2017 annual report

budget of the u.s. government

house calendar

congressional record

federal register

senate calendar

presidential documents

GPO

U.S. GOVERNMENT PUBLISHING OFFICE

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

JIM BRADLEY
Acting Agency Director

GPO

February 8, 2018

The Honorable Mike Pence
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, 2017. The report contains the results of an audit of GPO's financial statements conducted by an independent accounting firm.

Respectfully submitted,

JIM BRADLEY
Acting Director
U.S. Government Publishing Office

Under the leadership of Director Davita Vance-Cooks, the U.S. Government Publishing Office (GPO) posted another year of solid gains in FY 2017.

GPO began the year by supplying more than 40 types of products, including tickets, programs, and secure law enforcement credentials, to the Joint Congressional Committee on Inaugural Ceremonies for the inauguration of President Donald J. Trump and Vice-President Elect Mike Pence. We produced the 2016 edition of the Plum Book for the use of the new Administration.

Following the inauguration, we produced *America First: A Budget Blueprint to Make America Great Again*, an overview of the President's budget priorities for FY 2018, and later the *Budget of the United States Government, FY 2018* itself. We printed some 65,000 copies of the official portraits of the President and Vice President for installation in more than 1,600 Federal buildings managed by the General Services Administration, military installations, and other Federal facilities, and for sale to the public.

At the opening of the 115th Congress, GPO deployed a beta system for the digital composition of congressional bills to the offices of the Clerk of the House and the Secretary of the Senate. This was the first rollout of our ongoing Composition System Replacement Project (CSR), an XML-based system we are developing to replace our aging MicroComp automated composition system used for all congressional work. We continued a project to convert a subset of key legislative documents, including enrolled bills, public laws, and the Statutes at Large, into United States Legislative Markup (USLM) language, the internationally-recognized XML information model designed to represent the legislation of the United States.

Late in the year, we completed the digitization of all historical issues of the *Congressional Record* back to the first one in 1873, a project we carried out jointly with the Library of Congress. The *Record* is now publicly accessible free of charge on our **govinfo** digital information system (at **govinfo.gov**).

We continued to modernize GPO's Plant Operations business unit in FY 2017. We installed the second of two new automated binding lines, improving productivity for congressional products, and were honored to receive the 2017 In-plant Innovator Award, sponsored by *In-Plant Graphics* magazine, for our continuing efforts to bring more efficiency to our production operations serving Congress and Federal agencies.

GPO made several advances for Federal agencies during FY 2017. We partnered with the Office of the Federal Register (OFR) to make every issue of the *Federal Register* dating back to the inception of that document in 1936 digitally available for the public. By the end of the year we had digitized all issues back to 1970, where they are now publicly available free of charge on **govinfo**.

We renovated more than 17,000 square feet of space in our buildings to house both the OFR and the National Archives and Records Administration's Office of Government Information Services (OGIS), and these staffs subsequently moved in. We continued work, in collaboration with NARA, on renovating space to house

Deputy Managing Director of Plant Operations Greg Estep, Director Davita Vance-Cooks, Managing Director of Plant Operations John Crawford, and OMB Director Mick Mulvaney watch the 2018 Budget being produced.

NARA's congressional documents archive. This project is supported by the Clerk of the House and the Secretary of the Senate.

On behalf of Federal agencies, GPO procured nearly $340 million worth of printing and other information products, representing about 82,750 orders, from thousands of private sector print vendors in FY 2017. These included nearly 43 million copies of Medicare and You handbooks for the Department of Health and Human Services. Our longstanding partnership with the American printing industry obtains products and services at the lowest possible cost, providing taxpayers with the greatest value for their Government printing dollar while at the same time generating small business jobs nationwide.

In FY 2017, we produced more than 22.5 million U.S. passports for the State Department, and continued with equipment installation and testing, as well as facility changes, in support of the planned Next Generation Passport. We also continued production of secure credential cards for Federal agencies, many of which feature digital components.

GPO's job of publishing Government documents includes making them available to the public in both digital and print formats to *Keep America Informed*. We accomplish this task through a partnership with 1,143 public, academic, and other libraries across the country designated as depositories for Federal publications, which provide free local access to Government publications, and through **govinfo**, which today provides free public access to digital versions of more than 2.2 million Federal titles. During FY 2017, GPO distributed more than 900,000 copies of 4,200 titles to depository libraries nationwide, and our online service averaged 45 million document retrievals each month.

Oversight hearings on GPO conducted by the Committee on House Administration during FY 2017 included a focus on the statutory provisions of Title 44, U.S.C., that govern the Federal Depository Library Program. Director Vance-Cooks proposed revising these laws so that GPO can administer the program more effectively in the digital age and participating libraries can have more flexibility in how they serve their communities. Legislation was under development by the end of the year.

FY 2017 saw two notable publications issued by GPO. Early in the year we released the 2016 edition of GPO's *Style Manual*, the 31st edition of this enduringly popular guide. We also produced a new photo history of the agency, *Picturing the Big Shop*, a collection of 200 images of GPO through the years, many of which have never before been published. GPO's official history, *Keeping America Informed*, now in its second edition, was named a Notable Document by the American Library Association's Notable Documents Panel during the year, and our history program

Acting Director Jim Bradley inspects the production of the official photo portraits of President Trump and Vice President Pence.

itself won the American Printing History Association's Institutional Award for 2017 for its work in "preserving and documenting the agency's history and making its resources available to the public through presentations and exhibitions."

The financial results of GPO's operations were successful in FY 2017. Revenue totaled $874.3 million and resulted in a net income of $38.3 million, excluding income planned to invested in passport-related capital assets, and funds resulting from a downward adjustment to GPO's long-term workers' compensation liability under the Federal Employees Compensation Act (FECA). For the 21st year in a row, we received an "unmodified," or clean, opinion on our financial statements from an outside, independent auditor. GPO's financial success for FY 2017 included the submission of a flat funding request to Congress for FY 2018, the third such request in a row. We have just submitted another flat funding request for FY 2019.

Director Davita Vance-Cooks departed Federal service in early FY 2018. She left behind a legacy of achievement at GPO that drew bipartisan recognition and praise on Capitol Hill.

Her service will be remembered best by the men and women whom she led, and to whom she dedicated her efforts to make GPO a "best place to work." In 2017, these efforts were recognized when GPO was honored with a W. Edwards Deming Award for innovation in employee engagement by the Graduate School USA for our Leadership Evaluation and Development (LEAD) program. The LEAD Program is empowering the next generation of GPO leaders by developing the skills and tools to lead themselves, individuals, and teams. More than 300 employees have graduated from this program over the past few years.

Above all, throughout her tenure Director Vance-Cooks was determined to ensure GPO has a place in the future, so that its talented and dedicated employees can continue their important work of *Keeping America Informed*. As the following pages show, theirs is a record of achievement and progress in FY 2017.

JIM BRADLEY
Acting Director
U.S. Government Publishing Office

February 2018

Acting Chief of Workforce Development Stewart Lane presents Chief Human Capital Officer Dan Mielke with the prestigious W. Edwards Deming Award, recognizing the agency's innovative Leadership Evaluation and Development (LEAD) program. Over the past six years more than 300 GPO employees have gained leadership skills and tools through this program.

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

Under Title 44 of the U.S. Code, GPO is responsible for the production and distribution of information products for all three branches of the Government, including the official publications of Congress and the White House, U.S. passports for the Department of State, and the official publications of other Federal agencies and the courts. Once primarily a printing operation, we are now an integrated publishing operation and carry out our mission using an expanding range of digital as well as conventional formats. In 2014, Congress and the President recognized this change in P.L. 113-235, which contains a provision re-designating GPO's official name as the Government *Publishing* Office. At the end of FY 2017, we employed approximately 1,740 staff.

Along with sales of publications in digital and tangible formats to the public, we support openness and transparency in Government by providing permanent public access to Federal Government information at no charge through our Federal Digital System (FDsys, at **www.fdsys.gov**) and its successor system **govinfo** (**www.govinfo.gov**), which in December 2017 moved out of beta. Today these systems make more than 2.2 million Federal titles available online from both GPO and links to servers in other agencies. In 2017, FDsys averaged 45 million retrievals per month. We also provide public access to Government information through partnerships with 1,143 Federal, academic, public, law, and other libraries nationwide participating in the Federal Depository Library Program (FDLP).

In addition to a newly redesigned website, **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 is a nation based on documents, and our governmental tradition since then has reflected 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," establishing Congress's informing mission that GPO carries out today. After years of struggling with various systems of contracting for printed documents that were beset with scandal and corruption, in 1860 Congress created the Government Printing Office as its official printer. GPO first opened its doors for business on March 4, 1861, the same day Abraham Lincoln was inaugurated as the 16th President.

As the U.S. marked the 100th anniversary of entering World War I, a piece of history was on display at GPO. This Linotype was part of the headquarters of General John J. Pershing, commander of American forces, and was used to produce military orders. After the war, the Linotype was shipped to GPO and was used nearly four more decades in the GPO Apprentice School.

Released by GPO in 2017, *Picturing the Big Shop* is a collection of 200 photos, including many that have never before been published, comprising the historical record of everyday life at the agency from 1900 to 1980. This "family album" provides, in black and white and sepia, a revealing look at the equipment, the buildings, and the working lives of the men and women who through the years helped carry out GPO's mission of *Keeping America Informed*.

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

Attendees at a first shift town hall meeting.

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. This work goes on today, in digital as well as print formats.

Strategic Vision GPO continues to transform itself from a print-centric to a content-centric publishing operation. This process is consistent with the recommendations submitted by the National Academy of Public Administration to Congress (*Rebooting the Government Printing Office: Keeping America Informed in the Digital Age*, January 2013) regarding our transition to a digital future.

Employee engagement has been a primary feature of GPO management in recent years. Throughout her term as Director, Davita Vance-Cooks conducted town hall meetings with GPO's employees once a quarter on each of the agency's three shifts to brief them on GPO operations, review the status of the agency's finances, discuss new and ongoing initiatives, and answer questions.

GPO continues to develop an integrated, diversified product and services portfolio that focuses primarily on digital. At the same time, we recognize that some 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 its use will continue to decline relative to the continued growth in the provision of and access to digital formats.

Strategic Plan Our strategic plan, which is available for public review at **https://www.gpo.gov/who-we-are/our-agency/mission-vision-and-goals**, is built around 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.

Our customers are involved in the digital world and understand technological change. Accordingly, it is important that we foster an environment that embraces change and innovation, which leads to new ways of thinking, new work processes, and the development of new products and services for our customers. Tangible printing at GPO is being supplanted by an exponential growth in digital requirements by Congress and Federal agencies. Moreover, the public — including the library and Government information user communities — has signaled its strong desire for increased access to Government information digitally.

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

Technology Transformation GPO has transformed itself throughout its history by adapting to changing technologies. In the ink-on-paper era, this meant moving from hand-set to machine typesetting, from slower to high-speed presses, and from hand 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 in 1962 when the Joint Committee on Printing directed the agency to implement a new system of computer-based composition. That order led to the development of GPO's first electronic photocomposition system, which by the early 1980's had completely supplanted machine-based hot metal typesetting. Following the enactment of the GPO Electronic Information Access Enhancement Act in 1993 (P.L. 103-40), the databases generated by our composition system were uploaded to the internet via GPO's first website, *GPO Access*, vastly expanding the agency's information dissemination capabilities. Those functions continue today with FDsys and **govinfo** on a more complex and comprehensive scale.

While transforming to an increasingly digital footing, we continue to provide an array of printing services to support the needs of Congress, Federal agencies, and the public, and we are retooling our print operations to take advantage of the efficiencies provided by modern equipment. In FY 2015, we put into operation our new zero make-ready (ZMR) press to support congressional and Federal agency publishing requirements, and as a result were able to reduce the cost of producing congressional hearings.

In October, Architect of the Capitol (AOC) Stephen Ayers welcomed Director Vance-Cooks to the AOC's supervisory symposium as the event's keynote speaker. Director Vance-Cooks spoke about the strategies of leading GPO through technology changes during the last five years.

In FY 2017, we completed the installation of new perfect binding lines to increase the speed and reduce the cost of binding operations. We also began developing plans for the replacement of the large newspaper presses that have been used to produce the *Congressional Record* and the *Federal Register* with smaller, more flexible digital presses, and we will proceed with this procurement in FY 2018. 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, leaner, and equipped with digital production capabilities that are the foundation of the information systems relied upon daily by Congress, Federal agencies, and the public to ensure open and transparent Government in the digital era. As we prepare for the Government information environment and technology challenges of the future, our transformation is continuing with the development of new ways for delivering Government information.

Director Vance-Cooks talks with Roll Call's Jason Dick for an upcoming story about her leadership at GPO. The story appeared in the April 3, 2017, issue.

GPO's oversight committee, the Joint Committee on Printing, held its organizing meeting for the 115th Congress in April. (Left to right:) Senators Wicker, Klobuchar, and Shelby (Chairman), Reps. Harper, Brady, and Walker. Other Committee members not pictured: Senators Roberts and Udall, and Reps. Rodney Davis (Vice-Chairman) and Raskin.

GPO and Congress

For the Clerk of the House, the Secretary of the Senate, and the committees of the House and the Senate, GPO publishes the documents and publications required by the legislative and oversight processes of Congress in digital and tangible formats. These include 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 produce all the printing work required every four years by the Joint Congressional Committee on Inaugural Ceremonies. 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, including emergency weather and other conditions.

Today the activities associated with creating congressional information databases comprise the majority of the work funded by GPO's 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 its **Congress.gov** system as well as the legislative information systems 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 also work with the Library on a variety of digital projects supporting Congress to make congressional information more widely accessible, including the digitization of historical issues of the *Congressional Record*, a project which was completed in early FY 2018.

GPO Cuts the Cost of Congressional Work

GPO's use of electronic information technologies has been the principal contributor to lowering the cost, in real economic terms, of congressional information products. In FY 1980, as GPO replaced hot metal typesetting with electronic photocomposition, the appropriation for Congressional Publishing was $91.6 million, the equivalent in today's dollars of $290.4 million. By comparison, our approved funding for FY 2017 was $79.7 million, a reduction of more than 72% in constant dollar terms.

Since 2010, we have achieved a 25% reduction in the constant dollar value of the Congressional Publishing Appropriation, consistent with the continuing transformation of our technology profile, the control of costs, and collaboration with Congress in carrying out measures reducing print distribution in meeting the information needs of the Senate and House of Representatives.

Annual appropriations for Congressional Publishing have been at or below $79.7 million in each year FY 2014-18.

Congressional Publishing Appropriation FY 1980-2017

Fiscal Year	Appropriation	In Constant Dollars
1980	$ 91.6 million	$ 290.4 million
1985	94.0 million	219.8 million
1990	74.1 million	143.5 million
1995	84.7 million	139.0 million
2000	73.3 million	107.1 million
2005	88.1 million	113.9 million
2010	93.8 million	106.8 million
2015	79.7 million	84.1 million
2017	79.7 million	79.7 million

Productivity increases resulting from technology have enabled us to make substantial reductions in our staffing requirements while continuing to improve services for Congress. In 1980, total GPO employment was 6,450. At the end of FY 2017, we had 1,740 employees on board, representing a reduction of 4,710, or more than 73%, since 1980. Our workforce levels over the past three years remain the smallest of any time in the past century.

