

# GPO ANNUAL REPORT 2020



U.S. GOVERNMENT PUBLISHING OFFICE  
Keeping America Informed | OFFICIAL | DIGITAL | SECURE

GPO

*Keeping America Informed*

# 160 Years

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**HUGH NATHANIAL HALPERN**  
Director



June 2, 2021

The Honorable Kamala D. Harris  
President of the United States Senate

The Honorable Nancy Pelosi  
Speaker of the U.S. House of Representatives

Dear Madam President & Madam Speaker:

I have the honor to transmit herewith the Annual Report of the U.S. Government Publishing Office (GPO) for the fiscal year ending September 30, 2020. The report contains the results of an audit of GPO's financial statements conducted by an independent accounting firm.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Hugh N. Halpern".

HUGH NATHANIAL HALPERN  
Director

## A Message from the Director



I am pleased to present the Government Publishing Office (GPO) Annual Report for fiscal year 2020. Each year the Annual Report affords us with the opportunity to recount the notable accomplishments of the previous fiscal year and reflect on areas that are opportunities for growth in the future.

March 4, 2021 marked the beginning of GPO's 160th Anniversary year and the end of one of the agency's most

challenging years since it opened its doors in the early days of the Civil War. The lessons coming out of this crisis renewed our commitment to ensuring that GPO is well positioned to keep fulfilling our mission of *Keeping America Informed* for decades to come.

While FY 2020 began with a lot of promise, the COVID-19 pandemic turned the year on its head. Each of us has been touched personally by the virus and the Nation's response. Some of us endured illnesses within our families, most of us had to make fundamental changes to how we live and work, and we all mourn the loss of those who were unable to survive their own encounter with this virus.

However, there was good news to come out of the pandemic and its aftermath. GPO proved that it could deliver what was asked of it to help Congress and the Administration respond to the Nation's crisis over these long months. We continued our long record of innovation, both in our response to the pandemic as well as in our regular work. And we learned new ways to work that will form the basis of a new, more vibrant GPO.

In short, we pulled together, and we got through it — together.

We didn't come out of FY 2020 unscathed. We lost two colleagues to the virus. Financially, we ended FY 2020 with a loss of \$14.3 million. However, we were able to rely on our cash reserves so we could avoid any layoffs or furloughs.

The good news is that things are starting to look up. Our teammates were safe in our facilities, with only two cases of COVID traced back to the GPO campus. As

I write this message in April of 2021, our teammates are coming back to work, and we are ramping up our in-plant operations to full strength. We have confirmed February 2021 as our first month with a positive cash flow since the previous July and we expect to remain that way for the foreseeable future. All of those things will let us return to focusing on GPO's future and making the kind of investments that were underway before the pandemic.

Despite the pandemic, we were able to make significant progress on many of the GPO priority projects that were already underway.

For example, we remain on schedule with the continued development of our XPub composition system, a transformative project that has the potential to revolutionize the look, feel, and format of Congressional documents for decades to come.

In addition, after years of planning and investment, we have deployed our state-of-the-art digital inkjet presses, and seamlessly integrated them into the workflow for production of the daily Congressional Record and Federal Register, dramatically improving the efficiency of that production process.

Together, these two technologies will provide us with the platform to assist Congress design and create documents and digital information products worthy of a 21st Century legislature. XPub achieved a significant milestone this past fall when it was used for the first time to create and compose a Congressional committee report — the Final Report of the Select Committee on the Modernization of Congress, which contains a host of recommendations on how Congress can better serve the American people.

Similarly, **govinfo**, GPO's secure, trusted digital repository, also successfully passed two intensive annual surveillance audits. Those audits evaluated **govinfo** against 109 criteria governing all aspects of a digital repository. As of this writing, **govinfo** is the only ISO-certified trusted digital repository in the world and remains the gold standard for all who wish to digitally access secure, authentic Government information.

We also continued with our investments to bring the State Department's highly anticipated Next Generation Passport to market. We remain proud that the Department of State again chose to partner with GPO on the manufacture of the world's most technologically advanced and secure identification document.



While our investments in technology are critical to our success, we also need to revisit the basics – what is Government information and how do we best make it available? We continued to work with our library partners through the Depository Library Council to develop improvements to the Federal Depository Library Program (FDLP). In conjunction with those efforts, we are also advocating for the update of GPO’s organic statutes and in early summer we forwarded to Congress a list of proposed reforms that we believe will best enable us to serve those 1,100 Federal depository libraries in the years ahead.

2020 was not the first year as Director that I was expecting. However, it tested the resilience of GPO and its people and, ultimately, demonstrated that we are

capable of more than we imagined.

For those of you who work here at GPO, thank you for your hard work, dedication, and support. For our customers and stakeholders, thank you for your continued faith in our mission, abilities, and accomplishments as we work to rebound from a challenging year. I look forward to working with all of you in the future.

HUGH NATHANIAL HALPERN  
Director



**GPO is the OFFICIAL, DIGITAL, SECURE resource for producing, procuring, cataloging, indexing, authenticating, disseminating, and preserving the official information products of the Federal Government.**

Under title 44 of the U.S. Code, GPO is responsible for the production and distribution of information products for all three branches of the Government, including the official publications of Congress and the White House, U.S. passports for the Department of State, and the official publications of other Federal agencies and the courts. Once primarily a printing operation, we are now an integrated publishing operation and carry out our mission using an expanding range of digital as well as conventional formats. In 2014, Congress and the President recognized this change in Public Law 113-235, which contains a provision re-designating GPO's official name as the Government Publishing Office. As of September 30, 2020, GPO employed 1,619 staff.

Along with sales of publications in digital and tangible formats to the public, we support openness and transparency in Government by providing permanent public access to Federal Government information at no charge through **govinfo** ([www.govinfo.gov](http://www.govinfo.gov)). Today, **govinfo** makes millions of Federal documents produced by all three branches of government available and averaged more than 33 million retrievals per month in FY 2020. GPO also provides public access to Government information through partnerships with more than 1,117 Federal, academic, public, law, and other libraries nationwide participating in the Federal Depository Library Program (FDLP).

**History.** Article I, section 5 of the Constitution requires that “each House shall keep a journal of its proceedings and from time to time publish the same,” providing the first commandment that Congress tell the public about its work. After years of struggling with various systems of contracting for printed documents that were often beset with scandal and corruption, in 1860 Congress created the Government Printing Office as its official printer. GPO first opened its doors for business on March 4, 1861, the same day Abraham Lincoln was inaugurated as our 16th President.

Since that time, GPO has produced and distributed

the official version of an uncounted number of other Government publications, documents, and forms. These documents include the Emancipation Proclamation, the legislative publications and acts of Congress, Social Security cards, Medicare and Medicaid information, census forms, tax forms, citizenship forms, passports, and Presidential inaugural addresses. This work goes on today, in digital as well as print formats.

**Strategic Vision.** GPO is being transformed from a print-centric to a content-centric publishing operation, in order to achieve our vision for an informed nation with convenient and reliable access to Government information through GPO products and services. This transformation is consistent with the recommendations submitted by the National Academy of Public Administration to Congress (Rebooting the Government Printing Office: Keeping America Informed in the Digital Age, January 2013).

While GPO continues to develop an integrated, diversified product and services portfolio that focuses primarily on digital, we also recognize that some tangible print will continue to be required well into the future. Archival standards, authenticity concerns, official use requirements, and specific industry needs are a few of the factors that will contribute to the need to maintain tangible print, as will the needs of those segments of the population that have either limited access or no access to digital formats.

**Strategic Plan.** Our strategic plan, which is available for public review at <https://www.gpo.gov/who-we-are/our-agency/mission-vision-and-goals>, is built around five goals: exceeding our stakeholders' expectations; enhancing access to Federal Government information; strengthening our position as the government-wide authority on publishing; promoting collaboration and innovation within government; and engaging employees and enhancing internal operations. The plan provides the blueprint for how GPO will continue to achieve its mission of *Keeping America Informed* as the OFFICIAL, DIGITAL, SECURE resource for producing, procuring, cataloging, indexing, authenticating, disseminating, and preserving the official information products of the Federal Government.

Our customers are involved in the digital world and understand technological change. Accordingly, it is important that we foster an environment that embraces change and innovation, which leads to new ways of thinking, new work processes, and the development of new products and services for our customers. Tangible



printing at GPO is being supplanted by an exponential growth in digital requirements by Congress and Federal agencies. Moreover, the public — including the library and Government information user communities — has signaled its strong desire for increased digital access to Government information.

In transforming the way we do business, we are focusing on managing content for customer and public use both today and tomorrow. GPO uses its extensive experience and expertise with digital systems to provide both permanent public access to Government information in a variety of formats and the most efficient and effective means for printing when required, all within a secure setting that is responsive to the customer's needs.

## GPO and Coronavirus

In March 2020, GPO moved into emergency status as it began reacting in earnest to the coronavirus (COVID-19) pandemic. Along with many other Government agencies, GPO sent its telework-capable teammates home to begin an experiment in remote work that persists to this day. Approximately 550 GPO teammates have been on maximum telework since the pandemic began, proving telework is a success at GPO.

GPO reduced the other two-thirds of its team to the minimum necessary to support Congress and other critical executive branch customers. Production of the U.S. passports was halted while the agency reengineered operations to continue safely.

On July 6, 2020, GPO exited its emergency status and began returning to work. With the release of the GPOSAFE return to work plan, GPO began the first step in its effort to return operations to normal. Passport production resumed in both DC and Mississippi, but at a fraction of the regular output to reduce the risk of transmission for the virus. As part of its GPOSAFE plan, GPO implemented staggered shift starts, lunches, and break times to maximize social distancing.



Special Police Officer Sharon F. Price uses a thermal temperature camera at GPO's main entrance to screen GPO employees, contractors, and visitors. Screenings are done at all GPO entrances at agency headquarters in Washington, DC.



GPO teammates in Stennis, Mississippi, protect themselves with face masks and shields as part of the GPOSAFE plan.





GPO safely resumed passport and manufacturing operations in June 2020 after a nearly three-month production hiatus due to the coronavirus.

The pandemic had an immediate and detrimental effect on GPO's bottom line. The pandemic reduced revenue and increased costs. GPO ran a deficit from March 2020 through January 2021 and lost approximately \$30.1 million during the pandemic. In addition to the costs of equipping and reengineering our facilities to protect against COVID-19, the agency paid more than \$7 million in emergency pay to our teammates who worked at our facilities during those initial months.

Beginning in March 2021, GPO moved to step 2 of its GPOSAFE plan, safely resuming full passport production and ramping up some press and bindery operations to 100 percent. GPO's monthly deficit in January 2021 was the smallest since the pandemic hit.

GPO has been able to largely operate safely during the pandemic. Although about 6 percent of the GPO workforce has tested positive for the virus, we have only been able to trace two incidents of virus transmission inside our facilities, with the other cases coming from community spread.

GPO implemented an Employee Assistance Program that gives teammates free, confidential access to professionals to help with anxieties they may be facing. In August 2020, GPO was named *Most Valuable Employer During the COVID-19 Pandemic* by the Stevie Awards for Great Employers. The agency won for its efforts to keep teammates paid, safe, informed, and healthy, both physically and mentally.



GPO added plexiglass barriers for added protection as part of its GPOSAFE plan.



Maureen Nugent of GPO's Creative Services Department helped design the tickets and badges for the Senate Judiciary Committee while teleworking from home.

**Technology Transformation.** GPO has transformed itself throughout its history by adapting to changing technologies. In the ink-on-paper era, this meant moving from hand-set to machine typesetting, from slower to high-speed presses, and from hand bookbinding to automated bookbinding. Each of these changes were significant for their time.

Yet those changes pale by comparison with the transformation that accompanied our incorporation of electronic information technologies, which began in 1962 when the Joint Committee on Printing directed the agency to implement a new system of computer-based composition. That order led to the development of GPO's first electronic photocomposition system, which by the early 1980s had completely supplanted machine-based hot metal typesetting.

Following the enactment of the GPO Electronic Information Access Enhancement Act in 1993 (P.L. 103-40), the databases generated by our composition system were uploaded to the internet via GPO's first website, *GPO Access*, greatly expanding the agency's information

dissemination capabilities. In 2009, GPO replaced the original *GPO Access* site with its Federal Digital System, or FDsys. In FY 2019 FDsys was fully retired with **govinfo**, a vastly superior site that offers significantly enhanced functionality, taking its place.

While transforming to an increasingly digital footing, we continue to provide an array of printing services to support the needs of Congress, Federal agencies, and the public, and we are retooling our print operations to take advantage of the efficiencies provided by modern equipment. Over the past several years, GPO's plant modernization efforts have achieved some significant milestones.

In FY 2015, we put into operation our zero make-ready (ZMR) press to support congressional and Federal agency publishing requirements, and as a result were able to reduce the cost of producing congressional hearings. In FY 2017, we installed a new perfect binding line to increase the speed and reduce the cost of binding operations.

In FY 2018, GPO began operating a state-of-the-art LED UV Perfector Eight-Color Press. This press prints "dry," enabling the simultaneous printing on both sides of a sheet of paper, and helping GPO employees achieve additional efficiencies and savings in the production of congressional and agency publications.

In FY 2020, we completed a multi-year effort to replace the large, comparatively inefficient newspaper presses used to produce the Congressional Record and Federal Register with smaller, more flexible digital presses. These presses, which were put into production last March, have enabled GPO to reduce paper waste in the production of these important daily publications from over 35 percent to just 2–3 percent — a considerable production-cost savings.

As a result of these sweeping technology changes — digital products, equipment, and processes — GPO is now fundamentally different from what it was as recently as a generation ago. It is smaller, leaner, and equipped with digital production capabilities that are the foundation of the information systems relied upon daily by Congress, Federal agencies, and the public to ensure open and transparent Government in the digital era. As we prepare for the Government information environment and technology challenges of the future, our transformation is continuing with the development of new ways for delivering Government information.



GPO produces the Congressional Record on new inkjet presses.



GPO Bookbinder Timothy Hart works on new digital inkjet presses that automate the agency's production workflow.



GPO Pressperson Carl Lancaster produces the Pictorial Directory for Congress.

## GPO and Congress

For the Clerk of the House, the Secretary of the Senate, and the committees of the House and the Senate, GPO publishes the documents and publications required by the legislative and oversight processes of Congress in digital and tangible formats. This includes the daily Congressional Record, bills, reports, legislative calendars, hearings, committee prints, and documents, as well as stationery, franked envelopes, memorial and condolence books, programs and invitations, phone books, and all the other products needed to conduct the business of Congress. GPO produces all the printing work required every four years by the Joint Congressional Committee on Inaugural Ceremonies. Tools developed by GPO support Congress' daily work, and we work hand-in-hand with Congress to jointly develop the next generation of those tools.

We also detail GPO team members to support the publishing requirements of House and Senate committees and congressional support offices such as the House and Senate Offices of Legislative Counsel. We work to ensure the provision of these services under any circumstances, including inclement weather and other emergency conditions.

Today, the activities associated with creating congressional information datasets comprise the majority of the work funded by GPO's annual Congressional Publishing Appropriation. Our digital authentication system, supported by public key infrastructure (PKI), is an essential component for assuring the authenticity and integrity of congressional publications in digital formats. The datasets we build enable access to congressional publications in digital formats as well as their production in tangible formats and form the building blocks of other information systems supporting Congress.



A GPO teammate proofs the Federal Register.



On March 16, 2020, GPO Director Hugh Nathaniel Halpern put the agency on Emergency Operational Status due to the coronavirus pandemic. Emergency personnel for GPO continued to produce the Congressional Record, calendars and other required documents.

For example, our datasets are made available to the Library of Congress to support its Congress.gov system through the **govinfo** application programming interface (API). GPO also works with the Library to make summaries and status information for House and Senate bills available as Extensible Markup Language (XML) bulk data on **govinfo**. XML enables the encoding of documents in formats that are both human-readable and machine-readable.

### **GPO Cuts the Cost of Congressional Work.**

GPO's use of electronic information technologies has been the principal contributor to lowering the cost, in real economic terms, of congressional information products. In FY 1980, as GPO replaced hot metal typesetting with electronic photocomposition, the appropriation for Congressional Publishing was \$91.6 million, the equivalent in today's dollars of \$306.7 million. By comparison, our approved funding for FY 2020 was \$79.0 million, a reduction of nearly 75% in constant-dollar terms.

Since 2010, we have achieved a 31% reduction in the constant-dollar value of the Congressional Publishing Appropriation, consistent with the continuing transformation of our technology profile, an emphasis on controlling costs, and collaborative efforts with Congress to reduce print distribution while meeting the information needs of the Senate and House of Representatives.

Annual appropriations for Congressional Publishing have been at or below \$79.7 million in each year, FY 2014–2020.

Productivity increases resulting from technology have also enabled us to make substantial reductions in our staffing requirements while continuing to improve services for Congress. In 1980, total GPO employment was 6,450, while — in contrast — we had just 1,625 employees on board at the end of FY 2020. Our overall workforce levels for the past four years are as low as they have been at any point in the past century.

**GPO Employment FY 1980–FY 2020  
(at September 30)**

Congressional Publishing Appropriation FY 1980–2020		
Fiscal Year	Appropriation	In Constant Dollars
1980	\$ 91.6 million	\$ 306.7 million
1985	94.0 million	232.1 million
1990	74.1 million	151.6 million
1995	84.7 million	146.8 million
2000	73.3 million	113.1 million
2005	88.1 million	120.3 million
2010	93.8 million	112.7 million
2015	79.7 million	88.9 million
2020	79.0 million	79.0 million

Fiscal Year	Headcount
1980	6,450
1985	5,383
1990	4,977
1995	3,956
2000	3,139
2005	2,344
2010	2,284
2016	1,726
2017	1,740
2018	1,737
2019	1,662
2020	1,625



GPO Bookbinder Timothy Hart works on the Congressional Record.

# GPO By the Numbers FY 2020

GPO staff	1,625
FY 2020 revenues	\$915,944,000
FY 2020 appropriations	\$117,000,000
Congressional Record pages produced	31,823,500
Federal Register pages produced	36,053,330
Revenues from procured printing	\$516.3 million
Jobs procured nationwide	79,133
Contractors on GPO's master contractor list	More than 10,000
Regional procurement offices nationwide	13
Passports produced	9,314,500
Secure credentials produced	3,029,104



Content packages submitted to <b>govinfo</b>	212,000
Retrievals from <b>govinfo</b>	392 million
Depository libraries nationwide	1,117
Searches of the digital Catalog of U.S. Government Publications (CGP)	23,326,449
New records added to the CGP	20,830
Links to full-text publications added to the CGP	16,652
Tangible titles distributed to depository libraries	2,688
Tangible copies distributed to depository libraries	490,781
Public inquires resolved through askGPO	12,522
Page views for Ben's Guide to the U.S. Government	643,769
URLs crawled in the FDLP Web Archive	250 million
Attendees hosted by GPO for free educational programs through the FDLP Academy	16,000
Publications sold	272,696
Subscriptions sold	99,654
Titles available	5,191
Titles in eBook format	509
Followers on Facebook	12,482
Followers on Twitter	11,131
Views of GPO videos on YouTube	344,055
Followers on Instagram	1,173
Followers on LinkedIn	3,997

### Highlights of FY 2020 Congressional Work.

GPO worked with Congress to produce a number of publications in FY 2020, including the Congressional Pictorial Directory for the 116th Congress and volumes 16–35 of the Main Edition of the U.S. Code, a publication that GPO produces every six years. GPO also produced Senate Document 116-12, parts 1–3 of the Proceedings of the United States Senate in the Impeachment of President Donald John Trump as well as House Document 116-95, the Evidentiary Record Pursuant to House Resolution 798, Volumes 1–17 related to impeachment proceedings.

Additionally, GPO was honored to produce programs and tickets for the Capitol memorial services for Congressman John Lewis and Supreme Court Justice Ruth Bader Ginsburg. Another significant undertaking on behalf of Congress was GPO's work with the Joint Committee on Inaugural Ceremonies to prepare tens of thousands of tickets, credentials, and other printed materials needed to support the 59th Inaugural Ceremonies held on January 20, 2021.

In support of Congress's Legislative Branch Bulk

Data Task Force, GPO worked throughout FY 2019 and FY 2020 with the Clerk of the House and the Secretary of the Senate on initiatives to convert legacy file formats into United States Legislative Markup (USLM) XML. USLM offers a standard XML schema to promote interoperability among documents as they flow through the legislative and regulatory processes. It also promotes international interoperability with documents produced by governments world-wide.

In early FY 2019, the first project was completed with the release of a subset of enrolled bills, public and private laws, and Statutes at Large in Beta USLM XML on **govinfo**, and in FY 2020 GPO made significant progress on a project to convert the Statute Compilations on **govinfo** into USLM XML. That work is scheduled to be completed in FY 2021.

