \$807.5 million. GPO finances are audited every year by an independent auditor, and every year they receive an "unqualified" opinion—the best that auditors can issue.

### ***Procurement Services***

More than 70 percent of GPO's printing revenue is from agencies for work procured by GPO from the private sector printing industry. GPO has a long-standing partnership with America's printing industry to provide for the Government's printing needs. GPO competitively buys products and services from more than 12,000 private sector firms nationwide in one of the Government's most successful procurement programs, assuring the most cost-effective use of the taxpayers' printing dollar. Major procured products include Census materials and IRS tax forms and instructions, in addition to a wide variety of Government books, pamphlets, forms, and other information products.

## ***In-Plant Operations and Information Technology***

GPO's in-plant facility provides sophisticated electronic information systems and state-of-the-art production technologies to fully support the information product needs of Congress and Federal agencies. GPO produces the *Congressional Record* overnight when Congress is in session, and bills, hearings, documents, reports, and committee prints are all produced in time to support Congress' legislative needs. Also produced in-plant are the *Federal Register*—the Government's official listing of proposed rules and regulations—as well as the *Code of*

***GPO's in-plant facility provides sophisticated electronic information systems and state-of-the-art production technologies to fully support the information product needs of Congress and Federal agencies.***

*Federal Regulations* and other key Government documents, such as the *U.S. Budget*. In FY 2000, GPO's in-plant operations produced more than 8 million U.S. passports for the State Department, and nearly 165 million postal cards for the U.S. Postal Service.

In FY 2000, GPO either used or supplied to customer agencies more than 26,500 tons of paper, and more than an estimated 100,000 tons of paper were used by private sector contractors performing work for GPO. With few exceptions, GPO and its contractors use paper that meets Federal recycled paper requirements and all GPO printing inks utilize vegetable oil.

Beginning in the 1960's, GPO was one of the first printing organizations nationwide to pioneer the use of electronic typesetting systems in place of traditional practices. Since then, successive generations of technology have been deployed by GPO to develop electronic databases of Government information products from which publications in both print and electronic formats are produced. New computer-to-plate technology has further updated GPO's capabilities. GPO has also been a leading producer of CD-ROMs for more than a decade.

Today, GPO uses electronic information technology to increase efficiency in its print production

processes, facilitate e-commerce in its printing procurement and documents sales programs, improve administrative and communications capabilities, and expand public access to Government information via the Internet and other electronic means.

In 2000 as well as 1999 and 1998, GPO was named the top in-plant operation in the country by *In-Plant Graphics* magazine.

## ***Superintendent of Documents***

Today, through its Superintendent of Documents' programs, GPO disseminates the largest volume of U.S. Government publications and information in the world: more than 46 million printed publications were distributed in FY 2000, and there were more than 200 million downloads of Government online information from **GPO Access**. To keep America informed, GPO makes Government information available in a variety of ways.

For those who want to purchase Government publications, GPO's documents carry an average price of \$16, although many are low-cost consumer publications. Approximately 9,000 titles are available for sale at any given time, and GPO sells publications in print, CD-ROM, and other electronic formats. Publications are sold principally by mail, telephone, and fax order and through 24 bookstores located in Washington, DC, and around the country. Documents can be securely ordered through GPO's Online Bookstore, at <http://bookstore.gpo.gov>. Publications are also sold through the Consumer Information Center in Pueblo, CO. More than 2,500 sales orders are processed every day.

Government information in both print and electronic formats is also made available by GPO to more than 1,300 Federal depository libraries nationwide for the free use of the public. In operation since 1813, the Federal Depository Library Program (FDLP) is the public's primary source of free access to the published information of the Federal Government, and has been called "America's first freedom of information act." Federal depository libraries are designated by Members of Congress or by law. Many are college, university, and law libraries, making the FDLP a key component of the Nation's education system. Federal depository libraries serve an estimated 9.5 million people each year (not counting

those who use **GPO Access** outside the libraries). In FY 2000, GPO distributed 12.2 million copies of about 29,000 tangible products in print, microform, and CD-ROM formats to depository libraries. Virtually every depository library also has access to the vast range of information made available online via **GPO Access**.

Under other programs, GPO distributes U.S. Government publications to nearly 70 nations around the world through an International Exchange Program administered by the Library of Congress. Superintendent of Documents programs also catalog and index Government information, distribute publications as required by law, and provide a reimbursable distribution service for other Federal agencies.

### **GPO Access**

At the forefront of GPO's electronic information dissemination capabilities is **GPO Access**. **GPO Access** is one of the few Government Web sites established by law and one of the longest running, beginning operation in 1994. It is virtually the only Govern-

***GPO Access has consistently drawn praise from the Government information community.***

ment Web site that provides easy, one-stop, no-fee access to information from all three branches of the Government.

Today, **GPO Access** links the public to more than 200,000 individual titles on GPO's servers as well as on other Federal web sites. Overall, more than 1 billion documents have been retrieved by the public from **GPO Access** since 1994. By the end of FY 2000, monthly document retrievals averaged more than 26 million, the equivalent of 1.3 terabytes of information, or about 637 million pages of typewritten documents.

In FY 2000, GPO assisted the Supreme Court in the development and release of its widely-heralded Web site. The site, which resides on GPO's servers, was hit for a total of 1.1 million page views in the hours just before and just after the Court's historic decision in the Presidential election case in December. Early in the year, GPO drew praise from educators and others for making the popular *Ben's Guide to*

*U.S. Government for Kids* available on **GPO Access**, at <http://bensguide.gpo.gov>.

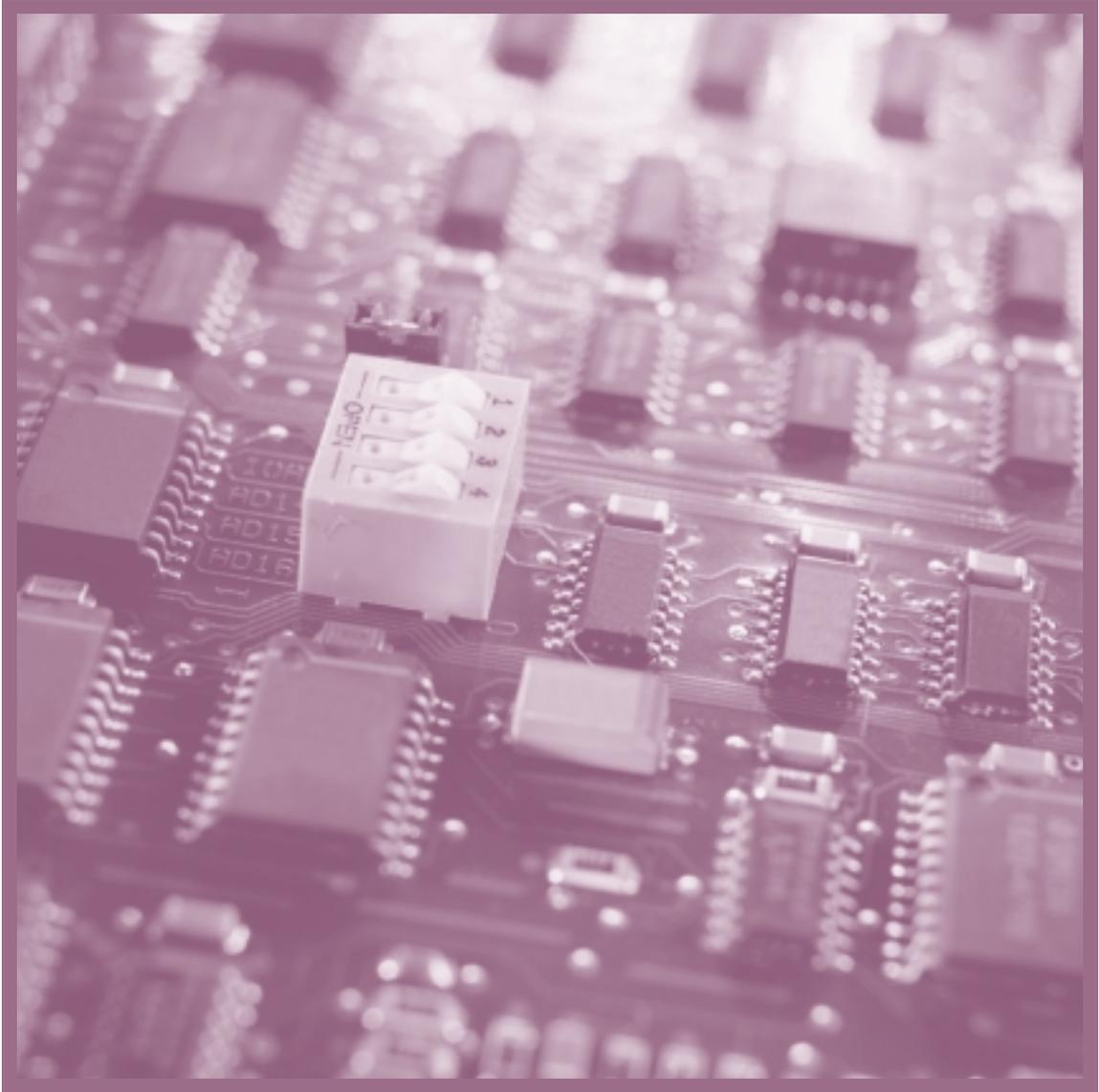
**GPO Access** has consistently drawn praise from the Government information community. In 1999, it was selected as one of the top 50 legal research web sites for the year by *Law Office Computing* magazine, and was named best research site for laws and best Government site overall by the newsletter *legal.online*. It was chosen as the first recipient of the American Association of Law Libraries' Public Access to Government Information Award.

In 1998, **GPO Access** was named one of the 15 "Best Feds on the Web" by *Government Executive* magazine. The internationally recognized management firm of Booz-Allen & Hamilton, Inc., called **GPO Access** "one of the Federal Government's largest and most active web sites" and said that the site "has been highly successful in making Government information easily available to the public." In 1997, **GPO Access** and the Commerce Department jointly earned a Hammer Award for creating the electronic *Commerce Business Daily*, known as *CBD-Net*. Other awards have included the prestigious 1995 James Madison Award from the Coalition on Government Information and a 1994 Technology Leadership Award.

For further information about GPO, contact GPO's Office of Congressional and Public Affairs at [gpoinfo@gpo.gov](mailto:gpoinfo@gpo.gov), or call 202-512-1991.

To order Government publications, phone 202-512-1800 (local) or 866-512-1800 (toll free), fax 202-512-2250, mail orders to Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954, or order online from <http://bookstore.gpo.gov>.





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## HIGHLIGHTS 2000

### **Successful Y2K Conversion**

Under the leadership of Senate Legislative Branch Appropriations Subcommittee Chairman Robert F. Bennett, GPO managed the transition to the Year 2000 successfully, with no disruptions to the essential computer systems supporting Congress's information products. GPO worked with the Senate and the House of Representatives, as well as the General Accounting Office's oversight team, to prepare for the transition and staffed these systems on New Year's Eve to monitor the transition.

Commenting on GPO's record of preparedness at the FY 2001 appropriations hearing in February 2000, Chairman Bennett told Public Printer Michael F. DiMario that "[w]e are delighted of course with the fact that there were no Y2K problems, with the *Congressional Record* printed appropriately and on time..."

### **GPO Ranked First Again Among Nation's In-Plants**

For the second year in a row, GPO was named the top in-plant printing operation in the Nation in a survey conducted by *In-Plant Graphics*, a widely respected journal of the in-plant printing industry. The ranking was released in the December 1999 issue of *In-Plant Graphics*.

As it did in 1998, *In-Plant Graphics* considered factors like budget, employees, and number of printed jobs. Annual impressions, sales per employee, customer service, responsiveness, and efficiency were also considered. According to the editor's note, the purpose of the ranking was to "show the world that the in-plant industry is strong, and is made up of efficient operations capable of handling complicated, critical work."

In its article entitled "The Digitizing of GPO," *In-Plant Graphics* noted the work GPO performed in making the U.S. District Court's "Findings of Fact" in the Microsoft case available in November 1999 in both print and electronic formats, observing that at GPO "such monumental projects have become second nature."

The magazine pointed out, "Now in its 139th year of existence, GPO has drastically changed itself over the past few years from a strictly ink-on-paper provider to a high-tech digital data delivery organization." *In-Plant Graphics* reported that "the public now downloads some 20 million documents a month from **GPO Access**..." The article also reported on GPO's efforts to upgrade its online delivery capabilities to handle the ever-increasing demand for its information services.

At the same time, *In-Plant Graphics* noted that "print is still strong" at GPO, with the recent installation of state-of-the-art computer-to-plate systems and a new automated passport bindery line. With the ongoing transition to electronics, *In-Plant Graphics* noted that GPO's plant has been able to downsize dramatically in the past 5 years, from 1,701 printing production personnel to 1,173, a drop of more than 30 percent.

*"Now in its 139th year of existence, GPO has drastically changed itself over the past few years from a strictly ink-on-paper provider to a high-tech digital data delivery organization." – In-Plant Graphics, December 1999*

### **Third Biennial Report to Congress on the Status of GPO Access**

GPO submitted its third *Biennial Report to Congress on the Status of GPO Access* on December 31, 1999, in accordance with section 4103 of Title 44, U.S.C. The report was also made available on **GPO Access** at [www.gpo.gov/biennialreport](http://www.gpo.gov/biennialreport).

At the time of the report, the information resources on **GPO Access** featured more than 1,300 databases through over 80 applications, including the *Congressional Record* and all major congressional publications, the *Federal Register* and *Code of Federal Regulations*, Supreme Court decisions, and other key Government documents.

The databases also included such noteworthy publications as *Investigating the Year 2000 Problem: The*

100 Day Report from the U.S. Senate Special Committee on the Year 2000 Technology Problem, and the *Report of the Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China*, known as the Cox Report.

As of November 1999, the Web site provided access to more than 104,000 titles on GPO servers and over 62,000 additional titles through links to other Federal agency Web sites. Statistics indicated that at the time **GPO Access** fulfilled approximately 21 million document retrievals per month.

***Ben's Guide was awarded the American Library Association's "Notable Children's Web Site" designation in April 2000, an honor reserved for sites "considered the best Web sites for ages birth-14, outstanding in both content and reception."***

Since the last *Biennial Report* in 1997, GPO redesigned and reorganized **GPO Access**, developed a plan for permanent public access, added new applications and publications, improved document searches and retrievals, and facilitated its indexing by

Internet search engines and directories. The service also introduced the "Online Bookstore" for GPO's sales publications, a site-search capability, a privacy and security notice, a creative Web site for kids known as **Ben's Guide**, a help page, and exit pages. With the increasing public use of **GPO Access**, system enhancements were made to handle Web site traffic more quickly and efficiently.

The report noted that the cost of **GPO Access** has been much lower than what was originally estimated by the Congressional Budget Office (CBO) in the legislation creating the system (Pub. L. 103-40). CBO estimated in 1993 that creating and operating the online system would cost approximately \$6 million in appropriated funds over the first 5 years. In addition, CBO said the provision of free online access to Federal depository libraries would cost another \$2 million to \$10 million per year in appropriated funds.

In fact, the latest *Biennial Report* found that the total cost of **GPO Access** has been \$12.9 million

since it began operations in 1994, 20 percent less than the lowest estimate and 77 percent under the higher estimate. At the same time, the report cited high levels of customer satisfaction with **GPO Access**.

### ***Ben's Guide to Online Government Information Released***

Early in 2000, GPO released a new Web site for students, parents, and teachers called **Ben's Guide to U.S. Government for Kids**, at <http://bensguide.gpo.gov>. The site provides a fun and educational introduction to how the Government works based on information resources available through **GPO Access**.

With Benjamin Franklin as a guide, the kids' pages cover topics such as the Constitution, how Federal laws are made, the branches of the Federal Government, and what it means to be a U.S. citizen. **Ben's Guide** also includes games and links to other Government Web sites created for kids.

A service of GPO's Superintendent of Documents, **Ben's Guide** offers instruction in the use of the primary source materials on **GPO Access**. It includes resources tailored to four specific age groups, plus a special set for parents and educators.

Franklin was chosen as the tour guide through this site because he once held the title of "public printer"—the Government's printer—for several of the American colonies. He also helped organize one of the first libraries in America.

**Ben's Guide** complements the efforts of Federal departments and agencies in the executive branch to expand access to Internet-based educational resources for children, teachers, and parents, following a Presidential directive dated April 18, 1997.

**Ben's Guide** was released to highly positive reviews. A prototype was critiqued at the American Association of School Librarians conference in November 1999, where it received excellent reviews. The *Newsletter of the Documents Interest Group of Oregon* (December 1999) described **Ben's Guide** as a "well-designed children's Web site" that "could be useful for reference questions as well," and characterized it as having "an attention to detail and to readability

that is exemplary in Web design." **Ben's Guide** was awarded the American Library Association's "Notable Children's Web Site" designation in April 2000, an honor reserved for sites "considered the best Web sites for ages birth-14, outstanding in both content and reception."