GPO Employment FY 1980-2017

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	1,726
2017	1,740

Highlights of FY 2017 Congressional Work GPO worked with the Joint Congressional Committee on Inaugural Ceremonies to produce printed materials for the 58th Presidential Inauguration, involving President-elect Donald J. Trump and Vice President-elect Mike Pence. The process took approximately a year for GPO employees to design and produce nearly 40 types of material including tickets, invitations, stationery, program packet kits, parking passes, maps, signs, and secure access credentials. GPO used security design and printing techniques to produce more than 250,000 tickets and more than 12,000 secure access credentials for the Inauguration.

Patricia Sheppard, Press Operator; Michael Stone, Head Offset Pressperson; and Daniel Ramey, Jr., Lead Printing Services Specialist, and Cathy Devinney, Chief Manager, both from GPO's Congressional Publishing Services Office, were among the many GPO staff who worked to produce printed materials for the Presidential inauguration.

Rep. Jamie Raskin, a Member of the Joint Committee on Printing, toured GPO in September with Chief of Staff Andy Sherman.

Prior to the Inauguration, GPO made *United States Policy and Supporting Positions* available in print, online, and as an app. Popularly known as the Plum Book, this publication lists more than 9,000 Federal civil service leadership and support positions in the executive and legislative branches that may be subject to noncompetitive appointment. With the transition of **govinfo** out of beta in late 2017, GPO's mobile apps were retired in order to provide a more consistent and mobile friendly experience for all users. The Plum Book is published by the House Oversight and Government Reform Committee and the Senate Committee on Homeland Security and Governmental Affairs alternately after each Presidential election. First issued in 1952 at the beginning of the Eisenhower Administration, the Plum Book was next published following the 1960 Presidential election and has been published following every Presidential election since that time.

In support of the Legislative Branch Bulk Data Task Force, GPO, the Clerk of the House, the Secretary of the Senate, and the Office of the Federal Register continued work on a project to convert a subset of key legislative documents, including enrolled bills, public laws, and the Statutes at Large, into United States Legislative Markup (USLM). USLM is an internationally recognized XML information model designed to represent the legislation of the United States Congress. It is designed to semantically and structurally describe legislative and legal documents in a machine-readable format.

During the year, GPO also continued development of a new XML-based automated composition system to replace our aging proprietary MicroComp system known as the Composition System Replacement (CSR) project. At the opening of the 115th Congress in January 2017, we began deploying a beta system for the composition of congressional bills to the offices of the Clerk of the House and the Secretary of the Senate. The CSR team worked closely with House and Senate staff to ensure that CSR integrates seamlessly with specific authoring environments that are currently utilized for bills.

As we have noted before, making Government information available in XML permits data to be reused and repurposed not only for print output but for conversion into eBooks, mobile web applications, and other forms of content delivery, including data mashups and other analytical tools by third party providers, which contributes to openness and transparency in Government. In addition to the files made available through our Bulk Data Repository, we ensure the authenticity of all information by making available digitally signed copies in PDF format, which is the official, authentic version that matches the printed document. Additionally, we are 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.

Congress of the United States

April 23, 2017

The Honorable Davita Vance-Cooks
Director
United States Government Publishing Office
732 North Capitol Street, NW
Washington, DC 20401

Dear Ms. Vance-Cooks,

The peaceful transfer of power is a hallmark of our country's great democracy. Thank you for your assistance with the 58th Presidential Inaugural Ceremonies at the United States Capitol.

Throughout the planning process, the Joint Congressional Committee on Inaugural Ceremonies depended on your dedication and commitment to the Ceremonies. I observed how hard our staff, partners, and volunteers worked leading up to Inauguration Day, and had the privilege of watching it all come together as a genuine success story for our nation and the U.S. Congress.

Your work with the JCCIC Communications and Ticketing Team was critical to this achievement.

Conducting the Inaugural Ceremonies was no small feat, and your participation helped to make it a wonderful day for President Trump and Vice President Pence, Members of Congress, and all of our guests.

I hope you had a positive experience taking part in something so uniquely American. Please enjoy these commemorative items as a small token of the Committee's gratitude.

Sincere regards,

Roy Blunt
Chairman

Enclosures

Senator Roy Blunt, Chairman of the Joint Congressional Committee on Inaugural Ceremonies, thanked GPO employees for producing materials for January's Inauguration of President Trump and Vice President Pence.

In July, Rep. Rodney Davis, Vice Chairman of the Joint Committee on Printing, visited GPO. Plant Operations Deputy Managing Director Greg Estep and Assistant Manager Press/Plate Division Marsha McRae talked with him about the agency's investments and modernization of production equipment.

During the year, GPO issued successive releases of the digitized *Congressional Record*, completing this project in early FY 2018 with the final release of the digitized files for 1873, the first year the *Record* was produced by GPO. With the completion of this project, GPO will now move on to the digitization of other historical congressional documents, including hearings.

In the spring of 2017, we installed the second of two new high-efficiency Muller Martini adhesive binding lines, which is now used to bind printed copies of the *Congressional Record* as well as other products. The equipment completes the replacement of three binding lines installed more than 30 years ago, improving productivity and freeing up Plant production space for other uses. Planning also continued for the replacement of three large newspaper-style web presses used for the production of the *Congressional Record* and business calendars with smaller, more flexible digital presses. The procurement for this equipment will be initiated in FY 2018.

In May 2017, GPO received the In-plant Innovator Award for its modernization initiatives at the In-plant Innovators Conference, sponsored by NAPCO and *In-plant Graphics* magazine. Held at GPO, the conference attracted industry leaders from around the country to discuss emerging trends and opportunities in digital printing and publishing. GPO was named an innovator for its continued efforts to bring more efficiency to the agency's production operations for Congress and Federal agencies.

Additionally, GPO's Plant Operations was re-certified for meeting sustainable environmental standards by the Sustainable Green Printing Partnership (SGP), a non-profit organization. This was the GPO's third certification since 2012. SGP-certified printers are held to rigorous standards and go through a months-long process where each aspect of their business is evaluated. Certification shows the printer is achieving energy savings, waste reduction, emission reduction, and reduced resource consumption. GPO has been carrying out modernization initiatives to make the agency more efficient and environmentally sustainable. Some of those initiatives have included installation of new bindery equipment and a zero make-ready (ZMR) press to reduce waste paper and energy consumption; a pre-press waste chemical discharge treatment unit; improvements to reduce electrical consumption; and continuing to recycle paper, aluminum, and metals.

GPO by the Numbers FY 2017

GPO staff	1,740
FY 2017 revenues	$874,297,000
FY 2017 appropriations	$117,068,000
Congressional Record pages produced	45,360,056
Federal Register pages produced	150,715,523
Revenues from procured printing	$339,601,000
Jobs procured nationwide	82,750
Contractors on GPO's master contractor list	10,353
Regional procurement offices nationwide	15
Passports produced	22,509,100
Secure credentials produced	3,970,862

Titles available on FDsys	2,200,000
Document retrievals from FDsys	540,000,000
Depository libraries nationwide	1,143
Searches of the digital *Catalog of Government Publications*	33,169,429
Links to digital-only Government documents created	10,850
Tangible titles distributed to depository libraries	4,195
Tangible copies distributed to depository libraries	921,828
Titles cataloged	21,825
Publications sold	280,470
Subscriptions sold	174,126
Titles available	5,163
Titles in eBook format	433
Likes on Facebook	8,895
Followers on Twitter	8,399
Views of GPO Videos on YouTube	192,000
Posts on Instagram	1,308
Followers on LinkedIn	3,265

In May, OMB Director Mick Mulvaney toured the plant with Director Davita Vance-Cooks, Deputy Director Jim Bradley, Managing Director of Plant Operations John Crawford, and Deputy Managing Director of Plant Operations Greg Estep.

GPO and Federal Agencies

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

Highlights of FY 2017 Agency Operations

From 2012-2017, we made the annual *Budget of the U.S. Government* available as a mobile app. With GPO's **govinfo** system, documents published via the system are now available across multiple platforms, including mobile access. The complete, authentic online version of the FY 2018 *Budget* was released on FDsys and **govinfo** and in print in May 2017. The digital version provides users with access to the text and images of the *Budget*, including the Budget Message of the President, information on the President's priorities, and budget overviews organized by agency, as well as summary tables and additional books of the *Budget*, including the Analytical Perspectives, Appendix, and Historical Tables. Earlier, GPO produced *America First: A Budget Blueprint to Make America Great Again* for the Office of Management and Budget, an overview of the President's budget priorities for FY 2018.

One of GPO's major agency customers is the Office of the Federal Register (OFR), a unit of the National Archives and Records Administration (NARA), which produces the daily *Federal Register*. The *Federal Register* is the official daily publication for rules, proposed rules, and notices of Federal agencies and organizations, as well as executive orders and other Presidential documents. It is updated daily by 6 a.m. and is published Monday through Friday, except Federal holidays. The OFR is also responsible for 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*. We produce these publications in both digital and print formats.

Early in the fiscal year, we partnered with the OFR to make every issue of the *Federal Register* dating back to its inception in 1936 digitally available to the public. A total of 14,587 individual issues, containing more than two million pages, will be digitized. By the year's end, we had completed digitization of historical issues of the *Register* back to 1970, which are now available on FDsys and **govinfo**. GPO produced the first issue of the *Federal Register* on March 16, 1936. An executive order by President Franklin D. Roosevelt was the first document to be published in the *Register*.

In May, Sen. James Lankford, Chairman of the Senate's Subcommittee on Legislative Branch Appropriations, toured GPO with the Subcommittee's Majority Clerk Sarah Boliek. The tour was conducted by Director Vance-Cooks, Deputy Director Bradley, Production Manager Shelley Welcher, and Assistant Production Manager Abe Sussan. They stopped to discuss binding operations with Binding Division Manager Butch Wingo.

During the year, we completed the renovation of 17,000 square feet of space on the seventh floor of GPO's Building A, in collaboration with NARA, to house the OFR and the Office of Government Information Services (OGIS), and these staffs subsequently moved in. We also continued work, in collaboration with NARA, to renovate space in GPO's buildings to house NARA's congressional documents archive.

GPO produced the official photographs of President Donald J. Trump and Vice President Mike Pence. These photographs will be displayed in more than 1,600 Federal buildings managed by the General Services Administration (GSA), military installations, and other Federal facilities. GPO produced more than 65,000 photographs, which include four sizes: 8x10, 11x14, 20x24, and 16x20. As in previous administrations, GPO is also making these official photographs available for sale to the public.

During the year, GPO procured approximately 42.8 million *Medicare and You* handbooks in English and Spanish versions to be mailed to every beneficiary by the congressionally-mandated date of September 30, 2017. The contracts were valued at more than $28 million and were awarded to four commercial printers: LSC, Bind-Rite, Gateway Press, and R.R. Donnelley. GPO supports the Department of Health and Human Services (HHS) with this annual project by providing personnel to conduct onsite production monitoring and by engaging with industry to identify possible solutions for cost reduction.

GPO procured another major contract for HHS in July 2017 for the printing of Medicare Enrollment Packages and new Medicare Card sets. The Medicare Access and CHIP Reauthorization Act (MACRA) of 2015 requires HHS to remove Social Security numbers (SSNs) from all Medicare cards by April 2019. A new Medicare Beneficiary Identifier (MBI) will replace the SSN-based Health Insurance Claim Number (HICN) on the new Medicare cards for Medicare transactions like billing, eligibility status, and claim status. An estimated volume of nearly 60 million new Medicare Cards will be printed and distributed to Medicare beneficiaries through this contract.

In April 2017, GPO established the Federal Publishing Council (FPC) to advise GPO on the latest publishing and printing trends. The Council is made up of Federal employees involved in all facets of the Federal printing and publishing community. The goals of the FPC include the development of recommendations to enhance the combined efforts of Federal organizations and GPO to provide the most efficient, effective, and economical publishing services possible; to propose new printing and publishing policy; to provide a forum for the exchange of ideas and the examination of mutual concerns among Federal printing and publishing representatives; and to foster knowledge-sharing opportunities and disseminate information relating to training, new technologies, and best practices in Federal publishing. In addition to tangible printed content, the Council will focus on digital publishing concepts, web content management,

Binding Division Production Supervisor Rob White oversees the completion of volumes of the *Code of Federal Regulations* while Printing Plant Workers Chuck Scites, Christina McGier, and Mike Seager offload the finished books.

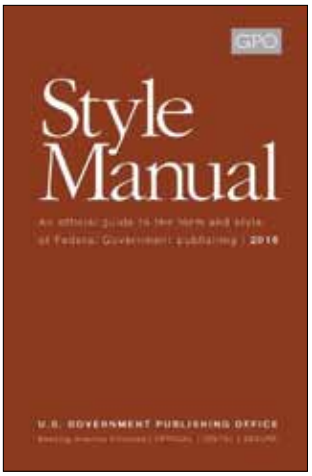
and graphic design. The FPC replaces the Interagency Council on Printing and Publication Services, which was created in 1976.

In FY 2017, GPO again won several American Graphic Design Awards from *Graphic Design USA* magazine. GPO's Creative Services business unit offers Federal agencies a variety of design services, including publication design, branding and identity, exhibit graphics, video, multimedia, photography, and security design. For more than fifty years, *Graphic Design USA* has recognized the design work of professionals from design firms, ad agencies, Government agencies, corporations, non-profits, and students. Nearly 10,000 entries were submitted for this year's awards. GPO's award-winning projects were *Joint Strategic Plan on Intellectual Property Enforcement* for the Office of Management and Budget; *Mount Rainier Climbing Guides* for the National Park Service; a visitor brochure and pocket folder for the Naval History and Heritage Command; and the *2016 EPA Office of Research and Development Annual Report* for the Environmental Protection Agency.

Surveys of our 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 website and customer service. These results reflect the emphasis on a customer-centric approach throughout our procedures, policies, and activities.

Bookbinder Michael Brown inspects the pages of the State Department's 2017 *Report on Human Trafficking* before completing the product for delivery.

Partnership with Industry Other than congressional and inherently governmental work such as the *Federal Register*, the *Budget,* and security and intelligent documents, we produce 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 2017, this work was valued at approximately $340 million, and represented about 82,750 orders. More than 10,000 individual firms are registered to do business with us, 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.



In January GPO released the 2016 edition of the GPO *Style Manual*, the first revision since 2008 and the first to be issued under GPO's new name. Since 1894, the GPO *Style Manual* has served as a guide to the style and form of Federal Government printing and publishing. The *Manual* has come to be widely recognized by writers and editors both within and outside the Federal Government as an important editorial tool.

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

Security and Intelligent Documents For nearly a century, GPO has been responsible for producing the U.S. passport 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 at a secure remote facility in Mississippi — is now the most secure identification credential obtainable. In 2017, GPO produced 22.5 million passports, an increase of more than 11% from the year before. Over the past decade GPO has produced more than 150.5 million passports for DOS. Throughout 2017, we continued with facility changes and equipment installation and testing in support of the planned Next Generation Passport.

