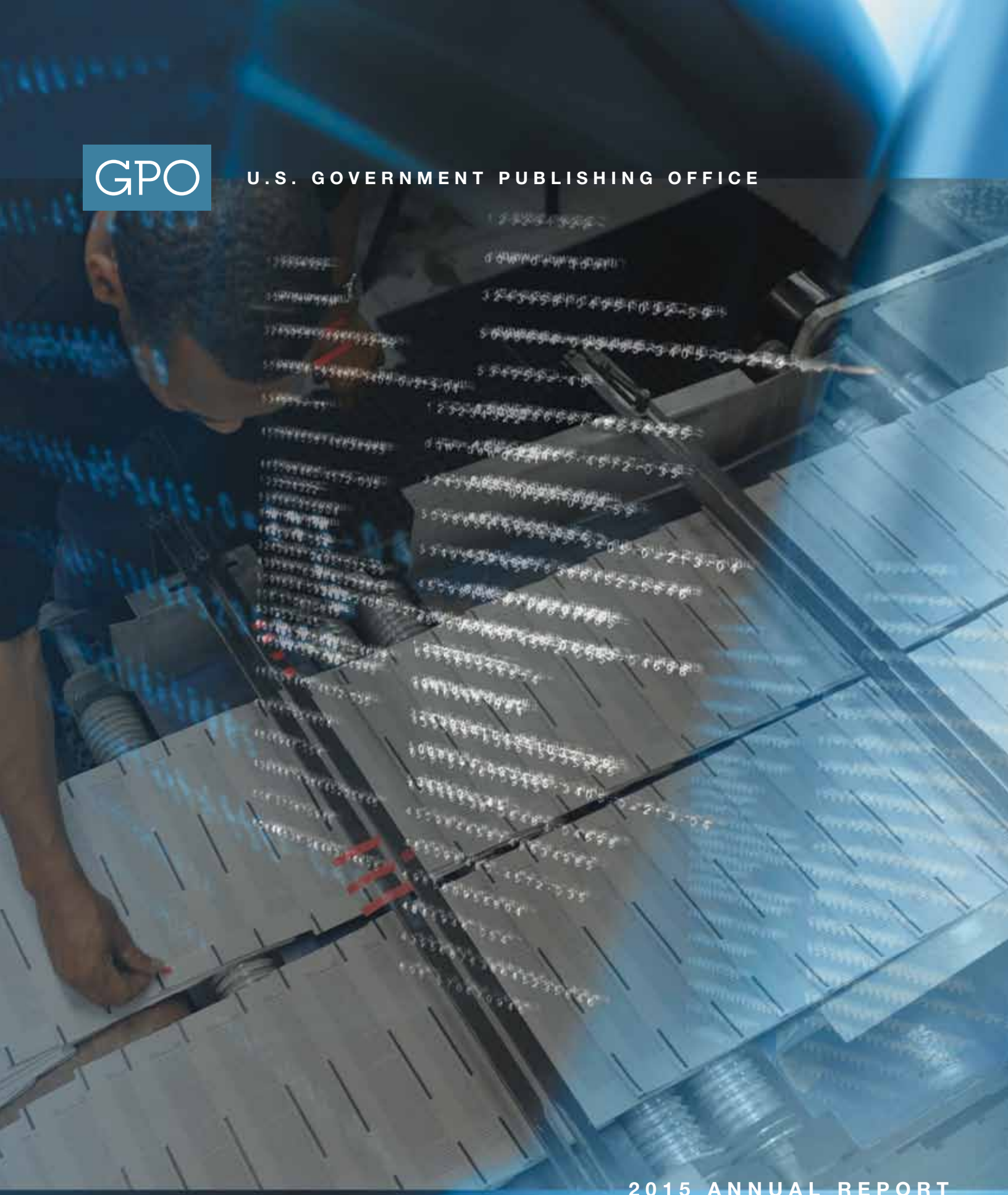
GPO

U.S. GOVERNMENT PUBLISHING OFFICE



2015 ANNUAL REPORT

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

DAVITA VANCE-COOKS
Agency Director

GPO

March 16, 2016

The Honorable Joseph R. Biden
The President of the Senate

The Honorable Paul D. Ryan
The Speaker of the House of Representatives

Sirs:

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, 2015. The report contains the results of an audit of GPO's financial statements conducted by an independent accounting firm.

Respectfully submitted,

DAVITA VANCE-COOKS
Director
U.S. Government Publishing Office

A MESSAGE FROM GPO DIRECTOR DAVITA VANCE-COOKS

Buoyed by an 11% increase in e-Passport demand and a recovery by our print procurement program from the effects of sequestration and the Government shutdown a year before, I am pleased to report that GPO posted a strong financial performance for FY 2015, as attested by a recently concluded independent audit of our finances.

Revenue totaled $773.4 million, up from $696.3 million in FY 2014. Overhead expense grew just 2.2%, due to the 2015 employee buyout that has left GPO with a staffing level lower than at any time in the past century. Excluding funds generated for capital investment in e-Passport production and a decrease in long-term workers' compensation under the Federal Employees Compensation Act, GPO's net income from operations for the year was $17.6 million. With our total appropriated funding for FY 2016 now at the lowest level than at any time in the past decade, the funds earned in FY 2015 constitute retained earnings that will help fuel our continuing digital transformation.

The signs of that transformation were unmistakable as GPO completed its first year as the newly re-designated Government *Publishing* Office. For Congress, we released the *Member Guide for the 114th Congress* as a mobile app, providing the public with quick, easy access to information on Senators and Representatives from a variety of mobile platforms. Working

Director Davita Vance-Cooks (center) cuts the ribbon on GPO's new zero make-ready (ZMR) press in May 2015, with (left to right) former Public Printer Bill Boarman, Deputy Director Jim Bradley, Managing Director of Plant Operations John Crawford, Timsons Inc. Director of Sales and General Manager Bill Songer, and former Managing Director of Plant Operations Olivier Girod.

Dr. Lonnie Bunch (center), Founding Director of the Smithsonian Institution's National Museum of African-American History and Culture, greets GPO employees after his address during the agency's Black History Month celebration in February 2015.

with the Library of Congress and in support of the Legislative Branch Bulk Data Task Force, we developed bill status information for release in XML bulk data format via our Federal Digital System (FDsys) starting with the 113th Congress, a development that drew praise from the openness and transparency community. GPO joined GitHub (**github.com**), the Web-based computer code-sharing and publishing service, providing documentation on our digital legislative content on a fair and equal basis to the developer community. During the year, we made significant progress on our Composition System Replacement project, positioning us to introduce this new system for the production of bills in a beta phase at the opening of the 115th Congress.

Improvements for Congress extended to our conventional printing services as well. During the year we brought our new zero make-ready press online, resulting in significant new efficiencies in the production of congressional hearings. By the end of the year, we announced a reduction of 7% in the price we charge for hearings pages, the first such reduction in memory. For FY 2016, this will yield an estimated savings of $1.3 million in our Congressional Publishing Appropriation, helping to keep the level of funding in that account flat for an unprecedented third consecutive year.

Director Davita Vance-Cooks, with Chief of Staff Andrew Sherman, Deputy Director Jim Bradley, and Chief Administrative Officer Herbert Jackson, Jr., lead a town hall meeting in February 2015.

GPO reconfigured its main bookstore in 2015 to provide easy access to GPO Federal Credit Union services. Cutting the ribbon to open the new facility were GPOFCU President Timothy Anderson, GPOFCU Board Chair Anthony Zagami, and Director Davita Vance-Cooks. Present also were (left to right) GPOFCU Director of Growth Services Marcia Dixon, Credit Union National Association (CUNA) Chief Operating Officer Rich Meade, Chief Administrative Officer Herbert Jackson, Jr., Deputy Director Jim Bradley, radio host Ken McKlenton, Chief of Staff Andrew Sherman, GPOFCU Board Member Rose (Bates) Hood, and GPOFCU Board Vice-Chair Robert Freeman.

Similar transformative progress was shown in the services we provide to Federal agencies. Once again, we made the annual *Budget of the United States Government* available as a mobile app. We partnered with the Office of the Federal Register (OFR) to make the electronic *Code of Federal Regulations* (eCFR) available in XML format for bulk data download from FDsys. For the Department of Commerce (DOC), we developed a new user-friendly, mobile-optimized Web site, which serves as a platform for multiple DOC entities.

In addition to responding to an increase in demand for e-Passport production, we made significant progress in the acquisition and installation of new technologies that will be required for the next generation passport, and we achieved a milestone through the production of the five-millionth secure border crossing card for the Department of Homeland Security's Trusted Traveler Program. Additionally, the Government Accountability Office issued a report validating the quality and cost savings we provide to Federal agencies through our secure card program, reinforcing similar findings issued in 2013 by the National Academy of Public Administration.

In support of a more open and transparent Government, our Federal Depository Library Program (FDLP) welcomed four new member libraries as digital-only depositories, while eight existing member libraries converted to digital-only status. In partnership with the American Association of School Librarians, we launched an updated and redesigned mobile-friendly version of *Ben's Guide to the U.S. Government*. Developed by GPO and named after Benjamin

Franklin, America's patron saint of printing, this popular site contains educational content on the workings of the Federal Government for school children K-12.

During the year, GPO once again was named one of the top online original catalogers in the world for our work in cataloging Government documents. We became the first Federal agency member of the Technical Report Archive and Image Library (TRAIL), an organization dedicated to identifying, acquiring, cataloging, digitizing, and providing unrestricted access to U.S. Government technical reports. We announced a new partnership with the OFR to make every issue of the *Federal Register* since it began publication in 1936 available to the public digitally, a project that will complement our ongoing work with the Library of Congress to digitize all issues of the *Congressional Record* back to its introduction in 1873.

Our most significant contribution to openness and transparency in Government, however, was the work we completed in FY 2015 toward the introduction of the next generation of our public access system, currently known as FDsys. Underway since 2013, this work has been dedicated to enhancing the way the public interacts with our online offerings, including the development of a responsive user interface, a new Open Source search engine, the capability to link related publications, a mobile-friendly presence, and other improvements based on extensive stakeholder engagement during the design and development process.

The new system was revealed shortly after the second session of the 114th Congress convened in early 2016, with the introduction of **govinfo**. Though still in beta, **govinfo** improves upon FDsys with a modern, easy-to-use look and feel that syncs with the need of today's Government information users for quick and effective digital access across a variety of digital platforms. I am extremely proud of this effort

GPO hired a real estate management firm to help the agency prepare a plan for the commercial development of the agency's parking lot property in Washington, DC.

and with the positive reception of **govinfo** by the community dedicated to openness and transparency in Government, which included gracious notes of commendation from the Speaker of the House of Representatives and the Chairman of the Joint Committe on Printing that we were honored to receive. Following a period of testing and finalizing the system's features, **govinfo** will become GPO's digital system of record—the third such system since we inaugurated online access in 1994—and FDsys will be retired from service.

GPO began to make several changes to its physical campus during the year. We reached agreement with the National Archives and Records Administration (NARA) to house the OFR as well as NARA's archive of congressional and legislative records. These agreements involve the single largest package of GPO building space ever leased to another

First Lady Michelle Obama thanked GPO and singled out Charlene Stevenson in her Instagram post.

agency. We engaged a private sector real estate management firm to assess the viability of commercially developing space currently used for parking adjacent to our Washington, DC, complex. Building space also underwent substantial reconfiguration to house the new equipment acquired for passport production. For employees, plans were made to replace our full service cafeteria, which discontinued operation in early FY 2016 due to declining sales, with a contemporary self-service Quick Café.

In my view, employee engagement is the centerpiece of effective management. During the year, we held quarterly town hall meetings involving all GPO employees in both Washington, DC, and in our offices nationwide to review GPO's financial status, discuss plans, and listen to employee concerns. We held a series of listening sessions with GPO's supervisors and managers to assess opportunities for worklife improvements. Based on our program of performance incentive awards, following the close of our FY 2015 independent audit we paid a modest bonus office-wide.

Last September, as GPO worked to produce the White House programs and other materials associated with the visit of Pope Francis to Washington, DC, I was proud to see that First Lady Michelle Obama posted a photo of GPO bookbinder Charlene Stevenson hand-tying the tassels on the programs, saying "Thank you for your service, Charlene! We couldn't do it without you."

I frequently see similar statements from Congress and Federal agencies recognizing our work, a testimony to the quality and care that the men and women of GPO quietly put into their jobs every day in support of our mission of *Keeping America Informed*. The results of FY 2015 show that they excelled at their task, and we look forward to doing so again this year — GPO's 155th since opening our doors for business the same day that Abraham Lincoln was first inaugurated.

Davita Vance-Cooks

DAVITA VANCE-COOKS
Director
U.S. Government Publishing Office
March 2016.

GPO BY THE NUMBERS FY 2015

GPO staff	1,711
FY 2015 revenues	$773,400,000
FY 2015 appropriations	$119,993,000
Congressional Record pages produced	49,967,032
Federal Register pages produced	146,901,754
Revenues from procured printing	$338,000,000
Jobs procured nationwide	83,963
Contractors on GPO's master contractor list	12,000
Regional procurement offices nationwide	15
Passports produced	15,235,500
Secure credentials produced	3,054,178

Titles available on FDsys	1,500,000
Document retrievals from FDsys	564,000,000
Depository libraries nationwide	1,159
Tangible titles distributed to depository libraries	5,920
Tangible copies distributed to depository libraries	1,072,919
Titles cataloged	19,074
Publications sold	228,389
Subscriptions sold	258,674
Titles available	5,356
Titles in eBook format	330
Likes on Facebook	5,500
Followers on Twitter	5,700
Views of GPO Videos on YouTube	145,000
Posts on Instagram	400
Followers on LinkedIn	2,700

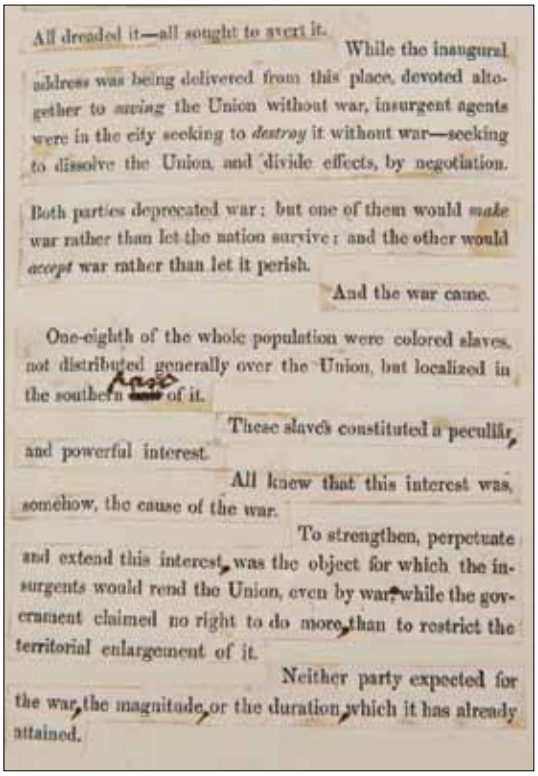
The U.S. Government Publishing Office (GPO) is the OFFICIAL, DIGITAL, SECURE resource for producing, procuring, cataloging, indexing, authenticating, disseminating, and preserving the official information products of the Federal Government.