### **Public Access to Microsoft Antitrust Case Documents**

At the request of the Federal District Court for the District of Columbia, GPO provided public access during the year to key documents issued in the Microsoft antitrust case by Judge Thomas Penfield Jackson. The documents included the "Findings of Fact," issued November 5, 1999; the "Conclusions of Law and Order," issued April 3, 2000; and the "Memorandum and Order and Final Judgment," issued June 7, 2000.

For each document, GPO was asked to make advance preparations for rapid dissemination. GPO established a specific URL for the Microsoft case documents to be released on **GPO Access**, at <http://usvms.gpo.gov>. At the Court's request, the documents were made available in WordPerfect and Portable Document Format (PDF) formats, and GPO added availability in HTML format. To handle the anticipated demand, GPO arranged to have the documents loaded on 10 servers configured behind a Force 5 BigIP load balancer, served by five T1 lines.

The Court also asked that GPO make available printed copies of the documents through its main bookstore on North Capitol Street in Washington, DC, on the date of release. GPO produced copies of the covers in advance, established sales prices for the products, and made preparations to dedicate high-speed duplicating systems for rapid document production. In addition, GPO set up a system for taking advance orders for the printed publications.

Following the announcements of the decisions contained in these documents, printed copies and electronic disk versions were transferred to GPO by the Court. Print production began immediately, and sufficient numbers of copies were produced by the public availability deadlines. At the same time, the electronic versions were readied for the release time. Following release, online traffic was heavy. In the

first hour following release of the "Findings of Fact," **GPO Access** experienced 152,000 successful connections, with new connections averaging between 75 and 100 every 4 seconds. In the first hour following release of the "Conclusions of Law," **GPO Access** experienced 90,000 successful connections. A total of 53,000 successful connections were experienced in the first hour following release of the "Memorandum and Order and Final Judgment" in June. Print copies were made available for sale at GPO bookstores around the Nation and through Federal depository libraries nationwide.

Many of the network evening news broadcasts about the documents were filmed in front of GPO on the release days.

### **Use of Online U.S. Budget Increased**

As the President's Fiscal Year 2001 Budget was released to the public through GPO bookstores, thousands of citizens reviewed the individual budget documents online through **GPO Access**.

Compared to the year before, there was a dramatic increase in the public's use of the online budget. A year earlier, first-day sales of the printed budget documents—including the *Budget*, the *Budget Appendix*, *Historical Tables*, *Analytical Perspectives*, *Citizens Guide*, and *Budget System and Concepts*—were 4,631 sets, while **GPO Access** hits for the same information online were 45,652.

On February 7, 2000, the budget documents and the online version were again released the same day. This time, 4,473 sets of budget documents were sold, a decrease of about 3 percent. However, **GPO Access** hits for budget documents jumped to 115,229, an increase of more than 150 percent. GPO worked closely with the Office of Management and Budget (OMB) in the preparation of the six budget documents, which together comprised a

*In the first hour following release of the "Findings of Fact" in the Microsoft anti-trust case, GPO Access experienced 152,000 successful connections, with new connections averaging between 75 and 100 every 4 seconds.*

total of 2,808 pages. GPO received an "OK to Print" the documents from OMB at about 9 a.m. Sunday morning, January 30, and all publications were completed and ready for distribution well before the target distribution time of 8 a.m. Monday, February 7. A total of 69,528 copies of the six documents were produced for both OMB and GPO. In addition, the budget information was prepared for dissemination online at 8 a.m. the same day.

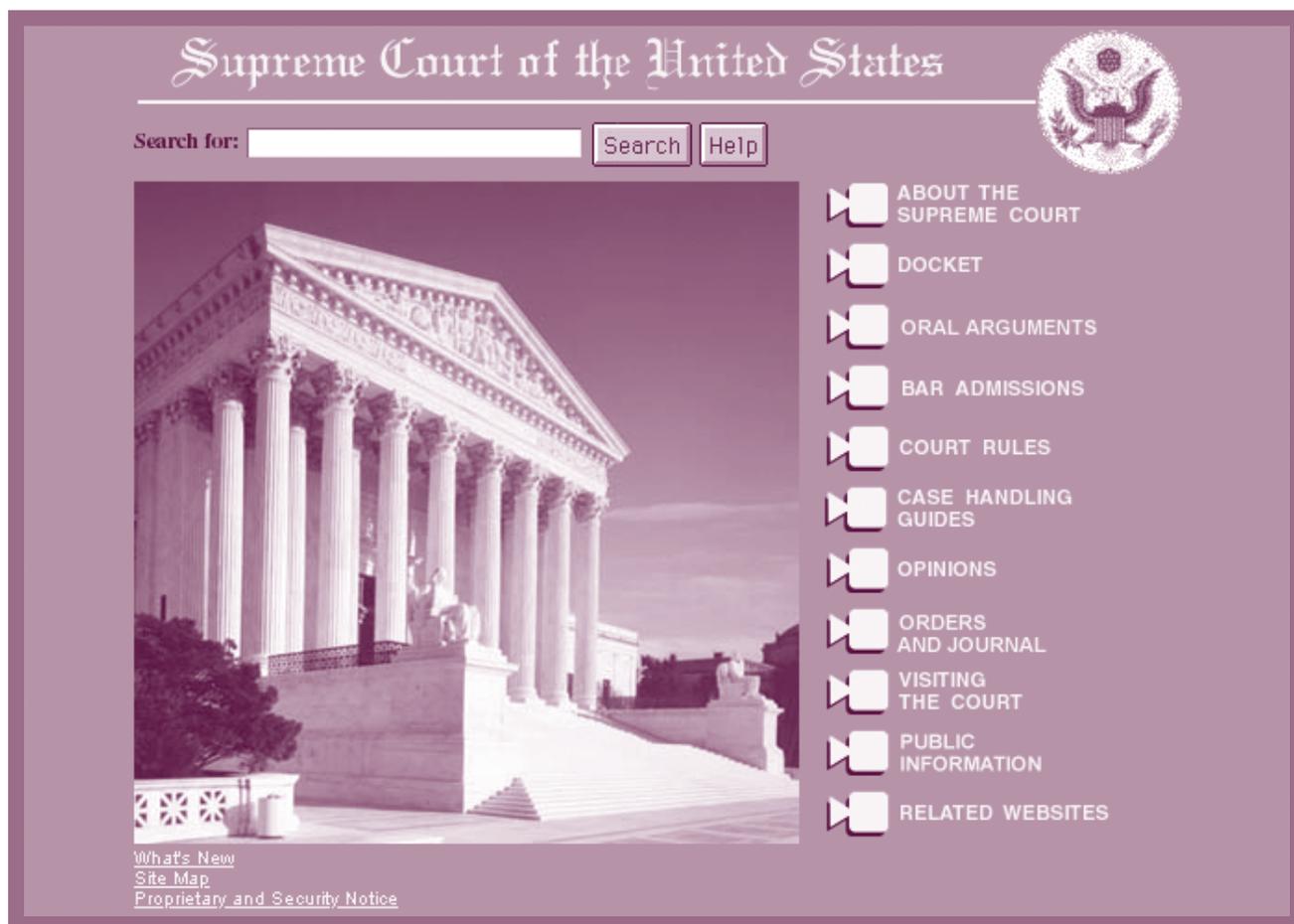
### **Technical Support Provided for Supreme Court Web Site**

The new Supreme Court Web site, which went live on Monday, April 17, 2000, at <http://www.supremecourtus.gov>, was made possible as the result of key technical support provided by GPO. The site makes Court information available free of charge via the Internet to the Bar, the public, and the news media. Late in the year, the site provided public access to the decisions of the Supreme Court in the Florida election cases.

Working closely with the Court, GPO provided Web development services for the new site. Although it has its own Web address, the Supreme Court site is part of the **GPO Access** system and is hosted on GPO servers. GPO provides round-the-clock Web maintenance service for the Supreme Court site.

The Supreme Court Web site initially provided online access to the Court's 1999 term slip opinions, 1999 Term orders, argument calendar, schedules, rules, bar admission forms and instructions, visitors' guides, case-handling guides, special notices, press releases, and general information. A link was also provided to the Court's "bench" opinions on GPO's Federal Bulletin Board (at <http://fedbbs.access.gpo.gov>). The "bench" opinion is the first version of an opinion, published immediately after the case's announcement by the Court from the bench.

Since 1991, GPO has been a subscriber to the Court's Project Hermes, an electronic subscription system that transmits the Court's orders and "bench" opinions to



legal publishers, news organizations, educational institutions, and Government agencies moments after the materials are released. GPO makes this information public through its Federal Bulletin Board. The Court's new Web site did not replace the Hermes system, and access to orders and "bench" opinions of the Court continues to be provided through a link to the Federal Bulletin Board. Slip opinions are posted on the new Web site within hours after the "bench" opinions are transmitted to Hermes subscribers.

GPO's provision of technical support for the Supreme Court Web site demonstrates the variety of Web services GPO offers to its customers, including Web hosting, page design, page hosting, publishing, publishing training, site design, and site hosting services. In addition to the Court site, GPO hosts 17 Web sites for other Federal entities, including the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, the General Accounting Office, and the Office of Management and Budget.

### ***GPO-Designed Publication Wins Award***

The National Endowment for the Arts (NEA) announced that *Medical Guidelines*, a brochure series designed by GPO's Typography and Design Division for the Agency for Healthcare Research and Quality, Department of Health and Human Services, was selected to receive a Federal Design Achievement Award.

The award was in the Graphic Design category of the Presidential Design Awards 2000, fifth Quadrennial Competition, which recognizes excellence in Federal design in a variety of fields. A jury of designers, engineers, and architects selected the series from among 332 entries, which were evaluated using the criteria of purpose, leadership, performance, aesthetics, and cost.

The project was one of only 35 to receive the NEA's highest award. The award was presented in April 2000, at the Women in Military Service for America Memorial in Arlington National Cemetery.

### ***Clean Opinion Received in Independent Audit of FY 1999 Finances***

For the third consecutive year, GPO received an "unqualified opinion" in a comprehensive, independent audit of its financial operations, completed in early 2000 by the nationally recognized accounting firm KPMG LLP.

Under contract with the General Accounting Office, KPMG conducted a thorough audit of GPO's financial statements for FY 1999, concluding that they "are presented fairly, in all material respects, in conformity with generally accepted accounting principles."

An "unqualified opinion" is "the highest level of assurance that an audit firm can give on financial statements," said Paul M. Geraty, KPMG partner and spokesman for the auditing team, in reporting his findings to GPO officials. Geraty reiterated that the audit results were "very, very positive."

The FY 1999 audit was the third consecutive financial audit since an annual audit requirement for GPO was enacted by Congress in 1996.

The KPMG audit "noted no instances of material noncompliance with laws and regulations we tested," although it recommended the establishment of certain data processing controls. The 1999 financial audit findings continued GPO's trend of "unqualified" audit opinions—the best that auditors can issue. KPMG audits of GPO's 1997 and 1998 finances each produced an "unqualified" opinion.

The recent financial audits followed a sweeping management audit of GPO by Booz-Allen & Hamilton, Inc., in 1998. In addition to validating strong customer support for GPO's operations in Congress, Federal agencies, and the public, Booz-Allen concluded that "the financial management history at GPO demonstrates that the agency has had considerable experience as a business-oriented operation." Booz-Allen also said "GPO has been a leader in providing Congress accrual-based accounting and financial statements," noting that the Chief Financial Officers Act of 1990 requires all executive branch agencies to implement accrual-based accounting systems.

On March 6, 2000, the *Washington Post* reported that “only half of the top 24 federal agencies have won ‘clean’ opinions from the government’s inspectors general for their FY 1999 financial statements, according to a preliminary assessment by congressional and administration officials.”

### **Printing Support for Census 2000**

Working with the Census Bureau, GPO provided the printed forms and other products needed to conduct Census 2000, the national head count of more than 275 million people in 120 million households in the U.S., including Puerto Rico and the U.S. Island areas.

For nearly 2 years, GPO used its competitive printing procurement program to place orders throughout the Nation’s commercial printing industry for the products that were used to conduct the decennial census.

*Working with the Census Bureau, GPO provided the printed forms and other products needed to conduct Census 2000, the national head count of more than 275 million people in 120 million households in the U.S., including Puerto Rico and the U.S. Island areas.*

Overall, GPO awarded more than 80 contracts totaling more than \$65 million to print 398 million questionnaires and other public use forms, not including other printing for promotional purposes, use in the Nation’s schools, and for other census activities.

Contracts were awarded for short form and long form versions of the mail-out questionnaires, update/questionnaires, and enumerator questionnaires. GPO also let contracts for the printing of “be counted” questionnaires, advance letters, reminder cards, language assistance guides, and other questionnaires and public use forms. The mail-out and “be counted” questionnaires were printed in 6 different languages (English, Korean, Spanish, Vietnamese, Chinese, and Tagalog), and foreign language guides in 49 different languages were produced to assist in filling out the printed questionnaires. GPO also contracted for the production of “large print” guides for the forms. In addition, GPO awarded contracts for a variety of advertising,

promotional, and educational materials for use in increasing public awareness of the census.

This work was performed by dozens of private sector contractors in 17 states, including California, New York, Ohio, New Jersey, Illinois, Indiana, Wisconsin, Maryland, Kentucky, Kansas, Tennessee, New Mexico, Pennsylvania, Alabama, Florida, Texas, and Missouri, as well as the District of Columbia.

The Census Bureau estimated that printing the 398 million forms required 14,000 tons of paper and 15,000 gallons of ink. This work, like all printing performed under GPO contracts, required the use of recycled paper and vegetable oil-based ink.

### **2000 Edition of the “Plum Book”**

GPO prepared the 2000 edition of *United States Government Policy and Supporting Positions*, better known to Federal job seekers as the “Plum Book.” The book was made available to the public the day after the Presidential election.

Issued every 4 years after the Presidential election, the “Plum Book” includes a listing of those positions throughout the Federal Government that may be subject to non-competitive appointment. There are over 7,000 positions listed in the 2000 “Plum Book.” The “Plum Book” is published alternately by the Senate Committee on Governmental Affairs and the House Committee on Government Reform. For 2000, the responsibility fell to the Senate Governmental Affairs Committee, and the “Plum Book” was issued as Senate Print 106-54 with a plum-colored cover.

Printed copies of the “Plum Book” were offered for sale by GPO. GPO also made the information available free of charge online via **GPO Access**, at [www.access.gpo.gov/plumbook/2000/index.html](http://www.access.gpo.gov/plumbook/2000/index.html).

### **New GPO Style Manual Prepared**

During 2000, GPO prepared the 29<sup>th</sup> edition of the *United States Government Printing Office Style Manual*, the first update to this authoritative guide since 1984. The new edition was released in December 2000 in print and online formats at [www.access.gpo.gov/styleman/2000/style001.html](http://www.access.gpo.gov/styleman/2000/style001.html). The *GPO Style Manual* is issued under the authority

of section 1105 of Title 44, United States Code, which requires the Public Printer, as the head of the GPO, to “determine the form and style” of Government printing. The new edition was prepared by the GPO Style Board, composed of printing and proofreading professionals in GPO’s Production Department. To respond to any questions not addressed by the *Manual*, the GPO Style Board has established an e-mail address: [gpostyle@gpo.gov](mailto:gpostyle@gpo.gov).

The first *GPO Style Manual* appeared in 1894. It was developed primarily as a printer’s stylebook to standardize word and type treatment and remains so today. However, the *Manual* has come to be widely recognized by writers and editors both within and outside of the Federal Government as “one of the most useful resources in the editorial arsenal,” as the journal *Editing* reported in 1984.

While retaining the traditional sections on capitalization, spelling, compounding, punctuation, and other information, the *GPO Style Manual 2000* includes guidelines on words and expressions derived from modern information technology. The section on capitalization, for example, now includes “CD-ROM,” “e-mail (lowercase within a sentence)” and “E-mail (uppercase “E” to start a sentence),” “Internet, Intranet,” and “Web site.” Firm names under the same section now identify companies like “America Online,” “MCI Worldcom,” and “Microsoft.” The section on abbreviations now includes “DVD, digital video disk,” “URL, Uniform Resource Locator,” and “WWW, World Wide Web.”

The new edition notes that the “rules of grammar, spelling, punctuation...will serve well when preparing documents for electronic dissemination,” and that “as electronic dissemination of Government information continues to grow, the rules as stated in this *Manual* will continue to be the GPO’s standard for all document preparation, electronic or otherwise.”