Early in the year, GPO's passport production facility in Washington, DC, achieved the ISO 9001:2015 certification by meeting new standards and demonstrating a longstanding practice of consistency. ISO is the International Organization for Standardization and the world's largest developer of international standards used by Government, business and new information technology companies and agencies. More than one million companies and organizations in 170 countries are ISO 9001-certified. This standard is attained by demonstrating a number of quality management principles including a strong customer focus, the motivation and cooperation of top management, the process approach, and continual improvement. Using ISO 9001:2015 helps ensure that customers consistently get high quality products and services.

Since 2008, we have also served as an integrator of secure identification smart cards to support the credentialing requirements of Federal agencies and other Government entities. We have been certified by the General Services Administration (GSA) to graphically personalize Homeland Security Presidential Directive 12 (HSPD-12) cards for Federal agencies. GSA certified that we comply with Federal Information Processing Standard 201, which sets requirements to ensure that identification cards are secure and resistant to fraud.

To date, we have produced more than 16.9 million secure credential cards across 11 different product lines. Among them are the Trusted Traveler Program's (TTP) family of border crossing cards — NEXUS, SENTRI, FAST, and Global Entry — for the Department of Homeland Security (DHS), which are used by frequent travelers across U.S. borders. Another card produced for DHS is the Transportation Worker Identity Card (TWIC). We produce a Border Crossing Card (BCC) that is issued by the DOS for authorized travel across the Mexican border. We also produce secure law enforcement credentials for the U.S. Capitol Police that are used in Presidential inaugurations.

GPO's Security and Intelligent Documents business unit produces a variety of secure credentials for Federal agencies, including border crossing cards for the Departments of Homeland Security and State that expedite safe and secure transit for frequent travelers.

Superintendent of Documents Laurie Hall (second from left) and Library Services staff members Fang Gao, Kristina Bobe, and David Walls attended the American Library Association's Midwinter Meeting in Atlanta, GA in January. While there, Hall updated the library community about current GPO initiatives.

GPO and Open, Transparent Government

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

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

GPO operates a variety of programs that provide the public with "the means of acquiring" Government information that Madison spoke of. These programs include the Federal Depository Library program (FDLP), FDsys and **govinfo**, Publications Information Sales, Reimbursable Distribution, and Social Media.

Federal Depository Library Program The FDLP has legislative antecedents that date to 1813 (3 Stat. 140), when Congress first authorized congressional documents to be deposited at the American Antiquarian Society in Worcester, MA, for the use of the public. Since then, Federal depository libraries have served as critical links between "We the People" and the information made available by the Federal Government. GPO provides the libraries with information products in digital and, in some cases, tangible formats, and the libraries in turn make them 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 1,143 public, academic, law, and other libraries located across the Nation, averaging nearly three per congressional district. Print and some microfiche products remain important depository library resources today, particularly in regional depository library collections nationwide, while the Program has expanded significantly over the past 25 years to incorporate digital information products, and today is supported by FDsys and **govinfo** along with other digital resources. The growing reliance on digital content underscored the first digital-only Federal depository library designation in 2014. In FY 2017, one new Federal depository library entered the program as digital-only, while eight existing depository libraries converted to all-digital status.

During the year, the FDLP distributed more than 921,800 copies of 4,200 titles to depository libraries nationwide, and created nearly 11,000 Permanent Uniform Resource Locator files (PURLs) for digital titles. GPO's Library Services and Content Management staff cataloged a total of 21,800 titles and checked in more than 34,300 serial issues. GPO's digital *Catalog of Government Publications* (CGP) experienced nearly 33.2 million searches, while staff resolved more than 3,600 askGPO inquiries.

To support continued public access to key print documents in depository library collections nationwide, GPO established the Preservation Steward program in

Dr. Carla Hayden, the Librarian of Congress, drew a large crowd for her keynote address before the 2017 annual conference of GPO's Federal Depository Library Program. Afterwards, Director Vance-Cooks presented her with a token of appreciation.

Attendees packed the conference ballroom to listen to the speakers and ask questions.

2016 to support continued public access to historic U.S. Government documents in print format. Since then, GPO has signed 16 Preservation Steward agreements (10 in FY 2017 alone), involving the libraries at the University of Colorado and at its Law School, the University of Kentucky, the University of Hawai'i at Manoa, the Ohio State Library, the University of Iowa, the University of Arkansas, the University of Florida, the Connecticut State Library, the University of North Carolina, the University of Notre Dame Law School, the Indiana State Library, the U.S. Merchant Marine Academy, the San Bernardino County Law Library, the University of Maine, and the University of South Carolina. Preservation Stewards contribute significantly to the effort to preserve printed documents and GPO welcomes all Federal depository libraries that wish to participate as Preservation Stewards.

Through GPO's partnerships with depository libraries nationwide, free public access to Government information was enhanced during FY 2017. We completed the cataloging of print and electronic versions of the *United States Geological Survey Bulletin* through a partnership with the University of Colorado and the Colorado School of Mines. More than 5,100 bibliographic records were added to the *Catalog of U.S. Government Publications* (CGP) as a result of these partnerships. We began adding bibliographic records for the print versions of the *Bureau of Mines Report of Investigations* through a partnership with the University of Colorado. Nearly 1,100 records were added to the CGP as a result of this partnership.

We also began adding bibliographic records for the electronic versions of the *USGS Professional Papers* through a partnership with the Colorado School of Mines. More than 800 records were added to the CGP as a result of this partnership. In addition, we continued to work on adding bibliographic records from the University of Montana for 12 Superintendent of Documents classes, as well as to process new material available on FRASER, a partnership with the Federal Reserve Bank of St. Louis.

Throughout the year, GPO collaborated with a variety of entities in support of the FDLP and our Cataloging and Indexing Program responsibilities. For example, through our partnership in the Civics Renewal Network (CRN), a consortium of organizations committed to strengthening civic life in the U.S. by increasing the quality of civics education in our Nation's schools, GPO makes available, through the CRN website, K-12 resources that support civics education. The resources are for free use by teachers, students, and parents and can be found by searching subjects, grades, resource type, standards, and teaching strategy.

We continued our partnership in the Technical Report Archive and Image Library (TRAIL). GPO and TRAIL members work together to ensure that Federal technical reports are openly accessible, and participating GPO staff members offer expertise in cataloging and other areas and participate in the exchange of information about U.S. Government scientific and technical information. The Digital Public Library of America (DPLA) and GPO continued their collaboration to broaden public access to the

Superintendent of Documents Hall signed the official agreement for the first-ever Preservation Steward Library, The University of Colorado at Boulder's Norlin Library.

information made available via the CGP. Through this partnership, more than 180,600 records from the CGP are available to the public through the DPLA website. These records include the *U.S. Budget*, laws, Federal regulations, and congressional hearings, reports, and documents.

GPO continues to be heavily involved in cooperative cataloging and metadata activities with members of the library community. GPO is an active participant in all components of the Program for Cooperative Cataloging (PCC), which is managed by the Library of Congress, including BIBCO (Bibliographic Record Cooperative), CONSER (Cooperative Online Serials), NACO (Name Authority Cooperative), and SACO (Subject Authority Cooperative).

In addition, GPO is part of the Electronic Cataloging in Publication Program (ECIP). ECIP provides cataloging records for books in advance of publication. The publisher then includes the record on the verso of the publication's title page. Through the ECIP Program, GPO is creating pre-publication bibliographic records for publications from Federal agency publishers. Since joining ECIP in 2015, GPO has created over 60 ECIP records, including ECIP records for GPO, the Combat Studies Institute, the Air Force Research Institute, the Smithsonian Institution Scholarly Press, USGS, and the National Gallery of Art. GPO has been a member of OCLC since 1976 and contributes bibliographic records for U.S. Government information to the international database daily.

Training and educational opportunities provided to depository librarians nationwide remain a popular feature of the FDLP. The FDLP Academy was launched by GPO in FY 2014 to support the FDLP community's education and training needs and to advance Federal Government information literacy. The FDLP Academy enhances Federal Government information knowledge through events and conferences coordinated by GPO and webinars and webcasts on a variety of Government information topics. Many sessions are presented by GPO staff, while others are presented by staff from other Federal agencies and from members of the FDLP community, as recruited and hosted by GPO.

During the year, GPO presented 117 educational sessions and events, including 11 virtual meetings and 88 webinars, with 10,412 combined registrants. GPO also inaugurated a new FDLP Coordinator Certificate Program that gives FDLP coordinators in depository libraries nationwide an opportunity to take in-depth virtual classes on managing depository collections with a focus on compliance with the *Legal Requirements & Program Regulations of the Federal Depository Library Program*. It brings together GPO and depository libraries in a new way to strengthen and improve the FDLP. More than 500 librarians from across the country participated in the 2016 Depository Library Council Meeting and Federal Depository Library Conference. This annual event, hosted by LSCM, was held at the Doubletree by Hilton Hotel in Arlington, Virginia, from October 17 – 19, 2016.

A signal feature of Director Vance-Cooks' administration was a program of visits by GPO LSCM staff and GPO senior management to depository libraries nationwide. Beginning in FY 2016 and continuing to the present, these visits provide opportunities for consultation, training, and support. The visits have been influential in strengthening the ties between GPO and its partner libraries and in helping GPO identify current trends and issues in libraries and respond with improved outreach and services. GPO staff at all levels have participated in this initiative and are now implementing targeted follow-up projects to benefit the FDLP and its participants. Nearly 450 depository libraries have been visited over the past 2 years.

Oversight hearings on GPO conducted by the Committee on House Administration during FY 2017 included a focus on the statutory provisions of Title 44 of the U.S. Code that govern the FDLP. Director Vance-Cooks proposed that these should be revised to allow GPO to administer the FDLP and other public information programs of the Superintendent of Documents effectively in the digital age and provide flexibility for the libraries to continue to participate and best serve their communities. Such changes should support the vision conveyed in GPO's National Plan for Access to U.S. Government Information: "To provide

Director Vance-Cooks made it an objective for GPO to visit Federal depository libraries around the Nation to demonstrate the agency's support for the FDLP and discuss library trends and issues. On one of those trips, GPO's Chief Administrative Officer Herb Jackson visited the Henry Thomas Sampson Library at Jackson State University in Jackson, MS, where he met with Jama Lumumba, Assistant Director, University Library and Depository Coordinator; Bernice Sherwood, Librarian and Executive Assistant to the Dean; and Dr. Melissa Druckery, Dean of the University Library.

Government information when and where it is needed" to ensure the public has effective, equitable, and convenient access to Government information in the form and formats they need.

In support of this objective, Vance-Cooks asked the members of the Depository Library Council to contribute suggestions for reform, which were incorporated into GPO's proposals for statutory changes that were then transmitted to the Committee. Legislation was under development by the Committee by the end of the year.

Federal Digital System (FDsys) We have been providing access to digital congressional and Federal agency documents since 1994 under the provisions of P.L. 103-40, 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 provides the majority of congressional and Federal agency content to the FDLP as well as other online users.

Online access to Federal documents made available by GPO has reduced the cost of providing public access to Government information significantly when compared with print, while expanding public access dramatically through the internet. In FY 2017, FDsys grew to make more than 2.2 million titles from the legislative, executive, and judicial branches available online from our servers and through links to other agencies and institutions. The system averaged 45 million retrievals per month.

We have continually added collections to FDsys to provide increased public access to Government information. In 2017, new collections added included most of the digitized issues of the permanent edition of the *Congressional Record*, with the balance added during the first quarter of FY 2018. Historic issues of the *Federal Register* began to be added in 2017 and will continue to be added in FY 2018. The first eBook, *Women in Congress 1917-2017*, the 31st edition of the GPO *Style Manual*, the CFR Index and Finding Aids, the 2016 *United States Government Policy and Supporting Positions* (The Plum Book), and numerous publications in support of the FDLP were also added in FY 2017.

Govinfo In early 2016, GPO unveiled the next generation of our public access system with the introduction of **govinfo**. Rolled out initially 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 platforms, including mobile devices. A unique feature is the system's ability to link together documents related to a specific inquiry, from the introduction through passage of legislation to the issuance of any implementing regulations. Following a period of testing and iteratively developing the system's features, **govinfo** was moved out of beta in late 2017 and will become GPO's primary public access system — the third such system since we inaugurated online access in 1994 — following the retirement of FDsys from active service later in 2018.

During the year, GPO continued with the process to seek certification as a Trustworthy Digital Repository in compliance with the International Organization for Standardization (ISO 16363) by issuing a Request for Proposal for the audit service to support this process in the final quarter of FY 2017 and awarding a contract during the first quarter of FY 2018. 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.

Introduced in 2016, GPO's **govinfo** digital information service moved out of beta in 2017 and will fully replace GPO's FDsys at the end of 2018. Along with a variety of other innovative features, **govinfo** provides users with free public access to more than 2.2 million titles across a variety of platforms, including mobile devices.

The information made available on **govinfo** is supplemented by new products emerging from GPO's work with the Legislative Branch Bulk Data Task Force, which includes members from GPO, the office of the Clerk of the House and the Secretary of the Senate, the Library of Congress, and other congressional offices. FDsys/**govinfo** Program Manager Lisa LaPlant is a key member of the group, and regularly updates the Task Force on GPO's digital projects and initiatives.

GPO has continued to invest in the IT infrastructure supporting GPO's digital information system. This includes bandwidth, storage, and servers needed for Production, COOP, Test, and Development environments.