Under Title 44 of the U.S. Code, GPO is responsible for publishing the information products of all three branches of the Federal 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. Congress and the President recognized this change in our operations in the Consolidated and Continuing Appropriations Act for FY 2015 (P.L. 113-235), which contains a provision re-designating GPO's official name as the Government *Publishing* Office. We currently employ about 1,700 staff.

Along with sales of publications in digital and tangible formats to the public, GPO supports openness and transparency in Government by providing permanent public access to Federal Government information at no charge through our Federal Digital System (FDsys, at **www.fdsys.gov**) and its newly introduced successor system **govinfo**. Today these systems make more than 1.5 million Federal titles available online from both GPO and links to servers in other agencies. In 2015 FDsys averaged 47 million retrievals per month, with a spike up to 52.9 million retrievals in August 2015. We also provide public access to Government information through partnerships with 1,159 Federal, academic, public, law, and other libraries nationwide participating in the Federal Depository Library Program (FDLP).

In addition to GPO's Web site, **gpo.gov**, we communicate with the public routinely via Facebook **facebook.com/USGPO**, Twitter **twitter.com/USGPO**, YouTube **youtube.com/user/gpoprinter**, Instagram **instagram.com/usgpo**, LinkedIn **linkedin.com/company/u.s.-government-printing-office**, and Pinterest **pinterest.com/usgpo/**.

HISTORY From the Mayflower Compact to the Declaration of Independence and the papers leading to the creation and ratification of the Constitution, America has always been a nation based on documents, and our governmental tradition since then reflects that fact. 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." After years of struggling with the problems associated with various systems of contracting for printed documents, in 1860 Congress created the


All dreaded it—all sought to avert it.

While the inaugural address was being delivered from this place, devoted altogether to *saving* the Union without war, insurgent agents were in the city seeking to *destroy* it without war—seeking to dissolve the Union, and divide effects, by negotiation.

Both parties deprecated war; but one of them would *make* war rather than let the nation survive; and the other would *accept* war rather than let it perish.

And the war came.

One-eighth of the whole population were colored slaves, not distributed generally over the Union, but localized in the southern part of it.

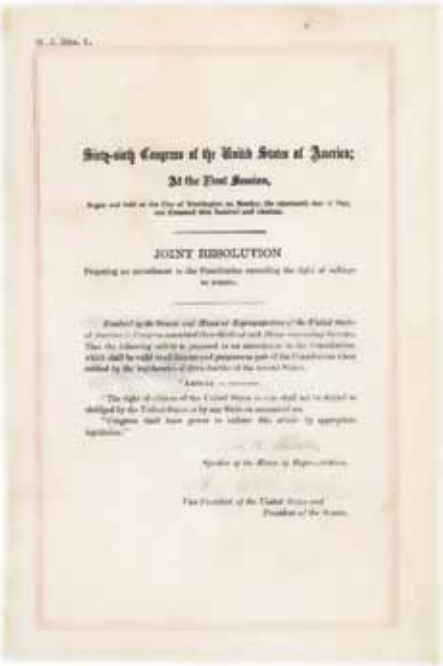
These slaves constituted a peculiar, and powerful interest.

All knew that this interest was, somehow, the cause of the war.

To strengthen, perpetuate and extend this interest, was the object for which the insurgents would rend the Union, even by war; while the government claimed no right to do more, than to restrict the territorial enlargement of it.

Neither party expected for the war, the magnitude, or the duration, which it has already attained.

To commemorate the 150th anniversary of its delivery, the Library of Congress displayed President Lincoln's original manuscript of his second Inaugural Address at the Library for a limited time. The manuscript was prepared from a typeset version printed for him by GPO. Notations on the first page indicate the type was set by GPO compositor D.W. Flynn.



Sixty-sixth Congress of the United States of America;

At the First Session,

JOINT RESOLUTION

August 18, 2015, was the 95th anniversary of the ratification of the 19th amendment, which gave women the right to vote. GPO published this legislation in 1920 for Congress.

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 the 16th President of the United States.

Since that time, GPO has produced and distributed the official version of every great American state paper and 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, military histories ranging from the *Official Records of the War of the Rebellion* to the latest accounts of our forces in Afghanistan, the *9/11 Commission Report*, Presidential inaugural addresses, and Supreme Court opinions. GPO's work to keep America informed goes on today, in both digital as well as print formats.

STRATEGIC VISION GPO has transformed itself from a print-centric to a content-centric publishing operation. This transformation is consistent with the goals outlined in President Obama's roadmap for a digital Government (*Digital Government: Building a 21st Century Platform to Better Serve the American People*, May 2012). It is also consistent with the recommendations submitted to Congress by the National Academy of Public Administration (*Rebooting the Government Printing Office: Keeping America Informed in the Digital Age*, January 2013).

In the years ahead, GPO will continue to develop an integrated, diversified product and services portfolio that focuses primarily on digital. Tangible print will continue to be required because of official use, archival purposes, authenticity, specific industry requirements, and segments of the population that either have limited or no access to digital formats, though we anticipate that its use will continue to decline.

STRATEGIC PLAN GPO's strategic plan, which is available for public review at **gpo.gov/about**, is built around four goals: satisfying our stakeholders, offering products and services, strengthening our organizational foundation, and engaging our workforce. The plan provides the blueprint for how GPO will continue to achieve its mission of *Keeping America Informed* with an emphasis on being OFFICIAL, DIGITAL, SECURE. GPO's senior managers convene at the beginning of each fiscal year to review the plan and approve it before it is issued.

GPO's customers are involved in the digital world and understand technological change. Accordingly, it is important that GPO fosters 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 GPO's 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 access to Government information digitally.

GPO has changed to anticipate and accommodate those requirements. The content received from Congress and Federal agencies needs to be managed through a life cycle process

The technologies supporting GPO's transformation from a print-centric to a content-centric mission.

that supports the primary requirement to make the digital version of publications permanently available online, and to print only when required or otherwise necessary. This policy is consistent with the President's executive order of November 2011 dealing with printing.

In transforming its business model, GPO is 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.

TECHNOLOGY TRANSFORMATION

GPO has continually 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 to automated bookbinding. 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 more than 50 years ago in 1962 when the Joint Committee on Printing directed the agency to implement a new system of computer-based composition.

GPO's senior management met offsite in November 2014 to prepare the agency's strategic direction for the coming year.

That order led to the development of GPO's first electronic photocomposition system, which by the early 1980's had completely supplanted machine-based hot metal typesetting. Following the enactment of the GPO Electronic Information Access Enhancement Act in 1993, the databases generated by our composition system were uploaded to the Internet via GPO's first Web site, *GPO Access*, vastly expanding the agency's information dissemination capabilities. Those functions continue today with FDsys and the newly introduced **govinfo** on a more robust and comprehensive scale.

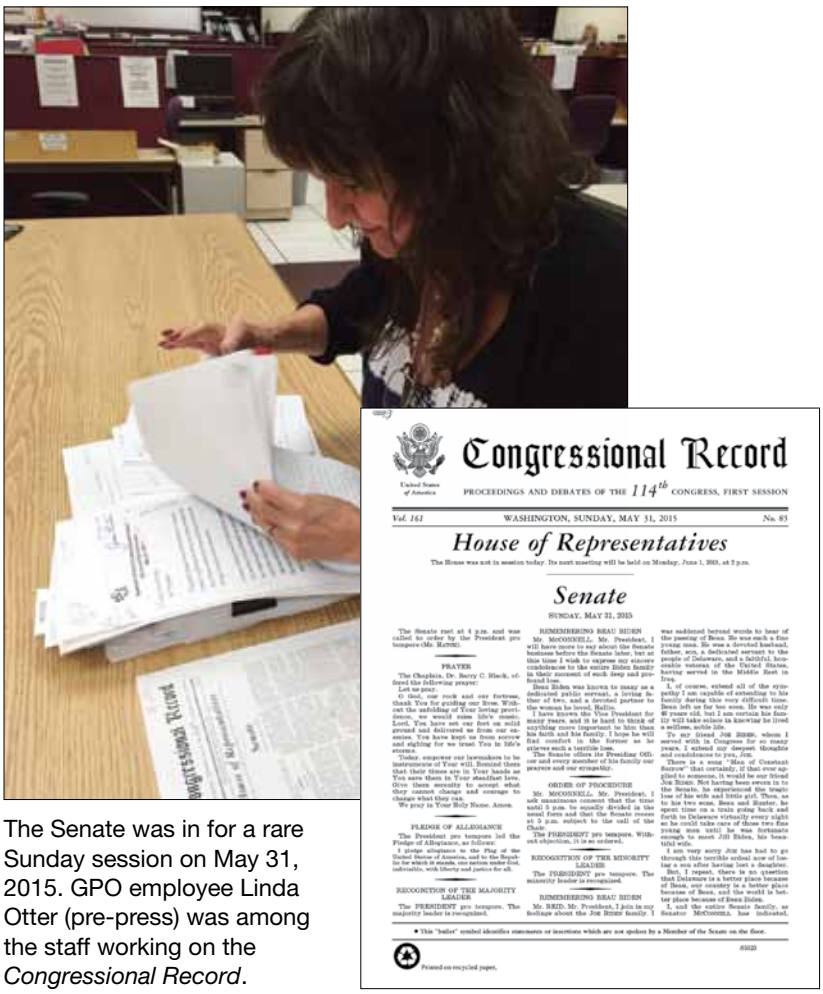
While transforming to an increasingly digital footing, GPO continues to provide an array of printing services to support the needs of Congress, Federal agencies, and the public, and we are retooling our print operations to take advantage of the efficiencies provided by modern equipment. In FY 2015 we put into operation our new zero make-ready (ZMR) press to support congressional and Federal agency publishing requirements. This new high-efficiency press will allow us to eventually phase out three outdated presses installed in 1979. We are continually reviewing product and equipment options to ensure that our publishing activities are conducted with the best technologies available.

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, more agile, 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 GPO for the Government information environment and technology challenges of the future, our transformation is continuing with the development of new ways of delivering Government information, including apps and bulk data download files.

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, memorials and condolence books, programs and invitations, phone books, and the other products needed to conduct the business of Congress. We also detail expert staff to support the publishing requirements of House and Senate committees and congressional offices such as the House and Senate Offices of Legislative Counsel. We work with Congress to ensure the provision of these services under any circumstances.

Today the activities associated with creating congressional information databases comprise the majority of the work funded by our annual Congressional Publishing Appropriation. Our advanced digital authentication system, supported by public key infrastructure (PKI), is an essential component for assuring the digital security of congressional publications. The databases we build are made available for providing access to congressional publications in digital formats as well as their production in tangible formats.

GPO's congressional information databases also form the building blocks of other information systems supporting Congress. For example, they are provided directly to the Library of Congress to support **Congress.gov** as well as the legislative information system the Library makes available to House and Senate offices. We work with the Library to prepare summaries and status information for House and Senate bills in XML bulk data format. We are also collaborating with the Library on digitizing historical printed documents, such as the *Congressional Record*, to make them more broadly available to Congress and the public.



Congressional Record

United States of America

PROCEEDINGS AND DEBATES OF THE 114th CONGRESS, FIRST SESSION

Vol. 161 WASHINGTON, SUNDAY, MAY 31, 2015 No. 85

House of Representatives

The House was not in session today. Its next meeting will be held on Monday, June 1, 2015, at 2 p.m.

Senate

SUNDAY, MAY 31, 2015

The Senate was in for a rare Sunday session on May 31, 2015. GPO employee Linda Otter (pre-press) was among the staff working on the *Congressional Record*.

GPO CUTS THE COST OF CONGRESSIONAL WORK The use of electronic information technologies by GPO has been a principal contributor to lowering the cost, in real economic terms, of congressional information products. In FY 1980, as we replaced hot metal typesetting with electronic photocomposition, the appropriation for Congressional Publishing was $91.6 million, the equivalent in today's dollars of $264 million. By comparison, our approved funding for FY 2015 was $79.7 million, a reduction of nearly 70% in constant dollar terms, with a 22% reduction

Director Davita Vance-Cooks and senior management regularly conduct Town Hall meetings with GPO detailees on Capitol Hill, who supply graphic arts support to the work of Congress in the Secretary of the Senate's office, the Clerk of the House's office, and to congressional committees.

In May 2015, Senator Shelley Moore Capito (R-WV), Chairwoman of the Senate Legislative Branch Appropriations Subcommittee, toured the GPO plant and met with employees who produce congressional materials including the *Congressional Record*.

since FY 2010 alone. The same level of funding has been provided for FY 2016, making it the third consecutive year that approved funding for GPO's Congressional Publishing Appropriation has been flat.

CONGRESSIONAL PUBLISHING APPROPRIATION FY 1980-2015

Fiscal Year	Appropriation	In Constant Dollars
1980	$ 91.6 million	$ 264.4 million
1985	$ 94.0 million	$ 207.8 million
1990	$ 74.1 million	$ 134.9 million
1995	$ 84.7 million	$ 132.3 million
2000	$ 73.3 million	$ 101.2 million
2005	$ 88.1 million	$ 107.3 million
2010	$ 93.8 million	$ 102.3 million
2015	$ 79.7 million	$ 79.7 million

Productivity increases resulting from technology have enabled us to make substantial reductions in staffing requirements while continuing to improve services for Congress. In 1980, GPO employment was 6,450. At the end of FY 2015, following a buyout conducted earlier in the year that reduced GPO employment by approximately 100 positions, we had 1,711 employees on board, representing a reduction of 4,739, or more than 73%, since 1980. Today we have the smallest GPO workforce of any time in the past century.

GPO EMPLOYMENT FY 1980 – FY 2015

Fiscal Year	Headcount
1980	6,450
1985	5,383
1990	4,977
1995	3,956
2000	3,139
2005	2,344
2010	2,284
2015	1,711

HIGHLIGHTS OF FY 2015 CONGRESSIONAL WORK During the year, GPO released the *Mobile Member Guide* app for the 114th Congress. This mobile Web app provides the public with quick, easy access to information on Members of the 114th Congress; features include their picture, party affiliation, hometown, home state, and length of service. The app allows users to browse for Members of Congress by last name, State, chamber, or party. The public can take advantage of this free mobile Web app across major mobile device platforms.