### ***Printing Support for Inaugural Ceremony***

Continuing a long tradition of participation in Presidential inaugural ceremonies, in the final months of the year GPO provided a wide variety of materials that were used in the 2001 inauguration of President George W. Bush and Vice President Richard B. Cheney.

Under the direction of the Joint Congressional Committee on Inaugural Ceremonies (Senator Mitch McConnell of Kentucky, Chairman), GPO produced or procured invitations, tickets, programs, menus, parking passes, signs, and other materials that were used in carrying out the swearing-in ceremony at the U.S. Capitol on January 20, 2001. All design work was performed by GPO under the direction of the Joint Committee.

Operating under limited time constraints and tight security, GPO produced or procured:

- Invitation packets, each including an invitation engraved and embossed with the Great Seal of the United States, photographs of the President and Vice President, an Inauguration Ceremonies Program with engraved and embossed cover, and a map and guidelines for the inauguration ceremony.
- Invitations, programs, and menus for the Joint Congressional Luncheon.
- 44 varieties of tickets.
- 21 different types of parking passes.
- 46 varieties of directional signs.
- Miscellaneous envelopes and stationery items.
- Operations Guide Manuals for the U.S. Capitol Police.

***Continuing a long tradition of participation in Presidential inaugural ceremonies, in the final months of the year GPO provided a wide variety of materials that were used in the 2001 inauguration of President George W. Bush and Vice President Richard B. Cheney.***

GPO also provided law enforcement and military personnel with electronic databases containing all versions of tickets and parking passes to be used for training purposes.

## **Major Space Consolidation Achieved with Warehouse Move**

GPO undertook a major consolidation of its leased warehouse space in 2000 with the relocation of its Springbelt, VA, paper storage operations to its Laurel, MD, publications storage warehouse. The move ended GPO's need for 180,000 square feet of warehouse space in Springbelt, saving approximately \$5.3 million over the next 5 years, while providing for more efficient use of the Laurel warehouse space. The relocation was completed by September 30.

The move reduced GPO's paper warehouses from 3 sites to 2, leaving Laurel and GPO's Building 4 paper warehouse, located adjacent to its Washington DC central office complex. The Building 4 warehouse also houses

GPO's passport and postal card printing operations.

Since 1990, GPO has relocated Superintendent of Documents and other operations from leased space to its central office complex, relocated printing operations from Washington DC Navy Yard to

the central office, and closed 4 of 5 regional printing plants located around the country.

While GPO continues to purchase a significant amount of paper annually for its in-plant printing operation and for sale to Federal agencies in the Washington DC area, the rising use of electronic information products has reduced GPO's paper purchases. As a result, GPO has less need for paper storage space than it did more than 20 years ago, when the Springbelt warehouse opened. GPO's space needs at Springbelt had declined to about 80,000 square feet, less than half the available space.

In FY 1994, GPO used or sold 90.9 million pounds of paper, maintained an average paper inventory of 16.7 million pounds, and moved an average of 6

truckloads of paper a day from the Springbelt warehouse to its central office plant. In FY 1999, GPO purchased approximately 54.8 million pounds of paper, maintained an average paper inventory of about 11.8 million pounds, and moved an average of 3 truckloads of paper a day to its central office plant. During the same 5-year period, the number of publication titles available on **GPO Access**, GPO's popular Internet information service (at [www.gpoaccess.gov](http://www.gpoaccess.gov)), grew from none to nearly 180,000.

The consolidation of warehouse space in Laurel presented an efficient alternative. GPO leases 382,000 square feet of space there for publications storage, order fulfillment, and related sales activities of its Superintendent of Documents. There were approximately 69,000 square feet of available space, which was expanded through reorganization of existing functions to accommodate the relocated paper storage operation. The reduced publications storage space helped reduce the costs of the Superintendent of Documents' sales program, which operates entirely from revenues earned from sales and receives no appropriated funds.

The distance from the Laurel warehouse to GPO's Washington DC plant is 18 miles; it is 15 miles from Springbelt to the plant. While the Laurel warehouse does not have a rail siding for bulk deliveries as Springbelt did, there is a rail siding into GPO's Building 4 paper warehouse.

GPO reached agreements with the representatives of the Springbelt employees, Local 713 of the Graphic Communications International Union and Local 2876 of the American Federation of Government Employees, that avoided any adverse impact on the employees resulting from their worksite relocation. The relocation was approved by the Joint Committee on Printing.

## **New Links to Scientific and Technical Information Launched**

Late in 1999, GPO and the Department of Energy (DOE) launched an electronic system that provides public access to a DOE database of scientific and technical literature. The system, called Pub-SCIENCE, was unveiled October 12, 1999, at a

*While GPO continues to purchase a significant amount of paper annually for its in-plant printing operation and for sale to Federal agencies in the Washington DC area, the rising use of electronic information products has reduced GPO's paper purchases.*



DOE ceremony featuring remarks by the Secretary of Energy and GPO's Superintendent of Documents, Francis J. Buckley, Jr.

The PubSCIENCE database contains bibliographic records from approximately 1,000 peer-reviewed journals provided by more than 20 publishers with a focus on the physical sciences and energy-related disciplines, and the site's content is expected to increase. PubSCIENCE enables users to identify journal articles, view bibliographic citations, and hyperlink to the publisher's site for full retrieval (if unrestricted), or through a site license, an electronic subscription, or pay-per-view access. Users of Federal depository libraries as well as those with their own computers can link to PubSCIENCE through **GPO Access**.

Later, in August 2000, GPO and DOE initiated two new services that expanded public access to Federal Government scientific and technical research information. Developed by DOE's Office of Scientific and Technical Information (OSTI), the **GrayLIT Network** ([www.osti.gov/graylit](http://www.osti.gov/graylit)) and **Federal R&D Project Summaries** ([www.osti.gov/fedrnd](http://www.osti.gov/fedrnd)) provide users with the capability to find information regardless of where it resides—by searching for documents across multiple databases of many Federal agencies—in response to a single query.

The general public, as well as users of Federal depository libraries nationwide, can link to these services through **GPO Access**. The **GrayLIT Network** provides a portal to more than 100,000 full-text technical reports located at DOE, the Department

of Defense, the Environmental Protection Agency (EPA), and the National Aeronautics and Space Administration (NASA). Collections in the network include DOE's **Information Bridge** (also currently available through **GPO Access**), the Defense Technical Information Center's Report Collection, EPA's National Environmental Publications Internet Site (NEPIS), NASA's Jet Propulsion Lab Reports, and NASA's Langley Technical Reports.

**Federal R&D Project Summaries** includes more than 240,000 research summaries and awards by three of the major sponsors of research in the Federal Government. The Federal databases available via this tool are DOE's R&D Project Summaries, the National Institutes of Health's CRISP (Computer Retrieval of Information on Scientific Projects) Current Award, and the National Science Foundation's Award Data.

### **Partnership Agreement with National Library of Medicine**

During the year, GPO and the National Library of Medicine (NLM) signed an agreement that assures permanent public access to key information published by NLM and disseminated as part of the Federal Depository Library Program (FDLP).

The agreement, signed by Superintendent of Documents Francis J. Buckley, Jr., and Donald C. Poppe, Associate Director for Administrative Management, NLM, outlined provisions for permanent access to *Index Medicus*, *Medical Subject Headings*, *The National Library of Medicine Current Catalog*, *The National Library of Medicine Audiovisuals Catalog*, and other titles in the FDLP. *Index Medicus (tm)* was replaced in the FDLP Electronic Collection by *PubMed(tm)*, NLM's search service that provides access to over 11 million citations in MEDLINE and other related databases, at <http://purl.access.gpo.gov/GPO/LPS4708>. Access to the other titles was established through NLM's "Locator Plus" application, at <http://purl.access.gpo.gov/GPO/LPS4582>.

In signing the agreement, NLM acknowledged the FDLP as one of its dissemination partners and agreed to keep the online publications available permanently. In the event of an unforeseen circum-

stance that would alter their ongoing availability, NLM will turn the electronic files over to GPO for continuing access.

### **More than 500 Government Information Librarians Gather for Depository Library Conference**

In what has become the Nation's premier event for Government information librarians, more than 500 depository librarians and Federal agency representatives attended the 9th annual Federal Depository Library Conference held in Arlington, VA, in October 2000. The conference was held concurrent with the 57<sup>th</sup> meeting of the Depository Library Council to the Public Printer, and was sponsored by GPO. The Council is composed of 15 representatives of the Government information community who advise GPO on issues related to the FDLP.

Highlights of the 3-day conference included demonstrations of Web sites from FirstGov, the Defense Technical Information Center, the U.S. Geological Survey, the U.S. Institute of Peace, the National Agricultural Library, and others. GPO's ongoing transition to a more electronic FDLP was a primary focus of the event, while the Census Bureau and STAT-USA from the Department of Commerce, the National Imagery and Mapping Agency, the Forest Service, the Department of Energy, and others presented updates on their agencies' public information activities and products. The National Commission on Libraries and Information Science provided a status report on its review of the Federal Government's information dissemination activities.

Concurrent technical and information sessions included digital archiving, economic statistics, Presidential libraries, and library grants. Tours of the Senate Library, the Center for Legislative Archives, GPO's Library Programs Service, and the Library of Congress were also available for meeting attendees. Prior to the formal conference, librarians from the Nation's 53 regional depositories attended an all-day session.

### **Working Group on Permanent Public Access Policy Convened**

During the year, GPO convened a series of high-level meetings involving congressional and executive

branch officials, to develop long-term strategies that will provide permanent public access to Federal Government information made available over the Internet. Led by Public Printer Michael F. DiMario and Superintendent of Documents Francis J. Buckley, Jr., the meetings represented one of the Government's leading initiatives to ensure that Federal information remains accessible to the public once it is made available online.

There are thousands of Federal Government Web sites today, making millions of Government documents available to the public electronically. Yet documents frequently disappear from the Web just as fast as they appear, resulting in a growing amount of lost and often irretrievable information. Federal census, agricultural, energy, environmental, and budget information are just some of the categories from which online information products have disappeared in recent years. The files are no longer available for a variety of reasons—they may have been updated or revised, or they may have become outdated or simply removed. Regardless of the reason, however, the result is the same: an electronic document that is no longer available. The problem is becoming so pervasive that many observers in the library and Government information communities are beginning to speculate that without concerted action the current era will one day be known as an enormous "black hole" in the availability of Government information.

Speaking at the first meeting of the Permanent Public Access (PPA) Working Group in late 1999, Public Printer DiMario said there is "a pressing need to examine permanent public access to Government information in this time when computer systems encounter problems with viruses, overloaded servers, and other challenges. The public must be assured that Government information will be available, electronically, on a long-term basis."

There were four subsequent sessions of the Working Group during the year, involving key officials in the Federal information community, including representatives from GPO, congressional staff, the Library of Congress, the National Archives and Records Administration, the National Agricultural Library, the National Library of Medicine, the Energy Department, the National Commission on Libraries

and Information Science (NCLIS), the Defense Technical Information Center, and other agencies. Representatives of the library and Government information user communities also attended.

The goals of the PPA Working Group include facilitating discussion among stakeholders engaged in digital archiving research or applications; developing and publicizing "best practices" for digital archiving that will facilitate cooperation across agency and organizational boundaries; and identifying "at risk" electronic information and developing collaborative solutions or partnerships to ensure permanent public accessibility.

GPO's interest in the permanent public access initiative reflects its longstanding experience in providing such access through the FDLP. In addition, a permanent public access policy governs the operation of **GPO Access**. Documents made available through **GPO Access** remain permanently available either on GPO's own servers or through partnerships established between GPO and other information provider organizations.

*"There is a pressing need to examine permanent public access to Government information in this time when computer systems encounter problems with viruses, overloaded servers, and other challenges. The public must be assured that Government information will be available, electronically, on a long-term basis."*

— Public Printer Michael F. DiMario

The PPA Working Group meetings resulted in several tangible outcomes during the year. A Web site dedicated to the issue of permanent public access was established by GPO (at [www.gpo.gov/ppa](http://www.gpo.gov/ppa)). In May 2000, a partnership was formed between GPO and the National Library of Medicine (NLM) to provide permanent access to online versions NLM information products; and in November 2000 a GPO partnership with NCLIS was formed to cover all significant publications on the NCLIS Web site, including annual reports and other reports and studies of the Commission.

## ***GPO's Fiscal Year 2001 Appropriations Action***

GPO completed the presentation of its appropriations request to Congress for FY 2001 by appearing before the Senate Subcommittee on Legislative Branch Appropriations on Tuesday, February 22, 2000. GPO appeared before the House Subcommittee on Legislative Appropriations on February 1, 2000.

Testifying before both subcommittees, the Public Printer requested \$121.3 million for GPO's operations. The request included \$80.8 million for Congressional Printing and Binding and \$34.5 million for Salaries and Expenses of the Superintendent of Documents. It also included \$6 million to cover extraordinary expenses associated with the replacement of GPO's air conditioning system. Not including the funds for air conditioning, the request represented an increase of 11.7 percent over the level of funding approved by Congress for FY 2000, or \$103.2 million.

Workload increases accounted for a majority of the requested increase in funding. Under Congressional Printing and Binding, GPO budgeted for the produc-

tion of a new edition of the *U.S. Code*, which is issued every six years by law, as well as a variety of products in support of the 2001 Presidential inauguration. GPO also projected that the first session of the 107th Congress would generate increased workload for a number of products, such as bills, resolutions, and amendments. For the Superintendent of Documents' appropriation, GPO sought increased funding to expand the electronic information services made available by ***GPO Access***.

However, the conferees on the Legislative Branch Appropriations Bill for FY 2001 approved \$71.5 million for GPO's Congressional Printing and Binding Appropriation, a reduction of nearly 3% from the \$73.3 million that was approved for FY 2000. The conferees approved \$27.9 million for the Salaries and Expenses Appropriation of the Superintendent of Documents, a reduction of about 6%, from the \$29.9 million was approved for 2000. In reducing the Salaries and Expenses Appropriation, the conferees directed that "emphasis should be on streamlining the distribution of traditional paper copies of publications which may include providing online access and less expensive electronic formats."



As part of the funding bill, the conferees agreed to authorize the transfer of appropriations balances from preceding fiscal years to GPO's revolving fund. They also did not reduce the ceiling level on the number of full-time equivalents, or personnel, that GPO can employ. The number stays at 3,285 for fiscal 2001.

However, they directed a study of the printing needs of the House of Representatives, as a prelude to transferring part of GPO's Congressional Printing and Binding appropriation to the Clerk of the House in fiscal year 2003. The conferees also directed the General Accounting Office to conduct a study "on the impact of providing documents to the public solely in electronic format." The study is to include "an assessment of the feasibility of the transfer of the depository library program to the Library of Congress." The study was due to be submitted to the House Committee on House Administration and the Senate Committee on Rules and Administration in March 2001.

Following approval by the conferees, the Legislative Branch Appropriations Bill for FY 2001, H.R. 4516, was passed by the House of Representatives on September 14. It was rejected by the Senate on September 20 and then passed on October 12. It was vetoed by the President on October 30. After the beginning of the new fiscal year on October 1, 2000, GPO's funding was provided through a series of 21 continuing resolutions. The Legislative Branch Appropriations bill was reintroduced on December 14 as H.R. 5657, and then incorporated by reference into the Omnibus Consolidated Appropriations bill, H.R. 4577, that was passed on December 15. The President signed the bill into law on December 21.

H.R. 4577 included a .22 percent rescission to all funding contained in the bill, including GPO's appropriations, yielding an additional reduction to GPO's appropriations of \$218,000. For fiscal 2001, GPO's final appropriations totaled \$99.2 million (after application of the rescission), a decrease of nearly 4% from the level approved for FY 2000. A total of \$71.3 million was approved for GPO's Congressional Printing and Binding Appropriation (after application rescission), and a total of \$27.9 million was approved for the Salaries and Expenses Appropriation of the Superintendent of Documents (after application of the rescission).



# FINANCIAL YEAR IN REVIEW



2001 M Street, N.W.  
Washington, D.C. 20036

## Independent Auditors' Report

The Public Printer:

We have audited the accompanying consolidated balance sheets of the United States Government Printing Office (the GPO) as of September 30, 2000 and 1999, and the related consolidated statements of revenues and expenses and cash flows for the years then ended. We have also examined management's assertions, included in the statement of assurance to us dated January 26, 2001 at page 44, regarding the effectiveness of the GPO's internal controls over financial reporting that were in place as of September 30, 2000. The objective of our audits was to express an opinion on the fair presentation of the GPO's consolidated financial statements. The objective of our examination of management's assertions regarding internal controls over financial reporting was to express an opinion on management's assertions. In connection with our audits, we also tested the GPO's compliance with certain provisions of applicable laws and regulations.