Those Legislative Branch Bulk Data Task Force USLM initiatives complement the work GPO is performing through its GPO's XPub development project to replace GPO's aging, proprietary composition system with a new XML-based, automated system. Making Government information available in XML permits



Above: GPO produces programs for the ceremony at the U.S. Capitol preceding the Lying in State of United States Supreme Court Justice Ruth Bader Ginsburg.

Right: GPO Bookbinder Daniel Kenny produces materials for the Presidential Inauguration.







GPO Four Color Pressperson Carl Lancaster works on materials for the Presidential Inauguration.

data to be reused and repurposed not only for print output but also for conversion into eBooks, mobile web applications, and other forms of content delivery, including data mashups and other analytical tools by third party providers, which contribute to openness and transparency in Government.

XPub allows customers to provide GPO with content in any format and get output in flexible print and digital formats, and it is being deployed on a product-by-product basis. In FY 2019, GPO took a major step forward by publishing the 2018 Main Edition of the United States Code, a nearly 60,000-page publication, through XPub. Since then GPO has continued to work on bringing additional publications into XPub production, with a focus on congressional bills, resolutions, amendments, public laws, Statutes at Large, House and Senate calendars, the Congressional Record, and the Federal Register.

Toward the end of FY 2020, GPO marked a significant XPub development milestone when the Final Report of the Select Committee on the Modernization of Congress became the first congressional committee report to be produced via XPub. The Select Committee on the Modernization of Congress report details 97 different recommendations and findings regarding how Congress can better serve the American people, a goal GPO is committed to supporting.



GPO Assistant Manager of Plant Operations Marsha Smith inspects Inaugural materials.

## GPO and Federal Agencies

Federal agencies are major generators of information in the United States, and GPO produces their information products for official use and public access. Federal agencies and the public also rely on a growing variety of secure credentials that we produce, including travelers holding U.S. passports, members of the public who cross our borders frequently, and other users. Our digital systems support key Federal agency publications, including the annual Budget of the U.S. Government and, most importantly, the Federal Register and associated products. As it does for congressional documents, our PKI-support digital authentication system assures the digital security of agency documents.

One of GPO's major agency customers is the Office of the Federal Register (OFR), a unit of the National Archives and Records Administration (NARA), which produces the daily Federal Register. The Federal Register is the official daily publication for rules, proposed rules, and notices of Federal agencies and organizations, as well as executive orders and other Presidential documents. It is updated daily by 6 a.m. and is published Monday through Friday, except Federal holidays. OFR is also responsible for related publications such as the Code of Federal Regulations and the Public Papers of the Presidents, which GPO produces in both digital and print formats. Another OFR publication, the Daily Compilation of Presidential Documents, is produced by GPO in digital format only.



GPO Bookbinder Sarah Hurtt uses a paintbrush to create hand-made slipcasses for presenting and protecting agency publications.



Members of the White House Graphics and Calligraphy Office visit GPO to see the progress on the official White House Christmas cards. This was the second year in a row GPO produced the cards.

**Highlights of FY 2020 Agency Operations.** Since 1995, we have made the annual Budget of the United States Government available online, and with GPO's new **govinfo** system the documents are now available across multiple platforms. The complete, authentic online version of the FY 2021 Budget was released on **govinfo** and in print in February 2020. The digital version provides users with access to the text and images of the Budget, including the Budget Message of the President, information on the President's priorities, and budget overviews organized by agency, as well as summary tables and additional books of the Budget, including the Analytical Perspectives, Appendix, and Historical Tables.

During FY 2020, GPO also had the honor of working directly with The White House to produce the official White House Christmas Card, as well as program materials for White House Gold Star Families and Medal of Honor presentations. Another highlight in FY 2020 was GPO's work on the decennial U.S. Census, through which GPO administered over \$130 million worth of contracts in support of this critically important requirement of the United States Constitution.

GPO is proud to welcome the National Archives and Records Administration's (NARA) Center for Legislative Archives into Building A, after several years of close collaboration on the project. The Center on Legislative Archives will house the legislative records of Congress in approximately 24,000 square feet of GPO space, and GPO is working with NARA to identify additional space to serve the Center for the years ahead.

**Partnership With Industry.** Beyond work for Congress, passports, and other inherently governmental work such as the Federal Register and the Budget, GPO produces virtually all other Federal agency information products via contracts with the private-sector printing and information-product industry. In FY 2020, this work was valued at approximately \$516.3 million, and represented 79,133 orders. More than 10,000 individual firms are registered to do business with GPO, the vast majority of which are small businesses with fewer than 20 employees per firm.

This partnership provides significant economic opportunity for the private sector. GPO has long advocated that where Federal agency printing is required, this partnership is the most cost-effective way of producing it. In 2013, the Government Accountability Office (GAO) conducted a study at the request of the Joint Committee on Printing that identified nearly 80 Federal printing plants still in operation government-wide (<http://www.gao.gov/assets/660/655936.pdf>). GPO maintains that significant additional savings for taxpayers could be achieved if the work these plants are producing is transferred to GPO for production through our partnership with the private-sector printing and information-product industry. In addition, the work produced through this partnership can be efficiently and effectively captured for inclusion in GPO's Federal Depository Library Program (FDLP), thereby improving public access to Government information through the reduction of fugitive documents from the program.

**Security and Intelligent Documents.** GPO has been proud to produce U.S. passports for the U.S. Department of State for nearly a century. Since 2005, U.S. passports have incorporated advanced security features that make it the most secure identification credential obtainable. GPO produced 9.3 million passports for the State Department in FY 2020, and has produced a total of more than 190 million passports since 2005. In the years ahead, GPO will continue to make investments needed to support the State Department's Next Generation Passport Program (NGP).

Since 2008, GPO has also served as an integrator of secure identification smart cards to support the credentialing requirements of Federal agencies and other Government entities. GPO provides secure-card credential products to include design, printing, manufacturing, personalization and shipping and delivery. Through its production processes, GPO leverages the most advanced industry technologies to build the highest quality products at the lowest prices. GPO secure-credential operations are fully ISO 9001 certified and undergo rigorous third-party audits each year to gain recertification.

In FY 2020, GPO produced over 3.0 million secure-card credentials for our Federal agency customers. Since 2008, GPO has produced more than 29 million credentials across 11 different product lines. Among them are the Trusted Traveler Program's (TTP) family of border crossing cards – NEXUS, SENTRI, FAST, and Global Entry – for the Department of Homeland Security (DHS), which are used by frequent travelers across U.S. borders. Another card produced for DHS is the Transportation Worker Identity Card (TWIC). In addition, GPO produces a Border Crossing Card (BCC) issued by the State Department for authorized travel across the Mexican border, as well as secure law-enforcement credentials for the U.S. Capitol Police that are used in Presidential inaugurations.



Above: GPO Director Hugh Halpern (left) checks in with teammates in Security and Intelligent Documents.



Right: GPO Secure Credential Assistant Production Manager Estegenet Lemma stands on the floor inspecting a product for quality control.

## GPO and Open, Transparent Government

Producing and distributing the official publications and information products of the Government fulfills an informing role originally envisioned by the Founders. As James Madison once said:

“A popular Government without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy, or perhaps both. Knowledge will forever govern ignorance, and a people who mean to be their own Governors, must arm themselves with the power which knowledge gives.”

GPO operates a variety of programs that provide the public with “the means of acquiring” Government information that Madison spoke of. These programs include the Federal Depository Library Program (FDLP), **govinfo**, Publications and Information Sales, and Agency Distribution Services.

**Federal Depository Library Program.** The FDLP has legislative antecedents that date to 1813 (3 Stat. 140), when Congress first authorized congressional documents to be deposited at the American Antiquarian Society in Worcester, MA, for the use of the public. Since then, Federal depository libraries have served as critical links between “We the People” and the information made available by the Federal Government.

The FDLP has continued to transform over the years to meet the needs of the public and libraries in the digital age. Today, the FDLP serves millions of Americans through a network of 1,117 public, academic, law, and other libraries located across the Nation, averaging nearly three per congressional district.

GPO administers the FDLP through its Library Services and Content Management (LSCM) business unit, and provides the libraries with information products in digital and tangible formats. Participating libraries, in turn, make those information products available to the public at no charge while providing additional assistance to depository library users.

A common theme among the Nation’s Federal depository libraries is flexibility. The FDLP of today welcomes libraries to tailor their U.S. Government collections to the needs of their local communities, through access to large tangible collections, access to digital materials, or a combination of the two. The relationship between LSCM and its Federal depository library partners is one defined by close collaboration.



Throughout the COVID-19 pandemic, Federal depository libraries have adapted to public service via telework, closed and reopened libraries under difficult conditions, and developed new and creative ways of operating, while never losing sight of their mission to empower the public with the documents of our democracy.

Providing FDLP libraries with print and electronic Government information resources to share with their patrons is still at the core of what we do. This includes providing educational and training opportunities via GPO’s FDLP Academy. Since this program’s inception in 2012, over 500 webinars and 120 recorded webcasts have been presented to the FDLP community related to U.S. Government information.

As the Program continues to evolve, our critical mission of *Keeping America Informed* has expanded even further. GPO’s Library Services & Content Management (LSCM) business unit has been undertaking efforts to digitize and make available online historic print collections of Government information, as well as developing strategic efforts that partner with libraries and other organizations to permanently preserve historic resources.

Through historic digitization efforts, GPO has enhanced the scope of collections available on **govinfo** tremendously. Some notable examples include:

- Digitized volumes of the U.S. Government Manual (1935–1994)
- Publications related to FY 2021 Federal Appropriations
- Volume 2 of the Precedents of the U.S. House of Representatives (2017 series)
- Railroad Retirement Board publications
- National Institute of Standards and Technology (NIST) publications

LSCM also has official partnership agreements in place with 69 organizations to advance free public access to U.S. Government information. These partnerships range from organizations that pledge to permanently preserve Government publications in their libraries, to organizations that make a commitment to retain and make publicly accessible at no-fee digital resources within scope of the FDLP, to organizations that provide digital content to GPO for ingest into **govinfo**, and more.

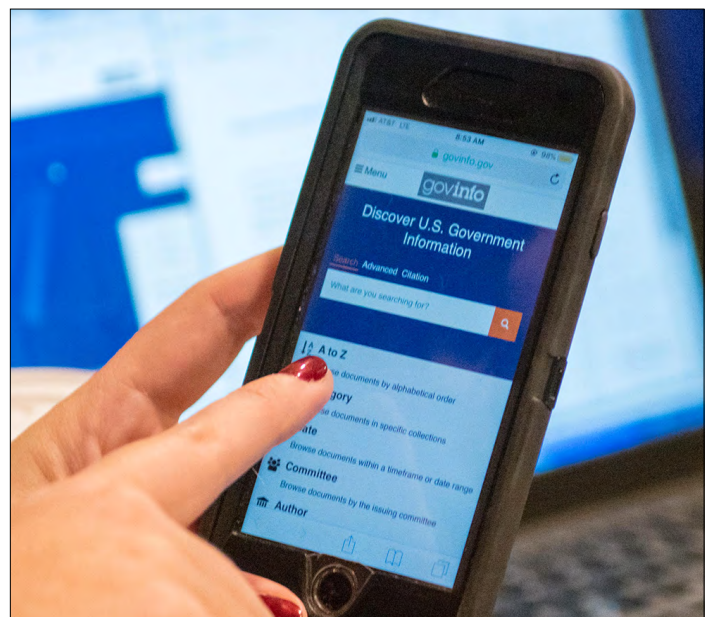
Further, LSCM collaborates, through special projects and initiatives, with another 30 organizations to share knowledge, develop services, and further GPO’s mission. A notable example is GPO’s collaboration with the Law Library of Congress on the digitization of the U.S. Congressional Serial Set back to 1817. The Law Library of Congress is inventorying and digitizing the Serial Set, while GPO is focused on metadata, the development of a new **govinfo** collection, and seeking any replacement volumes needed by the Law Library.

**govinfo**. Under the provisions of Public Law 103-40, GPO has been providing online public access to Congressional and Federal agency publications since 1994, beginning with a site known as *GPO Access*. Fifteen years later, *GPO Access* was retired and a significantly re-engineered system debuted as GPO’s Federal Digital System or FDSys. In early 2016, GPO unveiled the next generation of our public access system with the introduction of **govinfo**. Rolled out initially as a Beta, **govinfo** improved upon FDSys by providing a modern interface that is aligned with the needs of today’s Government information users for quick and effective online access across a variety of platforms.

Following a period of iterative development and testing, **govinfo** was moved out of Beta in December 2017. Throughout 2018, the FDSys and **govinfo** websites ran in parallel while GPO worked with key stakeholders to ensure a smooth transition to **govinfo**. In December 2018, the FDSys website was retired and completely



Depository Coordinator Amy Laub-Carroll at the University of Kentucky’s W.T. Young Library celebrates Library Shelfie Day. This library is the regional depository library for the state of Kentucky and serves as a Preservation Steward in a partnership with GPO.

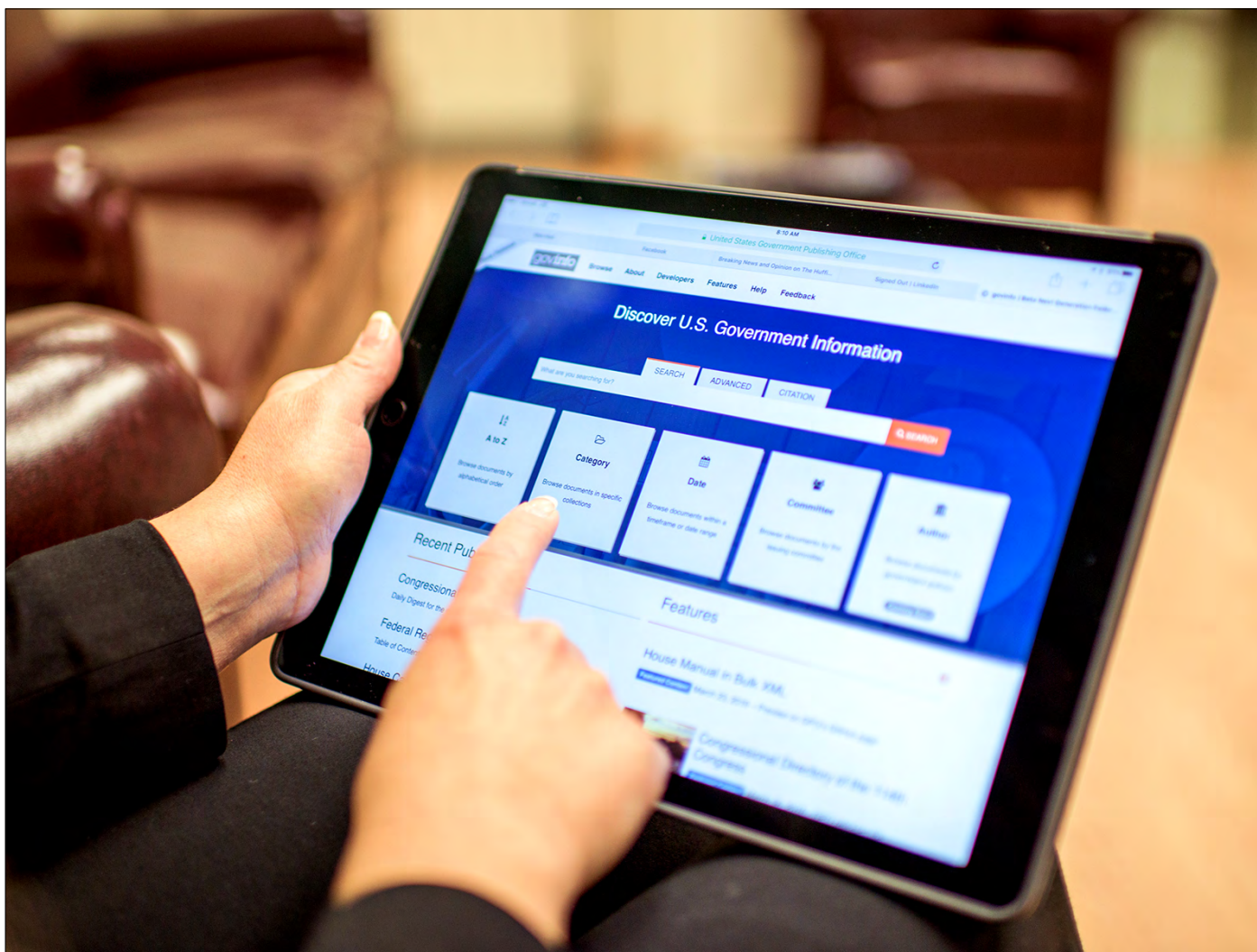


replaced by **govinfo**. Key features of **govinfo** include a mobile-friendly design, current and historical content collections from all three branches, enhanced search and intuitive browse, linked related documents, curated feature articles, quick and easy social sharing, developer tools such as XML bulk data and a public API, expanded help information, support for redirects from millions of legacy FDsys links, and additional enhancements based on stakeholder feedback.

Online access to Federal documents made available by GPO has reduced the cost of providing public access to Government information significantly when compared with print, while expanding public access dramatically through the internet. In FY 2020, an additional 212,000 content packages – which are generally equivalent to bound, printed documents – were added to **govinfo** from the legislative, executive, and judicial branches, and the **govinfo** system averaged approximately 33 million retrievals per month. In

recognition of its successes with **govinfo**, GPO was honored to receive a 2020 Government Experience Award for achievements and best practices that are radically improving the experience of Government and pushing the boundaries of how citizen services are delivered.

GPO has continually added content to **govinfo** to provide increased public access to Government information. Building upon significant FY 2019 accomplishments, which included digitizing over 76,000 pages of the Public Papers of the President from Herbert Hoover to Ronald Reagan, in FY 2020, GPO made available over 2,000 Statute Compilations from the House Office of Legislative Counsel, and judicial opinions from three additional Federal courts. This work was in addition to the aforementioned efforts to digitize the U.S. Government Manual from 1935 to 1994, over 11,000 publications from the Railroad Retirement Board, and over 2,300 publications from the National Institutes of



Standards and Technology.

Beginning in FY 2018, the **govinfo** repository underwent an extensive initial audit and began yearly surveillance audits for certification as a Trustworthy Digital Repository in compliance with International Organization for Standardization (ISO) 16363. In December 2018, GPO made history by becoming the first organization in the United States to achieve this certification, the highest global standard of excellence for digital repositories.

Certification provides assurance to GPO stakeholders that **govinfo** is a standards-compliant digital repository in which Government information is preserved, accessible, and usable now and into the future. During the annual surveillance audits required to maintain certification, **govinfo** is evaluated against 109 criteria covering all aspects of a digital repository including organizational infrastructure, digital object management, and infrastructure and security risk management.

GPO has continued to invest in the IT infrastructure supporting **govinfo**. This includes the storage and servers needed for production, COOP, testing, and development environments. In FY 2020, GPO completed a major system hardware and storage refresh effort for **govinfo** including replacing and upgrading storage components, moving to a completely virtualized server infrastructure, and upgrading operating systems and applications. Benefits of the technology refresh include additional storage and compute capacity, an increase in application and storage performance, and a hardware footprint that was reduced by more than two-thirds.

#### **Publication and Information Sales Program.**

Along with the FDLP and our online dissemination system, which are no-fee public access programs, GPO also provides access to official Federal information through public sales featuring secure ordering through an online bookstore (**bookstore.gpo.gov**) and partnerships with the private sector that offer Federal publications as eBooks. A bricks-and-mortar GPO bookstore, located at our DC headquarters, was closed in FY 2020 as our customer's shift toward online purchasing neared completion. As a result, resources previously deployed to support the physical bookstore will support the growth in online sales.

#### **Agency Distribution Services (ADS) Program.**

GPO operates two distribution facilities which are strategically located in Laurel, MD (30 miles from Washington, DC) and Pueblo, CO (115 miles from Denver, CO). Through these facilities, GPO administers distribution programs for the information products of other Federal agencies. Today, over 60 Federal agencies utilize the comprehensive services provided through the Pueblo and Laurel facilities, which together offer more than 225,000 square feet of climate-controlled distribution, storage, and order fulfillment space.

Among the services provided through GPO's ADS program are website hosting, consulting services, fulfillment and distribution, address validation services, call center operations, and printing optimization, just to name a few. These services are all designed to help Federal agencies achieve savings in the distribution of their information products.

The ADS program continues to grow. Revenues were \$18.2 million in FY 2020, up from \$12.9 million in FY 2019, and the number of total orders processed at the Laurel and Pueblo facilities approached 1.5 million.





GPO Director Hugh Halpern adjusts agency communications during the pandemic and hosts a virtual town hall.

**Communications.** Communication has been a key component during the COVID-19 pandemic for GPO, particularly with regard to the implementation of the *GPOSAFE* return to work plan. From March 2020 to March 2021, GPO sent 80 email and five video messages from Director Hugh Halpern to the GPO team, maintaining transparency about positive cases in the building, plans to return to work, and changes made to the agency. The agency also created a new publication coming from the GPO Medical Officer during the pandemic.