At the direction of the House of Representatives Appropriations Committee, and in support of the Legislative Branch Bulk Data Task Force, GPO, the Library of Congress, the Clerk of the House, and the Secretary of the Senate worked throughout 2015 to make bill status information in XML format available through the GPO's FDsys Bulk Data repository, beginning with the 113th Congress. The announcement of this new information availability drew praise from various legislative openness and transparency advocates (see, for example, **congressionaldata.org/congress-poised-for-leap-to-open-up-legislative-data/**; and **fiercegovernmentit.com/story/bill-statuses-xml-coming-early-2016-says-congress/2015-12-17**). The FDsys Bulk Data repository for bill status information was made available at **gpo.gov/fdsys/bulkdata/BILLSTATUS** in early 2016.

During the year, GPO joined GitHub, the Web-based computer source code sharing and publishing service used worldwide to collaborate on code, data, and policy. GPO's presence on GitHub was welcomed by those in the legislative openness and transparency community who are interested in how legislative content is created, processed, stored, and made available to the public via FDsys. Through GitHub, GPO provides documentation on a fair and equal basis to the developer community about the process used to create FDsys metadata for legislative as well as executive and judicial content collections. It can also be used to provide documentation about the FDsys sitemap implementation and supporting resources that are currently available on the FDsys Bulk Data Repository (e.g., User Guides).

GPO is now a regular participant and presenter at the House Legislative Data and Transparency Conference, along with staff from other legislative branch agencies, data users, and transparency advocates.

GPO is in the process of developing a new XML-based automated composition system to replace our now-outdated Microcomp system. This effort is known as the Composition System Replacement (CSR) project. During 2015, the CSR team made significant progress toward the development of a beta system for the composition of congressional bills coincident with the opening of the 115th Congress in January 2017. Work during 2015 included the development of code that prepares XML bills for printing, paragraph-level styles and page layouts, table functionality, and font development. Contracts were awarded that augment CSR development staff with resources that have a high level of expertise in specialized system areas and components. The CSR team is working closely with House and Senate staff to ensure that the new system integrates seamlessly with specific authoring environments that are currently utilized for bills.

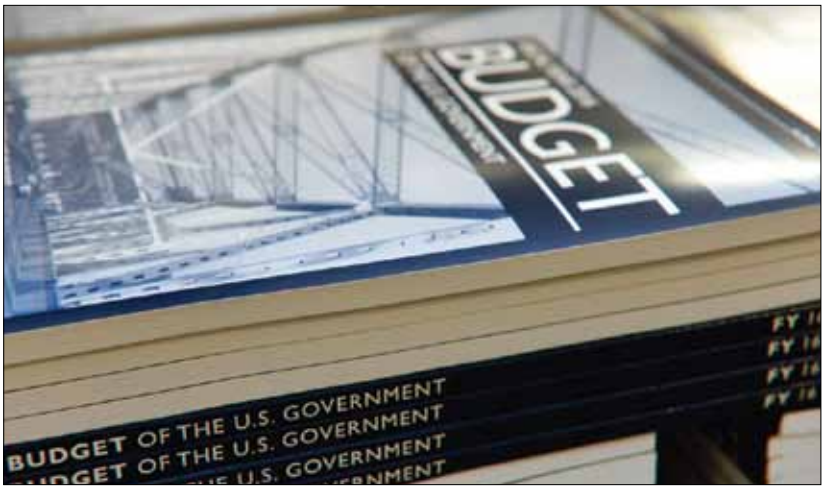
Congressional hearings are a major product produced on GPO's new ZMR press. By the year's end, the efficiency of the new press led GPO to reduce the prices charged for printing congressional hearings by 7%, the first such page rate reduction in recent memory. This rate reduction alone will generate an estimated savings of $1.3 million in the annual Congressional Publishing Appropriation.

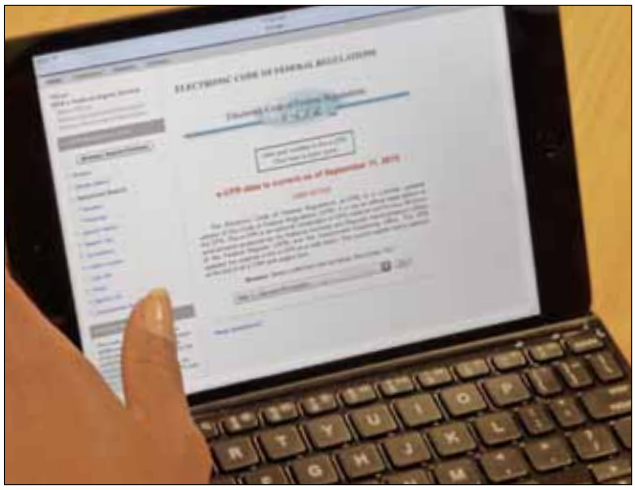
Federal agencies are major generators of information in the United States, and GPO produces their information products for official use and public access. Federal agencies and the public also rely on a growing variety of secure credentials produced by GPO, including travelers holding U.S. passports, 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 digital authentication system, supported by public key infrastructure (PKI), assures the digital security of agency documents.

HIGHLIGHTS OF FY 2015 AGENCY OPERATIONS Since 2012, GPO has made the annual *Budget of the U.S. Government* available as a mobile app. The FY 2016 *Budget* app, released in January 2015, provided 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. The app provides links to GPO's FDsys where summary tables and additional books of the *Budget*, including the *Analytical Perspectives*, *Appendix*, and *Historical Tables* are available. The complete, authentic online version of the *Budget* is also regularly made available through a direct link on FDsys.

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). The OFR produces the daily *Federal Register* and related publications such as the *Code of Federal Regulations*, and other key information products like the *Daily Compilation of Presidential Documents* and the *Public Papers of the President*. GPO publishes these publications in both digital and tangible formats.

During 2015, GPO partnered with the OFR to make the electronic *Code of Federal Regulations* (eCFR) available in XML format for bulk data download from FDsys (**gpo.gov/fdsys/bulkdata/ECFR**). The eCFR is an editorial compilation of CFR material and *Federal Register* amendments. The OFR updates the material in the eCFR on a regular basis and can be as frequent as every day. With this new initiative, the OFR provides eCFR files to GPO and then GPO converts files into XML. The eCFR bulk data allows for a one-click download of the current





(Left) GPO released the President's *Budget of the U.S. Government* for Fiscal Year 2016 in February 2015 in both print and digital formats, including a mobile Web app. (Right) In August 2015, GPO released the electronic *Code of Federal Regulations*, in partnership with the Office of the Federal Register.

XML file for each of the titles in the eCFR. Bulk data downloads of eCFR data in XML format permit the data to be reused and repurposed for mobile Web applications, data mashups, and other analytical tools by third party providers, which contributes to openness and transparency in Government.

During the year, GPO also finalized plans with NARA to have the OFR move into approximately 17,000 square feet of space on the seventh floor of GPO's Building A and construction of the OFR's new offices began. Co-location of the OFR with GPO will reduce costs and streamline the publishing process for OFR publications. GPO is also partnering with NARA to provide space for the construction of facilities that will house NARA's legislative documents archive.

Surveys of GPO's Federal agency customers in recent years have consistently reported high rates of satisfaction with our products, services, and programs, the cost-effectiveness of GPO's services, and satisfaction with GPO's Web site and customer service. These results validate our emphasis on a customer-centric approach through GPO's procedures, policies, and activities. Another Customer Services survey will be released in 2016. In November GPO held its annual Customer Service open house focusing on Federal publishing solutions available to agency representatives from Washington, DC, and around the Nation.

Among the significant products produced by GPO for Federal agencies in 2015 were the Department of State's annual *Trafficking in Persons* report; the development of the Department of Commerce's new user-friendly, mobile-optimized Web site, which serves as a platform for multiple Commerce entities; and various materials associated with the visit of Pope Francis to Washington, DC, in September, including the official White House program for 15,000 guests to the South Lawn Ceremony with

GPO's Creative Services unit designed a new Web site for the Department of Commerce (DOC), which was released in April 2015. The site, at **www.commerce.gov**, serves as a platform for multiple DOC entities.

the Pope and President and Mrs. Obama. First Lady Michelle Obama publicly thanked GPO for its work on the White House program on her Instagram and Twitter pages.

PARTNERSHIP WITH INDUSTRY Other than congressional and inherently governmental work such as the *Federal Register*, the *Budget*, and security and intelligent documents, GPO publishes virtually all other Federal agency information products via contracts with the private sector printing and information product industry issued by our central office and regional GPO offices around the country. In 2015, this work was valued at approximately $338 million. Approximately 12,000 individual firms are registered to do business with GPO, the vast majority of whom are small businesses averaging 20 employees per firm. Contracts are awarded on a purely competitive basis; there are no set-asides or preferences in contracting other than what is specified in law and regulation, including a requirement for Buy American. This partnership provides significant economic opportunity for the private sector.

In recent years, the decline in print government-wide has reduced the amount of work we produce through this partnership, the result of the ongoing transformation of Federal agency information requirements from print to digital, the President's initiative to reduce Federal printing, and to some extent funding reductions

Director Davita Vance-Cooks presented Secretary of State John Kerry with a bound copy of the *2015 Trafficking in Persons* report in July 2015.

GPO held its annual open house for Federal customers in October 2014. Customer Account Division representative Veronica Speight discussed GPO services available to mimimize billing issues.

such as sequestration. However, in FY 2015 GPO saw an increase of 15.2% in print procurement business compared with the previous year. GPO's partnership with the print and information product industry achieves significant savings and efficiencies for the work that it continues to produce and in the process generates private sector jobs nationwide.

GPO has long advocated that where Federal agency printing is required, this partnership is the most cost-effective way of producing it. We were interested to see the results of a Government Accountability Office study, conducted at the request of the Joint Committee on Printing and completed in 2013, which identified approximately 80 Federal printing plants still in operation government-wide. Additional savings for taxpayers could occur if the work these plants are producing is transferred instead to GPO's partnership with the private sector printing and information product industry.

SECURITY AND INTELLIGENT DOCUMENTS For nearly a century GPO has been responsible for producing U.S. passports for the Department of State (DOS). At one time no more than a conventionally printed document, the U.S. passport since 2005 has incorporated a digital chip and antenna array capable of carrying biometric identification data. With other security printing features, this document — which we produce in Washington, DC, as well as a secure remote facility in Mississippi — is now the most secure identification credential obtainable. In 2015, GPO produced 15.2 million e-Passports, an increase of 11% over the year before. In the past decade GPO has produced more than 100 million e-Passports for DOS. Throughout 2015, we continued with facility changes and equipment installation and testing in support of the planned next generation passport.

Since 2008, GPO has also served as an integrator of secure identification smart cards to support the credentialing requirements of Federal agencies. In 2010, GPO was certified by the General Services Administration (GSA) to graphically personalize Homeland Security Presidential Directive 12 (HSPD-12) cards for Federal agencies. GSA certified that GPO complies with the Federal Information Processing

In July 2015, Director Davita Vance-Cooks along with other GPO staff visited SICPA, a manufacturer of security printing inks located in Springfield, VA, to get a briefing on operations and tour their production facility.

GPO makes Global Entry cards for U.S. Customs and Border Protection. These cards allow expedited clearance for pre-approved, low-risk travelers when they arrive in the United States.

Standard 201, which sets requirements to ensure that identification cards are secure and resistant to fraud.

To date, GPO has produced more than nine million secure credential cards across 15 different product lines. Among these products 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). GPO produces a Border Crossing Card (BCC) that is issued by DOS for authorized travel across the Mexican border. GPO also has produced secure law enforcement credentials for the U.S. Capitol Police that were used in the 2009 and 2013 Presidential inaugurations.

During 2015, a milestone was achieved in the production of secure border credentials for DHS. GPO employees have produced 5 million TTP cards for the Department's U.S. Customs and Border Protection (CBP). The TTP provides expedited entry process for pre-approved, low-risk travelers upon arrival in the United States under the Western Hemisphere Travel Initiative. Since their introduction in 2008, GPO and CBP have successfully manufactured these secure credentials for members of the various TTP programs without a single compromise in security nor a fruitful counterfeit attempt. "CBP-TTP chose the GPO to manufacture their TTP program cards due to the GPO's experience and secure supply chain," said Deputy Assistant Commissioner John P. Wagner, Office of Field Operations, CBP. "Their manufacturing processes are more secure and less susceptible to counterfeiting since no sensitive information is ever exchanged with a third party vendor, as previous official identification documents have been."

In another noteworthy development, at the request of Congress the Government Accountability Office (GAO) reviewed GPO's secure credential program and issued its report in 2015. The GAO's report, *Government Publishing Office: Production of Secure Credentials for the Department of State and U.S. Customs and Border Protection*, March 2015 (**gao.gov/products/GAO-15-326R**), validated the quality and cost savings we provide to Federal agencies through our secure card program, reinforcing similar findings issued in 2013 by the National Academy of Public Administration.

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), Federal Digital System (FDsys), Publications Sales, and Social Media.

FEDERAL DEPOSITORY LIBRARY PROGRAM The FDLP has legislative antecedents that date back more than 200 years, to 1813, when Congress authorized congressional documents to be deposited at the American Antiquarian Society in Worcester, MA. Since then, Federal depository libraries have served as critical links between "We the People" and the information made available by the Federal Government. GPO provides the libraries with information products in digital and, in some cases, tangible formats, and the libraries in turn make these available to the public at no charge while providing additional assistance to depository library users.

The FDLP today serves millions of Americans through a network of 1,159 public, academic, law, and other libraries located across the Nation, averaging nearly three per congressional district. Once limited to the distribution of printed and microfiche products,

Anthony Smith, with GPO's Library Services and Content Management unit, discussed new technology plans with Andrea Morrison, University of Indiana at Bloomington, at the American Library Association's annual conference in San Francisco, CA, June 2015.

the FDLP today is primarily digital, supported by FDsys and the newly introduced **govinfo** along with other digital resources. This overwhelming reliance on digital content allowed for the first digital-only Federal depository library designation in 2014. In 2015, four new Federal depository libraries were designated as digital-only, while eight existing depository libraries converted to all-digital status.

The FDLP launched an updated and redesigned version of *Ben's Guide to the U.S. Government* in 2015. This Web site, named after Benjamin Franklin and available at **bensguide.gpo.gov**, contains educational content on the workings of the U.S. Government and U.S. history. The updated site features new and enhanced content, a mobile device-friendly infrastructure, and a modernized look and feel that has been optimized for an intuitive learning experience. The FDLP partnered with the American Association of School Librarians (AASL), a division of the American Library Association (ALA), to ensure educational content in *Ben's Guide* is easy to comprehend and age appropriate.

In April 2015, GPO released a new version of its popular children's Web site, Ben's Guide to the U.S, Government, at **bensguide.gpo.gov**

Supporting Federal depository libraries and the public nationwide is the work GPO does under its statutory mandate to catalog and create a comprehensive index of the public documents issued or published by the Federal Government that are not confidential in character. The public interface for accessing these cataloging records is GPO's *Catalog of U.S. Government Publications* (CGP), which is available online at **catalog.gpo.gov**. In FY 2015, there were more than 23.6 million successful searches of the CGP. Also during this period, more than 19,000 new cataloging records were added to the CGP. In 2015, GPO was once again named one of the top online original catalogers in the world in the annual report of the OCLC for the year. And during the year, GPO added more than 11,000 original records for U.S. Government information products to WorldCat, the world's largest network of library content and services.