In our opinion:

- The GPO's consolidated financial statements as of September 30, 2000 and 1999, and for the years then ended, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America; and
- The GPO management has fairly stated, in all material respects, its assertions that internal controls over financial reporting in place as of September 30, 2000, provide reasonable assurance that transactions are properly recorded, processed, and summarized to permit the preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and the safeguarding of assets against loss from unauthorized acquisition, use, or disposition; and transactions are executed in accordance with: (a) laws governing the use of budget authority and other laws and regulations that could have a direct and material effect on the consolidated financial statements, and (b) any other laws and regulations or government-wide policies that entity management, or the Inspector General have identified as being significant for which compliance can be objectively measured and evaluated.

We noted no instances of reportable noncompliance with laws and regulations we tested.

Our conclusions and the scope of our work are discussed in more detail below.



KPMG LLP KPMG LLP, a U.S. limited liability partnership, is  
a member of KPMG International, a Swiss association.

### **Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheets of the GPO as of September 30, 2000 and 1999, and the related consolidated statements of revenues and expenses and cash flows for the years then ended. These consolidated statements are the responsibility of the GPO's management. Our responsibility is to express an opinion on these consolidated statements based on our audits.

In our opinion, the accompanying 2000 and 1999 consolidated financial statements present fairly, in all material respects, the financial position of the United States Government Printing Office as of September 30, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the GPO's consolidated financial statements taken as a whole. The consolidating and supplemental information on pages 34 through 43 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. This information has not been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, accordingly, we express no opinion on it.

The information contained in the performance measures section has not been audited and, accordingly, we express no opinion on it.

### **Opinion on Management's Assertions About the Effectiveness of Internal Controls Over Financial Reporting**

We have examined management's assertions included in its statement of assurance to us dated January 26, 2001, that internal controls designed by management provide reasonable, but not absolute, assurance that as of September 30, 2000, the following objectives were met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and the safeguarding of assets against loss from unauthorized acquisition, use, or disposition; and
- Transactions are executed in accordance with: (a) laws governing the use of budget authority and other laws and regulations that could have a direct and material effect on the consolidated financial statements, and (b) any other laws and regulations or government-wide policies that entity management, or the Inspector General have identified as being significant for which compliance can be objectively measured and evaluated.

Although internal controls should be improved as discussed below, in our opinion, management's assertions that internal controls in place as of September 30, 2000, provide reasonable assurance that transactions are properly recorded, processed, and summarized to permit the preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and the safeguarding of assets against loss from unauthorized acquisition, use, or disposition; and transactions are executed in accordance with: (a) laws governing the use of budget authority and other laws and regulations

or government-wide policies that entity management, or the Inspector General have identified as being significant for which compliance can be objectively measured and evaluated, are fairly stated in all material respects, based upon criteria established under OMB Circular A-123, *Management Accountability and Control* (Revised, June 1995).

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal controls over financial reporting that, in our judgment, could adversely affect the GPO's ability to record, process, summarize, and report financial data consistent with the assertions of management in the consolidated financial statements. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the consolidated financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted certain matters involving the internal controls over financial reporting that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants.

Our consideration of the internal controls over financial reporting would not necessarily disclose all internal control matters that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we do not consider the reportable condition described below to be a material weakness. Deficiencies in the design and or operations of the GPO's EDP general controls are considered a reportable condition. This condition has been previously reported to management in prior years' audit reports.

The recurring reportable condition on the GPO's EDP general controls relates to the following areas:

■ **Access Controls**

- Certain access controls require modification in order to provide a more secure environment. Access controls should provide reasonable assurance that computer resources (data files, application programs, and computer-related facilities and equipment) are protected against unauthorized modification, disclosure, loss, or impairment. These controls include controls over physical access to computer resources, and controls that prevent unauthorized access to sensitive files.

Examples of weaknesses include:

- A centralized security manager has not been assigned to coordinate security activities between the mainframe, database, and network security administrators.
- GPO management has not established and implemented a network-wide security plan.
- Controls related to GPO's corporate database (ADABAS) need to be strengthened.

■ **Application Change Control and Systems Development**

- Certain controls over the modification of application software programs are deficient. These controls should be designed to ensure that only authorized programs and modifications are implemented. Without proper controls, there is a risk that security features could be inadvertently or deliberately omitted or "turned off" or that processing irregularities or malicious code could be introduced.

Examples of weaknesses include:

- The System Development Life Cycle methodology has not officially been finalized and implemented.
- Standards and procedures for ADABAS program changes have not been formally documented.
- Full system reviews of application software and associated hardware have not been consistently conducted and documented.

■ **Service Continuity**

- Losing the capability to process, retrieve, and protect information maintained electronically can significantly impact an agency's ability to accomplish its mission. For this reason, an agency should have (1) procedures in place to protect information resources and minimize the risk of unplanned interruptions and (2) a plan to recover critical operations should interruptions occur.

Examples of weaknesses include:

- An enterprise-wide disaster recovery plan has not been completed.
- GPO's current off-site storage facility is not geographically segregated from the data processing center and the system and application documentation is not stored at the off-site facility.
- Tape backup and rotation standards have not been appropriately developed and documented.
- An un-interruptible power supply has not been implemented.
- Formal data center and network room emergency response and processing procedures have not been established.

■ **Entity-Wide Security Program**

- There are several areas regarding an enterprise-wide security program that are inadequate. The program should establish a framework for assessing risk, developing and implementing effective security procedures, and monitoring the effectiveness of these procedures. Without a well designed program, security controls may be inadequate; responsibilities may be unclear, misunderstood, and improperly implemented; and controls may be inconsistently applied.

Examples of weaknesses include:

- A comprehensive data security plan with policies and procedures has not been finalized.
- Risk assessments have not been completed.
- Classification of information resources according to criticality and sensitivity by their system owners has not been established.

We again recommend that the GPO develop a formal action plan to review and revise its EDP general controls. This plan should address each of the four areas discussed above as well as any other areas that impact the general EDP control environment, set forth appropriate corrective action steps, assign responsibilities to employees, and establish target completion dates for each action. This plan should be adopted by the GPO and provide for periodic reviews of progress towards achievement of corrective actions.

This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audits of the GPO's consolidated financial statements.

We also noted other matters involving the internal controls and their operation that we do not consider to be reportable conditions. These matters, along with further technical details and related recommendations of the reportable condition, will be reported to the GPO's management in a separate letter.

### **Compliance with Laws and Regulations**

As part of obtaining reasonable assurance about whether the GPO's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Consistency of Other Information**

The performance measures, the consolidating financial statements, and other supplemental information contain a wide range of data, some of which are not directly related to the consolidated financial statements. We do not express an overall opinion on this information. However, we compared this information for consistency with the consolidated financial statements. Based on this limited work, we found no material inconsistencies with the consolidated financial statements.

### **Responsibilities**

**Management's Responsibility.** Management is responsible for:

- preparing the consolidated financial statements and supplemental schedules referred to above in conformity with accounting principles generally accepted in the United States of America, and for preparing the performance measures;
- maintaining adequate internal controls designed to fulfill control objectives; and
- complying with applicable laws and regulations.

**Auditors' Responsibility.** Our responsibility is to express an opinion on the consolidated financial statements, based on our audits. The standards, identified below, require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are reliable (free of material misstatement and presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America).

We are also responsible for expressing an opinion, based on our examination, on whether management's assertions regarding the effectiveness of internal controls over financial reporting are fairly stated, in all material respects, based on criteria established under OMB Circular A-123, *Management Accountability and Control* (Revised, June 1995).

As part of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement, we are also responsible for reporting any instances of material noncompliance with certain provisions of laws and regulations.

To fulfill these responsibilities, we:

- examined, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
- assessed the accounting principles used and significant estimates made by GPO management;
- evaluated the overall financial statement presentation;
- assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements;
- obtained an understanding of the internal controls over financial reporting;
- tested and evaluated the design and operating effectiveness of relevant internal controls over significant cycles, classes of transactions, and account balances;
- tested compliance with certain provisions of laws and regulations that may materially affect the financial statements; and
- performed such other procedures as we considered necessary in the circumstances.

We did not evaluate all internal controls relevant to operating objectives as broadly defined by OMB Circular A-123, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to those controls necessary to achieve the objectives outlined in our opinion on management's assertions about the effectiveness of internal controls. Because of inherent limitations in internal controls, fraud may occur and not be detected. Also projections of any evaluation of internal controls over financial reporting to future periods are subject to the risk that the internal control procedures may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We conducted our examination of management's assertions regarding the effectiveness of the GPO's internal controls over financial reporting in place as of September 30, 2000, in accordance with standards established by the American Institute of Certified Public Accountants. We believe that our audits and examination provide a reasonable basis for our opinions.

**Agency Comments**

GPO agrees with the recommendation and will develop a formal action plan.

**Distribution**

This report is intended solely for the information and use of the Public Printer, the Joint Committee on Printing, and the GPO management, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 26, 2001

# U.S. Government Printing Office

## Performance Measures

September 30, 2000

### Operating Performance Measures

#### **Congressional Record Delivery**

The Congressional Record is an important tool and product of the legislative process, and its production is a large part of GPO's mission. To gauge how well GPO is serving Congress by producing the Congressional Record timely, GPO has established a deadline of 9 AM the following day when copy is received in GPO by midnight, regardless of whether the Senate or the House of Representatives is in session. Our actual on-time delivery rate was 85.2 percent in fiscal year 2000, compared with 88.2 percent in fiscal year 1999.

#### **Overtime Management**

GPO makes an ongoing effort to minimize overtime hours. In fiscal year 2000, overtime hours decreased to 204,000 hours from 211,000 hours in fiscal year 1999, or 3.3 percent. The cost of overtime in fiscal year 2000 decreased by about \$411,000 from fiscal year 1999's level. GPO successfully achieved its goal for fiscal year 2000, whereby actual overtime hours worked were below the upper limit of 230,000 overtime hours established at the beginning of the year. Our goal for fiscal year 2001 is a maximum of 220,000 overtime hours.

#### **Production Chargeable Hours**

Chargeable hours decreased to 638,000 in fiscal year 2000 from 825,000 in fiscal year 1999, a decrease of 187,000 hours, or 22.7 percent, while the number of employees available for work decreased 4.1 percent. The results for 2000 met GPO's goal of achieving sufficient chargeable hours necessary to break-even. GPO's fiscal year 2001 goal is to have enough chargeable hours to achieve break-even in Production Operations. Due to the mix in hourly rates charged for the various printing processes, a specific chargeable hour target cannot be established.

#### **On-Time Delivery of Procured Printing**

The Printing Procurement Operations contracted with commercial printing firms to ship 155,200 jobs in fiscal year 2000 compared with 164,900 jobs in fiscal year 1999. For fiscal year 2000, GPO's goal was to have at least 95 percent of procured printing orders delivered on time and a quality acceptance rate of at least 99 percent. GPO met its goals by attaining a 95 percent on-time delivery rate and a 99 percent quality acceptance rate. The goals for fiscal year 2001 remain the same as those for fiscal year 2000.

## Financial Performance Measures

### Cash Management

▪ **Payment Performance** – In fiscal year 2000, GPO continued its strong payment performance by paying contractors within the discount period when it was to the government's advantage. GPO took prompt pay discounts amounting to \$8.1 million - an increase of \$1.4 million from fiscal year 1999. GPO's total purchased printing expense for fiscal year 2000 was \$519 million after deducting prompt payment discounts of \$8.1 million. The resultant 1.6 percent of discounts taken to net purchased printing exceeded the 1.4 percent goal set for the year. Our goal for fiscal year 2001 remains at 1.4 percent.

Discounts lost increased to \$288,000 in fiscal year 2000 from \$250,000 in fiscal year 1999. The percentages of discounts lost to discounts offered were 3.4 percent and 3.6 percent in fiscal years 2000 and 1999, respectively. We did not achieve our goal set for fiscal year 2000, which was a maximum of 2.5 percent. However, we are installing an automated workflow invoice processing system which should reduce lost discounts. Our goal for fiscal year 2001 remains at 2.5 percent.

▪ **Electronic Payments** – The use of electronic funds transfer (EFT) payments results in savings for GPO and the Department of the Treasury because paper checks do not have to be produced and processed. In fiscal year 2000, approximately 25,800 monthly payments, or 94 percent, of all GPO payments were made by EFT, compared with 30,100 monthly payments, or 95 percent of all payments in fiscal year 1999. Our goal for fiscal year 2000 to increase the percentage of EFT payments of total payments was not met. Our goal for fiscal year 2001 is to increase EFT payments to 97 percent of all GPO payments.

### Debt Management

▪ **Federal Receivables** – In fiscal year 2000, GPO billed Federal agencies \$782.3 million for printing and binding services. Of this amount, \$603.0 million, or 77.1 percent, was collected using the Department of Treasury's On-Line Payment and Collection (OPAC) system. This is a significant increase from 1999, when 65.4 percent of GPO collections were through OPAC.

The improvement in GPO's collections in fiscal year 2000 is due principally to the continuation of the May 1999 agreement between GPO and Defense Automated Printing Service to use Treasury's OPAC system to simultaneously bill and collect certain Department of Defense (DoD) invoices for printing and publishing services. In addition, GPO made a concentrated effort to collect unpaid manual invoices issued prior to the use of OPAC. GPO continues to offer agencies the option to pay their bills by credit card.

In fiscal year 2000, GPO's average monthly receivables more than 90 days overdue were \$10.8 million, or 58.0 percent of the monthly average of outstanding receivables. DoD, with an average monthly balance of \$7.5 million more than 90 days overdue (52.0 percent of all of GPO's delinquent receivables), was GPO's largest delinquent account. At the end of fiscal year 2000, DoD owed GPO \$496,000 for billed, completed work that was between 31 and 60

days overdue, \$548,000 that was between 61 and 90 days overdue, and \$5.1 million that was more than 90 days overdue. While the amount due over 30 days from DoD totaled \$6.1 million, it represents a 41 percent improvement from the prior year's \$10.3 million balance due to increased use of the Treasury's OPAC system.

GPO accounts receivables due from other agencies were further reduced as agencies expanded their use of GPO Printing and Binding Deposit Accounts. At the end of the year there were over 138 deposit accounts valued in excess of \$54 million. Deposit accounts allow agencies to prepay for their printing, which greatly simplifies customer agencies accounting. It also has the added benefit of providing detailed customer account information through the Internet, which is maintained under secure conditions and can be downloaded or printed out by agencies.

### **Management Comments on GPO Financial Statements**

GPO's consolidated financial statements are prepared in accordance with the generally accepted accounting principles (GAAP) used by commercial enterprises in the United States of America. GAAP requires that financial statements be prepared on the accrual basis of accounting. Accrual accounting dictates that expenses are recorded when incurred, and revenues are recorded when earned, regardless of when cash is disbursed or received. GAAP also requires that accounting principles used be applied in a manner consistent with that of the previous year. Management believes that the accompanying financial statements provide information on all events and economic affairs controlled by the GPO in conformity with established regulations, procedures, and promulgated accounting principles.

GPO's accounting system includes internal controls designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are properly recorded. To ensure that adequate internal controls are maintained, management monitors the systems that provide management data, and initiates modifications or improvements deemed necessary to promote operational efficiencies and encourage adherence to prescribed managerial policies.

#### **▪ Operating Issues**

GPO's mission is to assist Congress and Federal agencies in the cost-effective creation and replication of information products and services, and to provide effective and economical public access to government information. GPO strives to operate and manage its resources efficiently and to achieve steady gains in productivity.

There has been a steady decline in recent years in traditional ink-on-paper printing and binding in the Federal government. GPO's operations and performance measures reflect this reduction. GPO has downsized from 8,500 employees in fiscal year 1976 to 3,178 at September 30, 2000. GPO's In-House Printing workforce has also been reduced and redeployed. GPO will continue to embrace technological improvements that contribute to efficient operations.

Neither Congress nor GPO can accurately forecast the printing workload that may be required to support and record the legislative process. In those years where congressional printing

requirements exceeds the funding provided, GPO uses its authority to temporarily fund the shortfall through the Revolving Fund. In the majority of years, funding has been adequate. However, in fiscal year 2000 the funding needed to provide Congress with its printing services exceeded the annual appropriation and transfer authority by an estimated \$9.9 million in obligations. In the past, such shortfalls have been paid-down using subsequent appropriations. The Congressional Operations Appropriation Act of 2001 requires the Clerk of the House of Representatives to conduct a study of the printing requirements of the House of Representatives and authorizes appropriations to the Clerk of the House for the printing needs of the House of Representatives, beginning in fiscal year 2003.