The Communications team published an employee newsletter focused on COVID-19 news and sent 89 employee emails, also known as “Headlines”. In addition to Headlines, GPO posted 1,014 “LINK” messages on monitors around the building. GPO deployed about triple the number of both Headlines and LINK messages during the pandemic than it had the previous year.

GPO mailed each teammate a letter from the Director, along with a “Return to Workplace Guide,” ensuring employees without access to email would remain informed. GPO’s Inspector General (IG) conducted a GPO Survey of Employees and found

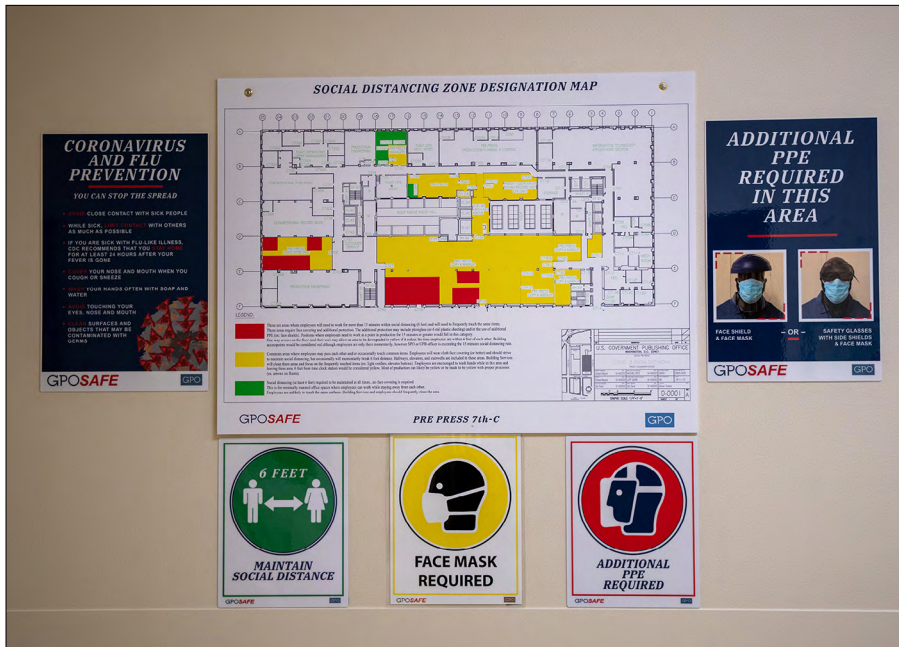
that 93% of employees said they were satisfied or very satisfied with GPO Director Hugh Halpern’s communications to staff, which are issued weekly and are “very candid with the information” delivered, according to the IG report.

In the early parts of the pandemic, GPO developed a landing page ([www.gpo.gov/coronavirus](http://www.gpo.gov/coronavirus)) that received 4,000 views in the first three months. GPO was the first legislative branch agency to develop such a page.

GPO sent several press releases over the course of the pandemic to update the public on its operational status during the pandemic, including its return to passport production. The agency used public relations and social media to announce its *GPOSAFE* return to work plan and was the first legislative branch agency to make such an announcement. Since March 15, GPO has received an estimated 12M media impressions.

GPO’s social media plan to promote *GPOSAFE* included a one-of-a-kind social distancing bingo game. Social media posts nearly doubled compared to the previous year, and social media engagement more than doubled compared to the previous year.





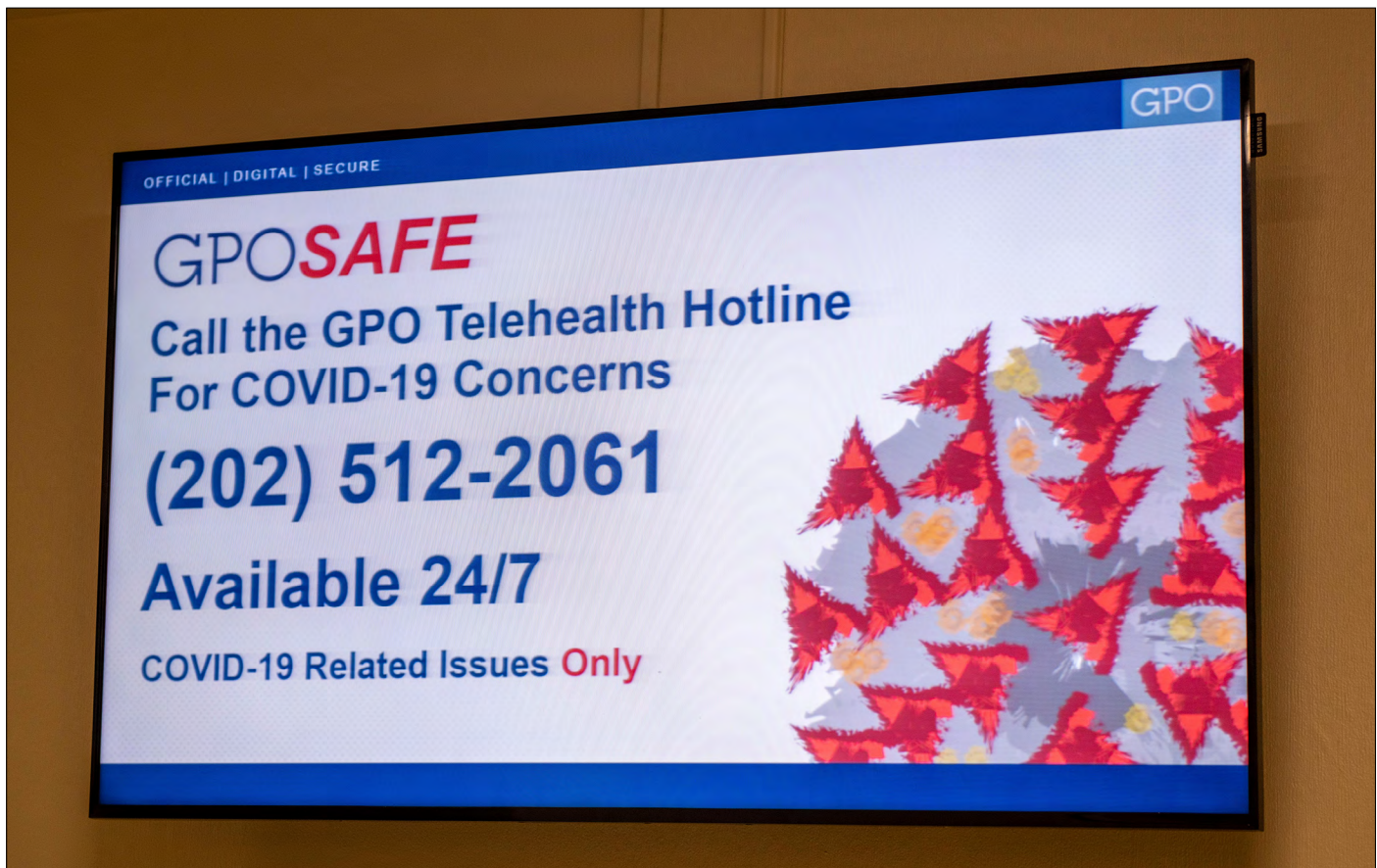
Above and Right: Social distancing zone designation maps inform teammates of requirements in various zones. Additional signs were placed around the building.

## RULES FOR WEARING A MASK

- 1) Wash Your Hands **Before** Handling Your Mask
- 2) **Secure** the Mask Firmly on Your Face
- 3) Make Sure the Mask Covers the **Nose and Mouth**
- 4) **Don't Touch** the Mask Portion While Wearing It
- 5) Wash a Cloth Mask in Hot Water **Every Time** You Wear It
- 6) Don't Put a **Dirty Mask** in a Bag or Purse and Then Put It Back on Your Face



**GPOSAFE** GPO



An example of a LINK message at GPO. GPO significantly increased communications to both teammates and the public to ensure transparency during the pandemic. This LINK message was also printed and distributed as a hotline card for teammates.



## GPO Finances

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**Business Operations Revolving Fund.** All GPO activities are financed through our Business Operations Revolving Fund, established by section 309 of Title 44, U.S.C. This business-like fund is used to pay all of our costs in performing congressional and agency publishing, information product procurement, and publications dissemination activities. It is reimbursed from payments from customer agencies, sales to the public, and transfers from our two annual appropriations: the Congressional Publishing Appropriation and the Public Information Programs of the Superintendent of Documents Appropriation.

**Retained Earnings.** Under GPO's system of accrual accounting, annual earnings generated since the inception of the Business Operations Revolving Fund have been accumulated as retained earnings. Retained earnings enable us to fund a significant amount of technology modernization; however, appropriations for essential investments in technology and plant upgrades are requested when necessary.

**Appropriated Funds.** GPO's Congressional Publishing Appropriation is used to reimburse the Business Operations Revolving Fund for the costs of publishing the documents required for the use of Congress in digital and tangible formats, as authorized by the provisions of chapters 7 and 9 of Title 44, U.S.C. The Public Information Programs of the Superintendent of Documents Appropriation is used to pay for the costs associated with providing online access to, and the distribution of, publications to Federal depository libraries, cataloging and indexing, statutory distribution, and international exchange distribution. The reimbursements from these appropriations are included in the Business Operations Revolving Fund as revenue for work performed.

Unlike most appropriations to other Federal agencies, these two appropriations are for work that GPO itself does not control. The Congressional Publishing Appropriation in effect is an appropriation by Congress to cover the costs of its publishing activities. The appropriation is made to GPO to relieve Congress of the burden of maintaining detailed accounting records for all publishing work ordered from GPO both by law and by other congressional requisitions, as well as the responsibility for estimating the anticipated volume of

congressional publishing that is used as the basis for the appropriation.

Congress plays a major role in controlling the rate of spending of the Congressional Publishing Appropriation. GPO can transfer funds from the appropriation to the Business Operations Revolving Fund only when it performs congressional publishing work. The appropriation is not available for expenditure for any purposes other than this work. While GPO does its best to estimate the volume of congressional publishing in any given year, that volume can change due to circumstances beyond GPO's control. GPO affects the rate of spending under this appropriation by ensuring the efficiency of its operations.

If congressional requisitions fall short of GPO's estimate, there will be a balance remaining in the Congressional Publishing Appropriation at the end of the year. Under the language of GPO's appropriations legislation, such balances are eligible for transfer to the Business Operations Revolving Fund, where they can be used only for the purposes for which they were originally appropriated, with the approval of the House and Senate Appropriations Committees. If Congress' requirements should exceed GPO's estimate, GPO will continue to fulfill them, and Congress will in effect spend more than it appropriated. As a result, there will be a shortfall in the appropriation for which GPO would need additional funding in a subsequent year. The shortfall would be paid out of available money – retained earnings – in the Business Operations Revolving Fund that otherwise would be available for new plant and equipment investment. When shortfalls occur, Congress subsequently repays GPO for the excess cost of its printing to restore money to the Business Operations Revolving Fund.

Like the Congressional Publishing Appropriation, the Public Information Programs Appropriation is available only for specific programs: online access and distribution to Federal depository libraries, cataloging and indexing, statutory distribution, and international exchange. The publishing activities of the Government determine the workload handled by these programs, not GPO. However, GPO affects the level of funding by ensuring the efficiency of its information dissemination operations. Like the Congressional Publishing Appropriation, any unobligated balances remaining in this account may be transferred to the Business Operations Revolving Fund, where they can be used only for the purposes for which they were originally appropriated, with the approval of the House and Senate Appropriations Committees. GPO is accountable for its finances.

**Annual Independent Audit.** Each year, GPO's finances and financial controls are audited by an independent outside audit firm working under contract with GPO's Office of Inspector General. For FY 2020, the audit concluded with GPO earning an unmodified, or clean, opinion on its finances, the 24th consecutive year GPO has earned such an audit result.

**FY 2020 Financial Results.** During FY 2020, revenue totaled \$915.9 million while expenses charged against GPO's budget were \$930.2 million, for an overall net loss of \$14.3 million from operations. Included in both GPO's revenue and net income figures is approximately \$13.5 million for passport-related capital investments, as agreed to by GPO and the Department of State, and \$6.3 million of expenses resulting from an increase to GPO's long-term workers' compensation liability under the Federal Employees Compensation Act (FECA). Apart from these two set asides, GPO's net operating loss from FY 2020 was \$21.5 million. This loss was the direct result of the COVID-19 pandemic, and it marked the first time since FY 2009 that GPO suffered a net operating loss.

In FY 2020, funds appropriated directly by Congress provided nearly \$114.7 million (including funds from the Congressional Publishing and Public Information Programs appropriations, along with appropriations to the Business Operations Revolving Fund), or about 12.5% of total revenue. All other GPO activities, including in-plant publishing (which includes the production of passports), procured work, sales of publications, agency distribution services, and all administrative support functions, were financed through the Business Operations Revolving Fund by revenues generated by payments from agencies and sales to the public.

The largest single component of GPO's annual expenses is publishing work procured from the private sector. In FY 2020, the cost of this work totaled \$477.5 million, or about 51.3% of total expenses. The second largest component was personnel compensation and benefits. These totaled \$236.7 million, or about 25.4% of all expenses.



# U.S. GOVERNMENT PUBLISHING OFFICE

## Financial Statements

The following summary tables are excerpts from the full audited consolidated financial statements and are not intended to substitute for the full audited financial statements presented at [https://www.gpo.gov/docs/default-source/news-content-pdf-files/2020\\_annualreport.pdf](https://www.gpo.gov/docs/default-source/news-content-pdf-files/2020_annualreport.pdf).

For FY 2020 (October 1, 2019–September 30, 2020), GPO received an unmodified opinion (clean audit opinion) on its consolidated financial statements.

GPO reported an overall loss of \$14.3 million in FY 2020 compared with net income of \$51.7 million in FY 2019. In FY 2020, social distancing measures, necessitated by the global pandemic, reduced GPO's legislative workload from Congress, and GPO's passport operations largely suspended operations for about three months, as the Department of State temporarily ceased issuing passports during the year. These are two major customers and sources of revenue for GPO.

In FY 2020, GPO operating revenues were \$915.9 million compared to \$937.4 million in FY 2019. Expenses increased \$44.5 million, to \$930.2 million in FY 2020 from \$885.7 million in FY 2019.

FY 2020 revenue included \$13.5 million for planned capital investments to produce U.S. passports, as agreed upon between the Department of State and GPO. Similar type funds totaled \$17.3 million for FY 2019.

Expenses included an increase to the GPO's future workers' compensation liability of \$6.3 million in FY 2020 and \$1.7 million in FY 2019. This adjustment is required to record the actuarially determined liability at September 30.

After excluding these two unique transactions, GPO had a net loss after capital projects reserve and workers' compensation liability adjustment of \$21.5 million in FY 2020, compared with net income of \$36.2 million in FY 2019.

Summary of Net Income (in thousands)	2020	2019
<b>Net Income (Loss)</b>	<b>\$ (14,303)</b>	<b>\$ 51,724</b>
Add to Net Loss/Reduce from Net Income:		
Passport Capital Projects Reserve	(13,458)	(17,300)
Increase in Workers' Compensation Liability	6,277	1,729
<b>Net Income After Capital Projects Reserve and Workers' Compensation Liability Adjustment</b>	<b>\$ (21,484)</b>	<b>\$ 36,153</b>

GPO's fund balance with Treasury decreased by \$15.6 million, from \$675.9 million at the end of FY 2019 to \$660.3 million at the end of FY 2020. Cash provided by operations in FY 2020 was \$6.2 million, compared to \$60.2 million in FY 2019. GPO invested \$24.1 million for capital items in FY 2020 and \$31.7 million in FY 2019.

Summary Statement of Cash Flows (in thousands)	2020	2019
<b>Cash flows from Operating Activities</b>		
<b>Net Income (Loss)</b>	<b>\$ (14,303)</b>	<b>\$ 51,724</b>
Provided by (used in) operating activities:		
Depreciation and other	25,428	24,214
(Increase) decrease in assets	(4,250)	(31,486)
Increase (decrease) in liabilities	(6,926)	13,984
Increase (decrease) in workers' compensation liability	6,277	1,729
Total adjustments	20,529	8,441
<b>Net cash provided by operating activities</b>	<b>6,226</b>	<b>60,165</b>
<b>Cash flows used in investing activities</b>	<b>(24,146)</b>	<b>(31,678)</b>
<b>Cash flows provided by financing activities</b>	<b>2,304</b>	<b>2,597</b>
<b>Net (Decrease) Increase in cash balance</b>	<b>\$ (15,616)</b>	<b>\$ 31,084</b>

Total GPO assets remained constant at \$1.1 billion over the two years.

GPO's working capital decreased by \$2.1 million, to \$582.5 million in FY 2020 from \$584.7 million in FY 2019, while total current assets decreased by \$11.4 million, to \$891.9 million in FY 2020 from \$903.3 million in FY 2019.

GPO ended FY 2020 with a \$14.3 million decrease in retained earnings, to \$479.3 million, from \$493.6 million at the end of FY 2019. In comparison, GPO ended FY 2019 with an increase in retained earnings of \$51.7 million to \$493.6 million, from \$441.9 million at the end of FY 2018.

## Summary Balance Sheets (in thousands)

2020

2019

### Assets

#### Current Assets

Fund balance with Treasury	\$ 660,275	\$ 675,891
Accounts receivable, net	160,217	167,442
Inventory, net	70,222	59,463
Prepaid expenses	1,231	515

<b>Total Current Assets</b>	<b>891,945</b>	<b>903,311</b>
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General property, plant and equipment, net	183,504	184,786
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<b>Total Assets</b>	<b>\$ 1,075,449</b>	<b>\$ 1,088,097</b>
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### Liabilities and Net Position

#### Current Liabilities

Accounts payable and accrued expenses	\$ 122,254	\$ 142,554
Deferred revenues	169,946	160,781
Accrued annual leave	13,224	9,015
Workers' compensation	4,016	6,308

<b>Total Current Liabilities</b>	<b>309,440</b>	<b>318,658</b>
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#### Noncurrent Liabilities

Workers' compensation	56,704	48,135
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<b>Total Liabilities</b>	<b>366,144</b>	<b>366,793</b>
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#### Net Position

##### Cumulative results of operations:

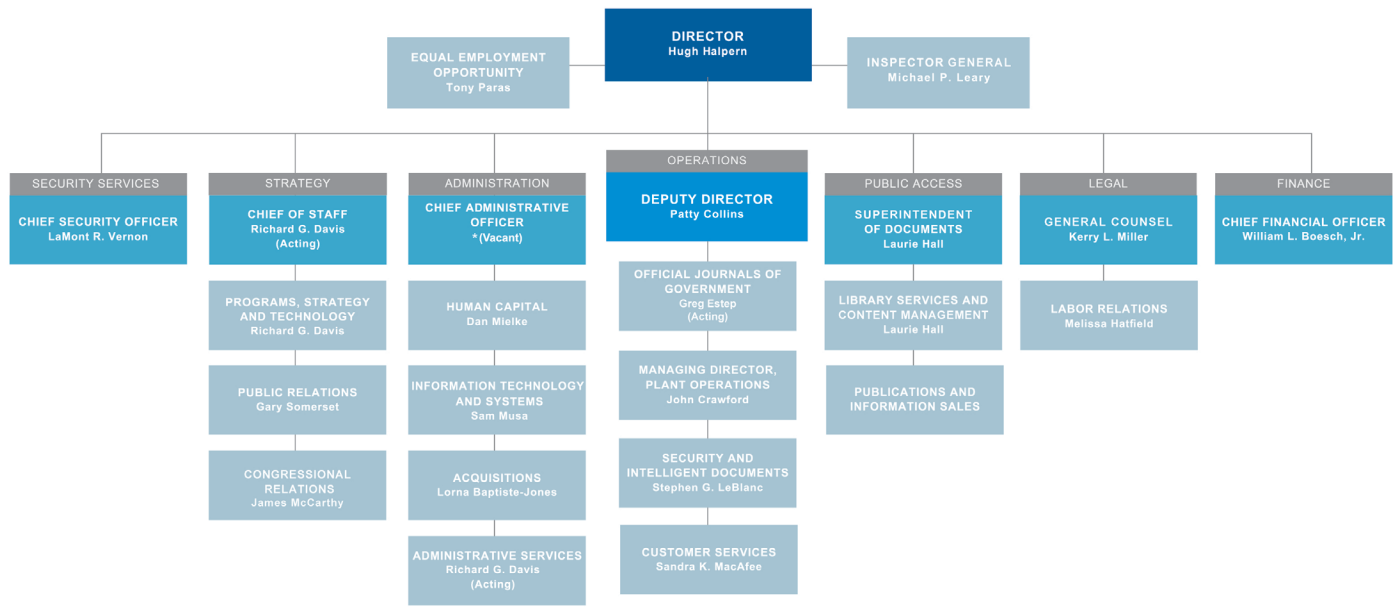
Retained earnings	479,310	493,613
Invested capital	92,879	92,879
Unexpended appropriations	137,116	134,812

<b>Total Net Position</b>	<b>709,305</b>	<b>721,304</b>
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<b>Total Liabilities and Total Net Position</b>	<b>\$ 1,075,449</b>	<b>\$ 1,088,097</b>
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# U.S. GOVERNMENT PUBLISHING OFFICE

## Organizational Chart (as of June 2, 2021)



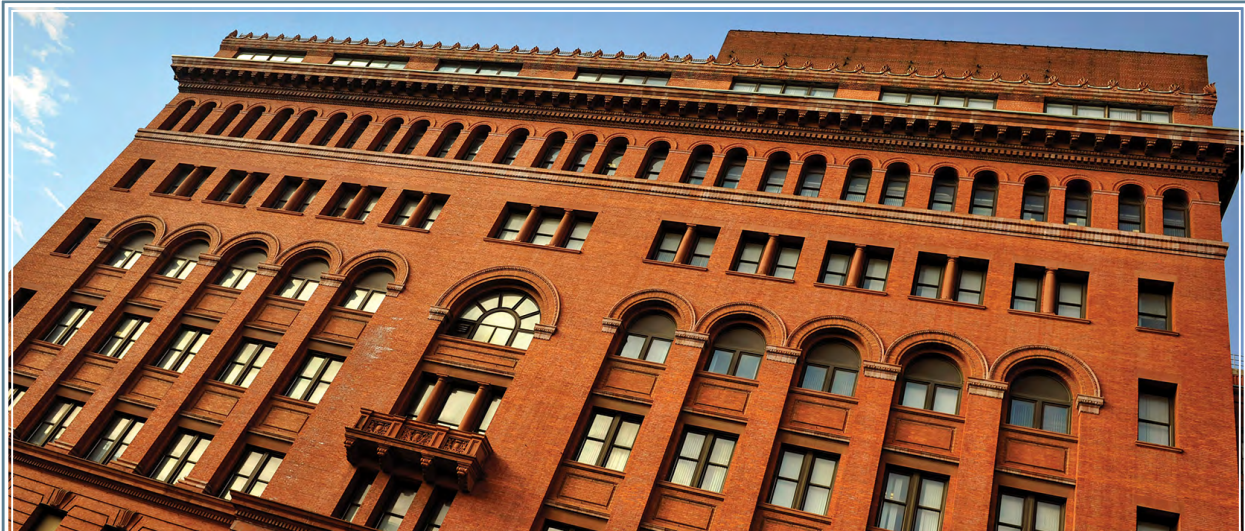
\*While the role of Chief Administrative Officer is vacant, Human Capital and Administrative Services will be supervised by the Acting Chief of Staff. Information Technology and Systems and Acquisitions will be supervised by the Deputy Director.