Late in the year, GPO became the first Federal agency member of the Technical Report Archive and Image Library (TRAIL, at **crl.edu/grn/trail/about-trail**). TRAIL identifies, acquires, catalogs, digitizes, and provides unrestricted access to U.S. Government agency technical reports. TRAIL currently consists of more than three dozen member institutions, many of which are Federal depository libraries. GPO and TRAIL have a shared goal of advancing free public access to U.S. Government information and will now work together to ensure the discoverability, ensuring permanent public access to, and the preservation of Government technical reports. As a member of TRAIL, GPO will offer expertise and guidance in cataloging and other areas.

GPO's Superintendent of Documents Mary Alice Baish addresses the 2015 annual conference of the Depository Library Council in Arlington, VA, as Council Chair Hallie Pritchett and GPO Director Davita Vance-Cooks look on.

DIGITAL ACCESS TO GOVERNMENT INFORMATION GPO has been providing access to digital congressional and Federal agency documents since 1994, beginning with a site known as *GPO Access*. Fifteen years later, *GPO Access* was retired and a significantly re-engineered site debuted as GPO's Federal Digital System (FDsys). FDsys provides the majority of congressional and Federal agency content to the FDLP as well as other online users.

Online access to Federal documents provided by GPO has expanded public access dramatically through the Internet. In 2015, FDsys averaged 47 million retrievals per month, an increase of more than 23% over the previous year, with a spike up to 52.9 million retrievals in August.

GPO has continually added collections to FDsys to provide increased public access to Government information. In FY 2015, new collections included the historic Warren Report on the assassination of President Kennedy and the eCFR. In September, GPO and the Federal judiciary were recognized with a 2015 Digital Government Achievement award in the Government-to-Government category for providing digital access to 1.4 million Federal court opinions via FDsys. Since the program began in 2011, there have been more than 300 million retrievals of opinions by 104 Federal courts from FDsys.

Late in the fiscal year, GPO announced a new partnership with the Office of the Federal Register to make every issue of the *Federal Register* since it began publication in 1936 digitally available to the public. A total of 14,587 individual issues will be digitized. This project complements a similar effort underway with the Library of Congress to digitize every issue of the *Congressional Record* since that title's inception in 1873.

In early 2016, GPO unveiled the next generation of its public access system with the introduction of **govinfo**. Though still in beta, **govinfo** improves upon FDsys with a modern, easy-to-use look and feel that syncs with the need of today's Government information users for quick and effective digital access across a variety of digital platforms. Following a period of testing and finalizing the system's features, **govinfo** will become GPO's digital system of record—the third such system since we inaugurated online access in 1994—and FDsys will be retired from service.

GPO also began the process to seek certification as a Trustworthy Digital Repository in compliance with international standards. This certification will validate that GPO's content management system, its infrastructure, and its supporting organization are reliable and sustainable, in order to ensure the highest level of service now and into the future.

GPO ACHIEVES SAVINGS IN INFORMATION DISSEMINATION In 1995, the first full year of our online operations, the cost of producing and distributing millions of copies of printed publications to Federal depository libraries nationwide was funded at $17.6 million, the equivalent today of $27.4 million in constant dollars. For FY 2015, we funded this function at $8 million, a reduction of more than 70% in constant dollar terms. Along with appropriations to GPO's Business

Operations Revolving Fund, we have used the savings from reduced printing and distribution costs to pay for the establishment and operation of our digital information dissemination operations, achieving additional savings for the taxpayers and vastly expanding public access to Government information.

NUMBER OF TITLES AVAILABLE ONLINE THROUGH GPO

(includes titles on GPO servers and titles linked from GPO)

FY 2000 – FY 2015

Year	Number of Titles
FY 2000	193,000
FY 2005	301,600
FY 2010	441,700
FY 2015	1,500,000

PUBLICATION AND INFORMATION SALES PROGRAM Along with the FDLP and our online dissemination systems, which are no-fee public access programs, GPO provides public access to official Federal information through public sales featuring secure ordering through an online bookstore (**bookstore.gpo.gov**), a bookstore at GPO headquarters in Washington, DC, and partnerships with the private sector that offer Federal publications as eBooks. As a one-stop shop for eBook design, conversion, and dissemination, our presence in the eBook market continues to grow. We now have agreements with Apple, Google's eBookstore, Barnes & Noble, OverDrive, Ingram, Zinio, and other online vendors to make popular Government titles such as the *Public Papers of the President-Barack Obama*, the *Financial Crisis Inquiry Report*, and *Ponzimonium: How Scam Artists are Ripping Off America* available as eBooks. We also offer a print-on-demand service for sales titles, which enables us to offer more titles and avoid the expense of additional warehousing.

REIMBURSABLE DISTRIBUTION PROGRAM We operate distribution programs for the information products of other Federal agencies on a reimbursable basis, including General Services Administration (GSA) Consumer Information Center publications, from our facilities in Pueblo, CO, and Laurel, MD. The program saves money for the participating agencies by permitting them to take advantage of GPO's centralized capabilities and economies of scale. The program is now providing distribution services, bulk storage, and a Web-based order module out of the Laurel facility for two Department of Agriculture publications, *Team Nutrition* and *Supplemental Nutrition Assistance Program*, distributing more than 1.5 million copies since the program began in August 2015. The Laurel facility is also now providing bulk storage and distribution services for Department of Justice publications. And at our Pueblo facility, we are scheduled in 2016 to begin providing printing, distribution, bulk storage, and call center services for the Nevada National Guard.

GPO AND SOCIAL MEDIA We have been using Facebook, Twitter, YouTube, Instagram, LinkedIn, Pinterest, and a blog to share information about GPO news and events and to promote specific publications and products. By the end of 2015, we had 5,500 likes on Facebook, 5,700 followers on Twitter, and 145,000 views across 71 videos on YouTube. On Pinterest, we had 548 followers pinning on 17 boards of Federal Government information. We added Instagram and LinkedIn to GPO's social media portfolio in 2015 and by year's end had 511 followers with 400 posts on Instagram and 2,700 followers on LinkedIn. Our blog, *Government Book Talk*, focuses on increasing the awareness of new and classic Federal publications through reviews and discussions.

BUSINESS OPERATIONS REVOLVING FUND All GPO activities are financed through our Business Operations Revolving Fund. This business-like fund is used to pay all of GPO's costs in performing congressional and agency publishing, information product procurement, and publications dissemination activities. It is reimbursed by payments from customer agencies, sales to the public, and transfers from GPO's two annual appropriations: the Congressional Publishing Appropriation and the Public Information Programs of the Superintendent of Documents Appropriation.

The Business Operations Revolving Fund functions as GPO's checking account with the U.S. Treasury. GPO pays its expenses from this account either with electronic transfer or check. The fund is reimbursed when the Treasury Department transfers money from agency appropriations accounts to the fund when agencies pay GPO invoices. This procedure also applies to the payment of transfers from the Congressional Publishing and Public Information Programs appropriations, and to deposits of funds collected from sales to the public.

GPO maintains a cash balance in the Business Operations Revolving Fund that is used to pay all expenses. The cash balance fluctuates daily as payments are received from agency reimbursements, customer payments, and transfers from GPO appropriations.

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 make it possible for GPO to fund a significant amount of technology modernization. However, appropriations for essential investments in technology and plant upgrades are also necessary and are requested annually.

APPROPRIATED FUNDS GPO's Congressional Publishing Appropriation is used to reimburse the Business Operations Revolving Fund for 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 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 for 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's requirements 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. The shortfall is temporarily funded out of available money—retained earnings—in GPO's Business Operations Revolving Fund that otherwise would be available for investment in new plant and equipment. 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.

ANNUAL AUDIT Each year, GPO's finances and financial controls are audited by an independent outside audit firm working under contract with our Office of Inspector General. For FY 2015, the audit concluded with GPO earning an unmodified, or clean, opinion on its finances, the 19th consecutive year GPO has been provided with such an audit result.

FY 2015 FINANCIAL RESULTS

Revenue totaled $773.4 million while expenses incurred were $735.8 million, for an overall net income of $37.6 million from operations. Included in both GPO's revenue and net income is approximately $15.3 million in funds set aside for e-Passport-related capital investments, as agreed to by GPO and the Department of State, and $4.6 million in funds resulting from a downward adjustment to GPO's long-term workers' compensation liability under the Federal Employees Compensation Act (FECA). Apart from these funds, GPO's net operating income from FY 2015 was $17.6 million.

Funds appropriated directly by Congress provided nearly $106.6 million (including funds from the Congressional Publishing and Public Information Programs appropriations, along with appropriations to the Business Operations Revolving Fund), or about 14% 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 2015, the cost of this work totaled $305.8 million, or about 42% of total expenses. The second largest component was personnel compensation and benefits. These totaled $202.2 million, or about 27% 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 **http://www.gpo.gov/pdfs/congressional/archives/2015_AnnualReport.pdf**.

For fiscal year 2015 (October 1, 2014 - September 30, 2015) the GPO received an unmodified opinion (clean audit opinion) on its consolidated financial statements.

GPO achieved positive financial results before other operating expenses and Passport Capital Projects Reserve. Net income was $37.6 million in fiscal 2015 compared to net income $24 million in fiscal 2014.

GPO's fiscal 2015 operating income included $15.3 million in reserved funds for planned capital investments for increasing production capacity for the next generation U.S. passport, as arranged and agreed to between the Department of State and GPO. Similar type funds totaled $15.1 million for fiscal year 2014. In both years, this resulted in revenues without corresponding expenses in the income statements. The expenses associated with these revenues will be reflected in future financial statements as these capital projects are completed and put into use.

Other operating expenses in 2015 included an adjustment of $4.6 million to reflect a reduction to GPO's future workers' compensation liability. This long-term adjustment is required to accurately record the actuarially determined liability at September 30, 2015. After adjusting for these two unique transactions, GPO had a net income after capital projects reserve and workers' compensation liability adjustment of $17.6 million compared with $6.8 million in fiscal 2014.

Summary of Net Income (in thousands)	2015	2014
Net Income	**$ 37,584**	**$ 24,004**
Less Passport Capital Projects Reserve	(15,340)	(15,120)
Decrease in Workers' Compensation Liability	(4,611)	(2,123)
Net Income After Capital Projects Reserve and Workers' Compensation Liability Adjustment	**$ 17,633**	**$ 6,761**

In fiscal 2015 both operating revenue and operating expenses increased from fiscal 2014. Operating revenue was up $77.1 million or 11.1 percent (to $773.4 million from $696.3 million), while operating expenses increased $66.0 million or 9.8 percent (to $740.5 million from $674.4 million). This increase in revenue was primarily attributable to an increase in Printing and Binding revenue. Correspondingly, the increase in operating expenses was due primarily to an increase in printing and reproduction, and supplies and materials expenses, partially offset by a decrease in personnel compensation expenses.

Fund balance with Treasury increased by $18.9 million, from $475.7 million at the end of fiscal 2014 to $494.6 million at the end of fiscal 2015. Cash provided by operations increased by $38.6 million during the year, due primarily to a decrease in customer deposit collections (deferred revenues) as well as decreases in accounts receivable and prepaid expenses. GPO invested $33.1 million for capital items in fiscal 2015, slightly less than the $36.4 million invested in fiscal 2014.

Summary Statements of Cash Flows (in thousands)	2015	2014
Cash flows from Operating Activities		
Net Income	**$ 37,584**	**$ 24,004**
Provided by (used in) operating activities		
Depreciation and other	20,888	20,737
(Increase) decrease in assets	3,501	(18,322)
Increase (decrease) in liabilities	(18,799)	(29,939)
Increase (decrease) in workers' compensation liability	(4,611)	(2,123)
Total adjustments	979	(29,647)
Net cash provided by operating activities	**38,563**	**(5,643)**
Cash flows used in investing activities	**(33,062)**	**(36,376)**
Cash flows provided by financing activities	**13,401**	**9,496**
Net increase (decrease) in cash balance	**$ 18,902**	**$ (32,523)**

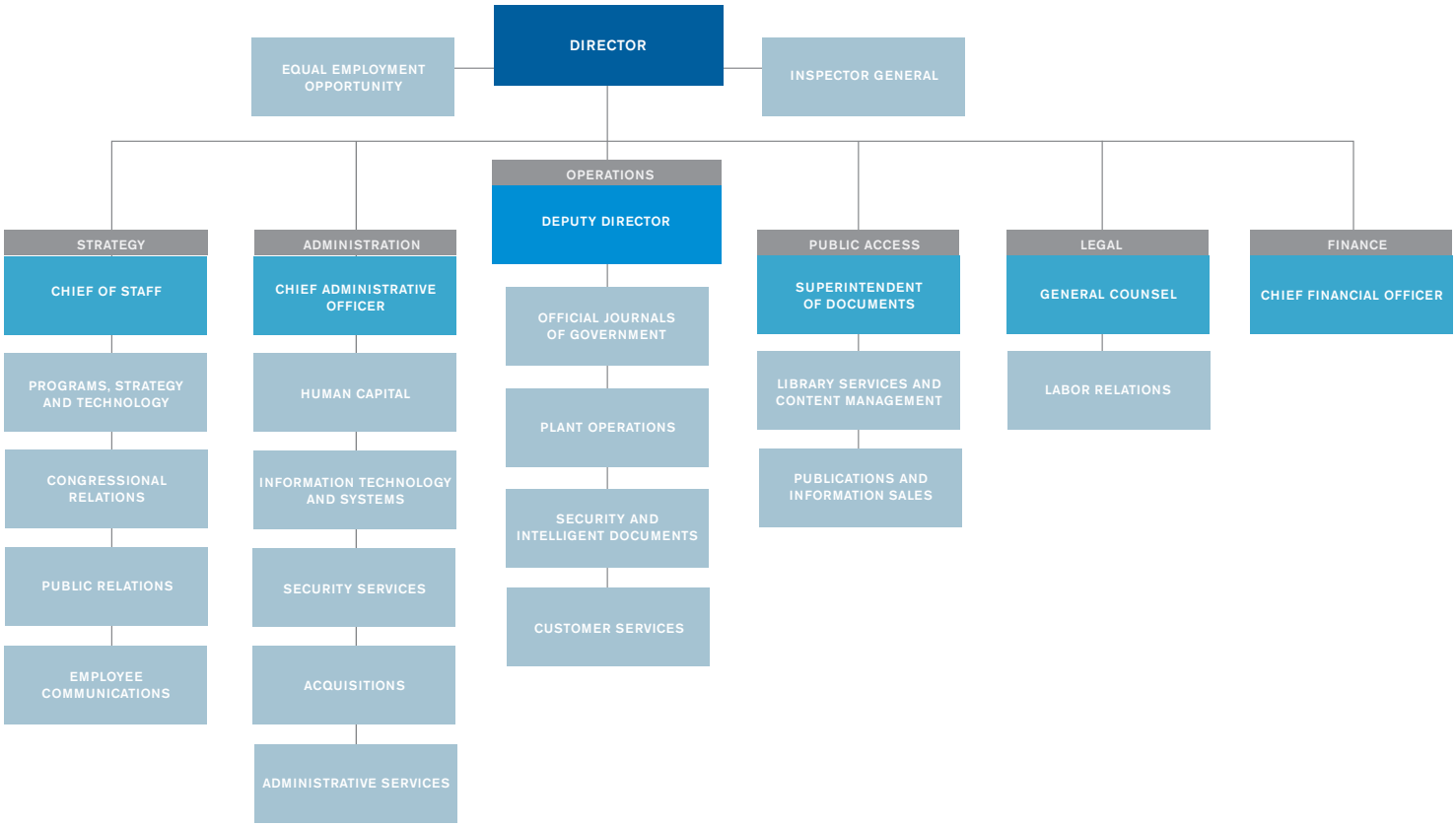
GPO's Balance Sheet strengthened in fiscal 2015 as a result of the operating performance. Working capital increased by $34.2 million, to $406.4 million in fiscal 2015 from $372.2 million in fiscal 2014, and total current assets increased by $15.4 million, to $662.5 million in fiscal 2015 from $647.1 million in fiscal 2014.