Management believes that GPO's Printing Procurement Program continues to be the best acquisition service for the Federal printing dollar. The Program offers the advantage of a centralized staff of technical experts to ensure that the printing requirements are met at the lowest price available. Customer orders are offered, via the competitive bid process, to a large network of commercial printing firms to obtain best price. From large jobs, the size of the DeCennial Census, to a one-page leaflet, GPO's Printing Procurement staff has been able to fulfill the needs of its customers on a timely and cost effective basis, as shown continually in their performance measures. This program, as with other print-on-paper operations, must continually look for ways to reduce costs and increase efficiency in an environment of declining demand.

For some time, GPO's Sales Program has been feeling the impact of the revolutionary changes in the dissemination of government information. As agencies have increasingly resorted to the Internet and other non-print methods of publishing, the Sales Program has seen a decline in both sales volume and in the number of salable titles available. The Sales of Publications Operations revenue of \$45.5 million declined from fiscal year 1999 revenue of \$50.8 million. This is a continuation of a trend that began in fiscal year 1995, when revenue was \$80 million. As a result, the Sales Program is not fully recovering its cost of operations. This is important because the Sales Program receives no appropriated funds, and must recover costs to keep going. The Superintendent of Documents is working on short and long-term strategies to deal with this situation, including price increases, cost-cutting measures, new methods of increasing public awareness of the products available; and an analysis of where a predominantly print-sales operation will fit into the increasingly electronic future of government publishing. The Superintendent of Documents is also exploring the possibility of forming partnerships with dot.com booksellers to increase the availability of sales items.

The pace of change in the Federal Depository Library Program (FDLP) accelerated dramatically in fiscal year 2000, caused by a combination of emerging technologies used by Federal publishing agencies and funding constraints imposed on the GPO. The emerging Electronic FDLP is increasingly based on managing an Electronic Collection (EC). This is done through updated versions of several of our traditional functions: to identify, evaluate, select, organize, and catalog government information products in all formats, and assure that they remain permanently accessible to the public. These services will continue and are critical elements of our EC management activities.

In fiscal year 2000, more FDLP business was conducted with depositories via the Internet.

Although some libraries are finding it expedient to leave the depository program, there is still strong commitment to public service among the more than 1,300 libraries that remain part of the FDLP. Indeed, depository libraries are helping to build and use the FDLP Electronic Collection; 95 percent meet minimum technical requirements and more than 1,000 have web-based catalogs. However, there is still a significant tangible products component in the FDLP, and a large amount of resources remain devoted to the acquisition, classification, format conversion, cataloging, and distribution of tangible products.

▪ **Fiscal Year 2000 Financial Results**

The public printing and documents chapters of Title 44, United States Code, require GPO to fulfill the printing needs of the Federal government and distribute government publications to the public. GPO activities are financed through a Revolving Fund, which is reimbursed by payments from customer agencies, sales to the public, and transfers from the Congressional Printing and Binding Appropriation and the Superintendent of Documents Salaries and Expenses Appropriation. These two annual appropriations are used to reimburse GPO for costs incurred while performing congressional work and fulfilling statutory requirements associated with the distribution of government publications, respectively. Reimbursements from the appropriations to the Revolving Fund are recorded as revenue, and unexpended appropriations are returned to the U.S. Treasury after 5 years.

GPO experienced a consolidated net loss of \$115,000 in fiscal year 2000, compared with a \$5.0 million net loss in fiscal year 1999. In fiscal year 2000, the net income was reduced by a \$3.6 million charge to increase the estimate for the long-term Workers' Compensation Liability (Notes 2K and 8). Revenues increased by \$42.5 million (5.6 percent) overall, while expenses increased by \$37.6 million (4.9 percent).

An analysis of operations by major operating areas shows that Printing and Binding Operations had net income for the year of \$12.0 million (including a one-time contribution of \$2.5 million provided by appropriated funds to offset expenses incurred for Y2K remediation). The Sales of Publications Operations revenue of \$45.5 million declined by \$5.3 million, or 10.4 percent when compared to fiscal year 1999 revenue of \$50.8 million.

The Sales of Publications Program lost \$12.2 million in fiscal year 2000 and \$9.2 million in fiscal year 1999, for a total of \$21.4 million. As a result of these losses, there is a cumulative deficit of \$16.8 million in the Equity Account for the Sales of Publications Operations at September 30, 2000, as shown below and on the Consolidating Balance Sheet by Fund Type, in millions:

<b>Printing and Binding Operations Equity</b>	<b>\$206.8</b>
<b>Sales of Publications Operations Equity</b>	<b>(16.8)</b>
<b>Total Revolving Fund Equity</b>	<b>\$190.0</b>

The Equity for the Sales of Publications Operations represents the accumulated deficit since fiscal year 1993. Due to statutory restrictions that required earnings to revert to the U.S. Treasury, the Sales of Publications Operations Program was unable to accumulate retained earnings until 1993. Prior to 1993, over \$17 million was returned to the Treasury as required

by statute, and over \$28 million was used to fund Salaries and Expenses operation as required by Congress.

A summary of revenues and net income (loss) in each GPO major operation is shown below.

### GPO's Major Operations (Unaudited)

(Dollars in thousands)				
	2000		1999	
	Revenues	Net Income (Loss)	Revenues	Net Income (Loss)
<b>Revolving Fund:</b>				
<b>Printing and binding operations:</b>				
<b>Purchased printing-</b>				
Central	\$330,619	\$3,160	\$306,537	\$924
Regional	226,993	(2,912)	207,070	(6,547)
Subtotal	557,612	248	513,607	(5,623)
<b>In-house printing-</b>				
Central	195,830	12,351	190,961	10,181
Regional	1,217	(755)	1,250	(761)
Subtotal	197,047	11,596	192,211	9,420
Other	2,020	174	2,281	598
Subtotal of printing and binding operations	756,679	12,018	708,099	4,395
<b>Information dissemination:</b>				
Sales of publications	45,479	(12,218)	50,812	(9,247)
Agency distributions	5,215	85	4,866	(193)
Subtotal	50,694	(12,133)	55,678	(9,440)
<b>Appropriations:</b>				
Salaries and expenses	29,983	-	33,163	-
Congressional printing and binding	81,064	-	76,554	-
Subtotal	111,047	-	109,717	-
Total before eliminations	918,420	(115)	873,494	(5,045)
<b>Eliminations (1)</b>				
	(110,892)	-	(108,497)	-
Total after eliminations	\$807,528	(\$115)	\$764,997	(\$5,045)

(1) The eliminations include revenue recognized by one area of the GPO for products or services produced or provided to another area of GPO. In order to avoid reporting the expense and revenue for intra-company transactions, eliminating entries must be made. In fiscal year 2000, major eliminations included printing work charged to the Congressional Printing and Binding Appropriation (\$81.1 million), publications printed for the Sales of Publications Program for resale to customers (\$12.9 million), and printing for programs funded by the Salaries and Expenses Appropriation (\$13.5 million).

▪ **Fiscal Year 2001 Projections**

GPO projects breakeven operations for fiscal year 2001. GPO estimates that revenue and expenses will decrease from fiscal year 2000 figures, particularly in Printing and Binding Operations. This program will decrease because fiscal year 2000 included the printing of materials for the Decennial Census which generated about \$70 million in additional revenue and expenses.

GPO expects to operate at less than the congressionally mandated full-time equivalent ceiling of 3,285 for fiscal year 2001, with no degradation in core products and services. This is possible primarily to efficiencies from recent investments in new technology and on-going automation efforts.

GPO will continue to develop and employ efficient business practices and production processes to contain costs, and emphasize cost-effective methods of providing customer agencies and the public with government information and dissemination services.

**U. S. Government Printing Office**  
**Consolidated Balance Sheets**

As of September 30, 2000 and 1999  
(Dollars in thousands)

Assets		Liabilities and Equity of the U.S. Government	
	2000	1999	
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>
Funds with U.S. Treasury (Note 2E)	\$ 224,869	\$ 175,772	Accounts payable and accrued expenses (Note 6)
Accounts receivable, net (Note 4)	146,206	164,015	Deferred revenues (Note 7)
Inventories, net (Note 2F)	20,667	21,821	Accrued annual leave (Note 2H)
Prepaid expenses	731	610	Total current liabilities
Total current assets	392,473	362,218	
<b>PROPERTY, PLANT, AND EQUIPMENT (Notes 2G &amp; 5)</b>			<b>OTHER LIABILITIES</b>
Land and buildings	18,633	18,633	Workers' compensation liability (Notes 2K and 8)
Equipment and building improvements	177,243	190,760	Total other liabilities
Total property, plant, and equipment	195,876	209,393	Total liabilities
			<b>COMMITMENTS AND CONTINGENCIES (Notes 9 and 10)</b>
Less: Accumulated depreciation and amortization	(127,884)	(136,019)	
Net property, plant, and equipment	67,992	73,374	<b>EQUITY OF THE U.S. GOVERNMENT</b>
			Revolving Fund (Note 11)
			Cumulative results of operations
			Invested capital
			Appropriated Funds (Note 12C)
			Total equity of the U.S. government
<b>Total assets</b>	<b>\$ 460,465</b>	<b>\$ 435,592</b>	<b>Total liabilities and equity of the U.S. government</b>
			<b>\$ 460,465</b>

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

**U.S. Government Printing Office**  
**Consolidated Statements of Revenues and Expenses**  
For the Fiscal Years Ended September 30, 2000 and 1999  
(Dollars in thousands)

	2000		1999	
	Amount	Percent of Revenues	Amount	Percent of Revenues
<b>REVENUES</b>				
Printing and binding	\$ 646,540	80.1%	\$ 600,410	78.6%
Sales of publications	45,479	5.6	50,812	6.6
Appropriations	110,294	13.7	108,909	14.2
Reimbursements	5,215	0.6	4,866	0.6
<b>Total revenues</b>	<b>807,528</b>	<b>100.0</b>	<b>764,997</b>	<b>100.0</b>
<b>EXPENSES</b>				
Printing and reproduction	498,326	61.7	459,617	60.1
Personnel compensation and benefits	203,351	25.2	205,020	26.8
Supplies and materials	39,215	4.9	38,288	5.0
Rents, communications, and utilities	25,383	3.1	25,207	3.3
Publications sold	12,887	1.6	13,406	1.8
Depreciation and amortization	7,886	1.0	8,403	1.1
Other services	8,740	1.1	8,310	1.1
Surplus publications	2,790	0.3	3,336	0.4
Travel and transportation	9,065	1.1	8,455	1.1
<b>Total expenses</b>	<b>807,643</b>	<b>100.0</b>	<b>770,042</b>	<b>100.7</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (115)</b>	<b>0.0%</b>	<b>\$ (5,045)</b>	<b>-0.7%</b>

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

**U.S. Government Printing Office**  
**Consolidated Statements of Cash Flows**  
For the Fiscal Years Ended September 30, 2000 and 1999  
(Dollars in thousands)

	2000	1999
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (115)	\$ (5,045)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	7,886	8,403
Depreciation expense funded from appropriated capital	(444)	(444)
Loss (Gain) on disposal of property, plant, and equipment	58	(46)
Changes in assets and liabilities:		
(Increase) decrease in assets-		
Accounts receivable	17,808	(9,097)
Inventories	1,153	909
Prepaid expenses	(121)	46
Increase (decrease) in liabilities-		
Accounts payable and accrued expenses	6,721	9,125
Deferred revenue	23,163	17,901
Accrued annual leave	(93)	(789)
Workers' compensation liability	3,582	3,754
Total adjustments	59,713	29,762
Net cash provided by operating activities	59,598	24,717
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(2,685)	(8,091)
Proceeds from sale of property, plant, and equipment	60	88
Net cash used in investing activities	(2,625)	(8,003)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in unexpended appropriations	(7,876)	(5,987)
Funds returned to U.S. Treasury from:		
Salaries and Expenses Appropriation	-	(155)
Net cash used in financing activities	(7,876)	(6,142)
<b>NET INCREASE IN FUNDS WITH U.S. TREASURY</b>	<b>49,097</b>	<b>10,572</b>
<b>FUNDS WITH U.S. TREASURY, beginning of year</b>	<b>175,772</b>	<b>165,200</b>
<b>FUNDS WITH U.S. TREASURY, end of year</b>	<b>\$ 224,869</b>	<b>\$ 175,772</b>

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

**U.S. Government Printing Office**  
**Notes to Consolidated Financial Statements**  
**September 30, 2000 and 1999**

**1. Organization:**

The U.S. Government Printing Office (GPO), a Legislative Branch agency, was established by the public printing and documents statutes of Title 44 of the U.S. Code. Congress enacted this legislation to provide to the Federal government an economic and efficient means for the production and procurement of congressional and agency printing and binding, and for the dissemination of information to the public. The Public Printer, appointed by the President of the United States with the advice and consent of the U.S. Senate, oversees the operations of GPO. GPO discharges its responsibilities through the operation of a Revolving Fund and congressional appropriations.

**2. Significant Accounting Policies:**

**A. Basis of Accounting**

As allowed by the Federal Accounting Standards Advisory Board (FASAB), the accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America applicable to commercial enterprises.

**B. Basis of Consolidation**

The accompanying consolidated financial statements of GPO include the accounts of all funds under GPO control that have been established and maintained to account for the resources of GPO. All significant intra-agency balances and transactions have been eliminated in consolidation. In addition, beginning in Fiscal Year 1998, GPO established reimbursable agreements with the Census Monitoring Board and the Bi-Cameral Commission on the Future of Medicare. Under these continuing agreements, GPO, for a fee, provides administrative support services. Expenses incurred and the subsequent reimbursement to GPO have been removed from GPO's financial statements.

Intra-agency transactions that were eliminated to consolidate GPO financial statements for the years ended September 30, 2000 and 1999, consisted of the following:

	(Dollars in thousands)	
	2000	1999
<b>Printing and reproduction:</b>		
<b>Congressional printing and binding</b>	<b>\$81,064</b>	<b>\$76,554</b>
<b>Sales of publications</b>	<b>12,887</b>	<b>13,406</b>
<b>Salaries and expenses</b>	<b>13,475</b>	<b>15,206</b>
<b>GPO internal use</b>	<b>374</b>	<b>575</b>
<b>Total printing and reproduction</b>	<b>107,800</b>	<b>105,741</b>
<b>Data processing</b>	<b>2,339</b>	<b>1,948</b>
<b>Miscellaneous</b>	<b>753</b>	<b>808</b>
<b>Total</b>	<b>\$110,892</b>	<b>\$108,497</b>

In addition, there is an elimination within the In-house Printing Program of revenues and expenses for services and other internal transactions (*e.g.*, internal-use forms, electronic repairs) provided to and by the In-house Printing Operations. This elimination was \$9,535,000 and \$9,285,000 for the years ended September 30, 2000 and 1999, respectively.

### C. Methods of Funding

- **Revolving Fund** accounts are established to finance a continuing cycle of operations with receipts derived from operations. The GPO Revolving Fund is used to finance two major GPO programs: Printing and Binding Operations and Sales of Publications Operations.

Printing and Binding Operations accounts record transactions related to printing and binding performed for customer agencies and Congress. Sales of Publications Operations accounts are used to record transactions related to the sale of government publications and the distribution of publications on behalf of customer agencies.

- **General Fund** accounts record financial transactions arising under annual congressional appropriations. GPO operates two major programs that are financed in this manner: the Salaries and Expenses Appropriation and the Congressional Printing and Binding Appropriation.

The Salaries and Expenses Appropriation account records transactions for expenses incurred by the Superintendent of Documents for depository library distributions, international exchange distributions, other statutory distribution of publications, and for the cataloging and indexing of government publications.

The Congressional Printing and Binding Appropriation account is used to record printing and binding performed for Congress and for printing and binding publications authorized by law to be distributed without charge to recipients.

To the extent feasible, general and administrative expenses have been allocated among the various expense categories based on the estimated level of effort associated with each program.

#### **D. Revenue Recognition and Expended Appropriations**

- **In-house Printing and Binding** – By law, GPO must be reimbursed for printing and binding services by the customer agency. Consequently, all Revolving Fund revenues from in-house printing and binding work (work not commercially procured) are recognized on a value-added basis, *i.e.*, as work is performed.
- **Commercially Procured Printing and Binding** – Revolving Fund revenues from commercially procured printing and binding are recognized on the date the contract requirements are fulfilled, which is generally the date of shipment by the commercial contractor to the requesting agency.
- **Distributing or Selling Publications** – Revolving Fund revenues from distributing or selling publications are recognized when the publications have been shipped or when the services have been performed.
- **Appropriation Revenues** – Appropriation revenues are recorded when the qualifying expenses are incurred. The amount of appropriations expended and the programs funded by appropriations are presented in Note 12B. Unexpended appropriations are recorded as a component of Equity of U.S. Government (see Note 12C). Appropriation balances are canceled after 5 years.
- **Deferred Revenues** - Deferred revenues result from the receipt of customer remittances for products or services that will be delivered or provided in the future. Deferred revenues are classified into the following categories: deferred subscription revenue, customer deposits-held on account, customer deposits-unfilled orders, and advance billings to Federal agencies (see Note 7).