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 $27.9 million in constant dollars. For FY 2017, we funded this function at $8.5 million, a reduction of more than 69% 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 2000-2017

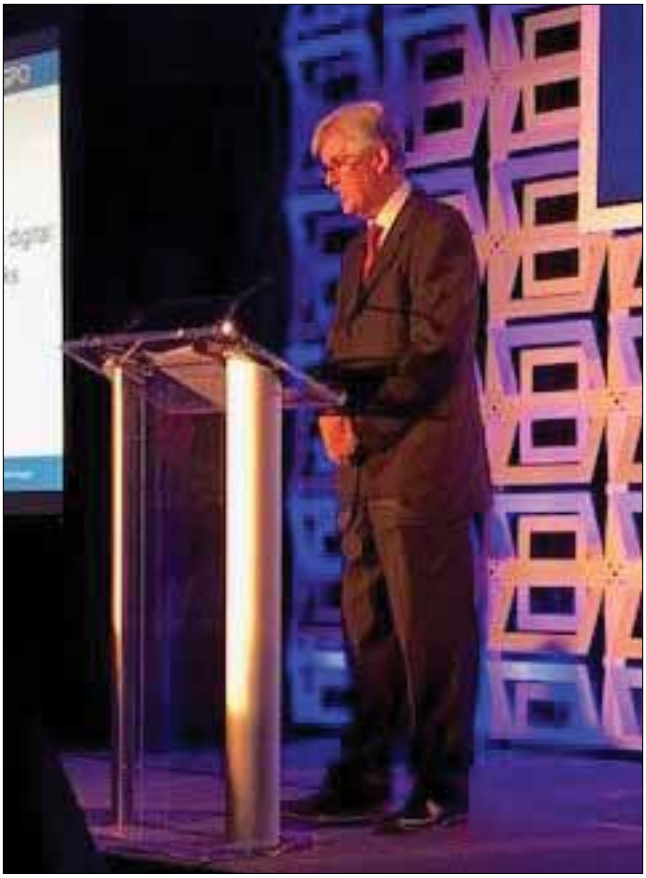
Year	Number of Titles
FY 2000	193,000
FY 2005	301,600
FY 2010	441,700
FY 2016	1,600,000
FY 2017	2,200,000

Publication and Information Sales Program

Along with the FDLP and our online dissemination system, which are no-fee public access programs, GPO provides 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 iTunes, Google Play, Barnes & Noble, OverDrive, Zinio, EBSCO, ProQuest, and other online vendors to make popular Government titles such as *Your Guide to Breastfeeding*, *My Future, My Way – First Steps Towards College*, and *Dietary Guidelines for Americans* available as eBooks. We also offer a print-on-demand service for sales titles through Amazon and others, 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 the General Services Administration (GSA) and the Federal Trade Commission (FTC), from our fulfillment facilities in Pueblo, CO, and Laurel, MD. This program saves money for participating agencies by permitting them to take advantage of GPO's centralized capabilities and economies of scale and contributes significantly to GPO's bottom line. The program generated a total of $9.2 million in revenue during FY 2017. The program is now providing distribution

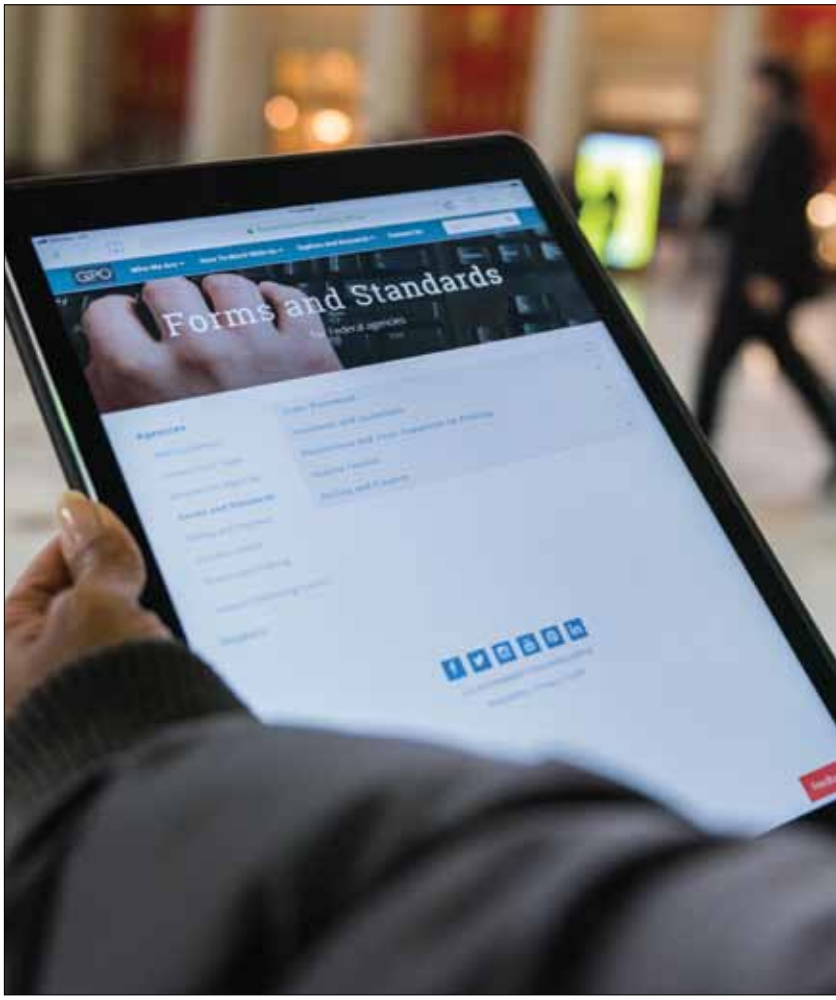


GPO's Chief of Publications and Information Sales Jeff Turner spoke in April at the Digital Summit in Washington, DC, about the changing world of publishing and the services GPO offers to Federal agencies. More than 1,500 representatives from Federal, state, and local governments attended the event.

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 12 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. At our Pueblo facility, we provide web-based order modules for five Federal agencies including the Department of Defense and the Consumer Financial Protection Bureau, and provide printing, distribution, bulk storage, and call center services for the Department of Education and the California National Guard, distributing more than 58 million copies since these programs began.

GPO and Social Media We use 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 2017, we had 8,895 likes on Facebook, 8,399 followers on Twitter, and 192,000 views across 78 videos on YouTube. On Pinterest, we had 809 followers pinning on 20 boards of Federal Government information. We also had 688 followers with 1,308 posts on Instagram and 3,265 followers on LinkedIn. Our blog, Government Book Talk, focuses on increasing the awareness of new and classic Federal publications through reviews and discussions.

In 2017, we released our gpo.gov 2.0 project in beta, following a major redesign of the agency's public-facing website that improves digital interaction with our customers and the public. The new site utilizes modern user-centric design and navigation to more effectively communicate GPO's brand identity and service offerings. It is also mobile friendly and search engine-optimized to increase user engagement in support of GPO's strategic goals of satisfying our stakeholders and offering new products and services. The site moved out of beta in the first quarter of FY 2018.

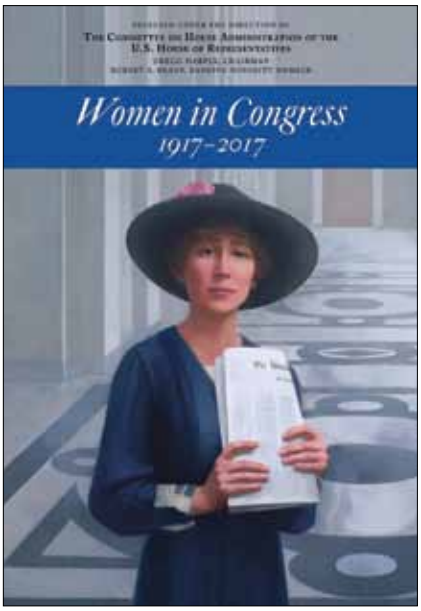


GPO's agency website, gpo.gov, underwent a major redesign and retooling that was released in beta in 2017. The new site is easier to use, mobile-friendly, and better communicates GPO's brand identify and service offerings to users.

GPO Finances

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

The Business Operations Revolving Fund functions as GPO's checking account with the U.S. Treasury. We pay our 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 our 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 concluded Women's History Month in 2017 with the publication of a new eBook, "Women in Congress 1917-2017," prepared by the House of Representatives.

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 us to fund a significant amount of technology modernization. Appropriations for essential investments in technology and plant upgrades are requested when necessary.

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

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

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

If congressional requisitions fall short of GPO's estimate, there will be a balance remaining in the Congressional Publishing Appropriation at the end of the year. Under the language of GPO's appropriations legislation, such balances are eligible for transfer to the Business Operations Revolving Fund, where they can be used only for the purposes for which they were originally appropriated, with the approval of the House and Senate appropriations committees. If Congress'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 for which GPO would need additional funding in a subsequent year. The shortfall would be paid out of available money — retained

In May, GPO's Assistant Production Manager Abe Sussan showed a crew from NPR's Marketplace the production of the *Federal Register*.

earnings — in the Business Operations Revolving Fund that otherwise would be available for investment in new plant and equipment. When shortfalls occur, Congress subsequently repays GPO for the excess cost of its printing to restore money to the Business Operations Revolving Fund.

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

GPO is accountable for its finances. Each year, GPO's finances and financial controls are audited by an independent outside audit firm working under contract with GPO's Office of Inspector General. For FY 2017, the audit concluded with GPO earning an unmodified, or clean, opinion on its finances, the 21st consecutive year GPO has earned such an audit result.

FY 2017 Financial Results Revenue totaled $874.3 million and resulted in a net income of $58.9 million. Included in both GPO's revenue and net income is approximately $14.8 million in funds set aside for passport-related capital investments, as agreed to by GPO and the Department of State, and $5.8 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 2017 was $38.3 million.

Funds appropriated directly by Congress provided nearly $114.5 million (including funds from the Congressional Publishing and Public Information Programs appropriations, along with appropriations to the Business Operations Revolving Fund), or about 13.1% 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 2017, the cost of this work totaled $307.4 million, or about 37.4% of total expenses. The second largest component was personnel compensation and benefits. These totaled $216.8 million, or about 26.4% of all expenses.

GPO's Special Events Coordinator BethAnn Telford puts the finishing touches on the Christmas tree for the agency's annual gathering of employees, customers, and friends.

Financial Statements

The following summary tables are excerpts from the full audited consolidated financial statements and are not intended to substitute for the full audited financial statements presented at **https://www.gpo.gov/docs/default-source/congressional-relations-pdf-files/annual-reports/2017_annualreport.pdf**.

For FY 2017 (October 1, 2016 - September 30, 2017), 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 $58.9 million in FY 2017 compared with net income of $71.2 million in FY 2016.

GPO's FY 2017 income included $14.8 million in reserved funds for planned capital investments for increasing production capacity for the next generation U.S. passport, as agreed upon between the Department of State and GPO. Similar type funds totaled $24.7 million for FY 2016.

Other operating expenses in FY 2017 included $5.8 million to reflect a reduction to the GPO's future workers' compensation liability. This adjustment is required to accurately record the actuarially determined liability at September 30, 2017. After excluding these two unique transactions, in FY 2017 GPO had a net income after capital projects reserve and workers' compensation liability adjustment of $38.3 million compared with $46.1 million in FY 2016.

Summary of Net Income (in thousands)	2017	2016
Net Income	**$ 58,876**	**$ 71,197**
Less Passport Capital Projects Reserve	(14,783)	(24,700)
Decrease in Workers' Compensation Liability	(5,798)	(365)
Net Income After Capital Projects Reserve and Workers' Compensation Liability Adjustment	**$ 38,295**	**$ 46,132**

In FY 2017 operating revenues remained constant, whereas operating expenses increased compared to FY 2016. Operating revenues were $874.3 million in FY 2017 and $875.3 million in FY 2016. Operating expenses increased $16.8 million or 2.1 percent (to $821.2 million from $804.4 million). The increase in operating expenses was primarily due to increases in personnel compensation and benefits, travel, transportation, postage expenses as well as supplies and materials, partially offset by a decrease in printing and reproduction expenses.

GPO's fund balance with Treasury increased by $32 million, from $553.9 million at the end of FY 2016 to $585.9 million at the end of FY 2017. Cash provided by operations increased by $68.1 million during the fiscal year, primarily due to positive operating results. GPO invested $38.2 million for capital items in FY 2017 and $38.3 million in FY 2016.

Summary Statement of Cash Flows (in thousands)	2017	2016
Cash flows from Operating Activities		
Net Income	**$ 58,876**	**$ 71,197**
Provided by (used in) operating activities		
Depreciation and other	23,816	21,722
(Increase) decrease in assets	(10,303)	(7,823)
Increase (decrease) in liabilities	1,472	14,614
Increase (decrease) in workers' compensation liability	(5,798)	(365)
Total adjustments	9,187	28,148
Net cash provided by (used in) operating activities	**68,063**	**99,345**
Cash flows used in (provided by) investing activities	**(38,151)**	**(38,286)**
Cash flows provided by (used in) financing activities	**2,086**	**(1,820)**
Net increase (decrease) in cash balance	**$ 31,998**	**$ 59,239**

GPO's Balance Sheet strengthened in FY 2017 as a result of the operating performance. Working capital increased by $33.2 million, to $492 million in FY 2017 from $458.8 million in FY 2016. Total current assets increased by $42.3 million, to $771.9 million in FY 2017 from $729.6 million in FY 2016.

Total assets grew by $56.6 million to $945.6 million in FY 2017 from $889.0 million in FY 2016. Fund balance with Treasury increased to $585.9 million in FY 2017 from $553.9 million in FY 2016 primarily due to income from agency operations.

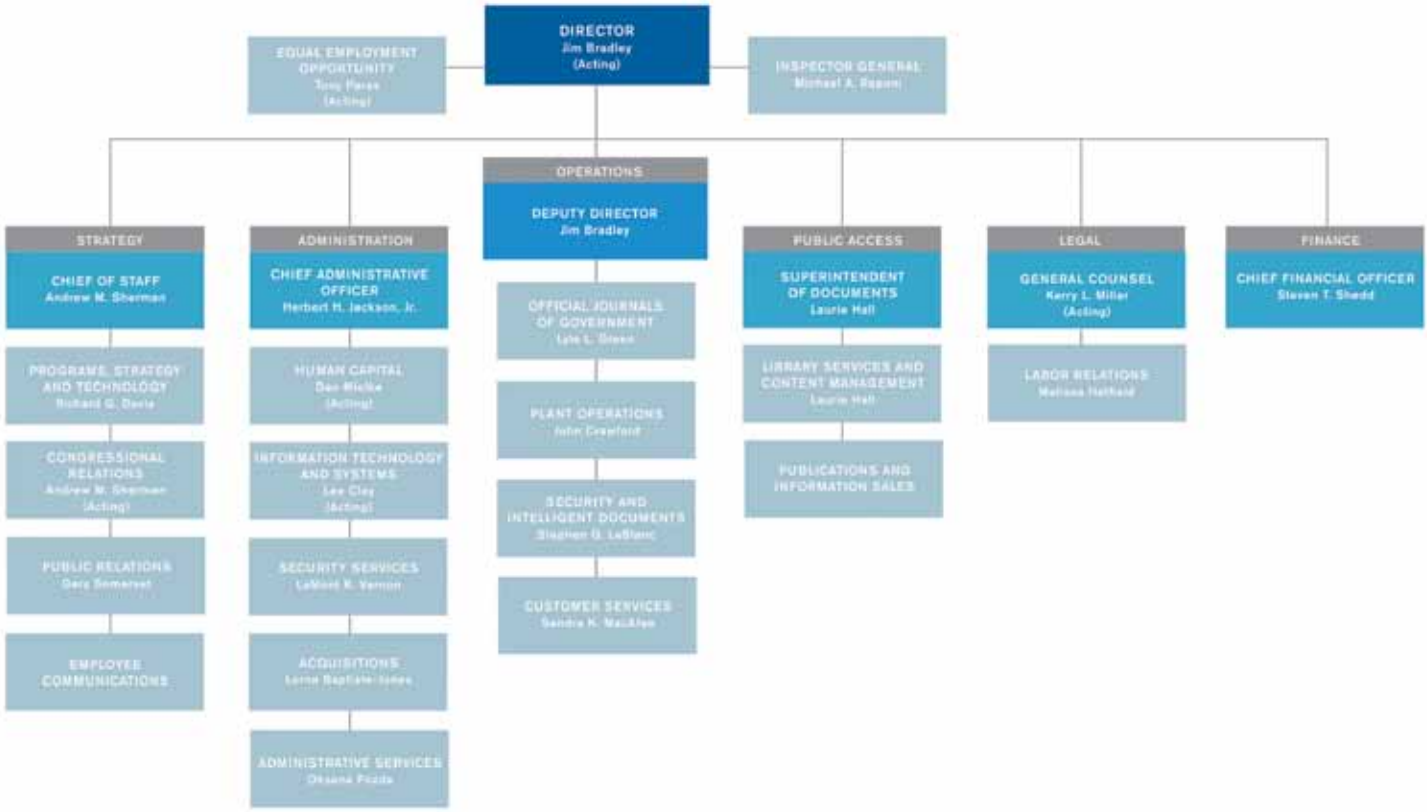
GPO ended FY 2017 with an increase in retained earnings of $58.9 million to $389.3 million, compared with $330.4 million at the end of fiscal FY 2016.