Total assets grew by $27.6 million to $805.4 million in 2015 from $777.8 million in 2014. Fund balance with Treasury increased to $494.6 million in fiscal 2015 from $475.7 million in fiscal 2014 with the overall increase in agency orders being the key driver, with returned customer deposits as a contributing factor.

GPO ended fiscal 2015 with an increase in retained earnings of $37.6 million to $259.2 million, compared to $221.6 million at the end of fiscal 2014.

Summary Balance Sheets (in thousands)	2015	2014
Assets		
Current Assets		
Fund balance with Treasury	$ 494,646	$ 475,744
Accounts receivable, net	132,122	133,507
Inventory, net	35,417	34,379
Prepaid expenses	350	3,504
Total current assets	**662,535**	**647,134**
General property, plant and equipment, net	142,825	130,651
Total Assets	**$ 805,360**	**$ 777,785**
Liabilities and Net Position		
Current Liabilities		
Accounts payable and accrued expenses	$ 114,564	$ 105,078
Deferred revenues	133,156	160,296
Accrued annual leave	8,463	9,608
Total current liabilities	**256,183**	**274,982**
Noncurrent Liabilities		
Workers' compensation liability	62,372	66,983
Total Liabilities	**318,555**	**341,965**
Net position		
Cumulative results of operations		
Retained earnings	259,192	221,608
Invested capital	92,879	92,879
Unexpended appropriations	134,734	121,333
Total Net Position	**486,805**	**435,820**
Total Liabilities and Total Net Position	**$ 805,360**	**$ 777,785**

U.S. GOVERNMENT PUBLISHING OFFICE ORGANIZATIONAL CHART



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GPO

U.S. GOVERNMENT PUBLISHING OFFICE

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

(With Independent Auditors' Report Thereon)

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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, 2015

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.

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 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 for these purposes with the approval of the House and Senate Appropriations

Committees. Otherwise, unexpended annual appropriations are 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 Federal Digital System (FDsys) (www.fdsys.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 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 Government facilities and logical access to Federal Government 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 found 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 overall 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 to Federal customers. Customer Service teams are assigned to service specific customer agencies, and 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.

Creative and Digital Media Services – GPO's Creative and Digital Media Services provides graphic design solutions, multimedia and Web services to Congress, the White House, and Federal agencies and commissions. This business 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/development, e-book design, illustration, photography, and multi-media. This business unit's work includes designs for Presidential Inauguration materials, the U.S. passport, and numerous other security design efforts. Other examples of recent Web design and development projects for agency clients include the National Interagency Fire Center, U.S. Department of Commerce, Federal Mine Safety and Health Review Commission, Open World Leadership Center, and the Federal Housing Finance Agency Office of the Inspector General, among others. This business unit also offers website content updates for existing Federal agency customers who are required to utilize within-governmental digital media services for information dissemination.

Publication and Information Sales – This business unit increases public access to U.S. Government information through the sale of Government information products, primarily through GPO's U.S. Government Bookstore website (http://bookstore.gpo.gov/). This site allows the public to purchase hard-copy and e-book copies of Federal Government publications and

subscriptions. This business unit also works with commercial sales channels, including book distributors nationwide, to enhance Government information distribution. Publication and Information Sales also provides customer agencies with expert advice on how to make their publications more user-friendly and commercially viable.

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

Public Information Programs – This business unit supports and manages 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 approximately 1,200 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, education and outreach, library technical services, and archival management. Working with other GPO units, this business unit also supports the enhancement and promotion of, and education about GPO's Federal Digital System (FDsys) (www.fdsys.gov), which provides direct online access to Federal Government publications. Other online services managed by this business unit include the *Catalog of U.S. Government Publications* (http://catalog.gpo.gov), the FDLP Desktop (www.fdlp.gov), the FDLP Community Site (http://community.fdlp.gov), and Ben's Guide to the U.S. Government (http://bensguide.gpo.gov).

Financial Position and Results for Fiscal Year 2015

The following is an overview of GPO's financial position and operating results for the fiscal year ended September 30, 2015. This information should be viewed in context with the Financial Statements and Notes contained therein. In addition the management discussion and analysis put forth is prepared to highlight what we believe are the more significant financial events, items or transactions for the benefit of the reader. The reader will please note that this information, as presented is not meant to be an inclusive compendium of all activity for GPO's Fiscal Year 2015.

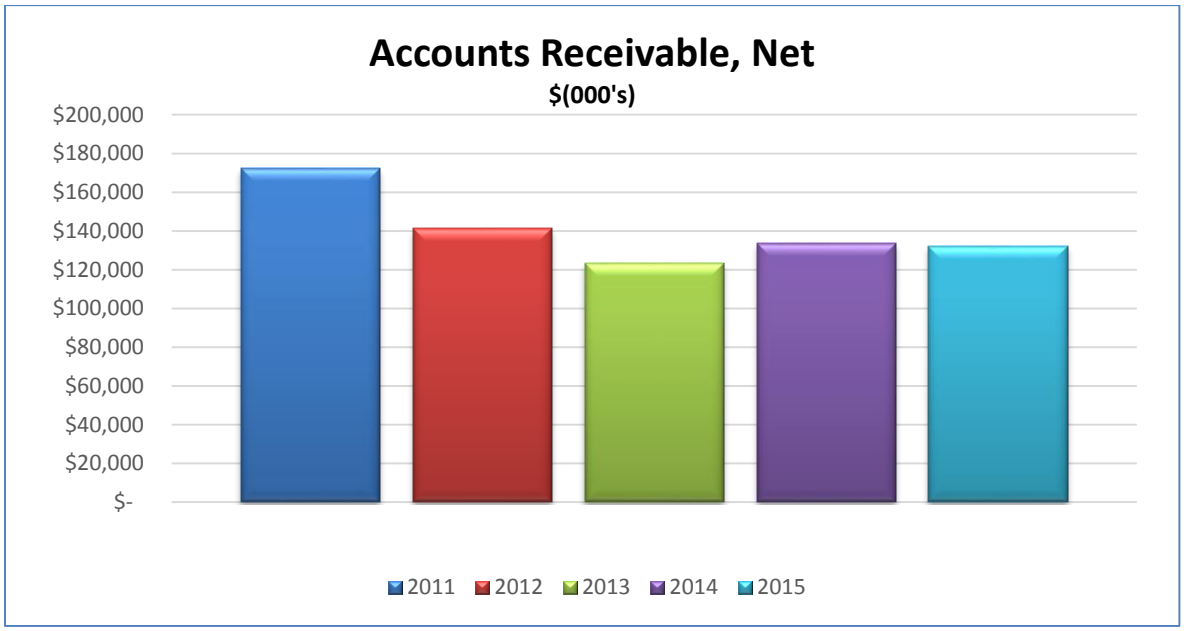
Cash

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") increased by $18.9 million (4%) to $494.6 million as of September 30, 2015 from $475.7 million as of September 30, 2014.

The increase was primarily due to cash increases from operating activities of $38.6 million, offsetting investing outlays of $33 million, and increases in unexpended appropriations of $13.4 million.

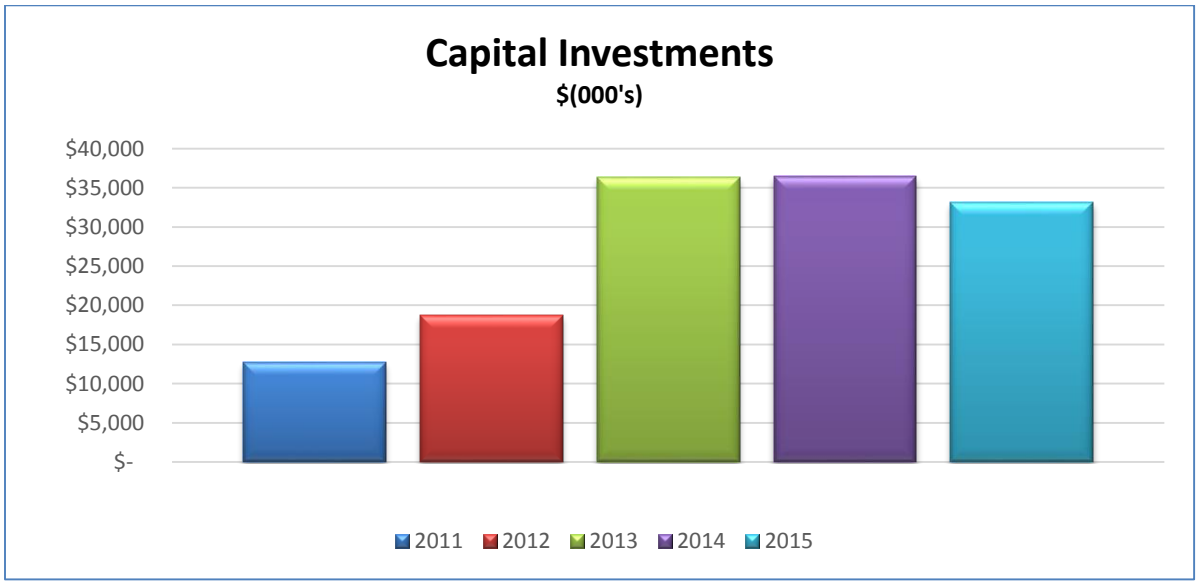
Accounts Receivable, Net

Net accounts receivable decreased from $133.5 million in 2014 to $132.1 million in 2015 (1%). The decrease had a favorable impact on cash flow for the Agency for fiscal 2015.



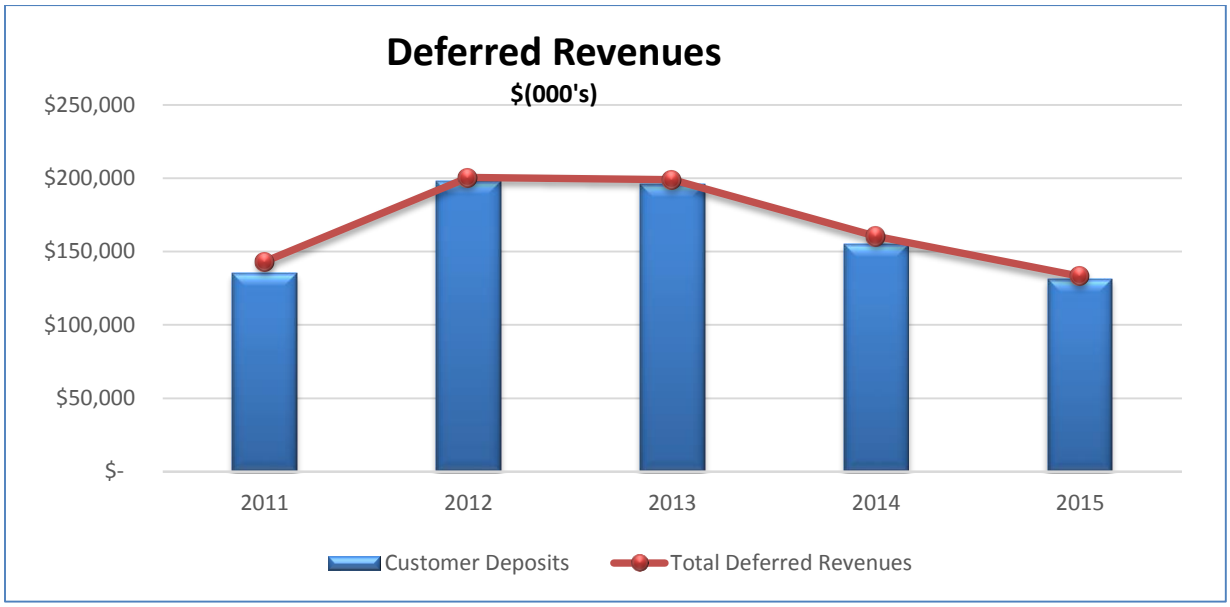
Property & Equipment, Net

Net property and equipment increased by $12.2 million (9.3%) in 2015 to $142.8 million. The capital additions of $33.1 million was primarily centered on in-service placement of new secure credentials manufacturing equipment ($26 million) as well as a new Timson ZMR press ($8 million). These additions were partially offset by $20.9 million in depreciation expense for fiscal 2015. The capital investment trend is reflective of investment for secure documents as well as GPO's transformation to a digital platform.