“Deferred subscription revenue” represents the value of the subscription service that has not yet been provided for products such as the *Congressional Record*, the *Federal Register*, and the *Commerce Business Daily*. The category, “Customer deposits-held on account,” represents amounts received from customers for deposit in pre-established accounts to provide the customer the convenience of sending periodic payments to pay for publications ordered, rather than remitting payments for every item ordered. “Customer deposits-unfilled orders” represents funds received for publications not available for immediate shipment. Revenue for these transactions will be recognized at the time the products (subscriptions, publications, etc.) are delivered. Finally, “Advance billings to Federal agencies” are advance payments made by agencies to cover the cost of producing large printing orders. This revenue is recognized as work is completed.

### E. Funds with U.S. Treasury

Funds with U.S. Treasury represent all unexpended balances in GPO's accounts with the Department of the Treasury. A breakdown of items included in GPO's funds with the U. S. Treasury as of September 30, 2000 and 1999 follows.

		(Dollars in thousands)	
		2000	1999
<b>Revolving fund</b>		<b>\$176,528</b>	<b>\$122,155</b>
<b>Appropriations by fiscal year:</b>			
	1995	-	5,030
	1996	5,698	8,257
	1997	11,318	12,840
	1998	1,747	3,329
	1999	1,544	23,604
	2000	27,786	-
	<b>Total appropriations</b>	<b>48,093</b>	<b>53,060</b>
	<b>On-hand and in-transit</b>	<b>248</b>	<b>557</b>
	<b>Total</b>	<b>\$224,869</b>	<b>\$175,772</b>

In 1997, the U.S. General Accounting Office (GAO) defined restricted funds with U.S. Treasury for GPO as funds with U.S. Treasury held for customer deposit accounts and employees' accrued salaries and annual leave. These funds cannot be used other than for those specific purposes. GPO had restricted funds with U.S. Treasury of \$84.0 million and \$67.0 million at September 30, 2000 and 1999, respectively. Also, the agreement between GPO and the Census Monitoring Board (CMB) provided for CMB funds to be reported on GPO's Treasury statements. GPO's "Year end Closing Statement" (TFS 2108) included \$2,464,000 in unexpended CMB appropriations that have been excluded from GPO's financial statements.

All appropriated funds were either expended or obligated at September 30, 2000 and 1999 (See note 12).

## F. Inventories

The components of inventories as of September 30, 2000 and 1999 are as follows.

	(Dollars in thousands)	
	2000	1999
Publications for sale	\$11,520	\$11,971
Allowance for surplus publications	(2,643)	(2,532)
Publications for sale, net	8,877	9,439
Paper	4,874	5,126
Materials and supplies	8,984	9,350
Allowance for obsolescence	(2,068)	(2,094)
Paper, materials, and supplies, net	11,790	12,382
Inventories, net	\$20,667	\$21,821

Inventories of publications held for sale are valued at the lower of cost, using the weighted average cost method, or market, and are shown net of an allowance for surplus publications. The allowance for surplus publications is established for the estimated value of potentially obsolete or excess publications held in inventory.

Paper, materials, and supplies inventory includes the cost of production material (e.g., blank paper, spare parts, ink, and book cloth), as well as the cost of administrative-use supplies. This inventory is valued at the lower of cost, using the weighted moving average cost method, or market, net of an allowance for materials and supplies obsolescence. There is no provision for paper obsolescence due to the frequency of use.

## G. Property, Plant, and Equipment

Property and equipment purchases and additions are valued at cost. Printing equipment transferred to GPO from other Federal agencies is valued in accordance with JCP Regulation Number 26, *Government Printing and Binding Regulations*. This valuation approximates fair market value.

Major alterations and renovations are capitalized while normal maintenance and repair costs are expensed as incurred. Depreciation and amortization of property and equipment is calculated on a straight-line basis over their respective estimated useful lives. The range of estimated useful lives of GPO assets is as follows.

<b>Category</b>	<b>Estimated Useful Life</b>
<b>Buildings and improvements</b>	<b>42 to 50 years</b>
<b>Plant machinery and equipment</b>	<b>5 to 20 years</b>
<b>Office machinery and equipment</b>	<b>5 years</b>
<b>Computer hardware</b>	<b>5 years</b>
<b>Computer software</b>	<b>3 years</b>
<b>Furniture and fixtures</b>	<b>5 years</b>
<b>Vehicles</b>	<b>3 to 6 years</b>

Leasehold improvements are amortized over the lesser of their useful lives or lease terms.

Beginning with fiscal year 1999, GPO increased the threshold for capitalizing assets from \$5,000 to \$25,000. Only those assets with acquisition values of \$25,000 or more are capitalized. The impact of this change on the fiscal year 1999 statements was an increase in materials and supplies expense of about \$120,000.

#### **H. Annual, Sick, and Other Types of Leave**

Annual leave is accrued as a liability when earned, and the liability is reduced when leave is used. Each year the annual leave liability is adjusted to reflect current pay rates. At September 30, 2000, the liability for accrued annual leave was \$10,449,000 compared with \$10,542,000 at September 30, 1999.

Sick leave and other types of non-vested leave are expensed when used. There is no limit on the amount of sick leave that may be accumulated, and no payment is made for unused sick leave.

#### **I. Accounting for Intra-agency Activities**

Other Federal agencies make financial decisions and report certain financial matters on behalf of the entire Federal government, including matters in which individual agencies may be an indirect party. Federal agencies are required to record or report only those financial matters for which they are directly responsible. Financial matters maintained or reported by other Federal agencies in which GPO is indirectly involved include employee benefit plans (see Note 3) and certain legal situations (see Note 10).

#### **J. Statements of Cash Flows**

The statements of cash flows identify cash receipts and payments and classify them into operating, investing, and financing activities. The disclosure of this information is intended to help assess the ability of GPO to generate funds from current operations, to identify financing acquired from outside sources, and to identify the major non-operating (investing) uses of funds. For purposes of these statements, cash is considered to be Funds with U.S. Treasury, as defined in Note 2E.

### **K. Workers' Compensation Liability**

The Workers' Compensation Liability (WCL) is the estimated liability for future compensation and medical benefits that GPO will be obligated to pay. GPO discounted the value of estimated future payments to reflect the time value of money and increased future payments for estimated cost of living adjustments and consumer price index increases. The probability of future payments was based on historical benefit payment patterns combined with current information related to individual benefit claims. The estimated liability of \$36 million was increased by \$3.4 million in fiscal year 2000.

### **L. Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the amount of revenues and expenses reported during the reporting period. Actual results could differ from these estimates.

### **M. Reclassification of Fiscal Year 1999 Balances**

Certain reclassifications have been made to fiscal year 1999 balances to present them consistently with the fiscal year 2000 financial statements.

## **3. Employee Benefit Plans:**

GPO funds a portion of pension contributions for its employees under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), and also makes payroll deductions from employees for their pension contributions. The required employer contributions are established by the U.S. Office of Personnel Management (OPM). OPM is responsible for government-wide reporting of FERS and CSRS assets, accumulated plan benefits, and unfunded liabilities. Therefore, GPO is not required to disclose the unfunded pension liability and post-employment benefits relative to its employees.

### **A. Civil Service Retirement System**

The majority of GPO's employees were covered by the CSRS, a defined benefit plan, during fiscal years 2000 and 1999. Total GPO (employer) contributions to CSRS for employees covered under this retirement program were 9.01 percent in both fiscal years 2000 and 1999 for *Congressional Record* indexers, investigators, and law officers; and 8.51 percent in fiscal years 2000 and 1999, respectively, for all other employees. GPO's contributions were \$9.3 million and \$9.5 million for the fiscal years ended September 30, 2000 and 1999, respectively.

### **B. Federal Employees Retirement System**

On January 1, 1987, the FERS commenced pursuant to Public Law 99-335. Using Social Security as a base, the FERS provides a defined benefit plan (Basic Benefit Plan) and a voluntary (defined contribution) plan. Employees hired after December 31, 1983, were

automatically covered by FERS and Social Security, while employees hired prior to January 1, 1984, were able to choose between joining this plan or remaining in CSRS. Unlike CSRS, FERS offers the Federal government's Thrift Savings Plan (TSP), which requires GPO to contribute 1 percent of an enrolled employee's base pay, and additionally to match voluntary employee contributions up to 4 percent of base pay.

In both fiscal years 2000 and 1999, GPO (employer) contributions to FERS were 15.4 percent for *Congressional Record* indexers; 23.3 percent for investigators and law officers; and 10.7 percent for all other employees covered under this plan. Total GPO contributions were \$5.1 million and \$4.9 million in fiscal year 2000 and 1999, respectively. The TSP requires GPO to contribute 1 percent of an enrolled employee's base pay, and additionally to match voluntary employee contributions up to 4 percent of base pay. Additional contributions of GPO's share to the TSP for the year ended September 30, 2000 was \$1.9 million, and \$1.7 million in fiscal year 1999.

### **C. Social Security System**

GPO matches contributions to the Social Security Administration (SSA) under the Federal Insurance Contributions Act (FICA). For employees covered by FERS, GPO contributes matching amounts of 6.2 percent of gross pay (up to \$76,200) to SSA's Old Age, Survivors, and Disability Insurance (OASDI) Program. Additionally, GPO makes matching contributions for all employees of 1.45 percent of gross pay to SSA's Medicare Hospital Insurance Program. Payments to these programs for the years ended September 30, 2000 and 1999 totaled \$5.7 million and \$5.6 million, respectively.

### **D. Pension and Other Post-Employment Benefits Provided by Others**

FASAB Statement of Federal Financial Accounting Standards No. 5, *Accounting for Liabilities of the Federal Government*, requires federal agencies to follow Federal Accounting Standards to recognize their share of the "normal cost" of pension and other post-employment benefits provided by others. To the extent that normal costs exceed current contributions, the standard requires that an additional expense be recognized, or offset, by imputed funding.

As allowed by the FASAB, GPO has historically elected to prepare its financial statements on the basis of commercial enterprise generally accepted accounting principles and accordingly has reflected only the current cost of these programs in its financial statements since OPM is responsible for funding the normal cost component.

#### 4. Accounts Receivable:

Accounts receivable as of September 30, 2000 and 1999, consists of the following .

	(Dollars in thousands)	
	2000	1999
<b>Federal Agencies:</b>		
Unbilled completed work	\$132,319	\$126,997
Unbilled work in process	5,568	31,582
Billed completed work	8,376	6,608
Subtotal	146,263	165,187
<b>Other receivables:</b>		
The public	604	597
GPO employees	1,132	1,065
Subtotal	1,736	1,662
Total accounts receivable	147,999	166,849
Allowance for doubtful accounts	(1,793)	(2,834)
Total accounts receivable, net	\$146,206	\$164,015

The majority of GPO accounts receivable are due from other Federal agencies. Unbilled completed work results from the delivery of goods or the performance of services for which bills have not been presented. At September 30, 2000, this balance included finished work for which invoices have not been prepared of \$35.4 million, unbilled commercial printing of \$72.0 million, and finished work of \$23.7 million that was collected via the U. S. Treasury's OPAC system in October 2000. At September 30, 1999, this balance included finished work for which invoices had not be prepared of \$24.9 million, unbilled commercial printing of \$64.9 million, and finished work of \$36.5 million that was collected via the U.S. Treasury's OPAC in October 1999.

Unbilled work in process represents the amount of work performed on customer orders as of September 30, 2000 and 1999, that, by law, must be reimbursed by GPO customers.

Employees' accounts receivable for fiscal year 2000 includes \$1,029,000 and \$93,000 owed by current and former employees, respectively, who were advanced leave. Leave indebtedness for employees is repaid in biweekly installments or by other GPO employees on their behalf, through the donated leave program. Employee's accounts receivable for fiscal year 1999 included \$971,000 and \$76,000 owed by current and former employees, respectively, who were advanced leave.

## 5. Property, Plant, and Equipment:

Property, plant, and equipment as of September 30, 2000 and 1999 consisted of the following.

	(Dollars in thousands)			
	Acquisition Value	Accumulated Depreciation & Amortization	2000 Net Book Value	1999 Net Book Value
Land	\$9,977	\$ -	\$9,977	\$9,977
Buildings	8,656	8,656	-	-
Subtotal	18,633	8,656	9,977	9,977
Building improvements	55,495	40,051	15,444	17,044
Leasehold improvements	1,214	1,052	162	204
Plant machinery and equipment	75,348	52,894	22,454	23,781
Office machinery and equipment	17,592	12,911	4,681	6,204
Computer software	18,544	8,052	10,492	9,552
Furniture and fixtures	3,062	1,727	1,335	1,646
Vehicles	2,958	2,541	417	302
Capital improvements in process	-	-	-	1,092
Software development in process	3,030	-	3,030	3,572
Subtotal	177,243	119,228	58,015	63,397
Total	\$195,876	\$127,884	\$67,992	\$73,374

## 6. Accounts Payable and Accrued Expenses:

Accounts payable and accrued expenses as of September 30, 2000 and 1999 were composed of the following.

	(Dollars in thousands)	
	2000	1999
Accounts payable:		
Commercial printing	\$66,209	\$62,056
U.S. Government agencies	12,758	11,849
Other	6,388	5,594
Total accounts payable	85,355	79,499
Accrued salaries and wages	11,177	10,328
State and local payroll taxes	766	750
Total accounts payable and accrued expenses	\$97,298	\$90,577

## 7. Deferred Revenues:

As of September 30, 2000 and 1999, deferred revenue consisted of the following.

	(Dollars in thousands)	
	2000	1999
Deferred subscription revenue	\$11,922	\$12,106
Customer deposits-held on account	61,956	45,343
Customer deposits-unfilled orders	1,241	1,960
Advance billings to Federal agencies	9,511	2,058
<b>Total</b>	<b>\$84,630</b>	<b>\$61,467</b>

“Customer deposits-held on account” totaling \$62.0 million at September 30, 2000, represents amounts received in advance from printing and binding customer agencies to cover future printing requirements of \$55.9 million; and, monies deposited, totaling \$6.1 million, by Sales of Publications Program customers to enable them to purchase publications without remitting cash with each order. Unused deposit account balances are refunded upon customer request.

## 8. Summary of Significant Assumptions for Workers' Compensation Liability:

Projected annual benefit payments have been discounted to present value using the Office of Management and Budget's (OMB) economic assumptions for 10-year Treasury notes and bonds. Interest rate assumptions utilized for discounting purposes in 2000 and 1999 were obtained from the Congressional Budget Office Web site as follows.

	2000	2001	2002	2003	2004 and thereafter
2000	N/A	6.80	5.80	5.80	5.80
1999	5.60	5.60	5.60	5.60	5.60

Wage inflation factors (cost of living adjustment, or COLA) and medical inflation factors (consumer price index for medical costs, or CPIM) were used to calculate the estimated future compensation and medical payments. Retention rates were developed using data obtained from the Bureau of Labor Statistics' Web site. This data was then analyzed to project future COLA and CPIM factors. A retention rate of 95 percent was applied to compensation claims and a retention rate of 84 percent was applied to medical claims.

The COLA and CPIM factors used to develop the estimated liability at September 30, 2000 follow.

	2001	2002	2003	2004	2005 and thereafter
COLA	1.84%	1.70%	1.57%	1.45%	1.45%
CPIM	3.83%	3.92%	3.98%	4.02%	4.02%

The future payments were estimated over the life expectancy of each claimant. The life expectancy rates were based on annuity tables to estimate the expected remaining life at the date of injuries of Federal retirees for determining pension benefits.

The Workers' Compensation Liability is approximately \$36.0 million and \$32.6 million at September 30, 2000 and 1999, respectively.

## 9. Commitments:

### A. Operating Leases

As of September 30, 2000, GPO was committed to various non-cancelable operating leases, primarily covering warehouse, office, and retail space. Some of these leases contain escalation clauses and renewal options. A schedule of future minimum rental payments required under operating leases by type, which have initial or remaining non-cancelable lease terms in excess of one year follows.

Fiscal Year	(Dollars in thousands)			
	Warehouse	Retail	Office	Total
2001	\$ 1,615	\$ 404	\$ 273	\$ 2,292
2002	1,642	354	174	2,170
2003	1,642	155	89	1,886
2004	1,586	79	83	1,748
2005	964	67	83	1,114
2006 and beyond	241	17	-	258
<b>Total minimum lease payments</b>	<b>\$7,690</b>	<b>\$1,076</b>	<b>\$702</b>	<b>\$9,468</b>

Rent expense for the years ended September 30, 2000 and 1999, were \$6,044,000 and \$6,270,000, respectively.