GPO *Keeping America Informed*

160  
*Years*

1 8 6 1 – 2 0 2 1

# GPO ANNUAL REPORT 2020



## CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019 (WITH INDEPENDENT AUDITOR'S REPORT THEREON)



U.S. GOVERNMENT PUBLISHING OFFICE  
Keeping America Informed | OFFICIAL | DIGITAL | SECURE





OFFICE *of the*  
INSPECTOR GENERAL  
U.S. GOVERNMENT PUBLISHING OFFICE

AUDIT REPORT  
REPORT NUMBER 21 - 05

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**U.S. Government Publishing Office  
Fiscal Year 2020 Independent Auditors' Report**

**December 15, 2020**

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**OFFICE of the  
INSPECTOR GENERAL**  
U.S. GOVERNMENT PUBLISHING OFFICE

**Date:**

December 15, 2020

**To:**

Director, U.S. Government Publishing Office

**From:**

Inspector General

**Subject:**

Independent Auditors' Report on the GPO Fiscal Year 2020 Financial Statements  
Report Number 21-05

Attached is the Independent Auditor's Report on the U.S. Government Publishing Office (GPO) fiscal year 2020 financial statements. We contracted with the independent certified public accounting firm of KPMG, LLP (KPMG) to audit the financial statements of GPO for the years ending on September 30, 2020 and 2019. The contract required that the audit be conducted in accordance with auditing standards generally accepted in the United States of America and in accordance with generally accepted government auditing standards.

KPMG's opinion on GPO's financial statements was unmodified. In connection with the contract, we monitored and reviewed KPMG's audit report and related documentation, and inquired of its representatives. Our review did not disclose any instances where KPMG did not comply, in all material respects, with audit requirements.

We appreciate the courtesies extended to KPMG and our staff. If you have any questions or comments about this report, please do not hesitate to contact Lori Lau Dillard, Assistant Inspector General for Audits, at [llaillard@gpo.gov](mailto:llaillard@gpo.gov) or me at [mleary@gpo.gov](mailto:mleary@gpo.gov).

A handwritten signature in black ink, appearing to read 'M. Leary'.

MICHAEL P. LEARY  
Inspector General

Attachment



**U.S. Government Publishing Office**

**CONSOLIDATED FINANCIAL  
STATEMENTS**

**FOR THE FISCAL YEARS ENDED  
SEPTEMBER 30, 2020 AND 2019**

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SECTION I

**MANAGEMENT  
DISCUSSION  
AND  
ANALYSIS  
(UNAUDITED)**

### U.S. Government Publishing Office

## Management Discussion and Analysis (Unaudited)

As of September 30, 2020

### Mission

The core mission of the U.S. Government Publishing Office (GPO or Agency) is *Keeping America Informed*, by producing, procuring, cataloging, indexing, authenticating, disseminating, and preserving the official information products of the U.S. Government. To ensure Federal information is readily available to citizens, GPO makes information accessible in an array of communication mediums from secure digital documents, databases, and mobile web applications that are accessible through the Internet to traditional printed ink-on-paper products. GPO was created on June 23, 1860, with the enactment of Congressional Joint Resolution 25. GPO's first day of operations was March 4, 1861.

### Basis of Financial Reporting

GPO's consolidated financial statements are prepared pursuant to the requirements of Title 31 *United States Code* (U.S.C.), *Money and Finance*, § 3515, Financial Statements of Agencies. The consolidated financial statements have been audited by an independent external auditor in accordance with Title 44 U.S.C., *Public Printing and Documents*, § 309, Business Operations Revolving Fund (herein referred to as the "Revolving Fund") for Operation and Maintenance of Government Publishing Office.

The consolidated financial statements are prepared from GPO's financial system on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP). Under the accrual basis, revenues are recognized (recorded) when earned, and expenses are recognized when incurred, without regard to the receipt or the payment of cash.

GPO's consolidated financial statements and accompanying notes provide information on the Agency's financial position, results of operations, changes in net position, and cash flows, and disclose significant financial and economic events that may impact GPO, in conformity with applicable laws, regulations, standards, and policies relevant to financial reporting. GPO is committed to maintaining strong financial systems and internal controls to ensure accountability, integrity, and reliability. GPO's internal controls are designed to provide reasonable assurance that obligations and costs comply with applicable laws and regulations and are within budgetary limits; that funds, property, and other assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and that transactions are properly recorded.

GPO Instruction 825.18A, *Internal Control Program*, establishes the internal control standards and assessment methodology employed by GPO to ensure adequate and effective systems of management control and compliance with applicable laws and regulations. Management monitors the internal control systems and regularly conducts vulnerability assessments and internal control reviews of GPO's programs, operations, and other activities.

## Section I: Management Discussion and Analysis (Unaudited)

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GPO's Office of the Inspector General (OIG) monitors the Internal Control Program at GPO and keeps the Agency Director informed of management's progress in addressing internal control deficiencies identified in audits, reviews, and investigations. The OIG and occasionally the Government Accountability Office (GAO) conduct audits of GPO's programs and operations, and as such, evaluate management controls. GPO's Internal Control Program, along with recommendations from audits, reviews, and investigations, has strengthened management controls and improved the economy, efficiency, and effectiveness of GPO's programs, operations, and other activities.

### Programs and Operations

The programs and operations managed by GPO are based on various public laws codified in Title 44 U.S.C. GPO's statutory responsibilities include fulfilling the printing and information product needs of the Federal Government and distributing official Federal publications to the public.

### Funding

GPO's programs and operations are funded through a business-type revolving fund, authorized by Title 44 U.S.C. and by annual and certain no-year and multi-year appropriations provided by the U.S. Congress. GPO's Revolving Fund is authorized to be self-sustaining, without fiscal year limitations applicable to most annual appropriations. The Revolving Fund pays for the cost of the Agency's programs and operations and is reimbursed at rates and prices that are intended to recover the full cost of goods and services delivered to customers. GPO's rates and prices for products and services are developed using estimates of direct labor and direct material expenses, overhead expenses, and anticipated volumes.

The major sources of reimbursement to GPO's Revolving Fund are:

- Payments from Federal customers for printing and binding, including U.S. Passports and other secure credential documents and cards, blank paper and paper products, and information products distribution and design services;
- Sales of Government publications and information products to the general public, bookstores, bookdealers, and businesses; and,
- Fund transfers from the Congressional Publishing Appropriation (CP) and the Public Information Programs of the Superintendent of Documents (Salaries and Expenses or S&E) Appropriation for work performed and authorized to be billed to these appropriations.

The CP and S&E appropriations reimburse the Revolving Fund for costs incurred to produce congressional work and fulfill statutory requirements to disseminate Federal Government information to the public, respectively. Reimbursements to the Revolving Fund from the CP and S&E appropriations are recorded as revenue when related liabilities are incurred. Unexpended CP and S&E appropriation balances may be authorized to be transferred to the Revolving Fund

## Section I: Management Discussion and Analysis (Unaudited)

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for these purposes with the approval of the House and Senate Appropriations Committees. Otherwise, unexpended annual appropriations are canceled and returned to the Department of the Treasury after five years.

Congress has also made no-year and multi-year appropriations available to GPO's Revolving Fund for specific purposes. For example, appropriations have been made for building repairs and improvements, security enhancements, information systems, and workforce retraining.

### Programs and Operations Overview

GPO is organized into separate business units to carry out the various programs and operations of the Agency. An overview of these business units follows.

**Official Journals of Government** – The Official Journals of Government business unit provides support services to the U.S. Senate and U.S. House of Representatives and their committees regarding the printing, binding, and provision of digital information products required to carry out the legislative schedule and daily operations. This support includes the production of the *Congressional Record*, *Congressional Record Index*, bills, reports, hearings, committee prints, and other authorized documents.

This business unit also works in close partnership with the Office of the Federal Register (OFR) to coordinate the timely production of the official documents of the OFR including the daily *Federal Register*, *Code of Federal Regulations*, *List of CFR Sections Affected (LSA)*, and the *Public Papers of the Presidents of the United States*.

**Plant** – The Plant business unit publishes, in print and online, the important official journals of the Federal Government, along with many other Federal Government documents that are available to the public. This business unit provides Congress with all legislative printing and binding services, including overnight production of the *Congressional Record*, and congressional bills, reports, hearings, and other documents. GPO also produces the daily *Federal Register* and the *Code of Federal Regulations* for the Executive Branch. Congressional and *Federal Register* documents created in digital formats are posted on GPO's govinfo ([www.govinfo.gov](http://www.govinfo.gov)).

**Security and Intelligent Documents** – This business unit prints, manufactures, and distributes secure credentials and documents for other Federal agency customers. These security products and services incorporate advanced electronic technologies and integrated security features to prevent fraud and counterfeit activities. Security and Intelligent Documents (SID) products and services include the production of all U.S. Passports, Border Crossing cards (BCC), and the family of Diplomatic Security cards for the U.S. Department of State. Additionally, SID supports the U.S. Department of Homeland Security's Trusted Traveler border crossing smartcard program (TTP), the Transportation Worker Identification Credential program (TWIC), the U.S. Asian Pacific Economic Corporation (APEC) business travel card, as well as the Homeland Security Presidential Directive Personal Identity Verification (HSPD-12 PIV) card program used for access to Federal facilities and systems. SID also provides secure products and services for the U.S. Department of Health and Human Services, the U.S. Department of



## Section I: Management Discussion and Analysis (Unaudited)

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Defense, and the District of Columbia (DC) government.

SID operates within a certified International Organization for Standardization (ISO) 9001 production and quality control environment. SID protects the Personally Identifiable Information (PII) data of customers used in the personalization of credentials, and is certified by the General Services Administration (GSA) as the only Government entity capable of graphically personalizing the Nation's HSPD-12 PIV smart cards now used in all agencies for physical access to Federal facilities and logical access to Federal computer systems. SID accomplishes all this by leveraging GPO's long and successful security printing tradition with expertise in biometrics, advanced chip and antenna technologies, and state-of-the-art security features in inks, threads, holograms, paper, and plastic substrates.

**Customer Services** – The majority of the Federal Government's printing needs requisitioned through GPO are contracted out to the private sector using Customer Service's partnerships with commercial printers and the information industry. This business model enables the Federal Government to take full advantage of the vast resources, expertise, and specialization within the private sector, and ensures open market competition for publishing contracts among thousands of businesses, large and small.

The Customer Services business unit provides pre-procurement consulting, print procurement (including specification writing, bid and solicitation management, and contract awarding), as well as life-cycle contract administration and monitoring for the project life-cycle for Federal customers which includes review of proofs, press sheets, and on-site monitoring, negotiating and issuance of contract modifications when required, and adherence to deadlines.

Customer Service teams are in continuous contact with customer agency printing officers and program managers to maintain high levels of satisfaction and to expand their expertise on each agency's specific mission, needs, and challenges. Customer Service's performance measures for on-time delivery and quality acceptance (see Performance Measures section) underscore the effectiveness of this partnership between industry and Government.

In addition, Customer Services' Creative and Digital Media Services provides graphic design solutions, multimedia and Web services to Congress, the White House, and Federal agencies and commissions. This unit assists customer agencies by creating effective visual communications solutions for their projects using the latest technology. The team is comprised of graphic designers who specialize in art, graphic design, web design, illustration, photography, and multimedia. The design team received design awards in fiscal 2020, including an award for excellence in Brochures and Collateral design from Graphic Design USA magazine. Creative Services' work includes designs for Presidential Inauguration materials, a major branding effort for the Department of Justice-OIG, design support for the U.S. Passport, and numerous other security design efforts. Digital Media Services offers website content updates for existing Federal agency customers who are required to utilize within-government digital media services for information dissemination. One example includes enhancements to the U.S. Senate website.

**Publication and Information Sales (P&IS)** – This unit increases public access to U.S.

## Section I: Management Discussion and Analysis (Unaudited)

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Government information through the sale of Government information products, primarily through GPO's U.S. Government Bookstore website (<https://bookstore.gpo.gov/>). This site allows the public to purchase hard-copy and eBook copies of Federal Government publications and subscriptions. This business unit also works with commercial sales channels, including book distributors nationwide, to enhance Federal information distribution. P&IS also provides customer agencies with expert advice on how to make their publications more user-friendly and commercially viable.

**Agency Distribution** – This unit provides a variety of order fulfillment, inventory, and list management services to Federal agencies through distribution centers in Pueblo, CO, and Laurel, MD. This unit also supports the GSA's popular Federal Citizen Information Center in Pueblo.

**Public Information Programs** – The Office of the Superintendent of Documents and Library Services & Content Management support and manage the Federal Depository Library Program (FDLP), the Cataloging and Indexing Program, the By-Law Program, and the distribution component of the International Exchange Service of the Library of Congress (LOC). The FDLP ensures equitable, secure, convenient, and permanent no-fee access to published U.S. Government information.

The FDLP includes 1,116 designated Federal depository libraries throughout the United States and its territories and provides the American public free access to U.S. Government publications in tangible and electronic collections. Public Information Programs' major operational functions include cataloging, acquiring new tangible and electronic publications for the FDLP, program planning, distributing publications to libraries, continuing education through the FDLP Academy, one-on-one consultations, library technical services, and archival management.

The staff that supports these programs is focused on:

- Customer outreach and engagement.
- Continuing digital initiatives and transformation.
- Providing innovative services and tools for Federal depository libraries and the public.
- Expanding strategic partnerships with libraries, Federal agencies, and other organizations.

Working with other GPO units, these units support GPO's continued digital transformation through initiatives to enhance historic and current content on **govinfo**.

Through these units, GPO has official partnership agreements in place with 64 organizations to advance free public access to U.S. Government information. Further, GPO collaborated, through special projects and initiatives, with another 30 organizations, to share knowledge, develop services, and continue GPO's mission of *Keeping America Informed*.

Other online services managed by this business unit include the *Catalog of U.S. Government Publications* ([catalog.gpo.gov](https://catalog.gpo.gov/)), FDLP.gov ([www.fdlp.gov](http://www.fdlp.gov)), and Ben's Guide to the U.S. Government ([bensguide.gpo.gov](https://bensguide.gpo.gov/)).

### Financial Position and Results for Fiscal Year 2020

GPO sustained an overall loss as a direct result of the effects of the COVID-19 pandemic. GPO's Revolving Fund is dependent on incoming customer orders to generate revenue that sustains the operations of the business-like fund. Two major sources of in-house work are orders from the U.S. Congress and the Department of State. Social distancing measures in the interest of health and public safety reduced the legislative workload from Congress, while passport operations largely suspended operations for about 3 months, as the U.S. State Department temporarily ceased issuing passports during the year. In addition, GPO operated on an emergency status from mid-March thru the beginning of July, which necessitated double-rate emergency pay to onsite employees. In early July 2020, GPO production and distribution operations resumed with a team concept that allowed customer orders to be fulfilled, while providing a safe work environment.

Billings for work performed for Congress decreased by about \$4.7 million, to \$69.3 million in fiscal 2020 from \$74.0 million in fiscal 2019. Hearings and Congressional Record billings showed the most significant decreases from the prior fiscal year. Billings to the State Department for passports produced decreased by \$90.1 million, to \$179.5 million in fiscal 2020, from \$272.6 million in fiscal 2019. Emergency pay to employees for employees required to be onsite during mid-March through early July added unanticipated expenses to GPO operating costs in fiscal 2020 of \$7.2 million.

The following is an overview of GPO's financial position and operating results for the fiscal year ended September 30, 2020. This information should be viewed in context with the Financial Statements and Notes. In addition, the management discussion and analysis put forth is prepared to highlight the more significant financial events, items or transactions. This information is not a compendium of all activity for GPO's fiscal year 2020.

#### Selected Balance Sheet Accounts and Other Statistics

##### Cash

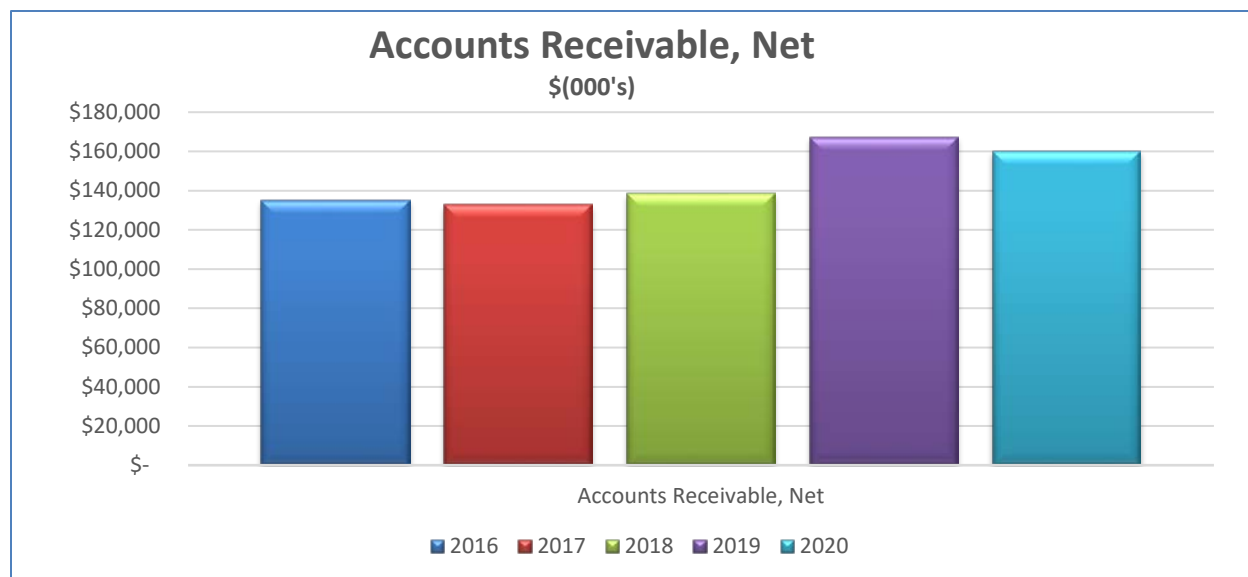
GPO's current cash requirements include program and operating expenses, as well as capital investment requirements. Cash (also referred to as "Fund Balance with Treasury" or "FBWT") decreased by \$15.6 million (2.3%) to \$660.3 million as of September 30, 2020, from \$675.9 million as of September 30, 2019.