GPO ended FY 2016 with an increase in retained earnings of $71.2 million to $330.4 million, compared with $259.2 million at the end of fiscal FY 2015.

Summary Balance Sheets (in thousands)	2017	2016
Assets		
Current Assets		
Fund balance with Treasury	$ 585,883	$ 553,885
Accounts receivable, net	132,930	135,280
Inventory, net	52,984	40,347
Prepaid expenses	101	85
Total current assets	**771,898**	**729,595**
General property, plant and equipment, net	173,725	159,390
Total Assets	**$ 945,623**	**$ 888,987**
Liabilities and Net Position		
Current Liabilities		
Accounts payable and accrued expenses	$ 115,749	$ 123,257
Deferred revenues	147,805	139,058
Accrued annual leave	8,716	8,483
Workers' compensation	7,673	
Total current liabilities	**279,943**	**270,798**
Noncurrent Liabilities		
Workers' compensation liability	48,536	62,007
Total Liabilities	**328,479**	**332,805**
Net position		
Cumulative results of operations		
Retained earnings	389,265	330,389
Invested capital	92,879	92,879
Unexpended appropriations	135,000	132,914
Total Net Position	**617,144**	**556,182**
Total Liabilities and Total Net Position	**$ 945,623**	**$ 888,987**

U.S. GOVERNMENT PUBLISHING OFFICE

Organizational Chart (as of January 1, 2018)



GPO

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2017 annual report

budget of the u.s. government

house calendar

congressional record

federal register

senate calendar

presidential documents

Consolidated Financial Statements

For the Fiscal Years ended September 30, 2017 and 2016

(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, 2017

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 canceled and returned to the Department of the Treasury after five years.

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

Programs and Operations Overview

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

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

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

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

In addition, Customer Services' Creative and Digital Media Services provides graphic design solutions, multimedia and Web services to Congress, the White House, and Federal agencies and commissions. This unit which is part of GPO's customer services 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 unit's work includes designs for Presidential Inauguration materials, a major branding effort for the Bureau of Alcohol, Tobacco, Firearms and Explosives, the U.S. Passport, and numerous other security design efforts. Examples of recent web design and development projects of agency clients include the U.S. Senate web site, the U.S. China Commission, and a variety of design efforts for the U.S. Department of Veteran's Affairs. This unit also offers website content updates for existing Federal agency customers who are required to utilize within-government digital media services for information dissemination.

Publication and Information Sales – This 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 Federal 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.

Agency Distribution – This 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 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 1,143 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 operation enhancement, promotion of, and education about GPO's Federal Digital System (FDsys) (www.fdsys.gov). This system will be replaced by **govinfo** (www.govinfo.gov), which is currently in beta mode but is scheduled to replace FDsys in 2018. FDsys and **govinfo** provide direct online access to Federal Government publications from all branches of government. Other online services managed by this business unit include the *Catalog of U.S. Government Publications* (http://catalog.gpo.gov), the FDLP website (www.fdlp.gov), and Ben's Guide to the U.S. Government (http://bensguide.gpo.gov).

Financial Position and Results for Fiscal Year 2017

The following is an overview of GPO's financial position and operating results for the fiscal year ended September 30, 2017. 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 2017.

Selected Balance Sheet Accounts and Other Statistics

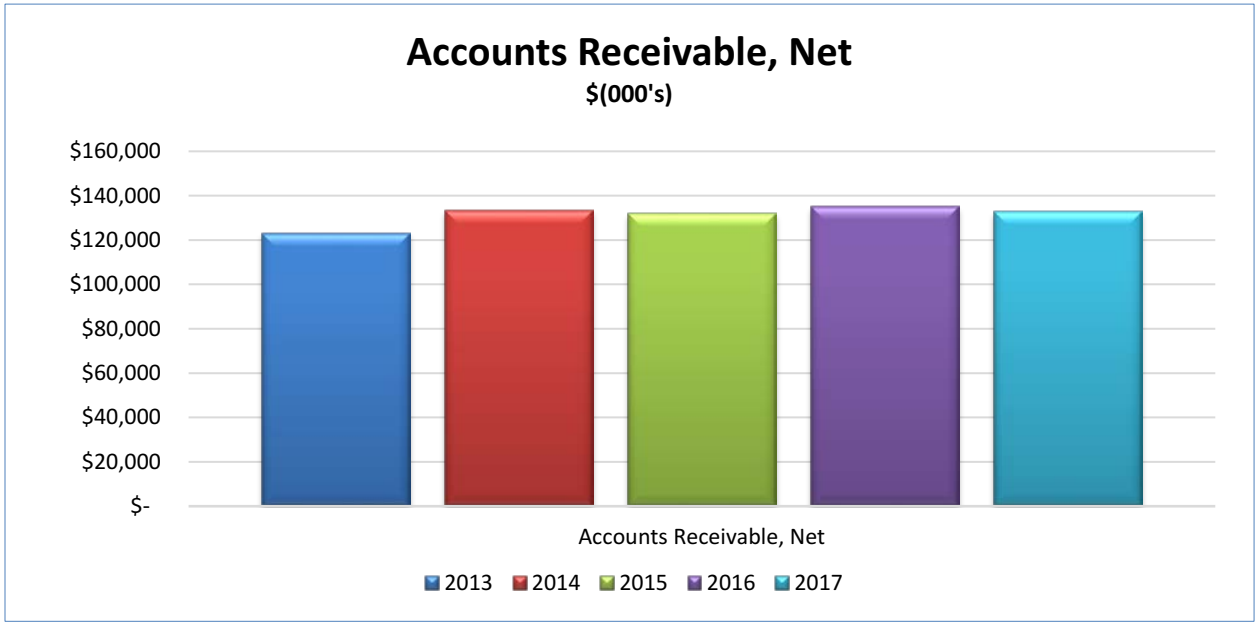
Cash

GPO's current cash requirements include program and operating expenses, as well as capital investment requirements. Cash (also referred to as "Fund Balance with Treasury" or "FBWT") increased by $32 million (5.8%) to $585.9 million as of September 30, 2017, from $553.9 million as of September 30, 2016.

The increase was primarily due to cash increases from operating activities of $68.1 million, offsetting investing outlays of $38.2 million, and increases in unexpended appropriations of $2.1 million.

Accounts Receivable, Net

Net accounts receivable decreased from $135.3 million as of September 30, 2016, to $132.9 million as of September 30, 2017 (1.7%).



Inventory, Net

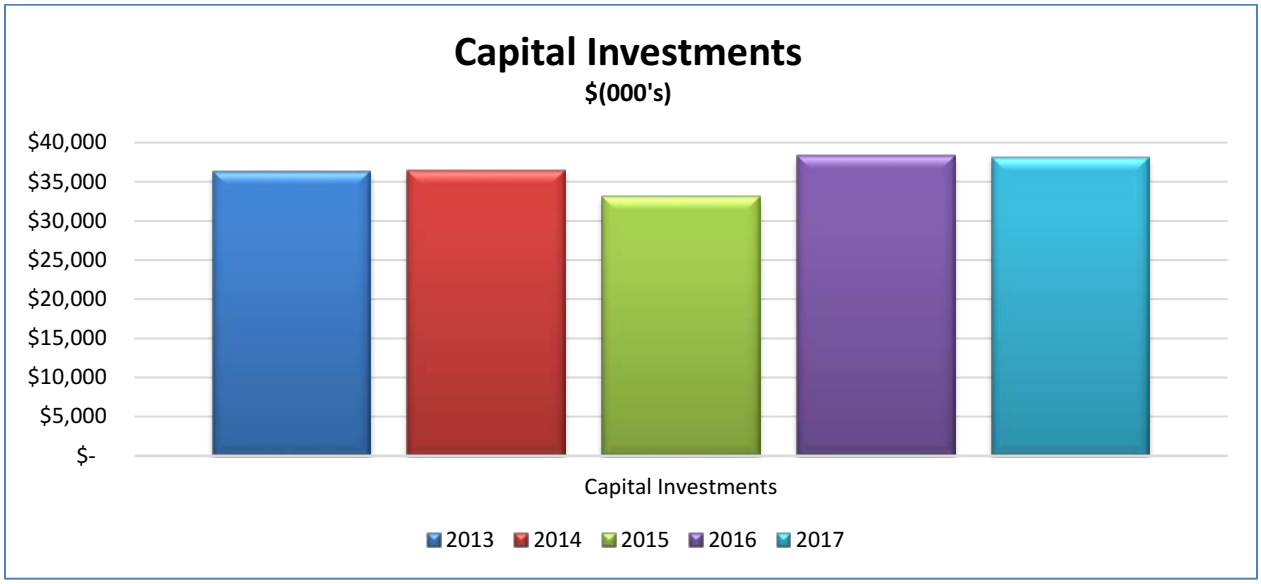
Supplies and materials inventory increased by $10.3 million in fiscal 2017 from fiscal 2016 primarily due to $8.8 million purchase of passport materials and $1.3 million of next generation passport supplies. Production volume increased to 22.6 million in fiscal 2017 from 13 million in fiscal 2016.

General Property Plant, and Equipment, Net

Net property and equipment increased by $14.3 million (9%) in 2017 to $173.7 million as of September 30, 2017. The capital additions of $38.2 million in 2017 were primarily centered on in-service placement of new secure credential products manufacturing equipment ($11.5 million), computers and computer software ($8.2 million) and capitalized software ($2.3 million). These additions were partially offset by $23.8 million in depreciation expense for fiscal 2017. The capital investment trend over the last 5 years is reflective of the investment in secure products and documents, and GPO's transformation to a digital platform.

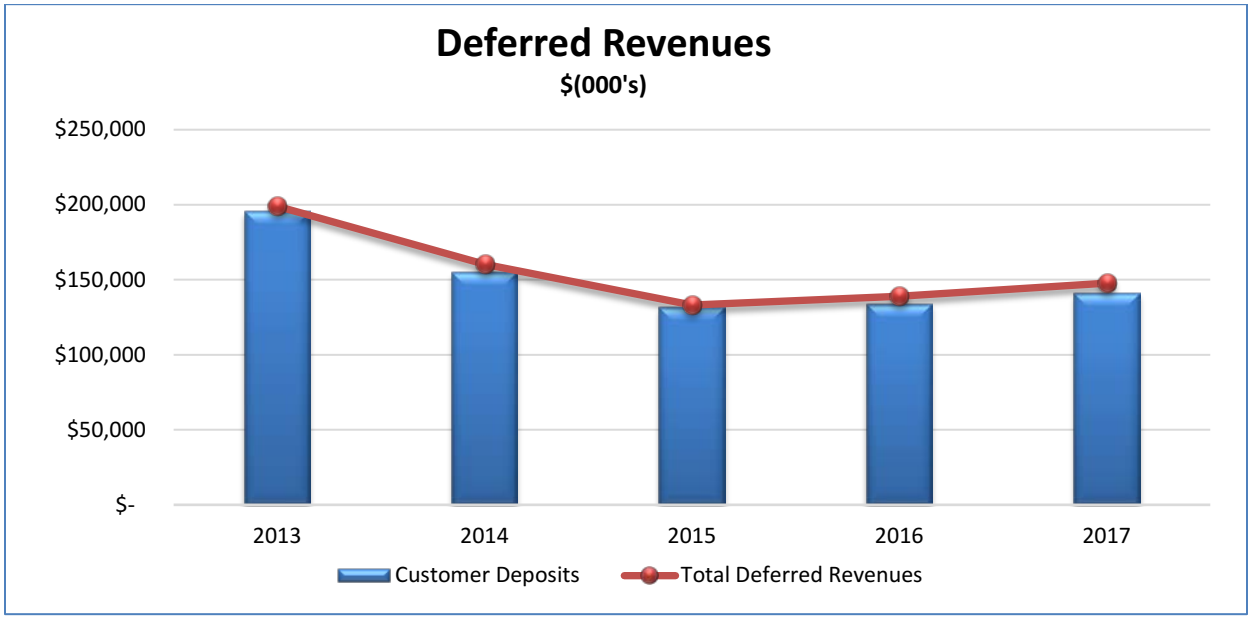
Building and improvements increased by $2.3 million which included renovations to GPO Building No. 4. The plant, machinery, and equipment investment increase of $11.5 million was mainly for secure credential products manufacturing equipment and upgrades for passport production. Computers and computer software increase of $8.2 million in fiscal 2017 was mainly for FDsys/govinfo software of $4.2 million, and $4.7 million for IT security equipment.

Capitalized software in process increased by $2.3 million in fiscal 2017 compared to fiscal 2016 due in part to $3 million invested in the Composition System Replacement (CSR) software which is offset by $800,000 for Oracle R12 upgrade.



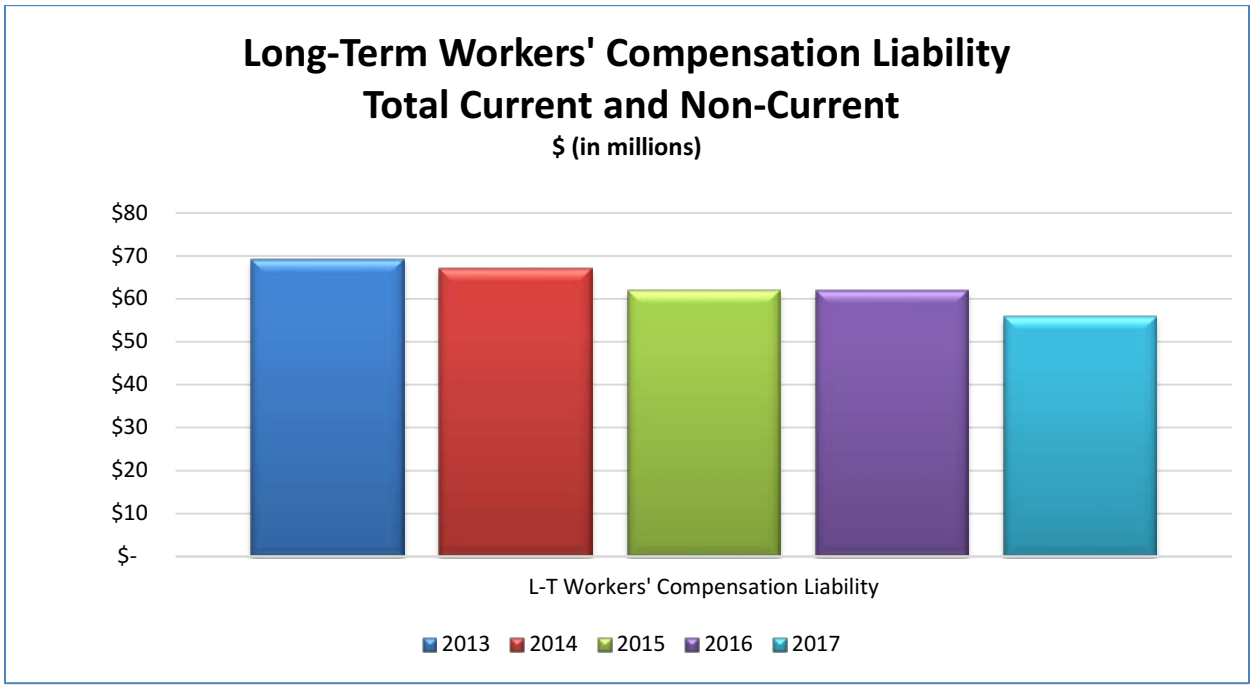
Deferred Revenues

Deferred Revenues are primarily comprised of customer deposits which are funds advanced from Federal agencies. The $8.7 million (6.3%) increase in deferred revenues for fiscal 2017 from fiscal 2016 was primarily driven by a $6.9 million increase in deposit accounts and $2 million increase in advance billings, offset by a minor decrease in pre-paid subscriptions.