## **B. Commitments on Undelivered Orders**

Some of GPO's orders for goods and services have been placed, but have not been delivered at fiscal year-end. Total undelivered orders for all GPO activities were approximately \$110.9 million and \$127.4 million as of September 30, 2000 and 1999, respectively.

## **10. Contingencies:**

### **Administrative proceedings, Legal actions, and Claims**

GPO is a party to various administrative proceedings, legal actions, and claims brought by or against it. In the opinion of GPO management and legal counsel, the ultimate resolution of these proceedings, actions, and claims will not materially affect the financial position or results of operations of GPO.

Occasionally, GPO may be the named party, but another agency may administer and litigate the case. Amounts to be paid under any decision, settlement, or award pertaining thereto may be funded by those agencies. In most cases, tort claims are administered and resolved by the U.S. Department of Justice, and any amounts necessary for resolution are obtained from a Special Judgment Fund maintained by the Department of the Treasury. Amounts paid from this fund on behalf of the GPO were \$85,000 and \$375,600 for the years ended September 30, 2000 and 1999, respectively, and are not reflected in the GPO's consolidated financial statements.

## **11. Revolving Fund:**

### **A. Cumulative Results of Operations**

Cumulative results of operations for the Revolving Fund include net operating results since its inception, reduced by funds returned to the Department of the Treasury by legislative rescissions, and by transfers to other Federal agencies.

### **B. Invested Capital**

Invested Capital represents Federal government resources directly appropriated to GPO by Congress to invest in GPO assets, primarily in land, buildings, equipment, and working capital. The Revolving Fund was established in 1953 with appropriated funds of \$33.8 million, and buildings and land with a fair market value of \$415,000. Subsequently, Congress provided additional funding to GPO of \$75.5 million for working capital (\$58 million since 1953) and land and other improvements (\$17.5 million since 1971).

Increases to Invested Capital are also recorded when printing equipment is donated to GPO. Invested Capital is reduced over the useful life of the donated asset or when retired. The net book value of assets donated to GPO from other agencies was \$249,000 and \$314,000 in fiscal years 2000 and 1999, respectively.

The Revolving Fund received appropriations totaling \$12.9 million during the 1970's for an air-conditioning system that was recorded as Invested Capital. Invested Capital is reduced annually by \$444,000 to reflect the air-conditioning system's depreciation. In fiscal year 1998, Congress authorized that up to \$11,017,000 of GPO's Invested Capital to be used to

supplement the 1998 Congressional Printing and Binding Appropriation. Based on fiscal year 1998 expenditures and obligations, and an estimate of funding required to complete all work obligated during the year, GPO transferred \$3,748,000 to the 1998 Congressional Printing and Binding Appropriation, which was recorded as a reduction in Invested Capital in fiscal year 1998. In fiscal year 1999, due to greater than anticipated requirements for Congress's 1998 printing and binding, GPO transferred an additional \$3.3 million from GPO's Revolving Fund to the 1998 Congressional Printing and Binding Appropriation to fund the completion of work.

### C. Summary of Revolving Fund Activity

Below is a summary of activity for the Revolving Fund portion of Equity of U.S. Government in fiscal years ended September 30, 2000 and 1999. See Note 12 for Appropriated Funds summary.

	(Dollars in thousands)		
	Cumulative Results of Operations	Invested Capital	Total Revolving Fund
Revolving Fund balance, September 30, 1998	\$100,045	\$96,143	\$196,188
Donated equipment, net	-	(83)	(83)
Reclassification to transfer depreciation expense for air-conditioning system	-	(444)	(444)
Fund transfer from Revolving Fund to Congressional Printing and Binding Operations	-	-	-
Net loss for fiscal year ending September 30, 1999	(5,045)	-	(5,045)
Revolving Fund balance, September 30, 1999	\$95,000	\$95,616	\$190,616
Donated equipment, net	-	(65)	(65)
Reclassification to transfer depreciation expense for air-conditioning system	-	(444)	(444)
Fund transfer from Revolving Fund to Congressional Printing and Binding Operations	-	-	-
Net loss for fiscal year ending September 30, 2000	(115)	-	(115)
Revolving Fund balance, September 30, 2000	\$94,885	\$95,107	\$189,992

## 12. Appropriated Funds:

### A. Available Appropriations

Total net appropriations made available, after rescission, for fiscal years ending September 30, 2000 and 1999, were \$73,297,000 and \$74,465,000 for Congressional Printing and Binding, respectively, and \$29,872,000 and \$29,264,000 for Salaries and Expenses of the Superintendent of Documents.

## B. Expended Appropriations

Expended appropriations for program operations for the years ending September 30, 2000 and 1999, were as follows.

	(Dollars in thousands)	
	2000	1999
<b>Congressional printing and binding:</b>		
Congressional Record products	\$21,179	\$18,688
Miscellaneous publications and printing and binding	19,188	18,271
Hearings	18,954	14,121
Bills, resolutions, and amendments	5,173	11,795
Details to Congress	2,332	2,593
Other	14,238	11,086
<b>Total congressional printing and binding</b>	<b>81,064</b>	<b>76,554</b>
<b>Salaries and expenses:</b>		
Depository library distribution	25,873	29,338
Cataloging and indexing	2,900	2,755
By-law distribution	677	618
International exchange	533	452
<b>Total salaries and expenses</b>	<b>29,983</b>	<b>33,163</b>
<b>Total expended appropriations</b>	<b>\$111,047</b>	<b>\$109,717</b>
<b>Reconciliation of expended appropriations to the consolidated statements of revenues and expenses:</b>		
<b>Total expended appropriations</b>	<b>\$111,047</b>	<b>\$109,717</b>
<b>Eliminations (Intra-agency)</b>	<b>(753)</b>	<b>(808)</b>
<b>Consolidated revenues from appropriations</b>	<b>\$110,294</b>	<b>\$108,909</b>

## C. Unexpended Appropriations

As of September 30, 2000, GPO had obligated services for the unexpended appropriations for the Congressional Printing and Binding of \$26,012,000, and Salaries and Expenses of \$15,867,000, for a total of \$41,879,000. At September 30, 1999, these amounts were \$33,779,000 and \$15,977,000, totaling \$49,756,000.

### 13. Concentration of Credit Risk:

GPO financial instruments, none of which are held for trading purposes, consist primarily of cash and cash equivalents, accounts receivable, and accounts payable at September 30, 2000 and 1999. GPO estimates the fair value of financial instruments at September 30, 2000 and 1999 to be the carrying value. Cash and cash equivalents are held by the U.S. Treasury, accounts receivable are primarily due from various U.S. Government agencies, and accounts payable are primarily due to various commercial vendors.

### 14. Major Customers:

GPO's primary customers are Federal agencies. Revenues from those customers representing 10 percent or more of GPO's revenues are as follows.

	(Dollars in thousands)			
	2000		1999	
	Amount	Percent	Amount	Percent
Department of Defense	\$136,376	16.9%	\$130,027	17.0%
Department of U.S. Treasury	\$102,509	12.7%	\$98,495	12.9%
Congress	\$81,064	10.0%	\$76,554	10.0%

**U.S. GOVERNMENT PRINTING OFFICE**  
**Consolidating Balance Sheet by Fund Type**  
As of September 30, 2000  
(Dollars in thousands)  
(Unaudited)

	Revolving Fund		General Fund			Total Before Eliminations	Eliminations	Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Printing and Binding Appropriation	Congressional			
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Funds with U.S. Treasury	\$ 162,996	\$ 13,779	\$ 19,849	\$ 28,245	\$ -	\$ 224,869	\$ -	\$ 224,869
Accounts receivable, net	172,855	2,745	50	-	-	175,650	(29,444)	146,206
Inventories:								
Publications for sale, net	-	8,878	-	-	-	8,878	-	8,878
Paper	4,874	-	-	-	-	4,874	-	4,874
Materials and supplies, net	6,915	-	-	-	-	6,915	-	6,915
Total inventories, net	11,789	8,878	-	-	-	20,667	-	20,667
Prepaid expenses	731	-	-	-	-	731	-	731
Total current assets	348,371	25,402	19,899	28,245	-	421,917	(29,444)	392,473
<b>PROPERTY, PLANT, AND EQUIPMENT</b>								
Land and buildings	18,633	-	-	-	-	18,633	-	18,633
Building improvements	55,495	-	-	-	-	55,495	-	55,495
Leasehold improvements	1,214	-	-	-	-	1,214	-	1,214
Plant machinery and equipment	75,348	-	-	-	-	75,348	-	75,348
Office machinery and equipment	17,592	-	-	-	-	17,592	-	17,592
Computer software	18,544	-	-	-	-	18,544	-	18,544
Furniture and fixtures	3,062	-	-	-	-	3,062	-	3,062
Vehicles	2,958	-	-	-	-	2,958	-	2,958
Software development in process	3,030	-	-	-	-	3,030	-	3,030
Less: Accumulated depreciation and amortization	(127,884)	-	-	-	-	(127,884)	-	(127,884)
Net property, plant, and equipment	67,992	-	-	-	-	67,992	-	67,992
Total assets	\$ 416,363	\$ 25,402	\$ 19,899	\$ 28,245	\$ -	\$ 489,909	\$ (29,444)	\$ 460,465

U.S. GOVERNMENT PRINTING OFFICE  
**Consolidating Balance Sheet by Fund Type**  
As of September 30, 2000  
(Dollars in thousands)  
(Unaudited)

	Revolving Fund		General Fund			Total Before Eliminations	Eliminations	Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation				
<b>LIABILITIES AND EQUITY OF THE U.S. GOVERNMENT</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable and accrued expenses	\$ 97,470	\$ 23,007	\$ 4,032	\$ 2,233	\$ 126,742	\$ (29,444)	\$ 97,298	
Deferred revenue	65,418	19,212	-	-	84,630	-	84,630	
Accrued annual leave	10,449	-	-	-	10,449	-	10,449	
<b>Total current liabilities</b>	<b>173,337</b>	<b>42,219</b>	<b>4,032</b>	<b>2,233</b>	<b>221,821</b>	<b>(29,444)</b>	<b>192,377</b>	
<b>OTHER LIABILITIES</b>								
Workers' compensation liability	36,217	-	-	-	36,217	-	36,217	
<b>Total other liabilities</b>	<b>36,217</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,217</b>	<b>-</b>	<b>36,217</b>	
<b>Total liabilities</b>	<b>209,554</b>	<b>42,219</b>	<b>4,032</b>	<b>2,233</b>	<b>258,038</b>	<b>(29,444)</b>	<b>228,594</b>	
<b>Commitments and contingencies</b>								
<b>EQUITY OF THE U.S. GOVERNMENT</b>								
Revolving fund	206,809	(16,817)	-	-	189,992	-	189,992	
Appropriated funds	-	-	15,867	26,012	41,879	-	41,879	
<b>Total Equity of the U.S. Government</b>	<b>206,809</b>	<b>(16,817)</b>	<b>15,867</b>	<b>26,012</b>	<b>231,871</b>	<b>-</b>	<b>231,871</b>	
<b>Total liabilities and equity of the U.S. Government</b>	<b>\$ 416,363</b>	<b>\$ 25,402</b>	<b>\$ 19,899</b>	<b>\$ 28,245</b>	<b>\$ 489,909</b>	<b>\$ (29,444)</b>	<b>\$ 460,465</b>	

U.S. GOVERNMENT PRINTING OFFICE

**Consolidating Schedule of Revenues and Expenses by Fund Type**

For the Fiscal Year Ended September 30, 2000

(Dollars in thousands)

(Unaudited)

	Revolving Fund		General Fund		Total Before Eliminations	Eliminations	Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation			
<b>REVENUES</b>							
Printing and Binding	\$ 756,679	\$ -	\$ -	\$ -	\$ 756,679	\$ (110,139)	\$ 646,540
Sales of Publications	-	45,479	-	-	45,479	-	45,479
Appropriations	-	-	29,983	81,064	111,047	(753)	110,294
Reimbursements	-	5,215	-	-	5,215	-	5,215
<b>Total Revenues</b>	<b>756,679</b>	<b>50,694</b>	<b>29,983</b>	<b>81,064</b>	<b>918,420</b>	<b>(110,892)</b>	<b>807,528</b>
<b>EXPENSES</b>							
Printing and reproduction	511,213	374	13,475	81,064	606,126	(107,800)	498,326
Personnel compensation and benefits	164,437	29,440	11,307	-	205,184	(1,833)	203,351
Supplies and materials	37,170	1,373	789	-	39,332	(117)	39,215
Rents, communications, and utilities	13,579	10,840	1,256	-	25,675	(292)	25,383
Publications sold	-	12,887	-	-	12,887	-	12,887
Depreciation and amortization	6,857	740	289	-	7,886	-	7,886
Other services	7,501	1,369	720	-	9,590	(850)	8,740
Surplus publications	-	2,790	-	-	2,790	-	2,790
Travel and transportation	3,904	3,014	2,147	-	9,065	-	9,065
<b>Total Expenses</b>	<b>744,661</b>	<b>62,827</b>	<b>29,983</b>	<b>81,064</b>	<b>918,535</b>	<b>(110,892)</b>	<b>807,643</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 12,018</b>	<b>\$ (12,133)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (115)</b>	<b>\$ -</b>	<b>\$ (115)</b>

**U.S. GOVERNMENT PRINTING OFFICE**  
**Consolidating Schedule of Cash Flows by Fund Type**  
For the Fiscal Year Ended September 30, 2000  
(Dollars in thousands)  
(Unaudited)

	Revolving Fund		General Fund		Eliminations	Total Before Eliminations	Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net income (loss)	\$ 12,018	\$ (12,133)	\$ -	\$ -	\$ -	\$ (115)	\$ (115)
Adjustments to net income (loss):							
Depreciation and amortization	7,886	-	-	-	-	7,886	7,886
Depreciation Expense funded from appropriated capital	(444)	-	-	-	-	(444)	(444)
Gain on disposal of property, plant, and equipment	58	-	-	-	-	58	58
Changes in assets and liabilities:							
(Increase) decrease in assets-							
Accounts receivable	(812)	1,600	57	-	-	845	17,808
Inventories	592	561	-	-	-	1,153	1,153
Prepaid expenses	(121)	-	-	-	-	(121)	(121)
Increase (decrease) in liabilities-							
Accounts payable and accrued expenses	5,390	15,441	621	2,232	(16,963)	23,684	6,721
Deferred revenue	24,710	(1,548)	-	-	-	23,162	23,162
Accrued annual leave	(93)	-	-	-	-	(93)	(93)
Workers' compensation liability	3,582	-	-	-	-	3,582	3,582
Total adjustments	40,748	16,054	678	2,232	-	59,712	59,712
Net cash provided by operating activities	52,766	3,921	678	2,232	-	59,597	59,597
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Capital expenditures	(2,685)	-	-	-	-	(2,685)	(2,685)
Proceeds from sale of property, plant, and equipment	60	-	-	-	-	60	60
Net cash used in investing activities	(2,625)	-	-	-	-	(2,625)	(2,625)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Increase in unexpended appropriations	-	-	(109)	(7,766)	-	(7,875)	(7,875)
Funds returned to U.S. Treasury from: Salaries and Expenses Appropriation	-	-	-	-	-	-	-
Net cash used in financing activities	-	-	(109)	(7,766)	-	(7,875)	(7,875)
<b>NET INCREASE (DECREASE) IN FUNDS WITH U.S. TREASURY</b>	50,141	3,921	569	(5,534)	-	49,097	49,097
<b>FUNDS WITH U.S. TREASURY, beginning of year</b>	112,856	9,857	19,280	33,779	-	175,772	175,772
<b>FUNDS WITH U.S. TREASURY, end of year</b>	\$ 162,997	\$ 13,778	\$ 19,849	\$ 28,245	\$ -	\$ 224,869	\$ 224,869

**U.S. GOVERNMENT PRINTING OFFICE**  
**Supplemental Schedule of Appropriated Funds**  
For the Fiscal Years Ended September 30, 2000 and 1999  
(Dollars in thousands)  
(Unaudited)

	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation	Total General Fund	
			2000	1999
APPROPRIATIONS, beginning of year (on cash basis)	\$ 19,281	\$ 33,779	\$ 53,060	\$ 53,398
FUNDS PROVIDED - Appropriations	29,872	73,297	103,169	103,729
Total funds available	49,153	107,076	156,229	157,127
<b>FUNDS APPLIED</b>				
Obligated appropriations:				
Current year	19,894	57,221	77,115	76,377
Prior years	9,410	21,611	31,021	27,535
Funds returned to U.S. Treasury	-	-	-	155
Total funds applied	29,304	78,832	108,136	104,067
APPROPRIATIONS, end of year (on cash basis)	19,849	28,244	48,093	53,060
<b>ADJUSTMENTS</b>				
Intra-agency accounts receivable	50	-	50	107
Intra-agency accounts payable	(4,032)	(2,232)	(6,264)	(3,411)
APPROPRIATIONS, end of year (on accrual basis)	\$ 15,867	\$ 26,012	\$ 41,879	\$ 49,756