The increase was primarily due to cash increases from operating activities of \$6.2 million, offsetting investing outlays of \$24.1 million, and increases in unexpended appropriations of \$2.3 million.

##### Accounts Receivable, Net

Net accounts receivable decreased from \$167.4 million as of September 30, 2019, to \$160.2 million as of September 30, 2020 (4.3%).

## Section I: Management Discussion and Analysis (Unaudited)



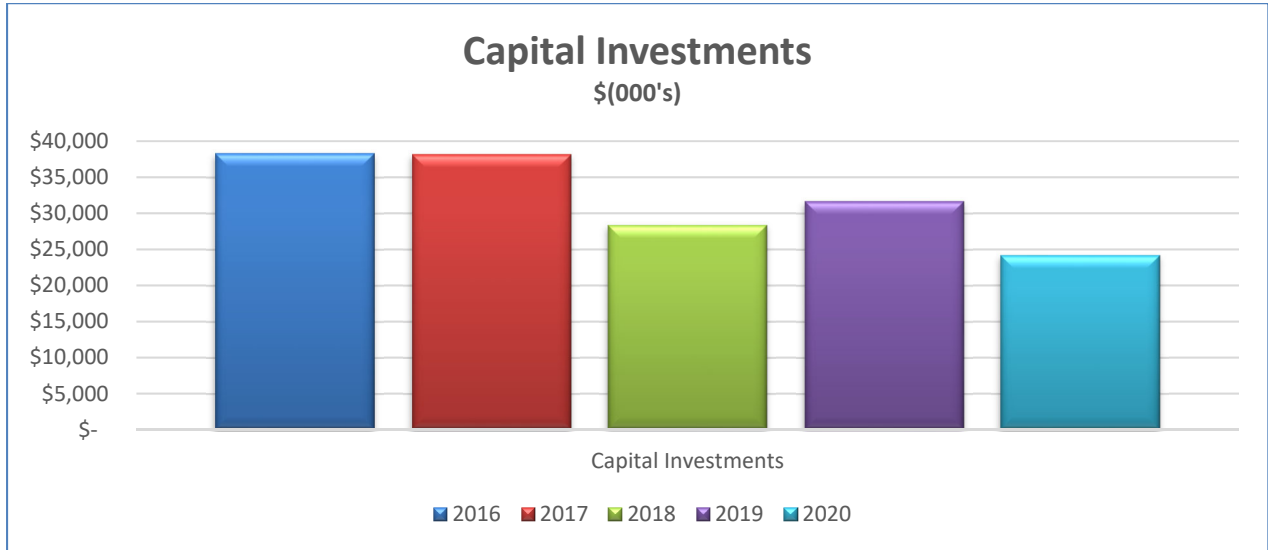
### Inventory, Net

Inventories, net of an allowance for surplus and obsolete stock increased from \$59.5 million as of September 30, 2019, to \$70.2 million as September 30, 2020 (18.1%) primarily due to purchases of passport materials and next generation passport supplies.

### General Property, Plant, and Equipment, Net

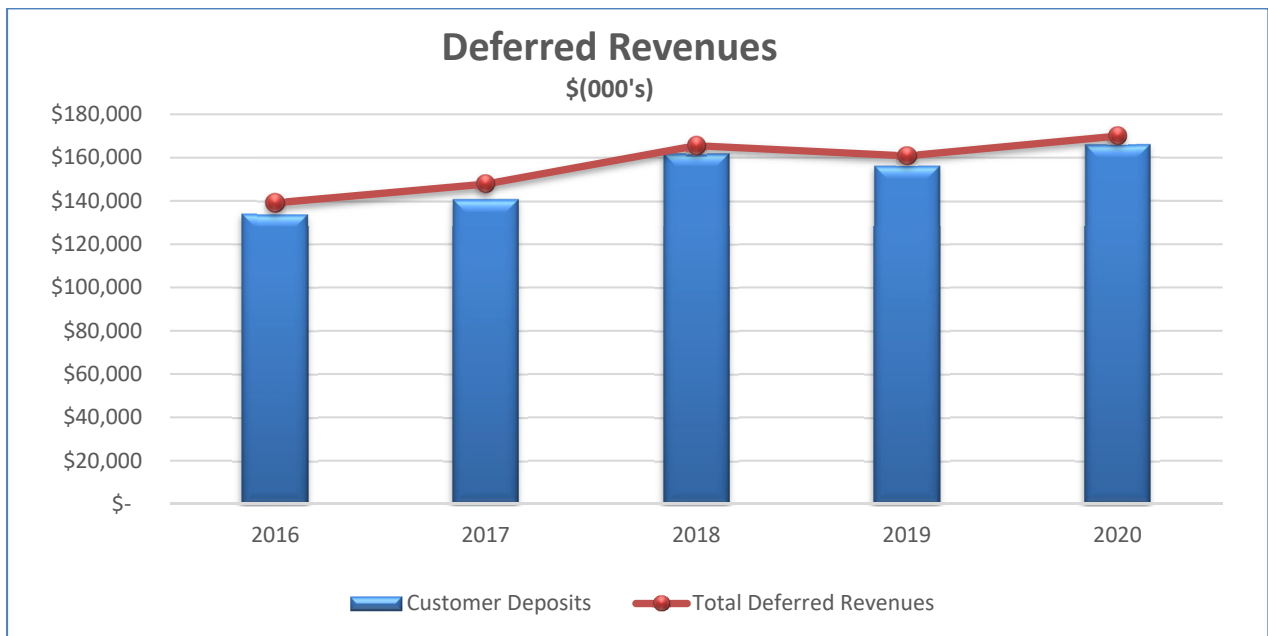
Net property and equipment decreased by \$1.3 million (0.7%) in 2020 to \$183.5 million as of September 30, 2020. The capital additions of \$24.1 million in 2020 were primarily centered on in-service placement of plant equipment (\$10.4 million), machines for passport (\$1.5 million), computers and computer software (\$6.8 million) and capitalized software and improvements (\$6.8 million). These additions were partially offset by \$25.4 million in depreciation expense for fiscal 2020. The capital investment trend over the last 5 years is reflective of the investment in secure products and documents, and GPO's transformation to a digital platform.

## Section I: Management Discussion and Analysis (Unaudited)



### Deferred Revenues

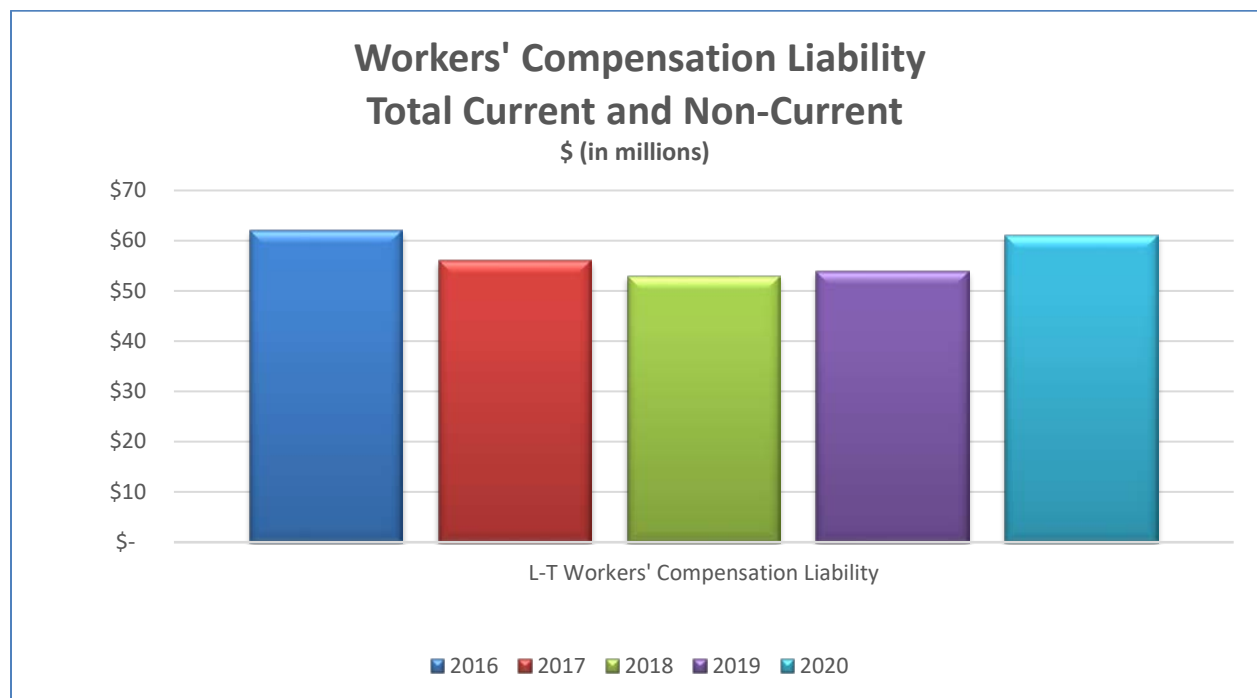
Deferred revenues are primarily comprised of customer deposits which are funds advanced from Federal agencies. The \$9.2 million (5.7%) increase in deferred revenues for fiscal 2020 from fiscal 2019 was primarily driven by a \$9.7 million increase in deposit accounts offset by a \$0.6 million decrease in advance billings and subscriptions.



## Section I: Management Discussion and Analysis (Unaudited)

### Workers' Compensation Liability

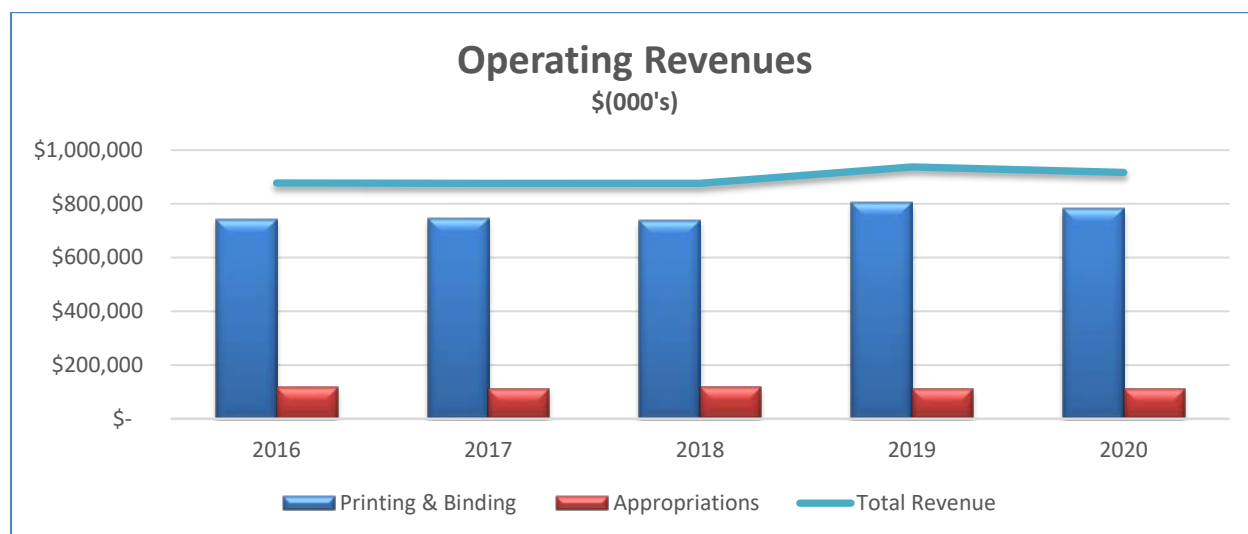
The actuarial workers' compensation liability increased \$6.3 million in 2020. The projected annual payments are discounted to present value based on economic assumptions and rates published by the Department of Treasury. The discounted rate decreased from 1.88 at September 30, 2019 to 0.93% at September 30, 2020 causing the long term actuarial liability to increase.



### Consolidated Revenues

GPO's consolidated revenues (net of eliminations) are primarily derived from Printing & Binding and Appropriations. Consolidated revenues were \$915.9 million in fiscal 2020 and \$937.4 million in fiscal 2019.

## Section I: Management Discussion and Analysis (Unaudited)



### Operating Expenses

Operating costs increased by \$40 million (4.5%) to \$924 million in fiscal 2020, up from \$884 million in fiscal 2019. The increase is primarily attributable to cost of the printing and production sold to customer agencies and personnel compensation and benefits offset by a decrease in supplies and materials.

### Changes in Retained Earnings

GPO's retained earnings decreased by \$14.3 million (2.9%) to \$479.3 million at the end of fiscal 2020, compared to \$493.6 million at the end of fiscal 2019.

As presented on the table below, GPO's retained earnings include the planned uses of net income as authorized by responsible parties. The GPO and the Department of State annually agree to a price to be charged per passport, as well as an agreed-upon plan of capital investments to produce future U.S. Passports. As a result, a portion of the agreed-upon price includes funding for these capital investments.

Also included in consolidated net income is the net change in the long-term workers' compensation liability. This unfunded liability is required to be included in GPO's consolidated financial statements; however, GPO's rates and prices are established only to recover the current fiscal year actual cost of workers' compensation, and not the long-term liability estimate.

Adjusting GPO financial results for these two items allows GPO's management to better gauge the results of GPO operations.

## Section I: Management Discussion and Analysis (Unaudited)

Summary of Net Income (Loss) (in thousands)	2020	2019
<b>Net Income (Loss)</b>	<b>\$ (14,303)</b>	<b>\$ 51,724</b>
Add to Net Loss/Reduce from Net Income:		
Passport Capital Projects Reserve	(13,458)	(17,300)
Increase (Decrease) in Workers' Compensation Liability	6,277	1,729
<b>Net Income (Loss) After Capital Projects Reserve and Workers' Compensation Liability Adjustment</b>	<b>\$ (21,484)</b>	<b>\$ 36,153</b>

Excluding funds planned to be invested in capital projects to support the production of U.S. Passports, and the adjustment to the long-term Workers' Compensation Liability, GPO had net loss of approximately \$21.5 million in fiscal 2020, compared to net income \$36.2 million in fiscal 2019.

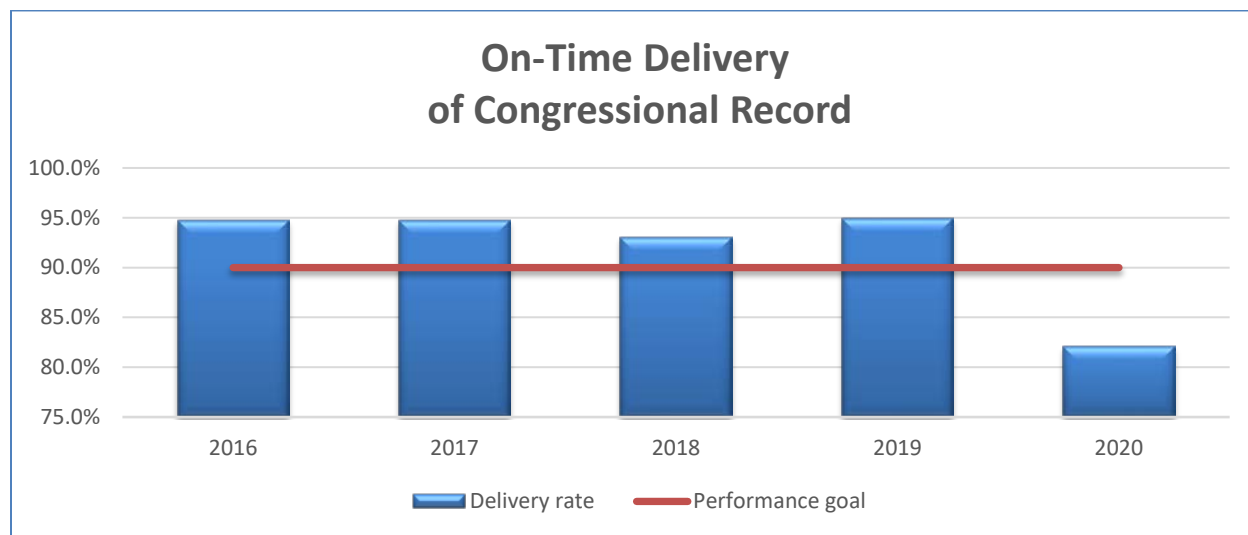


## Operating Performance Measures

GPO gauges its overall efficiency and effectiveness using certain performance measures. Generally, these performance measures are based on established standards, goals, or objectives that are compared against actual performance or results for each fiscal year. The following sections discuss the major operating performance measures used by the Agency.

### On-Time Delivery of *Congressional Record*

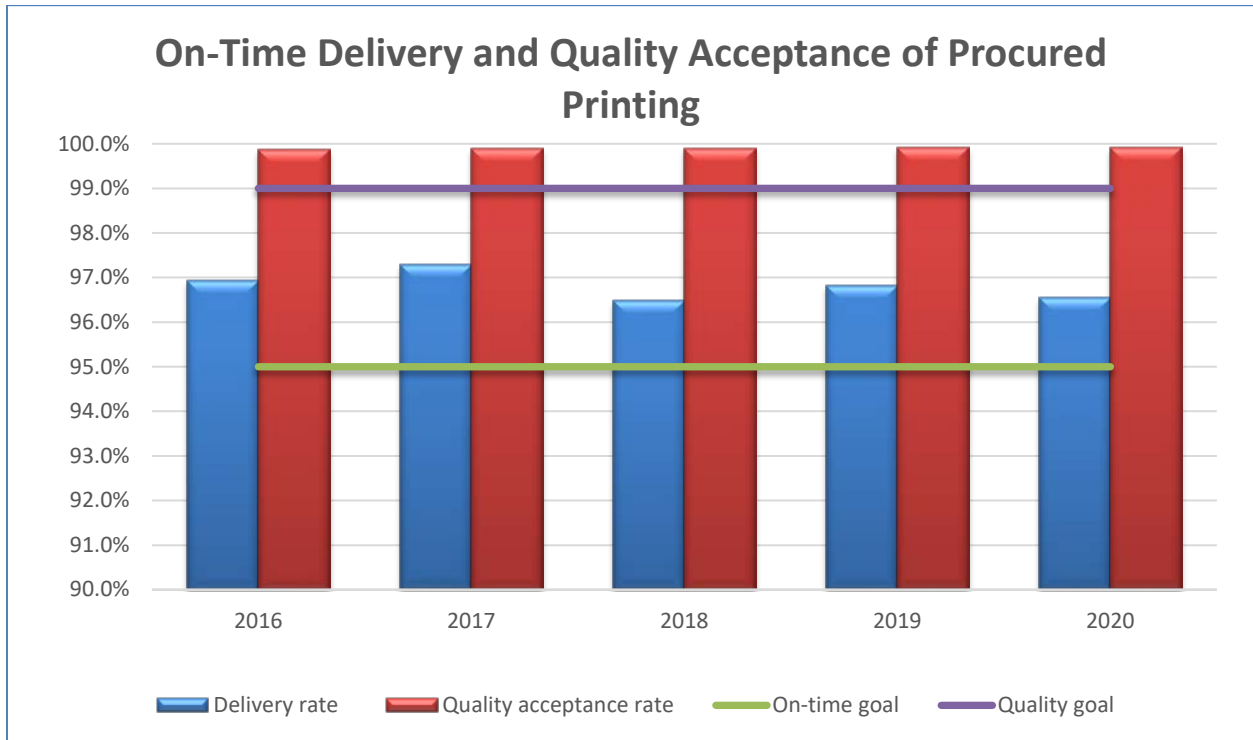
The *Congressional Record* is the official record of the proceedings and debates of the U.S. Congress. This important information product is published daily when Congress is in session. GPO uses a performance measure to evaluate the timeliness of the delivery of this core product to Congress. To measure GPO's success in delivering the *Congressional Record* to Congress on-time, GPO established a deadline of delivery to the House and Senate chambers before the start of the next day's session when 100 percent of copy is received by midnight. In fiscal 2020 the delivery goal for this product was not met. Two primary reasons: an every-other-week onsite staffing practice in proofreading, press, and bindery operations for COVID-19 reasons, and a transition from offset to new digital inkjet printing with operators learning and adjusting to the new equipment.