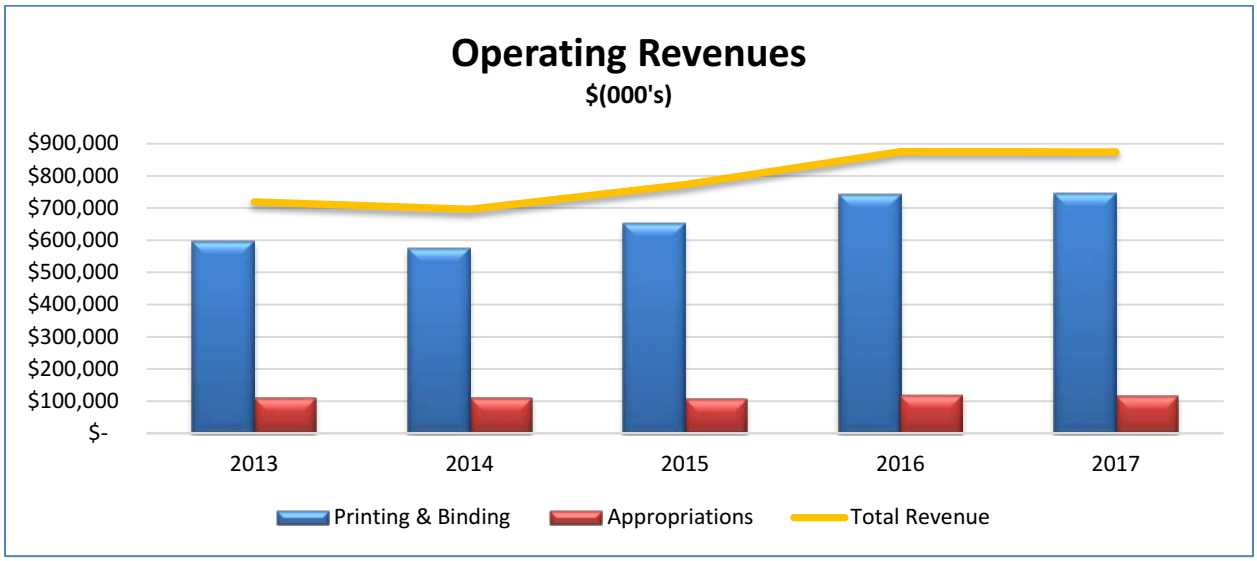
Long-Term Workers' Compensation Liability

The actuarial workers' compensation liability decreased $5.8 million in 2017. 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 $874.3 million in fiscal 2017 and $875.3 million in fiscal 2016.



Operating Expenses

Operating costs increased by $16.8 million (2.1%) to $821.2 million in fiscal 2017, up from $804.4 million in fiscal 2016. The increase is primarily attributable to personnel compensation and benefits and supplies and materials offset by a decrease in the cost of the printing and binding products sold to customer agencies.

Changes in Retained Earnings

GPO's retained earnings increased by $58.9 million (17.8%) to $389.3 million at the end of fiscal 2017, compared to $330.4 million at the end of fiscal 2016.

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

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

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

Summary of Net Income (in thousands)	2017	2016
Net Income	**$ 58,876**	**$ 71,197**
Less: Passport Capital Projects Reserve	(14,783)	(24,700)
Decrease in Workers' Compensation Liability	(5,798)	(365)
Net Income After Capital Projects Reserve and Workers' Compensation Liability Adjustment	**$ 38,295**	**$ 46,132**

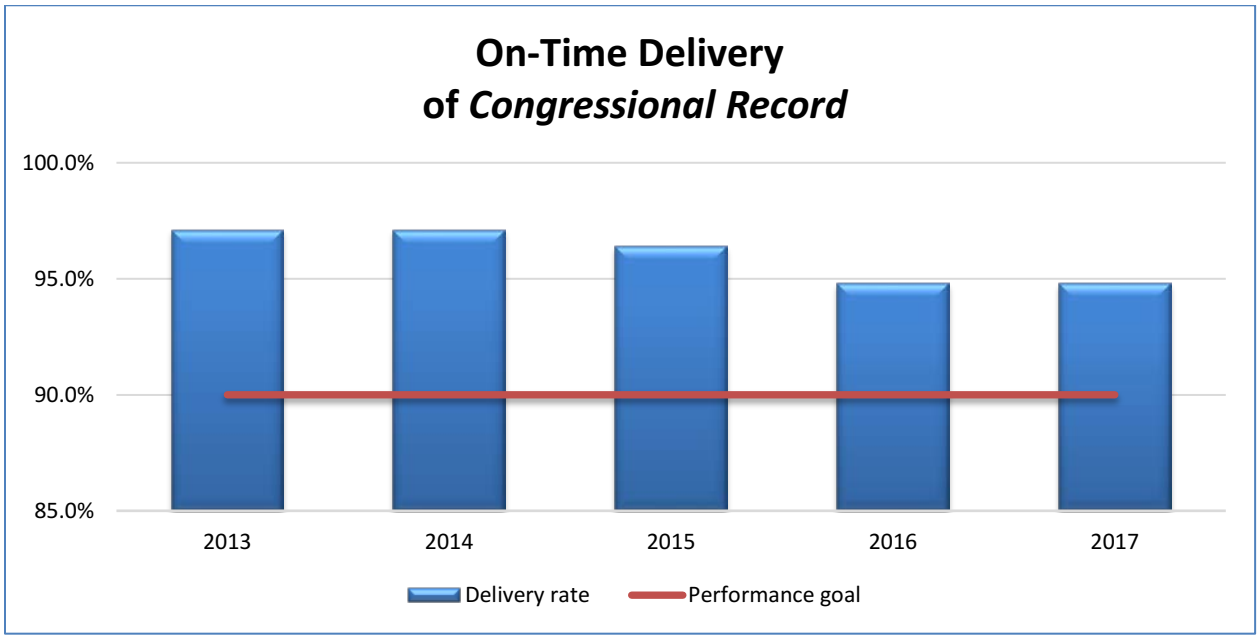
Excluding income planned to be invested in capital projects to support the production of U.S. Passports, and the adjustment to the long-term Workers' Compensation Liability, GPO had net income of approximately $38.3 million in fiscal 2017, compared to $46.1 million in 2016.

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.

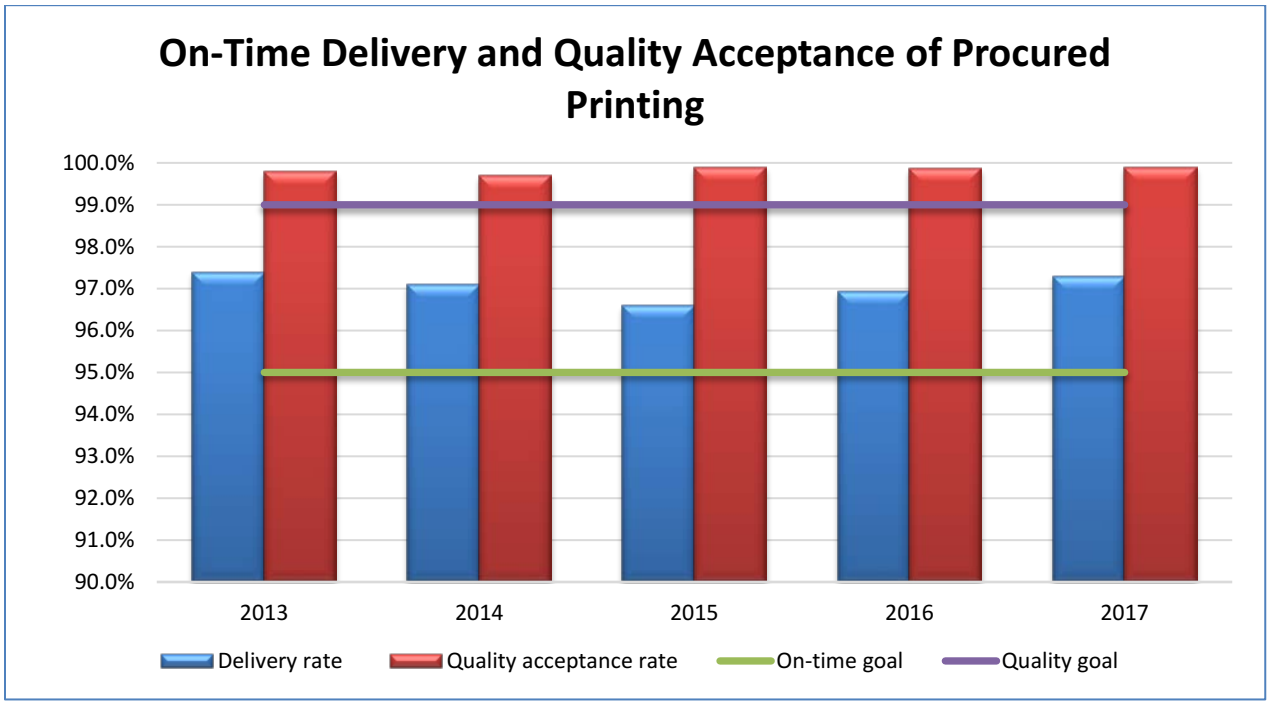
On-Time Delivery of *Congressional Record*

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.



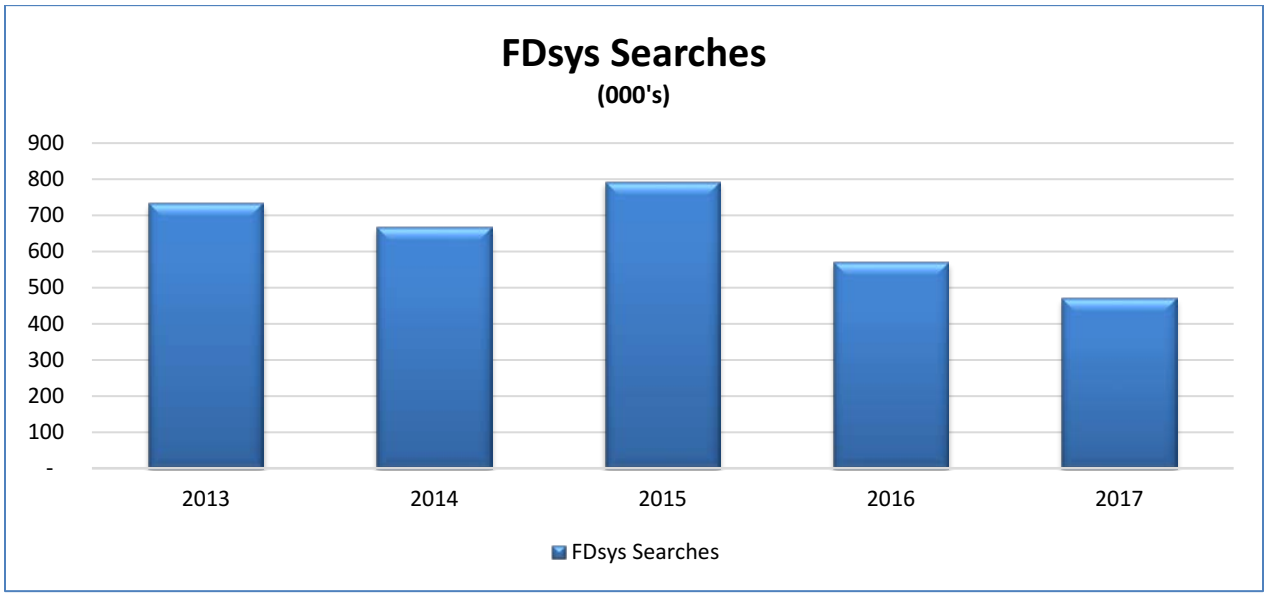
On-Time Delivery and Quality Acceptance of Procured Printing

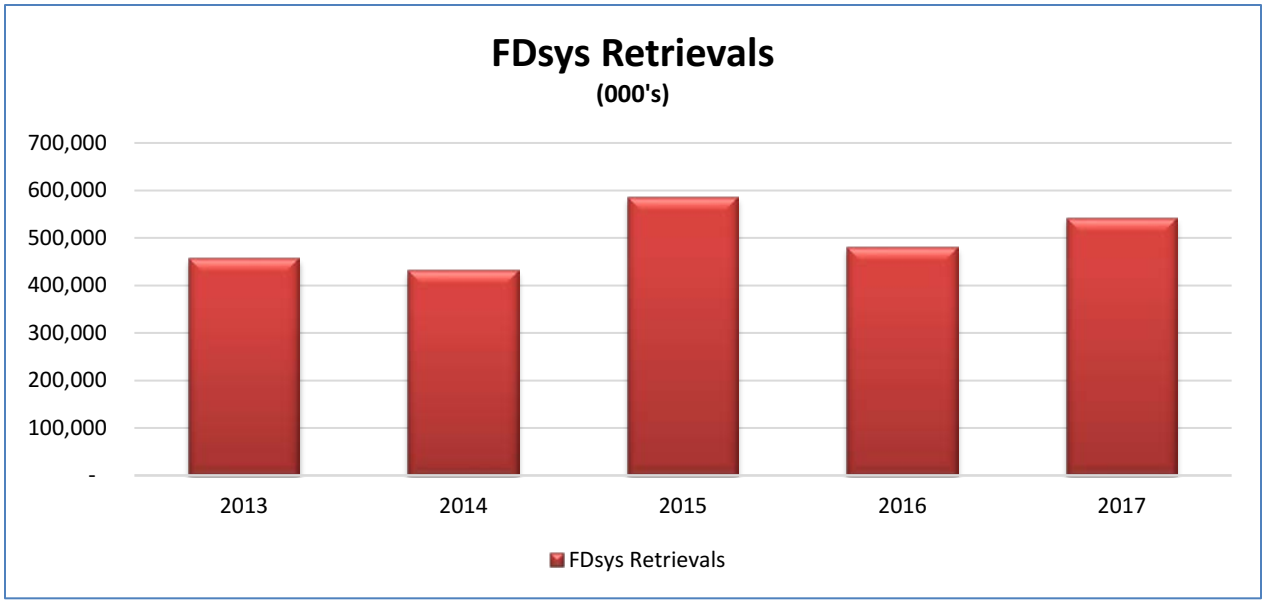
Customer Services contracted with commercial printing vendors to produce and ship orders for GPO customers, on-time and at a high standard of quality.