**U.S. GOVERNMENT PRINTING OFFICE**  
**Supplemental Schedule of Balance Sheets for Revolving Fund**  
As of September 30, 2000 and 1999  
(Dollars in thousands)  
(Unaudited)

	Printing and Binding Operations			Sales of Publications Operations			Total Revolving Fund 2000			Total Revolving Fund 1999		
	2000	1999		2000	1999		Before Eliminations	Eliminations	Consolidated	Before Eliminations	Eliminations	Consolidated
<b>ASSETS</b>												
<b>CURRENT ASSETS</b>												
Funds with U.S. Treasury	\$ 162,996	\$ 112,856	\$ 13,779	\$ 9,857	\$ 176,775	\$ -	\$ 176,775	\$ 122,713	\$ -	\$ 122,713		
Accounts receivable	172,855	172,043	2,745	4,346	175,600	(29,444)	146,156	176,389	(12,481)	163,908		
Inventories	11,789	12,382	8,878	9,439	20,667	-	20,667	21,821	-	21,821		
Prepaid expenses	731	610	-	-	731	-	731	610	-	610		
<b>Total current assets</b>	<b>348,371</b>	<b>297,891</b>	<b>25,402</b>	<b>23,642</b>	<b>373,773</b>	<b>(29,444)</b>	<b>344,329</b>	<b>321,533</b>	<b>(12,481)</b>	<b>309,052</b>		
<b>PROPERTY, PLANT, AND EQUIPMENT</b>												
Land and buildings	18,633	18,633	-	-	18,633	-	18,633	18,633	-	18,633		
Building improvements	55,495	55,450	-	-	55,495	-	55,495	55,450	-	55,450		
Leasehold improvements	1,214	1,311	-	-	1,214	-	1,214	1,311	-	1,311		
Plant machinery and equipment	75,348	83,832	-	-	75,348	-	75,348	83,832	-	83,832		
Office machinery and equipment	17,592	21,699	-	-	17,592	-	17,592	21,699	-	21,699		
Computer software	18,544	17,449	-	-	18,544	-	18,544	17,449	-	17,449		
Furniture and fixtures	3,062	3,112	-	-	3,062	-	3,062	3,112	-	3,112		
Vehicles	2,958	3,243	-	-	2,958	-	2,958	3,243	-	3,243		
Capital improvements in process	-	1,092	-	-	-	-	-	1,092	-	1,092		
Software development in process	3,030	3,572	-	-	3,030	-	3,030	3,572	-	3,572		
<b>Less: Accumulated depreciation and amortization</b>	<b>(127,884)</b>	<b>(136,019)</b>	<b>-</b>	<b>-</b>	<b>(127,884)</b>	<b>-</b>	<b>(127,884)</b>	<b>(136,019)</b>	<b>-</b>	<b>(136,019)</b>		
<b>Net property, plant, and equipment</b>	<b>67,992</b>	<b>73,374</b>	<b>-</b>	<b>-</b>	<b>67,992</b>	<b>-</b>	<b>67,992</b>	<b>73,374</b>	<b>-</b>	<b>73,374</b>		
<b>Total assets</b>	<b>\$ 416,363</b>	<b>\$ 371,265</b>	<b>\$ 25,402</b>	<b>\$ 23,642</b>	<b>\$ 441,765</b>	<b>\$ (29,444)</b>	<b>\$ 412,321</b>	<b>\$ 394,907</b>	<b>\$ (12,481)</b>	<b>\$ 382,426</b>		

**U.S. GOVERNMENT PRINTING OFFICE**  
**Supplemental Schedule of Balance Sheets for Revolving Fund**  
As of September 30, 2000 and 1999  
(Dollars in thousands)  
(Unaudited)

	Printing and Binding Operations			Sales of Publications Operations		Total Revolving Fund 2000			Total Revolving Fund 1999			
	2000	1999	2000	1999	2000	1999	Before Eliminations	Eliminations	Consolidated	Before Eliminations	Eliminations	Consolidated
<b>LIABILITIES AND EQUITY OF THE U.S. GOVERNMENT</b>												
<b>CURRENT LIABILITIES</b>												
Accounts payable and accrued expense	\$ 97,470	\$ 92,082	\$ 23,007	\$ 7,566	\$ 120,477	\$ (29,444)	\$ 91,033	\$ 99,648	\$ (12,481)	\$ 87,167		
Deferred revenue	65,418	40,707	19,212	20,760	84,630	-	84,630	61,467	-	61,467		
Accrued annual leave	10,449	10,542	-	-	10,449	-	10,449	10,542	-	10,542		
Total current liabilities	173,337	143,331	42,219	28,326	215,556	(29,444)	186,112	171,657	(12,481)	159,176		
<b>OTHER LIABILITIES</b>												
Workers' compensation liability	36,217	32,634	-	-	36,217	-	36,217	32,634	-	32,634		
Total other liabilities	36,217	32,634	-	-	36,217	-	36,217	32,634	-	32,634		
Total liabilities	209,554	175,965	42,219	28,326	251,773	(29,444)	222,329	204,291	(12,481)	191,810		
<b>EQUITY OF THE U.S. GOVERNMENT</b>												
Revolving fund	206,809	195,300	(16,817)	(4,684)	189,992	-	189,992	190,616	-	190,616		
Appropriated funds	-	-	-	-	-	-	-	-	-	-		
Total equity of the U.S. Government	206,809	195,300	(16,817)	(4,684)	189,992	-	189,992	190,616	-	190,616		
Total liabilities and equity of the U.S. Government	\$ 416,363	\$ 371,265	\$ 25,402	\$ 23,642	\$ 441,765	\$ (29,444)	\$ 412,321	\$ 394,907	\$ (12,481)	\$ 382,426		

**U.S. GOVERNMENT PRINTING OFFICE**  
**Consolidating Schedule of Revenues and Expenses by Major Program**  
For the Fiscal Years Ended September 30, 2000 and 1999  
(Dollars in thousands)  
(Unaudited)

	Printing and Binding Operations		Information Dissemination Operations		Congressional Printing and Binding		Other Operations		Total GPO Before Eliminations		Eliminations		Total GPO	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
<b>REVENUES:</b>														
Printing and binding	\$ 739,995	\$ 693,543	\$ -	\$ -	\$ -	\$ -	\$ 2,020	\$ 2,281	\$ 742,015	\$ 695,824	\$ (110,139)	\$ (107,689)	\$ 631,876	\$ 588,135
Sales of blank paper	13,673	11,917	-	-	-	-	-	-	13,673	11,917	-	-	13,673	11,917
Sales of waste and scrap	991	358	-	-	-	-	-	-	991	358	-	-	991	358
Sales of publications	-	-	45,479	50,812	-	-	-	-	45,479	50,812	-	-	45,479	50,812
Appropriations	-	-	29,983	33,163	81,064	76,554	-	-	111,047	109,717	(753)	(808)	110,294	108,909
Reimbursements	-	-	5,215	4,866	-	-	-	-	5,215	4,866	-	-	5,215	4,866
<b>Total revenues</b>	<b>754,659</b>	<b>705,818</b>	<b>80,677</b>	<b>88,841</b>	<b>81,064</b>	<b>76,554</b>	<b>2,020</b>	<b>2,281</b>	<b>918,420</b>	<b>873,494</b>	<b>(110,892)</b>	<b>(108,497)</b>	<b>807,528</b>	<b>764,997</b>
<b>EXPENSES:</b>														
Printing and reproduction	511,213	473,023	13,849	15,781	81,064	76,554	-	-	606,126	585,358	(107,800)	(105,741)	498,326	459,617
Personnel compensation and benefit	164,187	165,569	40,747	40,863	-	-	250	86	205,184	206,518	(1,833)	(1,498)	203,351	205,020
Supplies and materials	37,153	35,310	2,162	3,081	-	-	17	7	39,332	38,398	(117)	(110)	39,215	38,288
Rents, communications, and utilities	12,875	12,130	12,096	12,643	-	-	704	662	25,675	25,435	(292)	(228)	25,383	25,207
Publications sold	-	-	12,887	13,406	-	-	-	-	12,887	13,406	-	-	12,887	13,406
Depreciation and amortization	6,179	6,205	1,029	1,465	-	-	678	733	7,886	8,403	-	-	7,886	8,403
Other services	7,304	6,337	2,089	2,698	-	-	197	195	9,590	9,230	(850)	(920)	8,740	8,310
Surplus publications	-	-	2,790	3,336	-	-	-	-	2,790	3,336	-	-	2,790	3,336
Travel and transportation	3,904	3,447	5,161	5,008	-	-	-	-	9,065	8,455	-	-	9,065	8,455
<b>Total expenses</b>	<b>742,815</b>	<b>702,021</b>	<b>92,810</b>	<b>98,281</b>	<b>81,064</b>	<b>76,554</b>	<b>1,946</b>	<b>1,683</b>	<b>918,535</b>	<b>878,539</b>	<b>(110,892)</b>	<b>(108,497)</b>	<b>807,643</b>	<b>770,042</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 11,844</b>	<b>\$ 3,797</b>	<b>\$ (12,133)</b>	<b>\$ (9,440)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 174</b>	<b>\$ 598</b>	<b>\$ (115)</b>	<b>\$ (5,045)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (115)</b>	<b>\$ (5,045)</b>

**U.S. GOVERNMENT PRINTING OFFICE**  
**Supplemental Schedule of Revenues and Expenses for Printing and Binding Operations**  
For the Fiscal Years Ended September 30, 2000 and 1999  
(Dollars in thousands)  
(Unaudited)

	Plant Printing Operations		Regional Printing			Total In-House Printing			Purchased Printing			Total Printing and Binding Operations		
	2000	1999	2000	1999	Percent of Revenues	2000	1999	Percent of Revenues	2000	1999	Percent of Revenues	2000	1999	Percent of Revenues
<b>REVENUES</b>														
Printing and binding	\$ 181,166	\$ 178,686	\$ 1,217	\$ 1,250	\$ 182,383	93	\$ 179,936	94	\$ 557,612	100	\$ 513,607	100	\$ 739,996	98
Sales of blank paper	13,673	11,917	-	-	13,673	7	11,917	6	-	-	-	-	13,673	2
Sales of waste and scrap	991	358	-	-	991	1	358	-	-	-	-	-	991	-
<b>Total revenues</b>	<b>195,830</b>	<b>190,961</b>	<b>1,217</b>	<b>1,250</b>	<b>197,047</b>	<b>100</b>	<b>192,211</b>	<b>100</b>	<b>557,612</b>	<b>100</b>	<b>513,607</b>	<b>100</b>	<b>754,659</b>	<b>100</b>
<b>EXPENSES</b>														
Printing and reproduction	-	-	-	-	-	-	-	-	511,213	93	473,023	93	511,213	67
Personnel compensation and benefits	128,134	128,733	1,314	1,415	129,448	66	130,148	67	34,739	6	35,421	7	164,187	21
Supplies and materials	35,802	33,676	294	249	36,096	18	33,925	18	1,057	-	1,385	-	37,153	5
Rents, communications, and utilities	6,492	6,414	274	268	6,766	3	6,682	3	6,109	1	5,448	1	12,875	2
Depreciation and amortization	5,520	5,677	33	21	5,553	3	5,698	3	626	-	507	-	6,179	1
Other services	6,375	5,328	43	43	6,418	3	5,371	3	886	-	966	-	7,304	1
Travel and transportation	1,156	952	14	15	1,170	1	967	1	2,734	-	2,480	-	3,904	1
<b>Total expenses</b>	<b>183,479</b>	<b>180,780</b>	<b>1,972</b>	<b>2,011</b>	<b>185,461</b>	<b>94</b>	<b>182,791</b>	<b>95</b>	<b>557,364</b>	<b>100</b>	<b>519,230</b>	<b>101</b>	<b>742,815</b>	<b>98</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 12,351</b>	<b>\$ 10,181</b>	<b>\$ (755)</b>	<b>\$ (761)</b>	<b>\$ 11,586</b>	<b>6</b>	<b>\$ 9,420</b>	<b>5</b>	<b>\$ 248</b>	<b>-</b>	<b>\$ (5,623)</b>	<b>(1)</b>	<b>\$ 11,844</b>	<b>2</b>
														<b>\$ 3,797</b>

**U.S. GOVERNMENT PRINTING OFFICE**  
**Supplemental Schedule of Revenues and Expenses for Information Dissemination**  
For the Fiscal Years Ended September 30, 2000 and 1999  
(Dollars in thousands)  
(Unaudited)

	Sales of Publications Programs			Agency Distribution Services			Salaries and Expenses Programs			Total Information Dissemination						
	Percent of Revenues	1999	2000	Percent of Revenues	1999	2000	Percent of Revenues	2000	1999	Percent of Revenues	2000	1999	Percent of Revenues			
<b>REVENUES</b>																
Sales of publications	100	\$ 50,812	100	-	-	\$ -	-	-	\$ -	-	\$ 45,479	56	\$ 50,812	58		
Appropriations	-	-	-	-	-	29,983	100	33,163	100	29,983	37	33,163	37			
Reimbursements	-	-	5,215	100	4,866	100	-	-	-	5,215	6	4,866	5			
Total revenues	100	50,812	100	5,215	4,866	29,983	100	33,163	100	80,677	100	88,841	100			
<b>EXPENSES</b>																
Printing and reproduction	270	1	476	1	104	2	99	2	13,475	45	15,206	47	13,849	17		
Personnel compensation and benefits	26,722	59	27,611	53	2,718	52	2,569	52	11,307	38	10,683	32	40,747	51		
Supplies and materials	1,196	3	1,824	4	177	3	164	3	789	3	1,083	3	2,162	3		
Rents, communications, and utilities	9,461	21	7,709	15	1,379	26	1,551	33	1,256	4	3,383	10	12,096	15		
Publications sold	12,887	28	13,406	26	-	-	-	-	-	-	-	-	12,887	16		
Depreciation and amortization	658	1	983	2	82	2	116	2	289	1	366	1	1,029	1		
Other services	1,210	3	1,794	4	159	3	129	3	720	2	775	2	2,089	3		
Surplus publications	2,790	6	3,336	7	-	-	-	-	-	-	-	-	2,790	3		
Travel and transportation	2,503	6	2,920	6	511	10	431	9	2,147	7	1,657	5	5,161	6		
Total expenses	57,697	127	60,059	118	5,130	98	5,059	104	29,983	100	33,163	100	92,810	115		
<b>NET (LOSS) INCOME</b>	\$ (12,218)	(27)	\$ (9,247)	(18)	\$ 85	2	\$ (193)	(4)	\$ -	-	\$ -	-	\$ (12,133)	(15)	\$ (9,440)	(11)



United States Government Printing Office  
Washington, DC 20401

OFFICE OF THE PUBLIC PRINTER

January 26, 2001

Mr. Paul Geraty  
KPMG LLP  
2001 M Street, NW  
Washington, DC 20036-3389

Dear Mr. Geraty:

In connection with your examination of our assertion regarding internal controls over financial reporting of the United States Government Printing Office (GPO) as of September 30, 2000, and for the year then ended, we make the following representations:

1. The GPO is responsible for establishing and maintaining an internal control structure.
2. Pursuant to Office of Management and Budget (OMB) Circular A-123, *Management Accountability and Control*, we have assessed the effectiveness of the GPO internal controls in achieving the following objectives:
  - a. Reliable financial reporting. Transactions are properly recorded, processed, and summarized to permit the preparation of the financial statements in conformity with generally accepted accounting principles, and the safeguarding of assets against loss from unauthorized acquisition, use, or disposition.
  - b. Compliance with applicable laws and regulations. Transactions are executed in accordance with: (a) laws governing the use of budget authority and other laws and regulations that could have a direct and material effect on the financial statements, and (b) any other laws and regulations or government-wide policies that entity management or the Inspectors General have identified as being significant for which compliance can be objectively measured and evaluated.
3. Except as disclosed in the Independent Auditors' Report, all internal controls are operated in accordance with applicable policies and procedures and are effective in meeting the foregoing objectives as set forth in OMB Circular A-123.

There have been no changes subsequent to September 30, 2000 that would significantly affect internal controls over financial reporting.

Sincerely,

A handwritten signature in cursive script that reads "Michael F. DiMario".

MICHAEL F. DiMARIO  
Public Printer