### On-Time Delivery and Quality Acceptance of Procured Printing

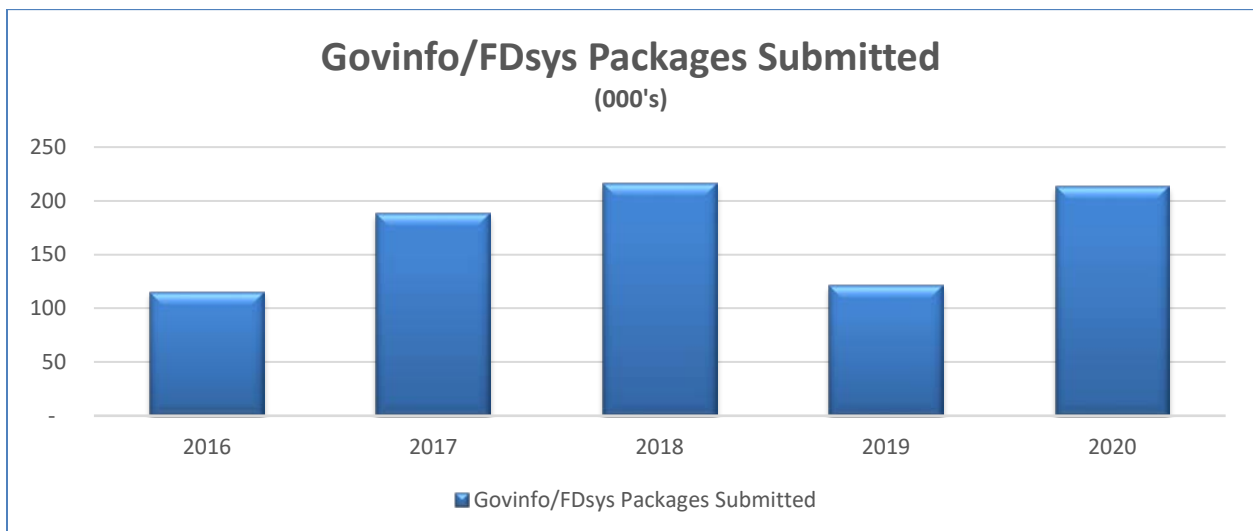
Customer Services contracted with commercial printing vendors to produce and ship orders for GPO customers, on-time and at a high standard of quality, as shown below.

## Section I: Management Discussion and Analysis (Unaudited)

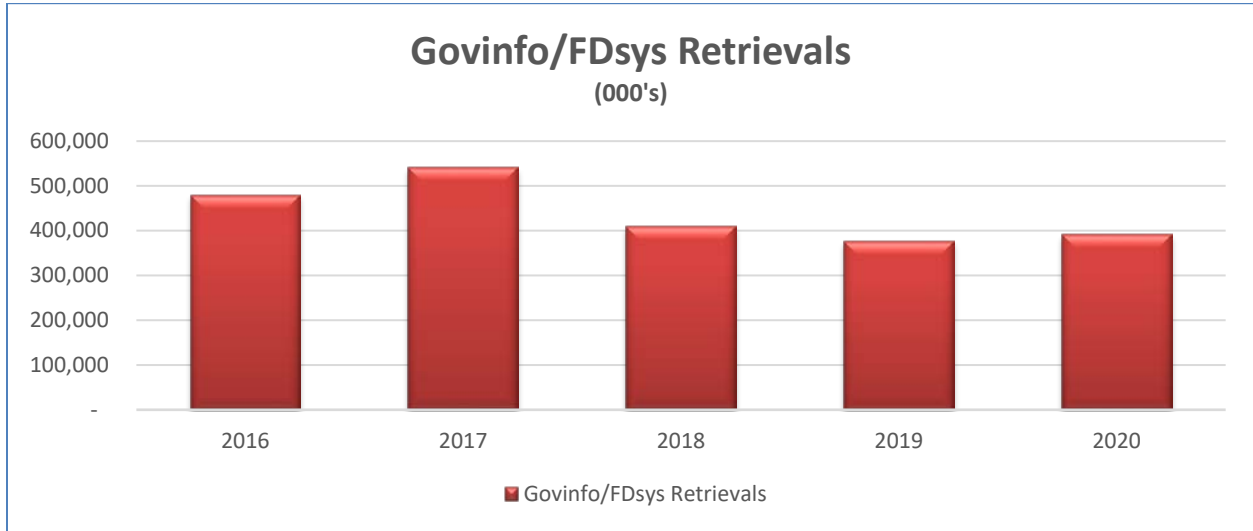


### Govinfo/FDsys Search and Retrieval Metrics

GPO's govinfo provides free online access to official publications from all three branches of the Federal Government. Govinfo provides advanced search capabilities and the ability to refine and narrow users' searches for quick access to the information they need. With govinfo, users can download a single file or download content and metadata packaged together in a compressed file.

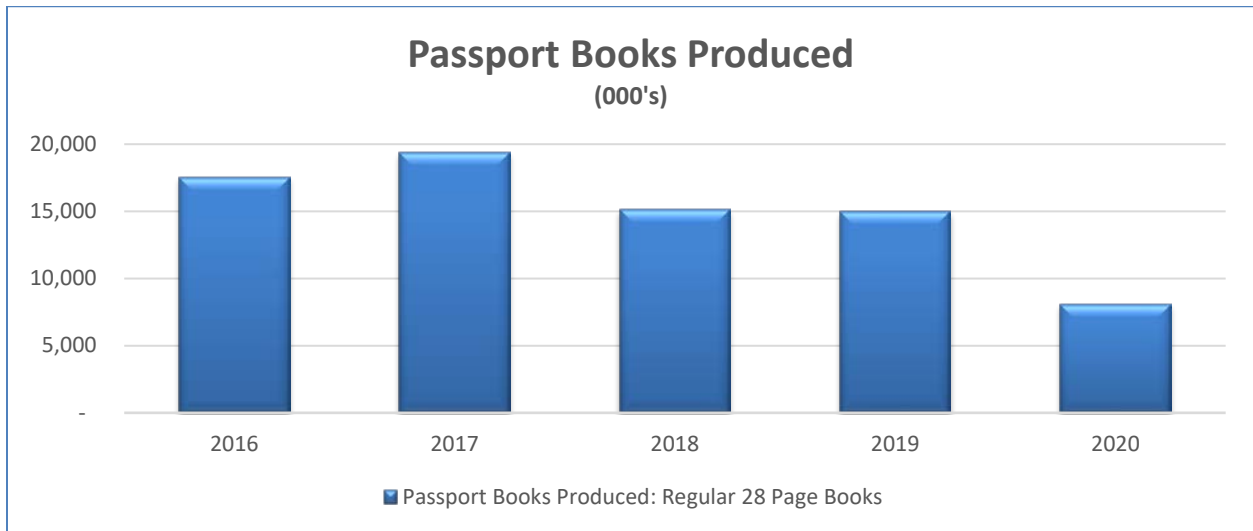


## Section I: Management Discussion and Analysis (Unaudited)



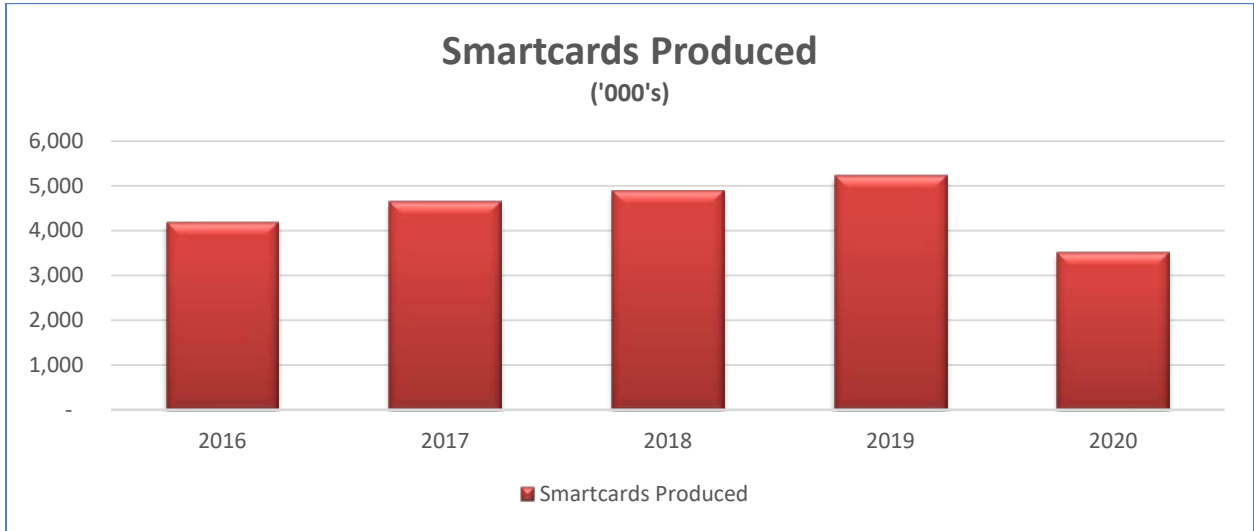
### Passport and Smartcard Metrics

SID is meeting the customer requirements for the production of secure Federal documents including U.S. Passports and smartcards.



**Section I: Management Discussion and Analysis (Unaudited)**

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### Fiscal Year 2021 Financial Projections

On July 1, 1953, the GPO Revolving Fund was established to finance GPO's operations on a self-sustaining basis. The Agency's overall long-term financial objective has been to earn revenues through a system of rates, prices, and surcharges used to bill customers for goods delivered and services performed that are sufficient to recover Agency costs, including depreciation and overhead. In accordance with Section 309 of Title 44 U.S.C., the receipts and disbursements from the continuous cycle of business-type operations are recorded in the GPO Revolving Fund.

GPO's fiscal 2021 operating budget plans for the Agency to achieve at least break-even before the long-term Federal Employees' Compensation Act (FECA) adjustment, and after adjusting for planned capital investments related to passport production. These capital investments for the Department of State are mutually agreed to and allow GPO to invest in state-of-the-art passport manufacturing technology. The GPO operating budget also provides sufficient cash to allow continued capital investment to achieve more efficient operations and better meet customer needs. The impact of COVID-19, should it persist throughout fiscal 2021, would have a dampening effect on the fiscal 2021 finances and operations of the agency. GPO will rely on Revolving Fund retained earnings to continue operating and carefully plan hiring and capital investment plans.

The GPO's focus on satisfying customers, producing authentic and secure products vital to customers, and managing through change are essential to maintaining Agency operations on sound footing, both organizationally and financially. Achieving adequate financial results will help ensure that the GPO Revolving Fund remains financially self-sustaining, and that GPO can continue *Keeping America Informed*.

## SECTION II

# INSPECTOR GENERAL'S REPORT



OFFICE *of the*  
INSPECTOR GENERAL  
U.S. GOVERNMENT PUBLISHING OFFICE

AUDIT REPORT  
REPORT NUMBER 21 - 05

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**U.S. Government Publishing Office  
Fiscal Year 2020 Independent Auditors' Report**

**December 15, 2020**

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**OFFICE of the  
INSPECTOR GENERAL**  
U.S. GOVERNMENT PUBLISHING OFFICE

**Date:**

December 15, 2020

**To:**

Director, U.S. Government Publishing Office

**From:**

Inspector General

**Subject:**

Independent Auditors' Report on the GPO Fiscal Year 2020 Financial Statements  
Report Number 21-05

Attached is the Independent Auditor's Report on the U.S. Government Publishing Office (GPO) fiscal year 2020 financial statements. We contracted with the independent certified public accounting firm of KPMG, LLP (KPMG) to audit the financial statements of GPO for the years ending on September 30, 2020 and 2019. The contract required that the audit be conducted in accordance with auditing standards generally accepted in the United States of America and in accordance with generally accepted government auditing standards.

KPMG's opinion on GPO's financial statements was unmodified. In connection with the contract, we monitored and reviewed KPMG's audit report and related documentation, and inquired of its representatives. Our review did not disclose any instances where KPMG did not comply, in all material respects, with audit requirements.

We appreciate the courtesies extended to KPMG and our staff. If you have any questions or comments about this report, please do not hesitate to contact Lori Lau Dillard, Assistant Inspector General for Audits, at [llaillard@gpo.gov](mailto:llaillard@gpo.gov) or me at [mleary@gpo.gov](mailto:mleary@gpo.gov).

A handwritten signature in black ink, appearing to read "Michael P. Leary".

MICHAEL P. LEARY  
Inspector General

Attachment



SECTION III

**INDEPENDENT  
AUDITORS'  
REPORT**



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

## Independent Auditors' Report

Director  
United States Government Publishing Office

Inspector General  
United States Government Publishing Office:

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the United States Government Publishing Office (GPO), which comprise the consolidated balance sheets as of September 30, 2020 and 2019, and the related consolidated statements of revenues, expenses, and changes in retained earnings, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the United States Government Publishing Office as of September 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Other Matters*

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The information in the Management Discussion and Analysis section, including references to information on websites or other forms of interactive data, is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

#### *Internal Control over Financial Reporting*

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2020, we considered the GPO's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the GPO's internal control. Accordingly, we do not express an opinion on the effectiveness of the GPO's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the GPO's consolidated financial statements as of and for the year ended September 30, 2020 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



*Purpose of the Other Reporting Required by Government Auditing Standards*

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the GPO's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, DC  
December 15, 2020

SECTION IV

**FINANCIAL  
STATEMENTS**

## Section IV: Financial Statements

**U.S. Government Publishing Office  
Consolidated Balance Sheets  
As of September 30, 2020 and 2019  
(Dollars in Thousands)**

	2020	2019
<b>ASSETS</b>		
<b>Current assets</b>		
Fund balance with Treasury (Note 2)	\$ 660,275	\$ 675,891
Accounts receivable, net (Note 3)	160,217	167,442
Inventory, net (Note 4)	70,222	59,463
Prepaid expenses (Note 5)	1,231	515
Total current assets	891,945	903,311
General property, plant, and equipment, net (Note 6)	183,504	184,786
Total assets	\$ 1,075,449	\$ 1,088,097
<b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses (Note 7)	\$ 122,254	\$ 142,554
Deferred revenues (Note 8)	169,946	160,781
Accrued annual leave	13,224	9,015
Workers' compensation (Note 9)	4,016	6,308
Total current liabilities	309,440	318,658
<b>Noncurrent liabilities</b>		
Workers' compensation (Note 9)	56,704	48,135
Total liabilities	366,144	366,793
<b>Commitments and contingencies (Notes 10 and 11)</b>		
<b>Net position (Note 12)</b>		
<b>Cumulative results of operations:</b>		
Retained earnings	479,310	493,613
Invested capital	92,879	92,879
Unexpended appropriations	137,116	134,812
Total net position	709,305	721,304
Total liabilities and net position	\$ 1,075,449	\$ 1,088,097

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

## Section IV: Financial Statements

**U.S. Government Publishing Office**  
**Consolidated Statements of Revenues, Expenses,**  
**and Changes in Retained Earnings**  
**For the Fiscal Years Ended September 30, 2020 and 2019**  
(Dollars in Thousands)

	2020	2019
OPERATING REVENUES		
<b>Printing and binding</b>	<b>\$ 780,341</b>	<b>\$ 806,825</b>
<b>Appropriations</b>	<b>114,349</b>	<b>113,935</b>
<b>Sales of publications</b>	<b>3,329</b>	<b>3,799</b>
<b>Agency distributions</b>	<b>17,925</b>	<b>12,885</b>
Total operating revenues	915,944	937,444
OPERATING EXPENSES		
<b>Printing and reproduction</b>	<b>477,534</b>	<b>402,673</b>
<b>Personnel compensation and benefits</b>	<b>236,730</b>	<b>222,948</b>
<b>Supplies and materials</b>	<b>107,205</b>	<b>154,012</b>
<b>Other services</b>	<b>49,685</b>	<b>50,163</b>
<b>Depreciation and amortization</b>	<b>25,428</b>	<b>24,214</b>
<b>Rents, communications, and utilities</b>	<b>16,669</b>	<b>17,634</b>
<b>Travel, transportation, and postage</b>	<b>9,451</b>	<b>10,843</b>
<b>Publications sold</b>	<b>1,268</b>	<b>1,504</b>
Subtotal	923,970	883,991
Income (Loss) before other expenses	(8,026)	53,453
OTHER EXPENSES		
<b>Increase in workers' compensation liability</b>	<b>(6,277)</b>	<b>(1,729)</b>
Net Income (Loss)	\$ (14,303)	\$ 51,724
Retained Earnings, beginning of year	493,613	441,889
Retained Earnings, end of year	\$ 479,310	\$ 493,613

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

## Section IV: Financial Statements

**U.S. Government Publishing Office**  
**Consolidated Statements of Cash Flows**  
**For the Fiscal Years Ended September 30, 2020 and 2019**  
(Dollars in Thousands)

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net income (loss)</b>	<b>\$ (14,303)</b>	<b>\$ 51,724</b>
<b>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</b>		
<b>Depreciation and amortization</b>	<b>25,428</b>	<b>24,214</b>
<b>Changes in assets and liabilities:</b>		
<b>(Increase) decrease in assets:</b>		
<b>Accounts receivable</b>	<b>7,225</b>	<b>(28,891)</b>
<b>Inventory</b>	<b>(10,759)</b>	<b>(2,094)</b>
<b>Prepaid expenses</b>	<b>(716)</b>	<b>(501)</b>
<b>Increase (decrease) in liabilities:</b>		
<b>Accounts payable, accrued expenses, and other</b>	<b>(20,300)</b>	<b>18,616</b>
<b>Deferred revenues</b>	<b>9,165</b>	<b>(4,703)</b>
<b>Accrued annual leave</b>	<b>4,209</b>	<b>71</b>
<b>Workers' compensation</b>	<b>6,277</b>	<b>1,729</b>
<b>Total adjustments</b>	<b>20,529</b>	<b>8,441</b>
Net cash provided by operating activities	6,226	60,165
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Capital purchases</b>	<b>(24,147)</b>	<b>(31,688)</b>
<b>Proceeds from sale of general property, plant, and equipment</b>	<b>1</b>	<b>10</b>
Net cash used in investing activities	(24,146)	(31,678)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Appropriations received</b>	<b>117,000</b>	<b>117,000</b>
<b>Appropriations expended</b>	<b>(114,696)</b>	<b>(114,403)</b>
<b>Increase in unexpended appropriations</b>	<b>2,304</b>	<b>2,597</b>
Net cash provided by financing activities	2,304	2,597
Net (decrease) increase in fund balance with Treasury	(15,616)	31,084
<b>Fund balance with Treasury, beginning of year</b>	<b>675,891</b>	<b>644,807</b>
Fund balance with Treasury, end of year	\$ 660,275	\$ 675,891

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



### U.S. Government Publishing Office Notes to the Financial Statements September 30, 2020 and 2019

#### 1. Summary of Significant Accounting Policies

##### A. Reporting Entity

The U.S. Government Publishing Office (GPO or Agency) is a Legislative Branch agency of the Federal Government. The Agency's mission and authority are derived from various statutes codified in Title 44, *Public Printing and Documents*, of the *United States Code* (U.S.C.). Congress established GPO to provide the Federal Government with an efficient and effective means for the production, procurement, and dissemination of Federal Government information to the Nation in traditional and electronic formats.

The Director, appointed by the President with the advice and consent of the U.S. Senate, serves as the Agency head and oversees GPO's programs and operations. These programs and operations are funded through a business-type revolving fund, authorized by 44 U.S.C. Section 309, and annual and special appropriations provided by Congress. The GPO Business Operations Revolving Fund (Revolving Fund) maintains a system of accounts and records transactions to comply with the requirements of § 309 of Title 44 U.S.C.

The Joint Committee on Printing (JCP) has primary responsibility for congressional oversight of GPO's programs and operations. The JCP is composed of five members of the U.S. House of Representatives and five members of the U.S. Senate. Every two years the JCP chairmanship and vice-chairmanship rotate between the House and the Senate.

##### B. Accounting Environment

###### Basis of Accounting

GPO prepares its financial statements in conformity with U.S. generally accepted accounting principles (GAAP), based on accounting standards issued by the Financial Accounting Standards Board (FASB), the private-sector standards-setting body. Under such standards, the GPO prepares its financial statements using the full accrual basis of accounting under which revenues are recognized (recorded or accrued) when earned and expenses are recognized as incurred, regardless of when cash is exchanged.

The Federal Accounting Standards Advisory Board (FASAB) has been designated by the American Institute of Certified Public Accountants as the standards-setting body for financial statements of Federal Government entities, with respect to the establishment of GAAP. FASAB has indicated that financial statements prepared based upon accounting standards published by the FASB may also be regarded as in conformity with GAAP for those Federal agencies that have issued financial statements based upon FASB accounting standards in the past. Consistent with historical reporting, GPO's financial statements are presented in accordance with accounting standards published by FASB.

## Section IV: Notes to the Financial Statements

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### **Basis of Presentation and Consolidation**

GPO prepares annual financial statements that reflect the overall financial position and results of operations to meet the requirements of GAAP and 31 U.S.C. § 3515(b) as mandated by 44 U.S.C. § 309(e). The accompanying consolidated financial statements include all funds under GPO's control that have been established and maintained to account for the resources of the Agency. All significant intra-agency balances and transactions have been eliminated in the preparation of the consolidated financial statements. GPO's consolidated financial statements do not include the effects of centrally administered assets and liabilities of the Federal Government, as a whole, such as interest on the public debt, which may in part be attributable to GPO. 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. Financial matters maintained or reported by other Federal agencies in which GPO is indirectly involved include employee benefit plans and certain legal settlements.