FDsys Search and Retrieval Metrics

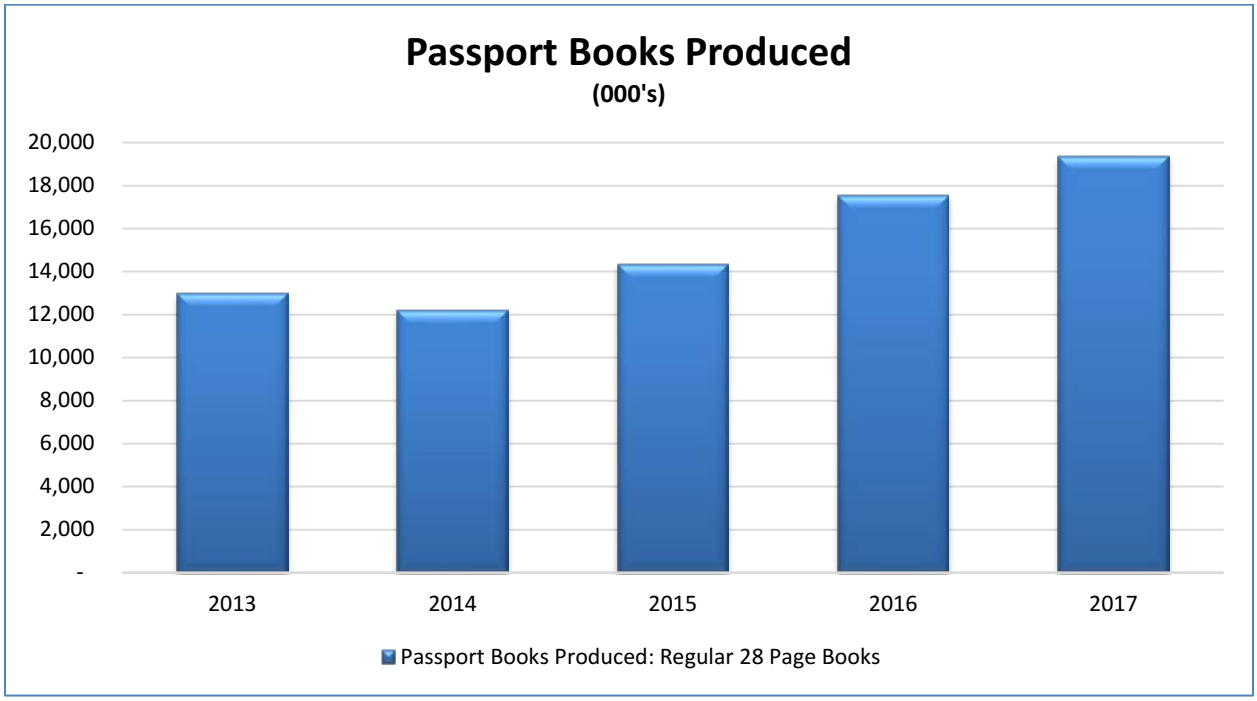
GPO's Federal Digital System (FDsys) provides free online access to official publications from all three branches of the Federal Government. FDsys provides advanced search capabilities and the ability to refine and narrow users' searches for quick access to the information they need. With FDsys, users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

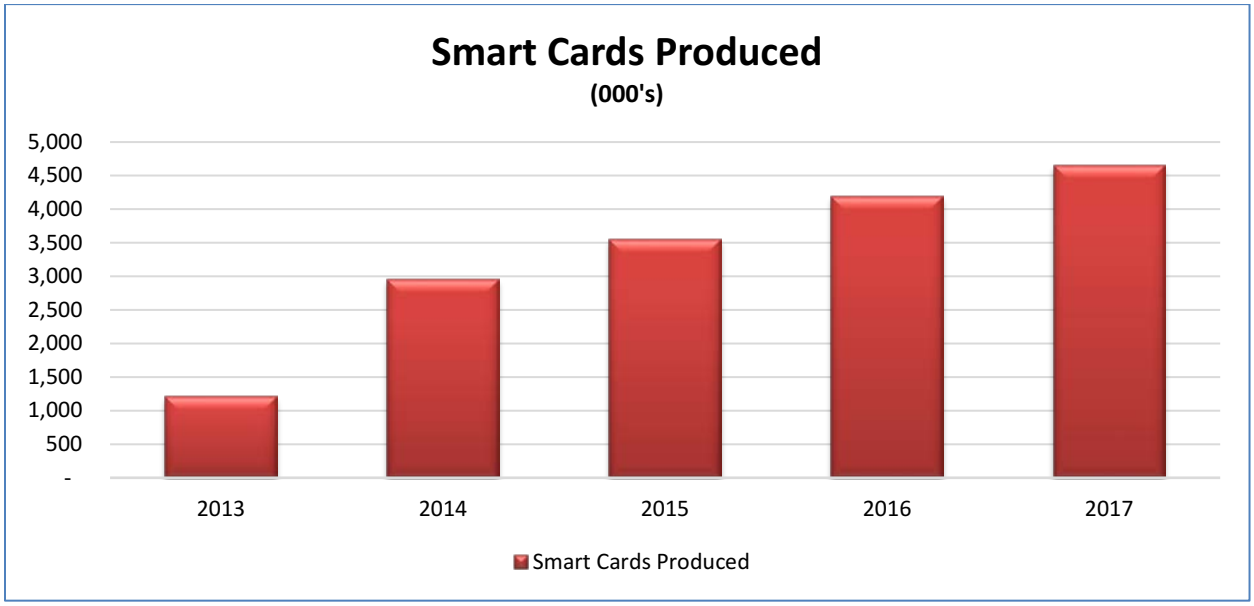




Passport and Smartcard Metrics

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.




Smart Cards Produced
(000's)
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
2013
2014
2015
2016
2017
Smart Cards Produced

Fiscal Year 2018 Financial Projections

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

GPO's fiscal 2018 operating budget plans for the Agency to achieve at least break-even before the long-term Federal Employees' Compensation Act (FECA) adjustment, and after adjusting for planned capital investments related to passport production. These capital investments for the Department of State are mutually agreed to and allow GPO to invest in state-of-the-art passport manufacturing technology. The GPO operating budget also provides sufficient cash to allow continued capital investment to achieve more efficient operations and better meet customer needs.

The 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 155 years.

SECTION II

INSPECTOR GENERAL'S REPORT

U.S. GOVERNMENT PUBLISHING OFFICE

OFFICE OF INSPECTOR GENERAL

AUDIT REPORT

REPORT NUMBER 18-03

U.S. Government Publishing Office FY 2017 Independent Auditor's Report

December 15, 2017

U.S. GOVERNMENT PUBLISHING OFFICE
OFFICE OF INSPECTOR GENERAL

Date

December 15, 2017

To

Acting Director, U.S. Government Publishing Office

From

Inspector General

Subject:

FY 2017 Independent Auditor's Report
Report Number 18-03

Attached is the Independent Auditor's Report on the U.S. Government Publishing Office's (GPO's) FY 2017 financial statements. We contracted with the independent certified public accounting firm of KPMG LLP (KPMG) to audit the financial statements of GPO for the years ending on September 30, 2017 and 2016. The contract required that the audit be conducted in accordance with auditing standards generally accepted in the United States of America and in accordance with generally accepted government auditing standards (GAGAS).

KPMG's opinion on GPO's financial statements was unmodified. 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 requirements. If you have any questions or comments about this report, please do not hesitate to contact me at (202) 512-0039.

Michael A Raponi

MICHAEL A. RAPONI
Inspector General

Attachment
cc:

Chief Financial Officer
Chief of Staff
Chief Administrative Officer
General Counsel

SECTION III

INDEPENDENT AUDITORS' REPORT

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

Independent Auditors' Report

Acting 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, 2017 and 2016, and the related consolidated statements of revenues, expenses, and changes in retained earnings and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

KPMG LLP is a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Other Information

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

Other Reporting Required by Government Auditing Standards

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2017, we considered the 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 the GPO's internal control. Accordingly, we do not express an opinion on the effectiveness of the GPO's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the GPO's consolidated financial statements 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 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

Washington, D.C.
December 15, 2017

SECTION IV

FINANCIAL STATEMENTS

U.S. Government Publishing Office
Consolidated Balance Sheets
As of September 30, 2017 and 2016
(Dollars in Thousands)

	2017	2016
ASSETS		
Current assets		
Fund balance with Treasury (Note 2)	$ 585,883	$ 553,885
Accounts receivable, net (Note 3)	132,930	135,280
Inventory, net (Note 4)	52,984	40,347
Prepaid expenses (Note 5)	101	85
Total current assets	**771,898**	**729,597**
General property, plant, and equipment, net (Note 6)	173,725	159,390
Total assets	**$ 945,623**	**$ 888,987**
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable and accrued expenses (Note 7)	$ 115,749	$ 123,257
Deferred revenues (Note 8)	147,805	139,058
Accrued annual leave	8,716	8,483
Workers' compensation (Note 9)	7,673	-
Total current liabilities	**279,943**	**270,798**
Noncurrent liabilities		
Workers' compensation (Note 9)	48,536	62,007
Total liabilities	**328,479**	**332,805**
Commitments and contingencies (Notes 10 and 11)		
Net position (Note 12)		
Cumulative results of operations:		
Retained earnings	389,265	330,389
Invested capital	92,879	92,879
Unexpended appropriations	135,000	132,914
Total net position	**617,144**	**556,182**
Total liabilities and net position	**$ 945,623**	**$ 888,987**

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, 2017 and 2016
(Dollars in Thousands)

	2017	2016
OPERATING REVENUES		
Printing and binding	$ 745,653	$ 742,821
Appropriations	114,498	118,790
Sales of publications	4,880	5,623
Agency distributions	9,266	8,031
Total operating revenues	**874,297**	**875,265**
OPERATING EXPENSES		
Printing and reproduction	307,447	325,855
Personnel compensation and benefits	216,787	206,651
Supplies and materials	200,374	180,961
Other services	43,363	42,558
Depreciation and amortization	23,816	21,722
Rents, communications, and utilities	15,634	14,967
Travel, transportation, and postage	11,475	9,803
Publications sold	2,323	1,916
Subtotal	**821,219**	**804,433**
Income before other expenses	**53,078**	**70,832**
OTHER EXPENSES		
Decrease in workers' compensation liability	5,798	365
Net Income	**$ 58,876**	**$ 71,197**
Retained Earnings, beginning of year	**330,389**	**259,192**
Retained Earnings, end of year	**$ 389,265**	**$ 330,389**

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, 2017 and 2016
(Dollars in Thousands)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 58,876	$ 71,197
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	23,816	21,722
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	2,350	(3,158)
Inventory	(12,637)	(4,930)
Prepaid expenses	(16)	265
Increase (decrease) in liabilities:		
Accounts payable, accrued expenses, and other	(7,508)	8,692
Deferred revenues	8,747	5,902
Accrued annual leave	233	20
Workers' compensation	(5,798)	(365)
Total adjustments	**9,187**	**28,148**
Net cash provided by (used in) operating activities	**68,063**	**99,345**
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital purchases	(38,157)	(38,333)
Proceeds from sale of general property, plant, and equipment	6	47
Net cash used in (provided by) investing activities	**(38,151)**	**(38,286)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Appropriations received	117,068	117,068
Appropriations expended	(114,982)	(118,888)
Increase (decrease) in unexpended appropriations	2,086	(1,820)
Net cash provided by (used in) financing activities	**2,086**	**(1,820)**
Net increase (decrease) in fund balance with Treasury	**31,998**	**59,239**
Fund balance with Treasury, beginning of year	553,885	494,646
Fund balance with Treasury, end of year	**$ 585,883**	**$ 553,885**

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

U.S. Government Publishing Office
Notes to the Financial Statements
September 30, 2017 and 2016

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Accounting Environment

Basis of Accounting

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

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

Basis of Presentation and Consolidation

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

Funds

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

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

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

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

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

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

charge to the recipients.

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

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

C. Fund Balance with Treasury

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

D. Accounts Receivable

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

E. Inventories

Inventories of paper, supplies, and materials are shown net of a provision for obsolescence. Inventories of paper, supplies, and materials include the cost of production material (e.g., computer chips, ink, book cloth) as well as the cost of administrative-use supplies. These inventories are valued at the lower of cost, using the weighted moving average cost method, or 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. Construction in progress and capitalized software in process are also not depreciated until completed and put into use. Leasehold improvements are generally depreciated over 10 years or the remaining duration of the lease for real property, whichever is shorter.

G. Deferred Revenues

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

H. Accrued Annual Leave

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

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

I. Workers' Compensation Liability

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

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

The second component, the actuarial FECA liability, is the estimated liability for future benefit payments. These future estimates were generated from an application of actuarial procedures developed to estimate the liability for future FECA benefits. The actuarial liability for future workers' compensation benefits includes the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases plus a component for incurred but not reported claims. The liability is determined using a method that utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. These annual benefit payments have been discounted to present value using a composite rate from the Department of Treasury. The current and non-current components of the actuarial FECA liability are presented separately in the balance sheet for FY 2017.

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 also the expenses related to a provision for uncollectible accounts receivable. The expenses for professional services are recognized when the contracted services have been performed. The expenses for uncollectible accounts receivable are recognized when receivables are deemed as potentially uncollectible, based on GPO's collection experience.

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

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

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

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

M. Consolidated Statements of Cash Flows

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

N. Use of Estimates

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

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

O. Fair Value Measurement

GPO applies FASB Accounting Standards Codification, *Fair Value Measurements and Disclosures* (ASC 820-10) for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820-10 defines "fair value" as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted price quote in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). GPO's financial instruments consist of cash, accounts receivable, accounts payable, and accrued liabilities as of September 30, 2017, and September 30, 2016. The carrying amounts of these financial instruments approximate fair value because of the short-term nature of these instruments. GPO holds no financial instruments that are measured at fair value on a recurring basis.

P. Tax Status

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

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, 2017, and September 30, 2016, follows:

	(Dollars in thousands)	
	2017	2016
Fund Balances:		
Revolving fund:		
Unrestricted	$ 278,275	$ 256,733
Restricted:		
Customer deposit accounts	140,937	134,072
Other	30,095	27,642
Total revolving fund	**449,307**	**418,447**
General funds:		
Congressional publishing	52,817	61,039
Salaries and expenses	21,670	22,859
Supplemental and other	62,089	51,540
Total general funds	136,576	135,438
Total	**$ 585,883**	**$ 553,885**

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

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

The total fund balance with Treasury increased $32 million (5.8 percent) primarily due to income from agency operations to $585.9 million in fiscal 2017 from $553.9 million in fiscal 2016. Total general funds available increased $1.1 million. 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, 2017, and September 30, 2016, consisted of the following:

	(Dollars in thousands)	
	2017	2016
Federal agencies:		
Unbilled accounts receivable	$ 107,316	$ 103,972
Billed completed work	25,053	30,918
Subtotal	**132,369**	**134,890**
Other receivables:		
The public	158	132
GPO employees	884	961
Subtotal	**1,042**	**1,093**
Total accounts receivable	**133,411**	**135,983**
Less: Allowance for doubtful accounts	(481)	(703)
Total accounts receivable, net	**$ 132,930**	**$ 135,280**

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. Accordingly, unbilled accounts receivable includes the value of work in process and completed work for customer orders as of September 30, 2017, and September 30, 2016.

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 $2.4 million (1.7 percent) in fiscal 2017 from fiscal 2016.