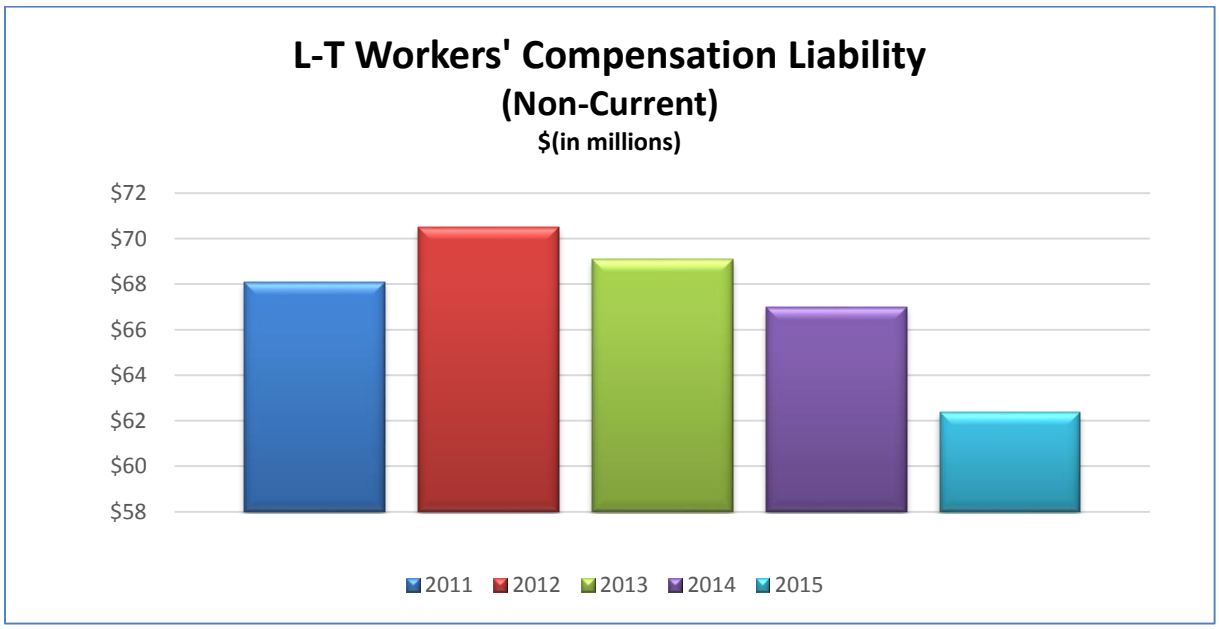
Deferred Revenue

Deferred Revenue is primarily comprised of Customer Deposits which are funds advanced from Federal agencies. Customer Deposits decreased by $23.4 million (15.1 %) to $131.4 million in fiscal 2015 due to a return of $22.7 million to one Federal deposit account customer.



Long-Term Workers' Compensation Liability

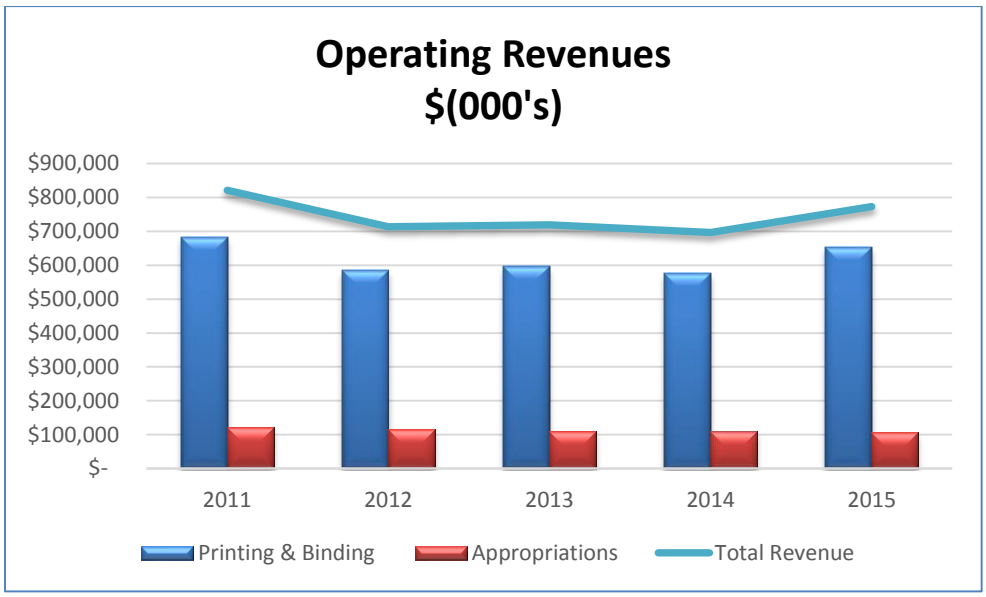
The actuarial workers' compensation liability decreased $4.6 million in 2015. The decrease in the actuarial liability primarily resulted from a reduced workforce, technological efficiencies, improved production methods, and an increased emphasis on workplace safety conditions.



Consolidated Revenues

GPO's consolidated revenues (net of eliminations) are primarily derived from Printing &

Binding and Appropriations. Consolidated revenues were $773.4 million in fiscal 2015 and $696.3 million in fiscal 2014. The increase of $77.1 million (11.1 percent) was attributable to increases in Printing and Binding revenues partially offset by a modest decrease in Appropriations revenues.



Operating Expenses

Operating costs increased by $66 million (9.8%) to $740.5 million in fiscal 2015, up from $674.4 million in fiscal 2014. The increase is primarily attributable to the cost of the printing and binding products sold to customer agencies. Passport manufacturing costs increased due to an increase in the number of passports ordered over fiscal 2014. Operating expenses also increased due to a greater number of orders for publishing services.

Changes in Retained Earnings

GPO's retained earnings increased by $37.6 million (17%) to $259.2 million at the end of fiscal 2015, compared to $221.6 million at the end of fiscal 2014.

As presented on the table below, GPO's retained earnings include the planned uses of net income that is authorized by the responsible parties. The GPO and the Department of State annually agree to a price to be charged per passport, as well as a plan of capital investments required 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 actual results of GPO operations.

Summary of Net Income (in thousands)	2015	2014
Net Income	**$ 37,584**	**$ 24,004**
Less: Passport Capital Projects Reserve	(15,340)	(15,120)
Decrease in Workers' Compensation Liability	(4,611)	(2,123)
Net Income After Capital Projects Reserve and Workers' Compensation Liability Adjustment	**$ 17,633**	**$ 6,761**

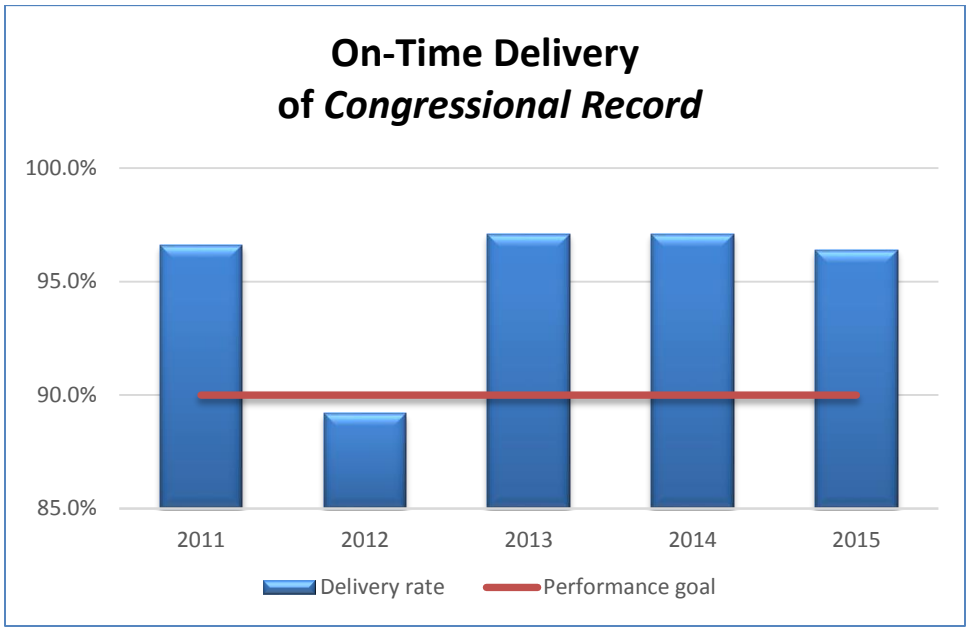
Excluding income required to be invested in capital projects to support the production of U.S. passports, and the adjustment to the long-term Workers' Compensation Liability adjustment, GPO had net income of approximately $17.6 million in fiscal 2015, compared to $6.8 million in 2014.

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.

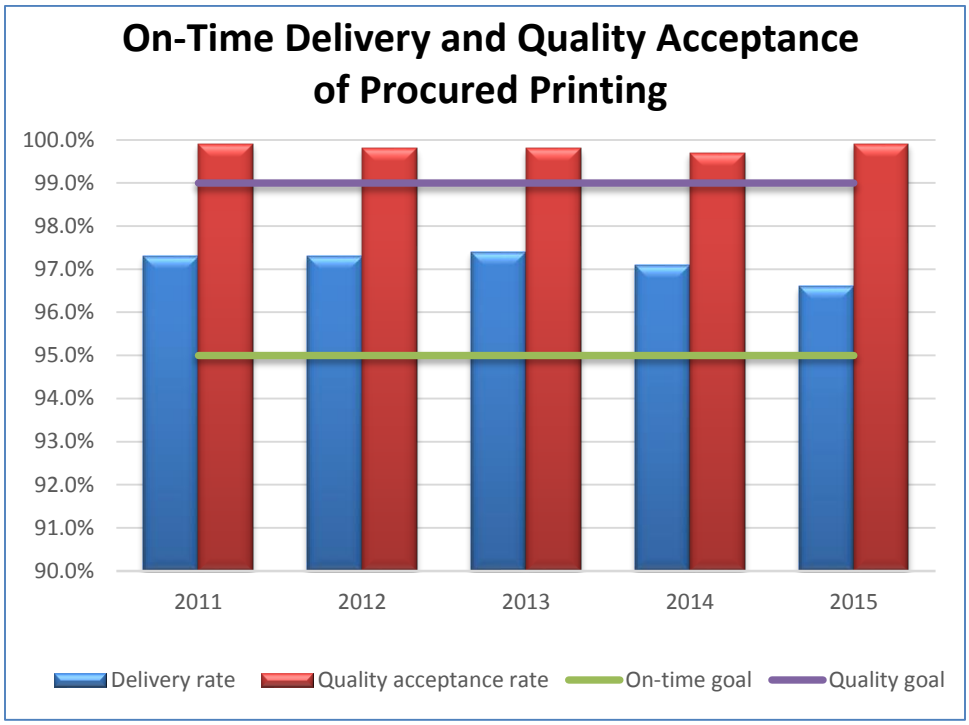
On-Time Delivery of *Congressional Record*

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.



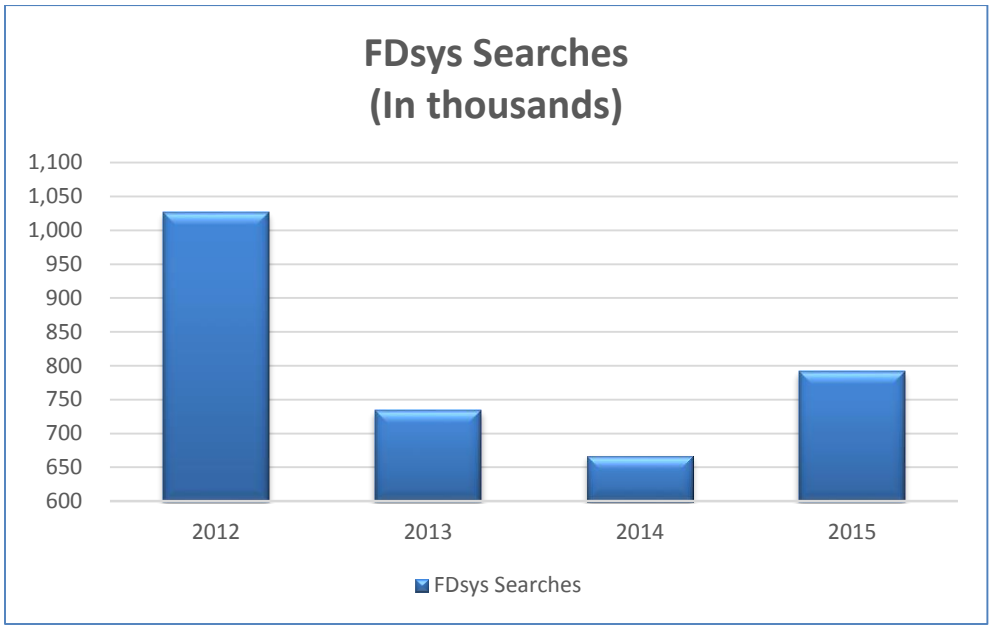
On-Time Delivery and Quality Acceptance of Procured Printing

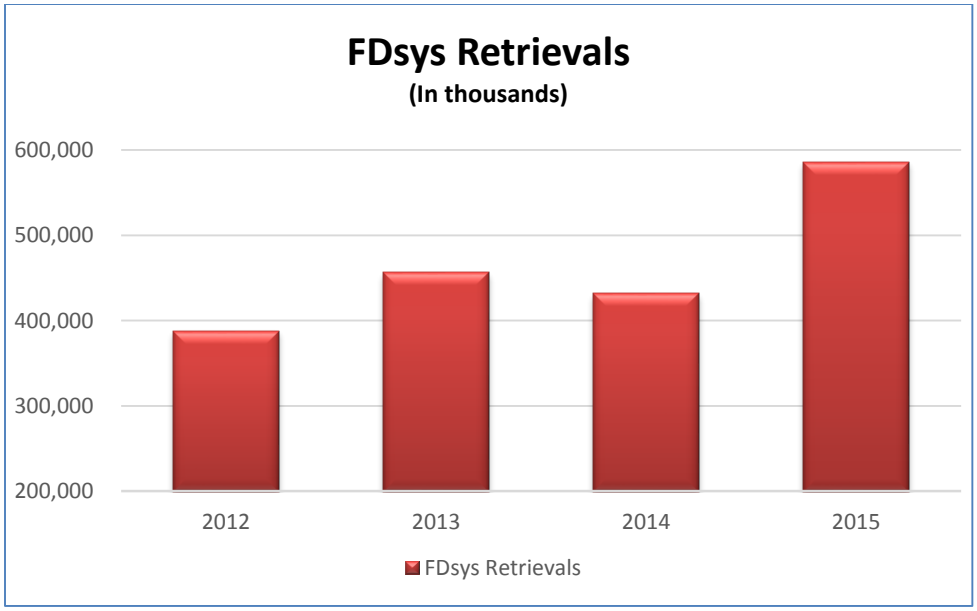
Customer Services contracted with commercial printing vendors to produce and ship orders for GPO customers, on-time and at a high standard of quality.