### **Funds**

GPO maintains a revolving fund and a general fund to account for its various programs and operations. Each of these funds is a distinct fiscal and accounting entity that accounts for cash and other financial resources together with all related liabilities and equities.

**Business Operations Revolving Fund** – The GPO Business Operations Revolving Fund (Revolving Fund) is an inter-governmental fund established by law on July 1, 1953. This fund is available without fiscal limitation for financing the operation and maintenance of GPO, except for those information dissemination programs of the Agency that are funded by annual appropriations.

The GPO Revolving Fund is a self-sustaining financial entity used primarily to finance and account for GPO's Publication Production Operations, and Publication and Information Sales Program. The two major sources of revenue to the Revolving Fund are reimbursements from the Congressional Publishing Appropriation and other Federal customers for providing printing, binding, and distribution services, including U.S. passport production, and publication and subscription sales to the public.

GPO's Publications Production Operations account for the revenues and expenses associated with services provided by in-plant printing and purchased printing. The costs of these services are recovered through a system of rates used to bill customers. These rates include direct costs, depreciation, overhead, and related expenses permitted under 44 U.S.C. § 309.

GPO's Publication and Information Sales Program sells Federal Government information products to the public. The prices of Federal Government publications and subscriptions sold through this program are established in accordance with 44 U.S.C. § 1708.

**General Fund** – The General Fund is financed by two annual congressional appropriations to the Agency. These appropriated funds finance the cost of GPO's support of the Congress, and the Government information dissemination services provided to the public without

## Section IV: Notes to the Financial Statements

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charge to the recipients.

The Congressional Publishing Appropriation is used to pay the cost of the printing and binding requirements of the Congress, and the printing, binding, and distribution of publications authorized by law to be distributed to others without charge to the recipient.

The Public Information Programs of the Superintendent of Documents Salaries and Expenses (S&E) Appropriation is used by the Library Services and Content Management, a GPO business unit, to fund four information dissemination programs: the Federal Depository Library Program (FDLP); the Cataloging and Indexing Program; the By-Law Distribution Program; and the International Exchange Program. The majority of this annual appropriation is used to finance the FDLP. Expenditures from these appropriations are used to reimburse the Revolving Fund for printing and binding, and other services and supplies furnished by GPO in accordance with Title 44 U.S.C.

### C. Fund Balance with Treasury

Fund Balance with Treasury represents all balances in GPO accounts with the U.S. Department of the Treasury (Treasury). Treasury processes cash receipts and disbursements for GPO.

### D. Accounts Receivable

Accounts receivable consist of intra-governmental amounts due to GPO as well as amounts due from the public. Accounts receivable are shown net of a provision for uncollectible accounts. The allowance for doubtful accounts is based on GPO's recent debt collection experience.

### E. Inventories

Inventories of paper, supplies, and materials are shown net of a provision for obsolescence. Inventories of paper, supplies, and materials include the cost of production material (e.g., computer chips, ink, book cloth) as well as the cost of administrative-use supplies. These inventories are valued at the lower of cost, using the weighted moving average cost method, or net realizable value. The allowance for obsolescence is determined based on historical usage of paper, supplies, and materials.

Inventories of publications held for sale are valued at the lower of cost, using the weighted average cost method, or net realizable value. Publication inventories are shown net of a provision for excess inventory that may be disposed of by the Agency in the future. The allowance for surplus publications is based on life cycle studies of product sales that provide a historical basis for determining the percentage of potential excess inventory stock items held in inventory.

## Section IV: Notes to the Financial Statements

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### F. Property, Plant, and Equipment

Property, plant, and equipment purchases are generally valued at their acquisition cost. GPO capitalizes the cost of the property as an asset when the cost is \$25,000 or more and the estimated useful life is two years or more. The costs of major alterations and renovations to the GPO facility are capitalized and depreciated while the costs of maintenance and repairs are expensed when incurred. The depreciation of property, plant, and equipment is calculated on a straight-line basis over the estimated useful life of the asset. The depreciation of an asset commences the month after the asset is first placed in service.

The following table reflects the standard estimated useful life of each major depreciable asset category. Exceptions to these standard estimated asset lives are authorized when justified.

<b>Asset Category</b>	<b>Estimated Useful Life (Years)</b>
Building Improvements	20
Building Appurtenances	20
Other Structures and Facilities	20
Furniture and Fixtures	20
Leasehold Improvements	10
Plant Machinery and Equipment	10
Office Machinery and Equipment	5
Motor Vehicles	5
Computer Software	3

Land has an indefinite life and is not subject to depreciation. Construction in progress and capitalized software in process are also not depreciated until completed and put into use. Leasehold improvements are generally depreciated over 10 years or the remaining duration of the lease for real property, whichever is shorter.

### G. Deferred Revenues

Deferred revenues are funds received in advance from customers for the future delivery of goods and services. GPO records these advances as revenue when the goods are delivered or the services are performed.

### H. Accrued Annual Leave

Annual leave is accrued as a liability when earned. The liability is reduced when leave is used. The annual leave liability is calculated using the current hourly salary or wage of employees multiplied by their total hours of unused annual leave. Employees will receive a lump-sum payment for unused annual leave when they separate from Federal service or enter active military service.

## Section IV: Notes to the Financial Statements

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Sick leave and other types of non-vested leave are expensed when used. Employees are not entitled to a lump-sum payment for unused sick leave.

### I. Workers' Compensation Liability

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits for GPO employees under FECA are administered by the Department of Labor (DOL) and are ultimately paid by GPO.

The FECA liability consists of two components. The first component, the accrued FECA liability, is based on actual claims paid by DOL but not reimbursed by GPO. GPO reimburses DOL for the amount of actual claims. As a result, GPO recognizes a current liability for actual claims paid by DOL which have not yet been reimbursed. This liability is included in accounts payable and accrued expenses.

The second component, the actuarial FECA liability, is the estimated liability for future benefit payments. These future estimates were generated from an application of actuarial procedures developed to estimate the liability for future FECA benefits. The actuarial liability for future workers' compensation benefits includes the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases plus a component for incurred but not reported claims. The liability is determined using a method that utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. These annual benefit payments have been discounted to present value using a composite rate from the Department of Treasury. The current and non-current components of the actuarial FECA liability are presented separately in the balance sheet for fiscal 2020 and fiscal 2019.

### J. Commitments and Contingencies

FASB Accounting Standards Codification, Asset Retirement Obligations (ASC 410-20), requires a reporting entity to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can reasonably be estimated.

Accordingly, GPO has estimated and recorded the asset retirement obligation in accounts payable. Liabilities from loss contingencies, including environmental remediation costs not within the scope of ASC 410-20, arising from claims, assessments, litigation, fines and penalties, and other sources, are recorded in accounts payable when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Loss contingencies that do not meet these criteria are not accrued.

### K. Revenue Recognition

**Printing and Binding** – GPO must be reimbursed for the cost of printing and binding services furnished to customers at rates set by the Director in accordance with 44 U.S.C. §

## Section IV: Notes to the Financial Statements

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309. Revenues from in-house printing and binding work are recognized on a value-added basis, as work is performed and direct supplies and materials are used, while 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 printer to the customer agency. Revenues related to the manufacture of passports by GPO for the Department of the State are recognized at annually negotiated rates per passport at the time that the printing and binding process is complete.

**Appropriations** – Appropriation revenues are recorded when a liability is incurred for purposes permitted by the appropriations act and program legislation. Unexpended appropriations are recorded as a component of net position. Unexpended appropriation balances are generally canceled after 5 years, unless authorized for transfer by appropriations committees.

**Sales of Publications** – Revenues from the sale of publications and subscriptions to customers are recognized when shipped by the Publication and Information Sales Program.

**Agency Distributions** – Revenues from the storage, packaging, and distribution of publications for other Federal agencies are recorded when services have been performed.

### L. Expense Recognition

**Printing and Reproduction** – This expense includes the cost of printing, duplicating, and reproduction orders that are procured by GPO from the private sector to satisfy the needs of the Federal Government. The expense is generally recorded on the date of shipment by the contractor and is shown net of vendor prompt payment discounts earned by the Agency.

**Personnel Compensation and Benefits** – Personnel compensation consists of the wages and salaries, including overtime premium and night differential, paid to GPO employees on a biweekly cycle. Personnel benefits include the Agency's share of contributions towards Federal Employees Health Benefits, Federal Employees' Group Life Insurance, and two Federal Government civilian employee retirement programs. The two retirement programs are the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), which includes the related Thrift Savings Plan (TSP). Personnel benefits also include the current cost of workers' compensation expense, transit benefits provided by GPO to employees, and the cost of incentive and performance awards to employees. Personnel compensation and benefits are recorded as expenses when earned by employees.

**Supplies and Materials** – Computer chips required for passport production are the most significant cost component within the category of supplies and materials. Passport supplies and materials are recorded as an expense when the printing and binding process is completed. The second most significant component is paper and paper products that are commercially procured to satisfy GPO's in-plant printing requirements and customer orders for blank paper. The expense is recorded when paper is drawn from inventory to fulfill an order or

## Section IV: Notes to the Financial Statements

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delivered to the customer, in the case of direct mill-to-customer shipments. This expense category also includes all other supplies and materials that are not capitalized as property, such as personal computers, furniture, and office supplies. The allowance for obsolete inventory is based on historical usage of supplies and materials.

**Other Services** – This expense category includes the costs of professional services by contractors and also the expenses related to a provision for uncollectible accounts receivable. The expenses for professional services are recognized when the contracted services have been performed. The expenses for uncollectible accounts receivable are recognized when receivables are deemed as potentially uncollectible, based on GPO’s collection experience.

**Depreciation and Amortization** – GPO uses the straight-line method of depreciation and amortization to allocate a portion of the acquisition cost of property, plant, and equipment to each accounting period. The acquisition cost of each capitalized asset is depreciated, or amortized, over the asset’s estimated useful life, which is generally measured in years. The monthly depreciation, or amortization, of a capitalized asset commences at the beginning of the first full-month after the date that the capitalized asset was placed in service.

**Rents, Communications, and Utilities** – Rent and lease costs are incurred for the use of building space, equipment, and motor vehicles. GPO leases office and warehouse space from the General Services Administration and commercial lessors. GPO also rents automobiles and other motor vehicles. Communications costs include data, voice, video, and wireless services. Utilities include electricity, gas, steam, and water. Expenses are recorded as services are provided and energy resources are used.

**Travel, Transportation, and Postage** – This category includes travel and transportation costs of persons or things, including employee relocation costs, and postage expenses. Travel costs are incurred by persons on official business for audits, attendance at conferences, inspections, investigations, training, or other authorized business of the Agency. Transportation includes shipping costs for printing and reproduction products from GPO or contractors to customer agencies, depository libraries, or other GPO locations. Incurred travel expenses are accrued when they are estimable, while transportation costs are generally recorded on the date of shipment. Postage and commercial mail services are recorded as expenses when the delivery services are provided by the U.S. Postal Service and commercial carriers.

**Publications Sold** – Publications sold expense represents the cost of publications sold to customers and the cost of subscriptions issued to subscribers. Expenses are recorded at the time of publication sale or subscription issuance. Additionally, this expense includes any change in the estimated cost of the publications held in inventory for sale to the public that are potentially obsolete, damaged, or surplus. The allowance for surplus publications is based on life cycle studies of product sales that provide a historical basis for the determination of potential excess inventory on hand.

## Section IV: Notes to the Financial Statements

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### M. Consolidated Statements of Cash Flows

The consolidated statements of cash flows report the cash provided by and used in operating, investing, and financing activity categories. This statement identifies cash flows from GPO operations and is used to identify financing acquired from outside sources, and to identify the major non-operating (investing) uses of funds.

### N. Use of Estimates

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

The estimates that impact assets, liabilities, revenues, and expenses reflected in the accompanying consolidated financial statements include: the allowance for inventory obsolescence for supplies, materials, and publications held for sale; the allowance for doubtful accounts related to accounts receivable; the estimated useful lives of capitalized assets; the actuarial estimated liability for future workers' compensation benefits; and the estimate for contingent liabilities.

### O. Fair Value Measurement

GPO applies FASB Accounting Standards Codification, *Fair Value Measurements and Disclosures* (ASC 820-10) for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820-10 defines "fair value" as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted price quote in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). GPO's financial instruments consist of cash, accounts receivable, accounts payable, and accrued liabilities as of September 30, 2020, and September 30, 2019. The carrying amounts of these financial instruments approximate fair value because of the short-term nature of these instruments. GPO holds no financial instruments that are measured at fair value on a recurring basis.

### P. Tax Status

As a Legislative Branch agency within the Federal Government, GPO is not subject to Federal, state, or local income taxes. Accordingly, no provisions for income taxes are recorded by the Agency.



## Section IV: Notes to the Financial Statements

### 2. Fund Balance with Treasury

A table of items included in GPO's fund balance with Treasury, including funds on-hand or in-transit to the Treasury, as of September 30, 2020, and September 30, 2019, follows:

	(Dollars in thousands)	
	2020	2019
Fund Balances:		
Revolving fund:		
<b>Unrestricted</b>	<b>\$ 326,419</b>	<b>\$ 352,614</b>
<b>Restricted:</b>		
<b>Customer deposit accounts</b>	<b>165,916</b>	<b>156,222</b>
<b>Other</b>	<b>28,888</b>	<b>28,989</b>
Total revolving fund	521,223	537,825
General funds:		
<b>Congressional publishing</b>	<b>47,755</b>	<b>44,044</b>
<b>Salaries and expenses</b>	<b>15,557</b>	<b>22,081</b>
<b>Supplemental and other</b>	<b>75,740</b>	<b>71,941</b>
<b>Total general funds</b>	<b>139,052</b>	<b>138,066</b>
Total	\$ 660,275	\$ 675,891

Unrestricted funds are available to meet the financial obligations of the Revolving Fund. Restricted funds are composed of customer deposit accounts, other deferred revenues, and restrictions for accrued wages and salaries, payroll taxes and other withholdings, and earned annual leave not used by employees. The restricted other amount represents funds for future planned capital investments to support the production of U.S. passports. These funds can only be used for the purpose specified.

The uses of general funds for CP and S&E appropriations are restricted by appropriation language. Supplemental and other general funds include unexpended appropriations made to GPO and are for specific purposes as discussed in Net Position, Unexpended Appropriations (Note 12. B.).

The total fund balance with Treasury decreased \$15.6 million (2.3 percent) primarily due to income from agency operations to \$660.3 million in fiscal 2020 from \$675.9 million in fiscal 2019. Total general funds available increased \$1 million. These funds are allocated to future approved projects.

## Section IV: Notes to the Financial Statements

### 3. Accounts Receivable, Net

Accounts receivable, net of an allowance for doubtful accounts, as of September 30, 2020, and September 30, 2019, consisted of the following:

	(Dollars in thousands)	
	2020	2019
Federal agencies:		
<b>Unbilled accounts receivable</b>	<b>\$ 135,013</b>	<b>\$ 148,557</b>
<b>Billed completed work</b>	<b>25,108</b>	<b>18,111</b>
Subtotal	160,121	166,668
Other receivables:		
<b>The public</b>	<b>275</b>	<b>243</b>
<b>GPO employees</b>	<b>445</b>	<b>883</b>
Subtotal	720	1,126
Total accounts receivable	160,841	167,794
<b>Less: Allowance for doubtful accounts</b>	<b>(624)</b>	<b>(352)</b>
Total accounts receivable, net	<b>\$ 160,217</b>	<b>\$ 167,442</b>

The majority of accounts receivable are due from other Federal agencies for goods and services provided by GPO. By law, these customers are required to reimburse the Revolving Fund for the cost of products provided by GPO.

Unbilled accounts receivable results from the delivery of the goods and performance of services for which bills have not been presented to the customer for payment. Unbilled accounts receivable decreased in fiscal 2020 compared to fiscal 2019 by \$13.5 million due to completion of the decennial census. Unbilled accounts receivable includes the value of work in process and completed work for customer orders as of September 30, 2020, and September 30, 2019.

The majority of employee accounts receivable is owed by current and former employees who were advanced leave. Employees generally repay their leave indebtedness through biweekly installments from their earned leave or from leave donations from other employees under the GPO Leave Donation Program.

Net accounts receivable decreased by \$7.2 million (4.3 percent) in fiscal 2020 from fiscal 2019.

### 4. Inventory, Net

Inventories, net of an allowance for surplus and obsolete stock increased by \$10.8 million (18.1 percent) as of September 30, 2020 from the prior year. Inventory, net are detailed as follows:

## Section IV: Notes to the Financial Statements

	(Dollars in thousands)	
	2020	2019
<b>Supplies and materials</b>	<b>\$ 54,491</b>	<b>\$ 46,416</b>
<b>Publications for sale</b>	<b>3,645</b>	<b>3,642</b>
<b>Paper</b>	<b>10,297</b>	<b>6,812</b>
<b>Work in process</b>	<b>5,144</b>	<b>5,939</b>
Total inventory	73,577	62,809
<b>Less: Allowance for surplus and obsolete inventory</b>	<b>(3,355)</b>	<b>(3,346)</b>
Inventory, net	\$ 70,222	\$ 59,463

### 5. Prepaid Expenses

Prepaid expenses or advances to others were \$1.2 million as of September 30, 2020, and \$515,000 as of September 30, 2019. The current and prior year balances were primarily comprised of unused postage, employee transportation benefits and information technology. Most of fiscal 2019 prepaid expenses were expensed in fiscal 2020.

### 6. General Property, Plant, and Equipment, Net

General property, plant, and equipment, net as of September 30, 2020, and September 30, 2019, consisted of the following:

	(Dollars in thousands)	
	2020	2019
<b>Land</b>	<b>\$ 9,971</b>	<b>\$ 9,971</b>
<b>Buildings and improvements</b>	<b>112,091</b>	<b>111,015</b>
<b>Plant machinery and equipment</b>	<b>202,309</b>	<b>202,027</b>
<b>Computers and computer software</b>	<b>150,001</b>	<b>143,219</b>
<b>Furniture and fixtures</b>	<b>4,856</b>	<b>4,827</b>
<b>Motor vehicles</b>	<b>749</b>	<b>749</b>
<b>Leasehold improvements</b>	<b>14,927</b>	<b>14,837</b>
<b>Capitalized software in process</b>	<b>24,780</b>	<b>18,030</b>
<b>Capital improvements in process</b>	<b>12,585</b>	<b>16,109</b>
Total	532,269	520,784
<b>Less: Accumulated depreciation and amortization</b>	<b>(348,765)</b>	<b>(335,998)</b>
General property, plant, and equipment, net	\$ 183,504	\$ 184,786

Depreciation expense was \$25.4 million in fiscal 2020 and \$24.2 million in fiscal 2019.

## Section IV: Notes to the Financial Statements

### 7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of September 30, 2020, and September 30, 2019, were composed of the following:

	(Dollars in thousands)	
	2020	2019
Accounts payable:		
<b>Commercial printing</b>	\$ 81,777	\$ 72,653
<b>U.S. Government agencies</b>	6,504	8,002
<b>Other</b>	22,341	46,487
Total accounts payable	110,622	127,142
<b>Accrued salaries and payroll taxes</b>	<b>11,632</b>	<b>15,413</b>
Total accounts payable and accrued expenses	\$ 122,254	\$ 142,555

As of September 30, 2020, amounts recorded in the Other category include \$2.4 million payable to vendors for E-passport microchip integrated circuits and smart cards, \$3.8 million for other passport and smart card related expenses, \$2.7 million for expenses related to information technology services, \$1.2 million accrued for fixed assets, and \$5.9 million for other operating expenses. As of September 30, 2019, amounts recorded in the Other category include \$7.1 million payable to vendors for E-passport microchip integrated circuits and smart cards, \$14.2 million for other passport and smart card related expenses, \$2.5 million for expenses related to information technology services, \$4.4 million accrued for fixed assets, and \$8.1 million for other operating expenses.

### 8. Deferred Revenues

As of September 30, 2020, and September 30, 2019, deferred revenues from customers consisted of the following:

	(Dollars in thousands)	
	2020	2019
<b>Deposit accounts</b>	\$ 165,916	\$ 156,222
<b>Advance billings</b>	3,112	3,403
<b>Subscriptions</b>	642	936
<b>Unfilled orders</b>	276	220
Total	\$ 169,946	\$ 160,781

## Section IV: Notes to the Financial Statements

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GPO held \$165.9 million and \$156.2 million in customer deposit accounts as of September 30, 2020, and September 30, 2019, respectively. Of these amounts, Federal Government customers had advanced funds of \$152.6 million and \$158.1 million for printing and binding deposit accounts, and customers advanced \$3.9 million and \$3.6 million for publication and information sales program deposit accounts as of September 30, 2020, and September 30, 2019, respectively. The funds in these deposit accounts will be applied to future orders placed by customers or refunded on request.

GPO defers the recognition of revenues for subscription services that will be provided to customers in the future. Customers pay for ink-on-paper subscriptions to the *Congressional Record*, the *Federal Register*, and other publications in advance of delivery. The revenues from subscriptions are recognized as the periodicals are published and distributed to subscribers. The unfilled subscription balances are refunded when the subscription is no longer available for sale, or the customer cancels the subscription.

GPO defers the recognition of revenues for unfilled customer orders of publications and other information products until the orders are shipped.

Advance billings are occasionally requested by customer agencies or used to finance high-dollar orders until work is completed. GPO defers the recognition of revenues for advance billings to customers. This amount decreased to \$3.1 million in fiscal 2020 from \$3.4 million in the prior year.

### 9. Workers' Compensation Liability

Claims incurred and paid by DOL as of September 30, 2020, and September 30, 2019, but not reimbursed to DOL by GPO, are approximately \$5.3 million and \$5.2 million, respectively. This liability is included in accounts payable and accrued expenses.

As of September 30, 2020, GPO estimated discounted current actuarially derived future workers' compensation liability of approximately \$4 million and estimated discounted non-current actuarially derived future workers' liability of approximately \$56.7 million. As of September 30, 2019, GPO estimated discounted current actuarially derived future workers' compensation liability of approximately \$6.3 million and estimated discounted non-current actuarially derived future workers' liability of approximately \$48.1 million. These annual benefit payments have been discounted to present value using a composite rate from the Department of Treasury. The discount rates as of September 30, 2020, and September 30, 2019, were 0.93 percent and 1.88 percent, respectively. GPO's total estimated, undiscounted actuarially derived future workers' compensation liability was approximately \$60.7 million and \$69.8 million as of September 30, 2020, and September 30, 2019, respectively.

### 10. Commitments

#### 10. A. Operating Leases

As of September 30, 2020, GPO was committed to various non-cancelable operating leases,

## Section IV: Notes to the Financial Statements

primarily covering warehouse and office space. Some of these leases contain escalation clauses and renewal options. Annual lease and rental expenses for real and personal property were \$5.4 million in fiscal 2020 and \$4.9 million in fiscal 2019. A schedule of future minimum rental payments required under operating leases by type, that have initial or remaining non-cancelable lease terms in excess of one year, follows:

### Future Minimum Rental Payments Required Under Operating Leases

Fiscal Year	(Dollars in thousands)			Total
	Warehouse	Office		
2021	\$ 1,268	\$ 582	\$ 1,850	
2022	709	433	1,142	
2023	87	327	414	
2024	0	10	10	
2025 & Thereafter	0	0	0	
Total Minimum Lease Payments	\$ 2,064	\$ 1,352	\$ 3,416	

#### 10. B. Obligations

GPO had unliquidated obligations of \$409.7 million at September 30, 2020, and \$381.4 million at September 30, 2019, of which \$137.1 million and \$135 million, respectively, were for unexpended appropriations (see Note 12. B.), \$11.6 million and \$15.4 million, respectively, for salaries and \$261 million and \$231 million, respectively, were undelivered orders related to commercial printing. The latter obligations include purchase orders and contractual obligations by GPO to acquire goods and services from the private sector and other sources. These orders are scheduled for delivery or performance in the future.

#### 11. Contingencies

##### 11. A. Administrative Proceedings, Legal Actions, and Claims

GPO is a party in various administrative proceedings, legal actions, and claims brought against the Federal Government by employees, contractors, and other parties. The uncertainty involving the outcome of these pending matters will be resolved when future events occur or fail to occur. In some cases, legal matters relate to contractual arrangements GPO has entered into for goods and services procured on behalf of other Federal entities. The costs of administering, litigating, and resolving these actions are borne by the Revolving Fund unless the costs are recovered from another Federal entity. As of September 30, 2020, GPO had zero recorded liabilities in which management believes an adverse result against GPO was probable. As of September 30, 2019,

## Section IV: Notes to the Financial Statements

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GPO had \$700,000 recorded in estimated probable liabilities. Such amount is included in accounts payable and accrued expenses in the financial statements. That claim was settled in fiscal 2020.

Contingencies where the risk of loss is reasonably possible are approximately \$5.9 million and \$7 million, as of September 30, 2020, and September 30, 2019, respectively. Management believes that the ultimate disposition of these matters will not have a material, adverse effect on GPO's consolidated financial position, results of operations, and cash flows.

The Department of Justice (DOJ) represents the GPO in all litigation in Federal court. In these cases, amounts paid under any judgment, compromise settlement, or award are funded from the Judgment Fund administered by the Department of the Treasury (31 U.S.C. § 1304). As a Legislative branch agency, GPO is not required to reimburse the fund for amounts paid on its behalf. The Judgment Fund paid a total of \$107,000 in fiscal 2020 and \$25,000 in fiscal 2019 on behalf of GPO.

### 11. B. Environmental Liabilities

GPO's Central Office in Washington, DC, is located in an industrial facility consisting of four buildings that contain asbestos building materials. When they were constructed asbestos was a common building material used as flame retardant, thermal system insulation, and in a variety of building materials (e.g., wall, floor, and ceiling tiles). GPO asbestos abatement efforts have been successful in the removal, enclosure, and encapsulation of friable asbestos to comply with applicable laws and regulations when unexposed asbestos is detected during building renovation projects.

The estimated costs to remove or remediate the visible and non-visible presumed asbestos containing material, both friable and non-friable, within the GPO facility, were \$953,000 as of September 30, 2020, and \$826,000 as of September 30, 2019. The increased liability is the result of recently conducted investigative asbestos mappings and surveys. These amounts are included in accounts payable and accrued expenses on the financial statements.

## 12. Net Position

### 12. A. Cumulative Results of Operations

**Retained Earnings** — Retained earnings include the net operating results of the Revolving Fund, since inception, less certain required transfers to other Federal agencies.

**Invested Capital** — Invested capital represents the resources of the Federal Government that were directly appropriated to the Agency by Congress for investment in GPO assets (land, buildings, equipment, and capital).

### 12. B. Unexpended Appropriations

The following table presents unexpended appropriation balances from September 30, 2018, through September 30, 2020, for appropriations made available to GPO:

## Section IV: Notes to the Financial Statements

### Unexpended Appropriations

Appropriations (Dollars in thousands)	Revolving Fund	Salaries and Expenses	Congressional Publishing	Total
<b>Unexpended balance at September 30, 2018</b>	\$ 65,216	18,911	48,088	\$ 132,215
<b>2019 fiscal year appropriation activity:</b>				
<b>Received</b>	<b>6,000</b>	<b>32,000</b>	<b>79,000</b>	<b>117,000</b>
<b>Transferred</b>	<b>13,071</b>	<b>(4,063)</b>	<b>(9,008)</b>	<b>0</b>
<b>Expended</b>	<b>(12,342)</b>	<b>(28,025)</b>	<b>(74,036)</b>	<b>(114,403)</b>
<b>Unexpended balance at September 30, 2019</b>	71,945	18,823	44,044	\$ 134,812
<b>2020 fiscal year appropriation activity:</b>				
<b>Received</b>	<b>6,704</b>	<b>31,296</b>	<b>79,000</b>	<b>117,000</b>
<b>Transferred</b>	<b>10,354</b>	<b>(4,410)</b>	<b>(5,944)</b>	<b>0</b>
<b>Expended</b>	<b>(13,260)</b>	<b>(32,092)</b>	<b>(69,344)</b>	<b>(114,696)</b>
<b>Unexpended balance at September 30, 2020</b>	\$ 75,743	\$ 13,617	\$ 47,756	\$ 137,116

As of September 30, 2020, GPO had obligated all of the \$47.8 million of the unexpended appropriations available for Congressional Publishing, and all of the \$13.6 million of the unexpended appropriations available for Salaries and Expenses. The obligations are based on the estimated cost of open orders as of September 30, 2020. At September 30, 2019, the obligations were \$44 million in Congressional Publishing Appropriations and \$18.8 million in Salaries and Expenses Appropriations.

The Revolving Fund unexpended appropriations balances at September 30, 2020, and September 30, 2019, were \$75.7 million and \$71.9 million, respectively. The Revolving Fund unexpended appropriations balances are primarily the result of the following appropriation activities:

- In fiscal 2010, Congress appropriated \$12.8 million to the Revolving Fund for information technology development and facilities repair. As of September 30, 2020, GPO expended cumulatively about \$12.6 million from the appropriation leaving available balance of \$198,000. As of September 30, 2019, the unexpended balance was \$198,000.
- In fiscal 2012, GPO transferred approximately \$9.9 million unexpended prior year balances of Congressional Publishing Appropriations remaining from fiscal 2011 and fiscal 2010 and \$3.7 million from prior year Salaries and Expenses Appropriations to the Revolving Fund. These amounts are available to Congressional Publishing and Salaries and Expenses, respectively to offset requirements for new budget authority for fiscal 2012, and liquidate obligations incurred in subsequent years. As of September 30, 2020, GPO had expended the entire appropriation. As of September 30, 2019, the unexpended balance was \$855,000 for Congressional Publishing Appropriation. As of September 30, 2020 and 2019 GPO had expended the entire balance available for Salaries and Expenses Appropriations.



## Section IV: Notes to the Financial Statements

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- In fiscal 2014, GPO transferred approximately \$9.5 million from the Congressional Publishing Appropriations remaining from fiscal years 2009 through 2011 to the Revolving Fund, and \$5.7 million from the Salaries and Expenses Appropriations from fiscal years 2009 and 2010 to the Revolving Fund. These amounts were available to the Revolving Fund to offset Congressional Publishing and Salaries and Expenses requirements for new budget authority, and to liquidate obligations incurred in subsequent years. As of September 30, 2020, GPO had expended \$9.5 million from the appropriations leaving a balance of \$5.7 million. As of September 30, 2019, the unexpended balance was \$11.2 million.
- In fiscal 2014, Congress appropriated \$8.1 million to the Revolving Fund for information technology development. As of September 30, 2020, GPO expended cumulatively about \$8 million from the appropriation leaving a balance of \$74,000 available. At the end of fiscal 2019, a balance of \$74,000 was available.
- In fiscal 2015, GPO transferred approximately \$1.2 million from the Congressional Publishing Appropriations remaining from fiscal year 2010 to the Revolving Fund, and \$6.1 million from the Salaries and Expenses Appropriations from fiscal year 2010 to the Revolving Fund. These amounts were unexpended as of September 30, 2020.
- In fiscal 2015, Congress appropriated \$8.8 million to the Revolving Fund for information technology development and facilities upgrades. As of September 30, 2020, GPO expended cumulatively about \$7.5 million from the appropriation leaving a balance of \$1.3 million available. As of September 30, 2019, the unexpended balance was \$1.3 million.
- In fiscal 2016, GPO transferred approximately \$2.0 million from the Congressional Appropriation remaining from fiscal year 2011 to the Revolving Fund, and \$760,000 from the Salaries and Expenses Appropriation remaining from fiscal year 2011. These amounts are available to Congressional Publishing and Salaries and Expenses, respectively to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. These amounts were unexpended as of September 30, 2020.
- In fiscal 2017, Congress appropriated \$7.8 million to the Revolving Fund for information technology development and facilities upgrades. As of September 30, 2020, GPO expended cumulatively about \$6.1 million from the appropriation leaving a balance of \$1.7 million available. As of September 2019, the unexpended balance was \$1.7 million.
- In fiscal 2017, GPO transferred approximately \$13.3 million from the Congressional Publishing Appropriation remaining from fiscal 2012 to the Revolving Fund, and \$3.4 million from the Salaries and Expenses Appropriation remaining from fiscal 2012. These amounts are available to Congressional Publishing and Salaries and Expenses, respectively to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. These amounts were unexpended as of September 30, 2020.

## Section IV: Notes to the Financial Statements

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- In fiscal 2018, Congress appropriated \$8.5 million to the Revolving Fund for information technology development and facilities upgrades. As of September 30, 2020, GPO expended cumulatively about \$5.5 million from the appropriation leaving a balance of \$3 million available. As of September 2019, the unexpended balance was \$5 million.
- In fiscal 2018, GPO transferred approximately \$5.8 million from the Congressional Publishing Appropriation remaining from fiscal 2013 to the Revolving Fund. These amounts are available to Congressional Publishing to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. These amounts were unexpended as of September 30, 2020.
- In fiscal 2019, Congress appropriated \$6 million to the Revolving Fund for information technology development. As of September 30, 2020, GPO expended cumulatively about \$3.5 million from the appropriation leaving a balance of \$2.5 million available. As of September 2019, the unexpended balance was \$6 million.
- In fiscal 2019, GPO transferred approximately \$9 million from the Congressional Publishing Appropriation remaining from fiscal 2013 to the Revolving Fund, and \$4.1 million from the Salaries and Expenses Appropriation remaining from fiscal 2013. These amounts are available to Congressional Publishing and Salaries and Expenses, respectively to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. As of September 30, 2020, GPO expended cumulatively about \$1.5 million from the appropriation leaving a balance of \$11.6 million available. As of September 2019, the unexpended balance was \$13.1 million.
- In fiscal 2020, Congress appropriated \$6.7 million to the Revolving Fund for information technology development. This amount was unexpended as of September 30, 2020.
- In fiscal 2020, GPO transferred approximately \$5.9 million from the Congressional Publishing Appropriation remaining from fiscal 2014 to the Revolving Fund, and \$4.4 million from the Salaries and Expenses Appropriation remaining from fiscal 2014. These amounts are available to Congressional Publishing and Salaries and Expenses, respectively to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. As of September 30, 2020, these amounts were unexpended.

## Section IV: Notes to the Financial Statements

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### 13. Appropriated Funds

#### 13. A. Total Appropriations Made Available

The total appropriations made available to GPO for fiscal 2020 and 2019 were as follows:

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	(Dollars in thousands)	
	2020	2019
Congressional publishing	\$ 79,000	\$ 79,000
Salaries and expenses	31,296	32,000
Revolving fund	6,704	6,000
Total available appropriations	\$ 117,000	\$ 117,000

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### 13. B. Expended Appropriations

The total appropriations expended by GPO during fiscal 2020 and 2019 were as follows:

#### Expended Appropriations

	(Dollars in thousands)	
	2020	2019
Congressional publishing:		
Hearings	\$ 9,657	\$ 11,859
Congressional record publications	18,822	21,250
Miscellaneous publications	3,558	3,148
Miscellaneous publishing and services	17,018	17,863
Bills, resolutions, and amendments	5,487	6,095
Details to Congress	5,441	5,709
Business and committee calendars	4,571	3,778
Committee reports	1,710	2,448
Document envelopes & franks	421	487
Documents	1,968	541
Committee prints	691	858
Total Congressional publishing	69,344	74,036
Salaries and expenses:		
Depository library distribution	21,663	19,155
Cataloging and indexing	9,335	7,871
International exchange	834	730
By-law distribution	260	269
Total salaries and expenses	32,092	28,025
Revolving Fund:		
Infrastructure and systems improvements	13,260	12,342
Total revolving fund	13,260	12,342
Total expended appropriations	114,696	114,403
Reconciliation of expended appropriations to the consolidated statements of revenues, expenses, and changes in retained earnings:		
Total expended appropriations	114,696	114,403
Eliminations (Intra-agency)	(347)	(468)
Consolidated revenues from appropriations	\$ 114,349	\$ 113,935

### 14. 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 makes payroll deductions from employees for their pension contributions. The Office of Personnel Management (OPM) determines the employer contributions for these defined benefit plans that are required to be paid by GPO. OPM is responsible for Government-wide reporting of CSRS and FERS assets, accumulated plan benefits, and unfunded liabilities. In accordance with FASB, and consistent with multi-employer pension plans, GPO has reflected only the required contribution to these programs in its financial statements. OPM is responsible for funding any other costs. Therefore, GPO is not required to record in the consolidated financial statements the unfunded pension liability and post-employment benefits relative to its employees.

Other OPM administered programs provide health, life, and long-term care insurance benefits to active, inactive, and retired employees. Permanent employees of GPO may participate in the Federal Employees Health Benefit Program, Federal Employee Group Life Insurance Program, and/or Federal Long Term Care Insurance Program before and after their retirement from the Agency.

#### Civil Service Retirement System

The CSRS is a defined benefit plan. Generally, it covers GPO employees first hired before 1984. Total GPO (employer) contributions to CSRS for employees covered under this retirement program were 7.5 percent of basic pay in both 2020 and 2019 for investigators and law-enforcement officers, and 7.0 percent of basic pay in both years for all other employees. GPO contributions were \$0.7 million and \$0.8 million for the years ended September 30, 2020, and September 30, 2019, respectively.

#### Federal Employees Retirement System

Using Social Security benefits as a base, FERS provides a defined benefit plan (Basic Benefit Plan) and a voluntary defined contribution plan. GPO employees first 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.

The employer contribution rate to FERS for GPO law enforcement officers was 34.7 percent of basic pay in fiscal 2020 and 34.9 percent in fiscal 2019. The FERS contribution rate for all other employees was 16.7 percent in fiscal 2020 and 16.9 percent in fiscal 2019. GPO contributions to FERS totaled \$22.7 million for fiscal 2020 and \$19.1 million for fiscal 2019.

#### Thrift Savings Plan

The Thrift Savings Plan (TSP) allows employees to defer the recognition of income tax on contributions made to the plan. The TSP elective deferral limit for employees was \$19,500 for fiscal 2020 and \$19,000 for fiscal 2019. Employees who were 50 years old or older were allowed additional catch-up contributions of \$6,500 in fiscal 2020 and \$6,000 fiscal 2019. For FERS employees, the employer is required to contribute 1 percent of the employee's base pay to the TSP, and to match voluntary employee contributions dollar-for-dollar for the first 3 percent

## Section IV: Notes to the Financial Statements

of pay and 50 cents on the dollar for the next 2 percent of pay. Thus, the employer contribution to the TSP can be up to 5 percent for FERS employees. Employees participating in CSRS may contribute to the TSP, but they do not receive any matching contributions from the employer. GPO made employer contributions to the TSP of \$6.1 million in fiscal 2020 and \$5.8 million in fiscal 2019.

### Social Security System

As an employer, GPO matches employee contributions to the U.S. Social Security Administration (SSA) under the Federal Insurance Contributions Act (FICA) for employees in the FERS. GPO contributes 6.2 percent of gross pay (up to \$137,700 in 2020 and \$132,900 in 2019) 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, without limit, to SSA's Medicare Hospital Insurance Program. Contributions to these SSA programs for the years ended September 30, 2020, and September 30, 2019, totaled \$12.2 million and \$11.3 million, respectively.

### 15. Major Customers

GPO's primary customers are the Congress and large Federal agencies in the Executive Branch of the Federal Government. The following reflects GPO's top customers in fiscal years 2020 and 2019:

	(Dollars in thousands)			
	2020		2019	
	Billings	% of Total	Billings	% of Total
U.S. Department of State	\$ 179,469	20.6%	\$ 272,555	31.8%
U.S. Department of Commerce	153,917	17.7%	23,911	2.8%
U.S. Defense Logistics Agency	78,526	9.0%	77,043	9.0%
U.S. Congress	70,085	8.1%	74,474	8.7%
U.S. Department of Veterans Affairs	67,592	7.8%	67,971	7.9%
U.S. Dept. of Health & Human Services	60,945	7.0%	69,268	8.1%
U.S. Dept. of Homeland Security	50,484	5.8%	67,055	7.8%

### 16. Subsequent Events

GPO has evaluated subsequent events through December 15, 2020, the date which the financial statements were available to be issued, and found there were no material events that required financial adjustment, accrual, or further disclosure.

## ABBREVIATIONS LIST

ASC	Accounting Standards Codification
CP	Congressional Publishing
CSRS	Civil Service Retirement System
DOL	U.S. Department of Labor
FASAB	Federal Accounting Standards Advisory Board
FASB	Financial Accounting Standards Board
FDLP	Federal Depository Library Program
FDsys	GPO's Federal Digital System
FECA	Federal Employees' Compensation Act
FERS	Federal Employees Retirement System
FICA	Federal Insurance Contributions Act
GAAP	U.S. Generally Accepted Accounting Principles
GAO	U.S. Government Accountability Office
GPO or Agency	U.S. Government Publishing Office
ISO	International Organization for Standardization
JCP	Joint Committee on Printing
OASDI	Old Age, Survivors, and Disability Insurance
OIG	Office of the Inspector General
OPM	Office of Personnel Management
PII	Personal Identifiable Information
S&E	Salaries and Expenses
SID	Security and Intelligent Documents
SSA	U.S. Social Security Administration
Treasury	U.S. Department of the Treasury
TSP	Thrift Savings Plan
U.S.C.	United States Code



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