FDsys Search and Retrieval Metrics

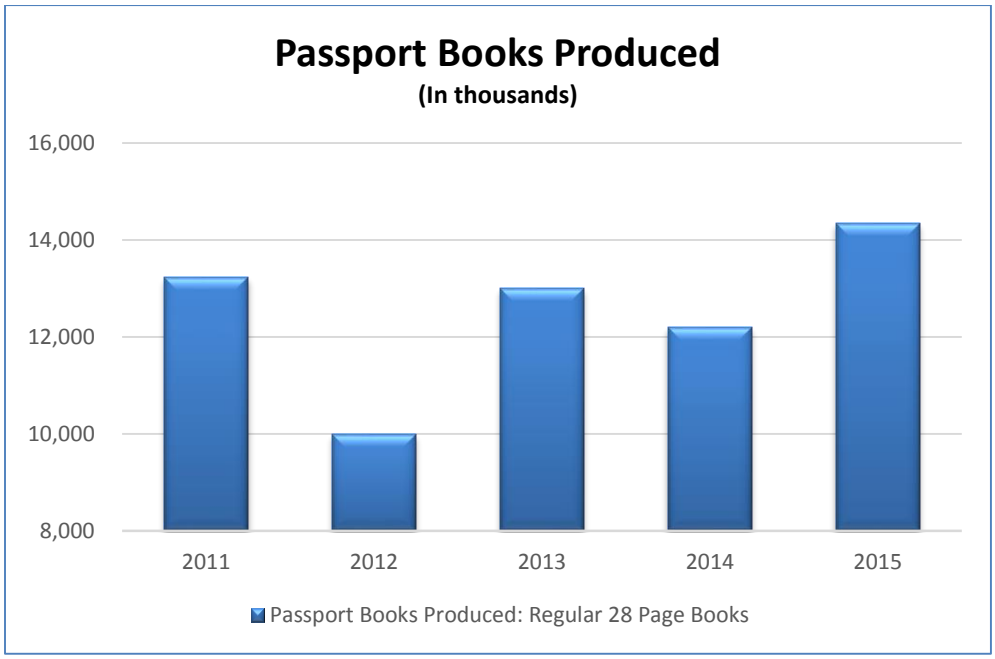
GPO's Federal Digital System (FDsys) provides free online access to official publications from all three branches of the Federal Government. FDsys provides advanced search capabilities and the ability to refine and narrow users' searches for quick access to the information they need. With FDsys, users can download a single file or download content and metadata packaged together in a compressed file. Searches and retrieval metrics reflect the growing user-reliance on FDsys.

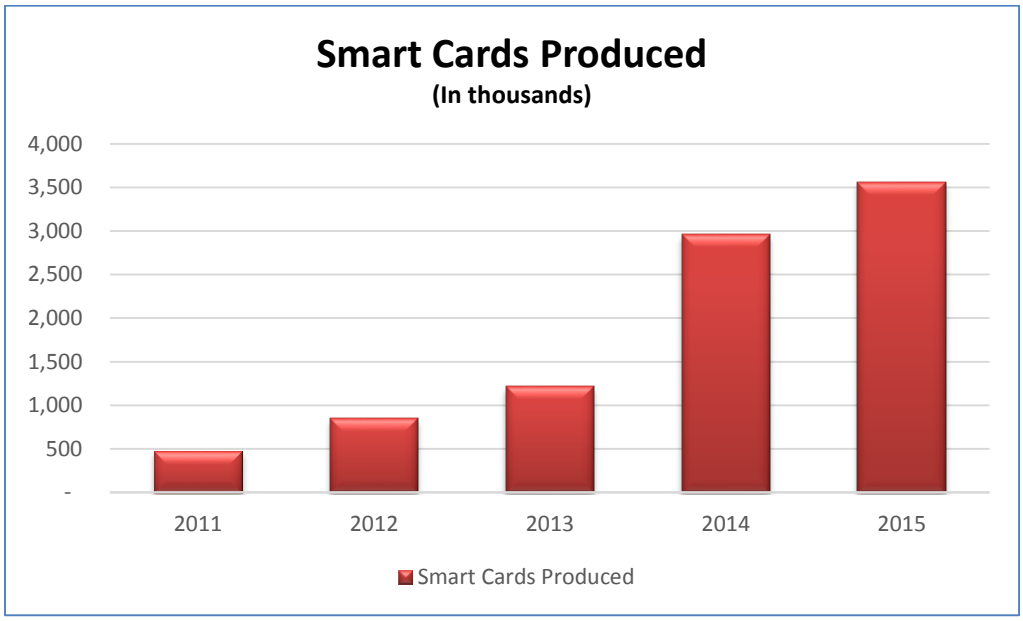




Passport and Smartcard Metrics

SID is meeting the challenges of new security issues and enabling the production of secure Federal Government documents for a wide variety of applications including U.S. passports and smart cards.


Passport Books Produced
(In thousands)
16,000
14,000
12,000
10,000
8,000
2011
2012
2013
2014
2015
Passport Books Produced: Regular 28 Page Books


Smart Cards Produced
(In thousands)
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
2011
2012
2013
2014
2015
Smart Cards Produced

Fiscal Year 2016 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 all 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 2016 operating budget plans for the Agency to achieve at least break-even before the long-term Federal Employees' Compensation Act (FECA) adjustment from the Department of Labor, and after adjusting for income from 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 budget for 2016 will require that the Agency continue with the strict cost containment program implemented in fiscal 2011.

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*, as it has for over 150 years.

SECTION II

INSPECTOR GENERAL'S REPORT

GOVERNMENT PUBLISHING OFFICE

OFFICE OF INSPECTOR GENERAL

AUDIT REPORT 16-03

U.S. Government Publishing Office FY 2015 Independent Auditors' Report

December 23, 2015

MEMORANDUM

U.S. GOVERNMENT PUBLISHING OFFICE
OFFICE OF INSPECTOR GENERAL

Date

December 23, 2015

To

Director, U.S. Government Publishing Office

From

Inspector General

Subject:

FY 2015 Independent Auditors' Report
Report Number 16-03

Attached is the Independent Auditors' Report on the U.S. Government Publishing Office's (GPO's) FY 2015 financial statements. We contracted with the independent certified public accounting firm of KPMG LLP (KPMG) to audit the financial statements of GPO as of and for the years ending September 30, 2015, and 2014. The contract required that the audit be conducted in accordance with generally accepted government auditing standards (GAGAS).

KPMG's opinion on GPO's financial statements was unqualified. KPMG is responsible for the attached auditor's report and the conclusions expressed in the report. However, in connection with the contract, we reviewed KPMG's 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 GAGAS 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 me at (202) 512-0039.

MICHAEL A. RAPONI
Inspector General

Keeping America Informed | www.gpo.gov/oig GPO Form 731A (R 9-07)

Attachment
cc:
Deputy Director, U.S. Government Publishing Office
General Counsel
Chief of Staff
Chief Financial Officer

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

Office of the 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, 2015 and 2014, 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 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.

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

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

Opinion on the Financial Statements

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, 2015 and 2014, 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

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

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 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, 2015, we considered GPO's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of GPO's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of compliance disclosed no instances of noncompliance or other matters that are required to be reported herein 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 result 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

December 23, 2015

SECTION IV

FINANCIAL STATEMENTS

U.S. Government Publishing Office
Consolidated Balance Sheets
As of September 30, 2015 and 2014
(Dollars in Thousands)

	2015	2014
ASSETS		
Current assets		
Fund balance with Treasury (Note 2)	$ 494,646	$ 475,744
Accounts receivable, net (Note 3)	132,122	133,507
Inventory, net (Note 4)	35,417	34,379
Prepaid expenses (Note 5)	350	3,504
Total current assets	**662,535**	**647,134**
General property, plant, and equipment, net (Note 6)	142,825	130,651
Total assets	**$ 805,360**	**$ 777,785**
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable and accrued expenses (Note 7)	$ 114,564	$ 105,078
Deferred revenues (Note 8)	133,156	160,296
Accrued annual leave	8,463	9,608
Total current liabilities	**256,183**	**274,982**
Noncurrent liabilities		
Workers' compensation liability (Note 9)	62,372	66,983
Total liabilities	**318,555**	**341,965**
Commitments and contingencies (Notes 10 and 11)		
Net position (Note 12)		
Cumulative results of operations:		
Retained earnings	259,192	221,608
Invested capital	92,879	92,879
Unexpended appropriations	134,734	121,333
Total net position	**486,805**	**435,820**
Total liabilities and net position	**$ 805,360**	**$ 777,785**

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

U.S. Government Publishing Office
Consolidated Statements of Revenues, Expenses, and Changes in Retained Earnings
For the Fiscal Years Ended September 30, 2015 and 2014
(Dollars in Thousands)

	2015	2014
OPERATING REVENUES		
Printing and binding	$ 653,866	$ 574,745
Appropriations	106,551	109,611
Sales of publications	6,326	6,645
Agency distributions	6,686	5,299
Total operating revenues	**773,429**	**696,300**
OPERATING EXPENSES		
Printing and reproduction	305,818	267,281
Personnel compensation and benefits	202,174	206,303
Supplies and materials	142,038	122,128
Other services	40,653	32,466
Depreciation and amortization	20,888	20,737
Rents, communications, and utilities	15,848	14,739
Travel, transportation, and postage	11,541	8,255
Publications sold	1,496	2,510
Subtotal	**740,456**	**674,419**
Income before other expenses	**32,973**	**21,881**
OTHER EXPENSES		
Decrease in workers' compensation liability	4,611	2,123
Net Income	**$ 37,584**	**$ 24,004**
Retained Earnings, beginning of year	**221,608**	**197,604**
Retained Earnings, end of year	**$ 259,192**	**$ 221,608**

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

U.S. Government Publishing Office
Consolidated Statements of Cash Flows
For the Fiscal Years Ended September 30, 2015 and 2014
(Dollars in Thousands)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 37,584	$ 24,004
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	20,888	20,737
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	1,385	(10,283)
Inventory	(1,038)	(5,575)
Prepaid expenses	3,154	(2,464)
Increase (decrease) in liabilities:		
Accounts payable, accrued expenses, and other	9,486	8,812
Deferred revenues	(27,140)	(38,651)
Accrued annual leave	(1,145)	(100)
Workers' compensation liabilities	(4,611)	(2,123)
Total adjustments	**979**	**(29,647)**
Net cash provided by (used in) operating activities	**38,563**	**(5,643)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital purchases	(33,107)	(36,489)
Proceeds from sale of general property, plant, and equipment	45	113
Net cash (used in) investing activities	**(33,062)**	**(36,376)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Appropriations received	119,993	---
Appropriations expended	(106,592)	---
Increase in unexpended appropriations	13,401	9,496
Net cash provided by financing activities	**13,401**	**9,496**
Net increase (decrease) in fund balance with Treasury	**18,902**	**(32,523)**
Fund balance with Treasury, beginning of year	475,744	508,267
Fund balance with Treasury, end of year	**$ 494,646**	**$ 475,744**

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

U.S. Government Publishing Office
Notes to the Financial Statements
September 30, 2015 and 2014

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 electronics 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.

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.

Revolving Fund – The GPO Revolving Fund is an inter-governmental fund established by law on July 1, 1953. This business-type revolving 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 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 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 market. 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 market. 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.

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.

Asset Category	Estimated Useful Life (Years)
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 as well as construction in progress and capitalized software in process. Leasehold improvements are generally depreciated over 10 years or the remaining duration of the lease for real property, whichever is shorter.

Printing equipment transferred to GPO from other Federal agencies under the provisions of 44 U.S.C. § 312 is valued in accordance with JCP Regulation Number 26, *Government Printing and Binding Regulations*. This valuation approximates fair market value at the time of the property transfer.

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 any unused annual leave when they separate from Federal service or enter active military service.

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

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. § 309. Revenues from in-house printing and binding work are recognized on a value-added basis, as work is performed, 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 used in production operations. 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 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 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.

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 most significantly impact assets, liabilities, revenues, and expenses reflected in the accompanying consolidated financial statements are: 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, 2015 and 2014. 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.

The approximate fair values in GPO's financial instruments represent GPO's best estimates of the amounts that would be received to sell those assets, or that would be paid to transfer those liabilities, in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. GPO developed those judgments based on the best information available in the circumstances.

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.

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, 2015 and 2014 follows:

	(Dollars in thousands)	
	2015	2014
Fund Balances:		
Revolving fund:		
Unrestricted	$ 203,405	$ 159,441
Restricted:		
Customer deposit accounts	131,422	154,859
Other	21,221	38,503
Total revolving fund	**356,048**	**352,803**
General funds:		
Congressional publishing	61,951	59,238
Salaries and expenses	25,485	25,075
Supplemental and other	51,162	38,628
Total general funds	138,598	122,941
Total	**$ 494,646**	**$ 475,744**

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. 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 12B).

The total fund balance with Treasury increased $18.9 million (4 percent) to $494.6 million in fiscal 2015 from $475.7 million in fiscal 2014. Total general funds available increased $15.7 million (12.7 percent). These funds are allocated to future approved projects.

3. Accounts Receivable, Net

Accounts receivable, net of an allowance for doubtful accounts, as of September 30, 2015 and 2014, consisted of the following:

	(Dollars in thousands)	
	2015	2014
Federal agencies:		
Unbilled accounts receivable	$ 113,341	$ 96,172
Billed completed work	21,548	40,911
Subtotal	**134,889**	**137,083**
Other receivables:		
The public	140	370
GPO employees	1,051	1,166
Subtotal	**1,191**	**1,536**
Total accounts receivable	**136,080**	**138,619**
Less: Allowance for doubtful accounts	(3,958)	(5,112)
Total accounts receivable, net	**$ 132,122**	**$ 133,507**

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 yet. Accordingly, unbilled accounts receivable includes the value of work in process and completed work for customer orders as of September 30, 2015, and 2014.

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 $1.4 million (1 percent) in fiscal 2015 from fiscal 2014.

4. Inventory, Net

Inventories, net of an allowance for surplus and obsolete stock increased by $1 million (3 percent) as of September 30, 2015 from the prior year, are detailed as follows:

	(Dollars in thousands)	
	2015	2014
Supplies and materials	$ 26,113	$ 24,074
Publications for sale	4,574	4,638
Paper	5,150	5,653
Work in process	3,217	4,006
Total inventory	**39,054**	**38,371**
Less: Allowance for surplus and obsolete inventory	(3,637)	(3,992)
Inventory, net	**$ 35,417**	**$ 34,379**

5. Prepaid Expenses

Prepaid expenses or advances to others were $350,000 as of September 30, 2015, and $3.5 million as of September 30, 2014. The current year balance was primarily comprised of prepaid information technology services. The majority of the prepaid expenses in the prior year were for advance payments made by GPO ($3.2 million) for leasehold improvements to the Stennis facility by the U.S. Army Corps of Engineers. Most of the fiscal 2014 prepaid expenses were either capitalized or expensed in fiscal 2015.

6. General Property, Plant, and Equipment, Net

General property, plant, and equipment, net as of September 30, 2015 and 2014, consisted of the following:

	(Dollars in thousands)	
	2015	2014
Land	$ 9,971	$ 9,971
Buildings and improvements	93,932	90,899
Plant machinery and equipment	157,459	125,504
Computers and computer software	115,854	113,490
Furniture and fixtures	6,107	6,107
Motor vehicles	689	648
Leasehold improvements	14,534	10,582
Capitalized software in process	4,840	4,206
Capital improvements in process	10,831	28,192
Total	**414,217**	**389,599**
Less: Accumulated depreciation and amortization	(271,392)	(258,948)
General property, plant, and equipment, net	**$ 142,825**	**$ 130,651**

General property, plant, and equipment, net increased by $12.2 million in fiscal 2015 from fiscal 2014 with capital additions of $33.1 million, offset by annual depreciation of $20.9 million. Included in the machinery and equipment investment increase of $32 million was approximately $26 million in new secure credential products manufacturing equipment. Also a Timson Zero Makeready (ZMR) 7-color press was placed into service for $8 million. Some of the GPO additional capital investments in fiscal 2015 included $2.5 million for renovations to GPO Building No. 4 to expand the footprint for SID manufacturing. A majority of capital additions for computers and computer software in fiscal 2015 were for FDsys hardware and software totaling $3.6 million. Leasehold improvement activity in 2015 was primarily comprised of improvements to the Stennis, MS Alternative Passport Facility.

Capital improvements-in-progress decreased by $17.4 million in fiscal 2015 compared to fiscal 2014 due in part to completion and placement of SID equipment, and the Timson ZMR press into service.

Depreciation expense was $20.9 million in fiscal year 2015 and $20.7 million in fiscal year 2014.

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of September 30, 2015, and 2014, were composed of the following:

	(Dollars in thousands)	
	2015	2014
Accounts payable:		
Commercial printing	$ 65,548	$ 62,388
U.S. Government agencies	6,771	6,787
Other	31,224	26,948
Total accounts payable	**103,543**	**96,123**
Accrued salaries and payroll taxes	11,021	8,955
Total accounts payable and accrued expenses	**$ 114,564**	**$ 105,078**

The Other category included payables to two vendors ($3.9 million and $3 million, respectively) for E-passport microchip integrated circuits, as well as, $1.7 million payable to the Library of Congress (LOC) for document digitization services.

8. Deferred Revenues

As of September 30, 2015, and 2014, deferred revenues from customers consisted of the following:

	(Dollars in thousands)	
	2015	2014
Deposit accounts	$ 131,422	$ 154,859
Advance billings	507	4,051
Subscriptions	897	1,111
Unfilled orders	330	275
Total	**$ 133,156**	**$ 160,296**

GPO held $131.4 million and $154.9 million in customer deposit accounts as of September 30, 2015, and 2014, respectively. Of these amounts, Federal Government customers had advanced funds of $129.7 million and $153 million for printing and binding deposit accounts, and customers advanced $1.7 million and $1.9 million for publication and information sales program deposit accounts as of September 30, 2015, and 2014, respectively. The funds in these deposit accounts will be applied to future orders placed by customers or refunded on request. The $27.1 million (16.9 percent) reduction in deferred revenues for fiscal 2015 from fiscal 2014 was primarily driven by a return of $22.7 million to one Federal deposit account customer.

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 $507,000 in fiscal 2015 from $4.1 million in the prior year.

9. Workers' Compensation Liability

Claims incurred and paid by DOL as of September 30, 2015, and 2014, but not yet reimbursed to DOL by GPO, are approximately $6 million for both periods. This component of the workers' compensation liability is considered current rather than long-term.

GPO's estimated non-current, actuarially derived future workers' compensation liability was approximately $62.4 million and $67 million as of September 30, 2015, and 2014, respectively. GPO's estimated, undiscounted, non-current, actuarially derived future workers' compensation liability was approximately $85.9 million and $99.3 million as of September 30, 2015, and 2014, respectively. These annual benefit payments have been discounted to present value using a composite rate from the Department of Treasury which resulted in discount rates as of September 30, 2015 and 2014, of 2.41 percent and 3.00 percent, respectively.

10. Commitments

10. A. Operating Leases

As of September 30, 2015, GPO was committed to various non-cancelable operating leases, 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 $4 million in fiscal 2015 and $3.7 million in fiscal 2014.

A schedule of future minimum rental payments required under operating leases by type, which have initial or remaining non-cancelable lease terms in excess of one year, follows:

Future Minimum Rental Payments Required Under Operating Leases

	(Dollars in thousands)		
Fiscal Year	**Warehouse**	**Office**	**Total**
2016	**$ 729**	**$ 485**	**$ 1,214**
2017	**168**	**492**	**660**
2018	**0**	**367**	**367**
2019	**0**	**20**	**20**
2020 & Thereafter	**0**	**0**	**0**
Total Minimum Lease Payments	**$ 897**	**$ 1,364**	**$ 2,261**

10. B. Obligations

GPO had unliquidated obligations of $364 million at September 30, 2015, and $364.2 million at September 30, 2014, of which $218.3 million and $233.9 million, respectively, were undelivered orders related to commercial printing. These obligations include purchase orders and contractual obligations by GPO to acquire goods and services from the private sector and other sources. Some of these orders are scheduled for delivery or performance in the next fiscal year.

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 GPO Revolving Fund unless the costs are recovered

from another Federal entity. As of September 30, 2015, GPO had $50,000 recorded in estimated liabilities, related to claims in which management believes the likelihood of an adverse result against GPO is probable. Such amounts are included in accounts payable and accrued expenses in the financial statements. The Agency had zero recorded probable liabilities for the prior year, as of September 30, 2014.

Contingencies where the risk of loss is reasonably possible, are approximately $1 million and $1.3 million, as of September 30, 2015 and 2014, 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 $6,000 in fiscal 2015 and $4.6 million in fiscal 2014 on behalf of GPO and other Federal Agencies. In fiscal 2014, $4.6 million was paid under a Consent Decree to resolve a lawsuit related to past recycling of wastepaper that may have contained polychlorinated biphenyl (PCB). GPO was one of 5 agencies identified in the Consent Decree. No allocation of the payment amount was made by DOJ and, based on the language of the Consent Decree, GPO's share of the payment amount, if any, was not determinable.

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 $783,000 as of September 30, 2015, and $722,000 as of September 30, 2014. 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, 2013, through September 30, 2015, for appropriations made available to GPO:

Unexpended Appropriations

Appropriations (Dollars in thousands)	Revolving Fund	Salaries and Expenses	Congressional Publishing	Total
Unexpended balance at September 30, 2013	**$ 22,522**	**25,555**	**63,760**	**111,837**
2014 fiscal year appropriation activity:				
Received	8,064	31,500	79,736	119,300
Transferred	15,158	(5,675)	(9,483)	0
Expended	(7,116)	(27,914)	(74,774)	(109,804)
Unexpended balance at September 30, 2014	**38,628**	**23,466**	**59,239**	**$ 121,333**
2015 fiscal year appropriation activity:				
Received	8,757	31,500	79,736	119,993
Transferred	7,233	(6,067)	(1,166)	0
Expended	(3,454)	(27,281)	(75,857)	(106,592)
Unexpended balance at September 30, 2015	**$ 51,164**	**$ 21,618**	**$ 61,952**	**$ 134,734**

As of September 30, 2015, GPO had obligated all of the $62 million of the unexpended appropriations available for Congressional Publishing, and all of the $21.6 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, 2015. At September 30, 2014, the obligations were $59.2 million in Congressional Publishing Appropriations and $23.5 million in S&E Appropriations.

The Revolving Fund unexpended appropriations balances at September 30, 2015, and 2014 were $51.2 million and $38.6 million, respectively. The Revolving Fund unexpended appropriations balances are primarily the result of the following appropriation activities:

- In fiscal 2001, Congress authorized the transfer of $3.3 million to the Revolving Fund from prior year Salaries and Expenses Appropriations to pay for the printing and distribution of publications to depository libraries. As of September 30, 2015, GPO had expended the entire appropriation. At the end of fiscal 2014, there was $555,000 available.

- In fiscal 2010, Congress appropriated $12.8 million to the Revolving Fund for information technology development and facilities repair. As of September 30, 2015, GPO had expended about $12.5 million from the appropriation. As of September 30,

2015, and 2014, a balance of $226,000 was available for future expenditure.

- In fiscal 2010, GPO transferred a total of $2.2 million from prior year Salaries and Expenses Appropriations to the Revolving Fund. This transfer was authorized to cover appropriation shortfalls (about $1.5 million of the $2.2 million) and for FDLP improvements (about $688,000 of the total). As of September 30, 2015, a balance of $1.6 million was available for future expenditure. At the end of fiscal 2014, a balance of about $1.5 million was available.

- In fiscal 2011, GPO transferred $2.6 million from the Salaries and Expenses Appropriation to the Revolving Fund to cover salaries and expenses of the Superintendent of Documents. As of September 30, 2015, GPO had expended $1.4 million from this appropriation. As of September 30, 2015, and 2014, a balance of $1.2 million was available for future expenditure.

- In fiscal 2012, GPO transferred a total of $9.9 million unexpended prior year balances of Congressional Publishing Appropriations remaining from fiscal 2011 and fiscal 2010 and $1.1 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 2015, and liquidate obligations incurred in subsequent years. These amounts were unexpended as of September 30, 2015.

- In fiscal 2013, GPO transferred $3.2 million from the Salaries and Expenses Appropriations to the Revolving Fund. These amounts are available to the Revolving Fund to offset Salaries and Expenses requirements for new budget authority for fiscal 2015 and to liquidate obligations incurred in subsequent years. These amounts were unexpended as of September 30, 2015.

- In fiscal 2013, Congress appropriated $4 million to the Revolving Fund for information technology development. As of September 30, 2015, GPO had expended about $3.3 million from the appropriation. As of September 30, 2015, a balance of $680,000 was available. At the end of fiscal 2014, a balance of about $1.2 million was available.

- In fiscal 2014, GPO transferred about $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 are available to the Revolving Fund to offset Salaries and Expenses requirements for new budget authority for fiscal 2014, and liquidate obligations incurred in subsequent years. These amounts were unexpended as of September 30, 2015.

- In fiscal 2014, Congress appropriated $8.1 million to the Revolving Fund for information technology development. As of September 30, 2015, GPO expended about $4 million from the appropriation leaving a balance of $4.1 million available. At the end of fiscal 2014, a balance of about $4.4 million was available.

- In fiscal 2015, GPO transferred about $1.2 million from the Congressional Publishing Appropriations remaining from fiscal year 2010 to the Revolving Fund, and $6 million from the Salaries and Expenses Appropriations from fiscal year 2010 to the Revolving Fund. These amounts were unexpended as of September 30, 2015.

- In fiscal 2015, Congress appropriated $8.8 million to the Revolving Fund for information technology development and facilities upgrades. As of September 30, 2015, GPO expended about $2 million from the appropriation leaving a balance of $6.8 million available.

13. Appropriated Funds

13. A. Total Appropriations Made Available

The total appropriations made available to GPO for fiscal 2015 and 2014 were as follows:

	(Dollars in thousands)	
	2015	2014
Congressional publishing	$ 79,736	$ 79,736
Salaries and expenses	31,500	31,500
Revolving fund	8,757	8,064
Total available appropriations	**$ 119,993**	**$ 119,300**

13. B. Expended Appropriations

The total appropriations expended by GPO during fiscal 2015 and 2014 were as follows:

Expended Appropriations

	(Dollars in thousands) 2015	2014
Congressional publishing:		
Hearings	$ 16,900	$ 15,156
Congressional Record products	21,428	20,928
Miscellaneous publications and printing and binding	18,828	22,391
Bills, resolutions, and amendments	4,982	4,327
Details to Congress	4,889	3,848
Business and committee calendars	2,116	3,470
Committee reports	2,608	1,423
Other	1,978	2,150
Public document envelopes	551	409
Committee prints	1,577	672
Total Congressional publishing	**75,857**	**74,774**
Salaries and expenses:		
Depository library distribution	19,542	19,657
Cataloging and indexing	6,680	6,975
International exchange	749	953
By-law distribution	310	329
Total salaries and expenses	**27,281**	**27,914**
Revolving Fund:		
Infrastructure and systems improvements	3,454	7,118
Total revolving fund	3,454	7,118
Total expended appropriations	106,592	109,806
Reconciliation of expended appropriations to the consolidated statements of revenues, expenses, and changes in retained earnings:		
Total expended appropriations	**106,592**	**109,806**
Eliminations (Intra-agency)	(41)	(195)
Consolidated revenues from appropriations	**$ 106,551**	**$ 109,611**

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 2015 and 2014 for investigators and law-enforcement officers, and 7.0 percent of basic pay in both years for all other employees. GPO contributions were $1.3 million and $1.8 million for the years ended September 30, 2015 and 2014, 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 32.8 percent of basic pay in fiscal 2015 and 33.3 percent in fiscal 2014. The FERS contribution rate for all other employees was 14.8 percent in fiscal 2015 and 15.1 percent in fiscal 2014. GPO contributions to FERS totaled $16.2 million for fiscal 2015 and $14.7 million for fiscal 2014.

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 $18,000 for 2015 and $17,500 for 2014. Employees who were 50 years old or older were allowed additional catch-up contributions of $6,000 in 2015 and $5,500 in 2014. 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 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 $4.8 million in both fiscal 2015 and fiscal 2014.

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 $118,500 in 2015 and $117,000 in 2014) 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 were for the years ended September 30, 2015, and 2014 totaled $9.8 million and $9.9 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 six customers in fiscal years 2015 and 2014:

	(Dollars in thousands)			
	2015		2014	
	Billings	% of Total	Billings	% of Total
U.S. Department of State	$ 223,518	31.1%	$ 208,508	31.3%
U.S. Congress	75,994	10.6%	75,071	11.3%
U.S. Dept. of Health & Human Services	55,850	7.8%	46,859	7.0%
U.S. Defense Logistics Agency	55,430	7.7%	46,432	7.0%
U.S. Dept. of Homeland Security	48,112	6.7%	43,011	6.5%
U.S. Department of the Veterans Affairs	46,611	6.5%	35,984	5.4%

16. Voluntary Separation Incentive Program

In fiscal 2014, the Agency Director established the *Voluntary Separation Incentive Program* (VSIP) and the *Voluntary Early Retirement Authority* (VERA) under Federal authority 2 U.S.C. 60q, and with the approval of the House of Representatives Committee on House Administration, Senate Committee on Rules and Administration, and OPM. The Agency offered buyouts of up to $25,000, and early outs, with a goal of achieving a reduction of 100 positions. As part of the agreement employees were required to leave the rolls no later than December 31, 2014. A total of 103 employees left the agency. In fiscal 2014 GPO accrued $2.2 million for the VSIP for 90 employees. These employees were paid in fiscal 2015. In fiscal 2015 GPO accrued and paid $325,000 for the 13 remaining employees approved for the VSIP.

17. Subsequent Events

GPO has evaluated subsequent events through December 23, 2015, 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
EFT	Electronic Funds Transfer
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
LSCM	Library Services and Content Management
GAAP	U.S. Generally Accepted Accounting Principles
GAO	U.S. Government Accountability Office
GPO or Agency	U.S. Government Publishing Office
HTML	Hypertext Markup Language
IPAC	Intra-governmental Payment and Collection (System)
ISO	International Organization for Standardization
JCP	Joint Committee on Printing
OASDI	Old Age, Survivors, and Disability Insurance
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PACM	Presumed Asbestos Containing Material
PDF	Portable Document Format
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
VSIP	Voluntary Separation Incentive Program
XML	Extensible Markup Language