4. Inventory, Net

Inventories, net of an allowance for surplus and obsolete stock increased by $12.6 million (31.3 percent) as of September 30, 2017, from the prior year, are detailed as follows:

	(Dollars in thousands)	
	2017	2016
Supplies and materials	$ 40,251	$ 29,933
Publications for sale	4,217	4,836
Paper	5,143	4,498
Work in process	7,107	4,883
Total inventory	**56,718**	**44,150**
Less: Allowance for surplus and obsolete inventory	(3,734)	(3,803)
Inventory, net	**$ 52,984**	**$ 40,347**

5. Prepaid Expenses

Prepaid expenses or advances to others were $101,000 as of September 30, 2017, and $85,000 as of September 30, 2016. The current year balance was primarily comprised of unused postage and prepaid expenses for information technology services. The majority of prepaid expenses in the prior year were for unused postage.

6. General Property, Plant, and Equipment, Net

General property, plant, and equipment, net as of September 30, 2017, and September 30, 2016, consisted of the following:

	(Dollars in thousands)	
	2017	2016
Land	$ 9,971	$ 9,971
Buildings and improvements	103,171	100,834
Plant machinery and equipment	187,210	175,688
Computers and computer software	129,331	121,072
Furniture and fixtures	6,219	6,107
Motor vehicles	766	689
Leasehold improvements	14,628	14,572
Capitalized software in process	12,297	9,993
Capital improvements in process	11,213	9,900
Total	**474,806**	**448,826**
Less: Accumulated depreciation and amortization	(301,081)	(289,436)
General property, plant, and equipment, net	**$ 173,725**	**$ 159,390**

Depreciation expense was $23.8 million in fiscal year 2017 and $21.7 million in fiscal year 2016.

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of September 30, 2017, and September 30, 2016, were composed of the following:

	(Dollars in thousands)	
	2017	2016
Accounts payable:		
Commercial printing	$ 60,556	$ 70,571
U.S. Government agencies	7,380	6,552
Other	33,305	31,963
Total accounts payable	**101,241**	**109,086**
Accrued salaries and payroll taxes	14,508	14,171
Total accounts payable and accrued expenses	**$ 115,749**	**$ 123,257**

As of September 30, 2017, amounts recorded in the Other category include $11 million payable to vendors for passport microchip integrated circuits, $2 million for other passport-related expenses, $3.4 million for expenses related to information technology services, $2.3 million accrued for fixed assets, and $2 million for other operating expenses. As of September 30, 2016, amounts recorded in Other category include $6.6 million payable to vendors for E-passport microchip integrated circuits, $4.5 million for other passport related expenses, $5.7 million for expenses related to Information Technology services, $2.2 million for accrued fixed assets and $3.4 million for other operating expenses.

8. Deferred Revenues

As of September 30, 2017, and September 30, 2016, deferred revenues from customers consisted of the following:

	(Dollars in thousands)	
	2017	2016
Deposit accounts	$ 140,937	$ 134,072
Advance billings	5,965	4,005
Subscriptions	670	758
Unfilled orders	233	223
Total	**$ 147,805**	**$ 139,058**

GPO held $140.9 million and $134.1 million in customer deposit accounts as of September 30, 2017, and September 30, 2016, respectively. Of these amounts, Federal Government customers had advanced funds of $138.3 million and $132 million for printing and binding deposit accounts, and customers advanced $2.6 million and $2.1 million for publication and information sales program deposit accounts as of September 30, 2017, and September 30, 2016, respectively. The funds in these deposit accounts will be applied to future orders placed by customers or refunded on request.

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

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

Advance billings are occasionally requested by customer agencies or used to finance high-dollar orders until work is completed. GPO defers the recognition of revenues for advance billings to customers. This amount increased to $6 million in fiscal 2017 from $4 million in the prior year.

9. Workers' Compensation Liability

Claims incurred and paid by DOL as of September 30, 2017, and September 30, 2016, but not reimbursed to DOL by GPO, are approximately $6 million for both periods. This liability is included in accounts payable and accrued expenses.

As of September 30, 2017, GPO estimated discounted current actuarially derived future workers' compensation liability of approximately $7.7 million and estimated discounted non-current actuarially derived future workers' liability of approximately $48.5 million. As of September 30, 2016, GPO's estimated discounted actuarially derived future workers' liability was $62 million. These annual benefit payments have been discounted to present value using a composite rate from the Department of Treasury. The discount rates as of September 30, 2017, and September 30, 2016, were 2.58 percent and 1.92 percent, respectively. GPO's total estimated, undiscounted actuarially derived future workers' compensation liability was approximately $78.3 million and $80.3 million as of September 30, 2017, and September 30, 2016, respectively.

10. Commitments

10. A. Operating Leases

As of September 30, 2017, 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 $4.6 million in fiscal 2017 and $4.3 million in fiscal 2016. A schedule of future minimum rental

payments required under operating leases by type, that have initial or remaining non-cancelable lease terms in excess of one year, follows:

Future Minimum Rental Payments Required Under Operating Leases

	(Dollars in thousands)		
Fiscal Year	**Warehouse**	**Office**	**Total**
2018	**1,070**	**374**	**1,444**
2019	**775**	**20**	**795**
2020	**730**		**730**
2021	**748**		**748**
2022 & Thereafter	**188**		**188**
Total Minimum Lease Payments	**$ 3,511**	**$ 394**	**$ 3,905**

10. B. Obligations

GPO had unliquidated obligations of $260.5 million at September 30, 2017, and $315.7 million at September 30, 2016, of which $135 million and $132.9 million, respectively, were for unexpended appropriations (see Note 12. B.), $14.5 million and $14.2 million, respectively, for salaries and $111 million and $168.6 million, respectively, were undelivered orders related to commercial printing. The latter obligations include purchase orders and contractual obligations by GPO to acquire goods and services from the private sector and other sources. These orders are scheduled for delivery or performance in the future.

11. Contingencies

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

GPO is a party in various administrative proceedings, legal actions, and claims brought against the Federal Government by employees, contractors, and other parties. The uncertainty involving the outcome of these pending matters will be resolved when future events occur or fail to occur. In some cases, legal matters relate to contractual arrangements GPO has entered into for goods and services procured on behalf of other Federal entities. The costs of administering, litigating, and resolving these actions are borne by the Revolving Fund unless the costs are recovered from another Federal entity. As of September 30, 2017, the Agency had $50,000 recorded liabilities in which management believes an adverse result against GPO was probable. That amount was included in accounts payable and accrued expenses in the financial statements. GPO had zero recorded in estimated probable liabilities as of September 30, 2016.

Contingencies where the risk of loss is reasonably possible are approximately $6.3 million and

$6.1 million, as of September 30, 2017, and September 30, 2016, 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 $8,000 in fiscal 2017 and $5,000 in fiscal 2016 on behalf of GPO.

11. B. Environmental Liabilities

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

The estimated costs to remove or remediate the visible and non-visible presumed asbestos containing material, both friable and non-friable, within the GPO facility, were $771,000 as of September 30, 2017, and $851,000 as of September 30, 2016. The decreased 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, 2015, through September 30, 2017, 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, 2015	**$ 51,164**	**21,618**	**61,952**	**134,734**
2016 fiscal year appropriation activity:				
Received	6,832	30,500	79,736	117,068
Transferred	2,739	(760)	(1,979)	0
Expended	(9,193)	(31,026)	(78,669)	(118,888)
Unexpended balance at September 30, 2016	**51,542**	**20,332**	**61,040**	**$ 132,914**
2017 fiscal year appropriation activity:				
Received	7,832	29,500	79,736	117,068
Transferred	16,730	(3,397)	(13,333)	0
Expended	(14,012)	(26,344)	(74,626)	(114,982)
Unexpended balance at September 30, 2017	**$ 62,092**	**$ 20,091**	**$ 52,817**	**$ 135,000**

As of September 30, 2017, GPO had obligated all of the $52.8 million of the unexpended appropriations available for Congressional Publishing, and all of the $20.1 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, 2017. At September 30, 2016, the obligations were $61 million in Congressional Publishing Appropriations and $20.3 million in S&E Appropriations.

The Revolving Fund unexpended appropriations balances at September 30, 2017, and September 30, 2016, were $62.1 million and $51.5 million, respectively. The Revolving Fund unexpended appropriations balances are primarily the result of the following appropriation activities:

- In fiscal 2010, Congress appropriated $12.8 million to the Revolving Fund for information technology development and facilities repair. As of September 30, 2016, GPO had expended cumulatively about $12.6 million from the appropriation. As of September 30, 2017, a balance of $213,000 was available for future expenditures.

- In fiscal 2011, GPO transferred approximately $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, 2017, GPO had expended the entire appropriation. As of September 30 2016, a balance of $1 million was available.

- In fiscal 2012, GPO transferred approximately $9.9 million unexpended prior year balances of Congressional Publishing Appropriations remaining from fiscal 2011 and fiscal 2010 and $3.7 million from prior year Salaries and Expenses Appropriations to the Revolving Fund. These amounts are available to Congressional Publishing and Salaries

and Expenses, respectively to offset requirements for new budget authority for fiscal 2012, and liquidate obligations incurred in subsequent years. As of September 30, 2016, GPO had a balance of $9.9 million from Congressional Publishing Appropriations and $1.1 million from Salaries and Expenses Appropriations. At end of fiscal year 2017, a balance of $9 million for Congressional Publishing Appropriations was available.

- In fiscal 2013, GPO transferred approximately $3.2 million from the Salaries and Expenses Appropriations to the Revolving Fund. These amounts were available to the Revolving Fund to offset Salaries and Expenses requirements for new budget authority for fiscal 2014, and to liquidate obligations incurred in subsequent years. As of September 30, 2017, GPO expended cumulatively $1.8 million. At end of fiscal year 2017, a balance of $1.4 million was available. As of September 30, 2016, the unexpended balance was $3.2 million.

- In fiscal 2014, GPO transferred approximately $9.5 million from the Congressional Publishing Appropriations remaining from fiscal years 2009 through 2011 to the Revolving Fund, and $5.7 million from the Salaries and Expenses Appropriations from fiscal years 2009 and 2010 to the Revolving Fund. These amounts were available to the Revolving Fund to offset Congressional Publishing and Salaries and Expenses requirements for new budget authority, and to liquidate obligations incurred in subsequent years. These amounts were unexpended as of September 30, 2017.

- In fiscal 2014, Congress appropriated $8.1 million to the Revolving Fund for information technology development. As of September 30, 2017, GPO expended cumulatively about $7.8 million from the appropriation leaving a balance of $255,000 available. At the end of fiscal 2016, a balance of about $781,000 was available.

- In fiscal 2015, GPO transferred approximately $1.2 million from the Congressional Publishing Appropriations remaining from fiscal year 2010 to the Revolving Fund, and $6 million from the Salaries and Expenses Appropriations from fiscal year 2010 to the Revolving Fund. These amounts were unexpended as of September 30, 2017.

- In fiscal 2015, Congress appropriated $8.8 million to the Revolving Fund for information technology development and facilities upgrades. As of September 30, 2017, GPO expended cumulatively about $7.2 million from the appropriation leaving a balance of $1.6 million available. As of September 30, 2016, the unexpended balance was $4.6 million.

- In fiscal 2016, Congress appropriated $6.8 million to the Revolving Fund for information technology development and facilities upgrades. As of September 30, 2017, GPO expended cumulatively about $5 million from the appropriation leaving a balance of $1.8 million available. As of September 30, 2016, the unexpended balance was $5.5 million.

- In fiscal 2016, GPO transferred approximately $2 million from the Congressional Appropriation remaining from fiscal year 2011 to the Revolving Fund, and $760,000

from the Salaries and Expenses Appropriation remaining from fiscal year 2011. These amounts are available to Congressional Publishing and Salaries and Expenses, respectively to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. These amounts were unexpended as of September 30, 2017.

- In fiscal 2017, Congress appropriated $7.8 million to the Revolving Fund for information technology development and facilities upgrades. As of September 30, 2017, GPO expended cumulatively about $1.9 million from the appropriation leaving a balance of $5.9 million available.

- In fiscal 2017, GPO transferred approximately $13.3 million from the Congressional Publishing Appropriation remaining from fiscal 2012 to the Revolving Fund, and $3.4 million from the Salaries and Expenses Appropriation remaining from fiscal 2012. These amounts are available to Congressional Publishing and Salaries and Expenses, respectively to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. These amounts were unexpended as of September 30, 2017.

13. Appropriated Funds

13. A. Total Appropriations Made Available

The total appropriations made available to GPO for fiscal 2017 and 2016 were as follows:

	(Dollars in thousands)	
	2017	2016
Congressional publishing	$ 79,736	$ 79,736
Salaries and expenses	29,500	30,500
Revolving fund	7,832	6,832
Total available appropriations	**$ 117,068**	**$ 117,068**

13. B. Expended Appropriations

The total appropriations expended by GPO during fiscal 2017 and 2016 were as follows:

Expended Appropriations

	(Dollars in thousands)	
	2017	2016
Congressional publishing:		
Hearings	$ 15,485	$ 17,248
Congressional Record products	19,624	21,411
Miscellaneous publications and printing and binding	22,863	19,206
Bills, resolutions, and amendments	4,147	5,948
Details to Congress	4,561	4,569
Business and committee calendars	3,198	3,712
Committee reports	2,352	2,930
Other	419	1,736
Public document envelopes	1,268	518
Committee prints	709	1,391
Total Congressional publishing	**74,626**	**78,669**
Salaries and expenses:		
Depository library distribution	18,542	23,127
Cataloging and indexing	6,791	6,741
International exchange	754	862
By-law distribution	257	296
Total salaries and expenses	**26,344**	**31,026**
Revolving Fund:		
Infrastructure and systems improvements	14,012	9,193
Total revolving fund	14,012	9,193
Total expended appropriations	114,982	118,888
Reconciliation of expended appropriations to the consolidated statements of revenues, expenses, and changes in retained earnings:		
Total expended appropriations	**114,982**	**118,888**
Eliminations (Intra-agency)	(484)	(98)
Consolidated revenues from appropriations	**$ 114,498**	**$ 118,790**

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 2017 and 2016 for investigators and law-enforcement officers, and 7.0 percent of basic pay in both years for all other employees. GPO contributions were $1 million and $1.1 million for the years ended September 30, 2017, and September 30, 2016, 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 32.5 percent of basic pay in fiscal 2017 and 33.4 percent in fiscal 2016. The FERS contribution rate for all other employees was 14.7 percent in fiscal 2017 and 15.1 percent in fiscal 2016. GPO contributions to FERS totaled $17.9 million for fiscal 2017 and $17.1 million for fiscal 2016.

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 both 2017 and 2016. Employees who were 50 years old or older were allowed additional catch-up contributions of $6,000 in both 2017 and 2016. 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 $5.2 million in fiscal 2017 and $5 million in fiscal 2016.

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 $127,200 in 2017 and $118,500 in 2016) to SSA's Old Age, Survivors, and Disability Insurance (OASDI) Program. Additionally, GPO makes matching contributions for all employees of 1.45 percent of gross pay, without limit, to SSA's Medicare Hospital Insurance Program. Contributions to these SSA programs for the years ended September 30, 2017, and September 30, 2016, totaled $10.8 million and $10.2 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 2017 and 2016:

	(Dollars in thousands)			
	2017		2016	
	Billings	% of Total	Billings	% of Total
U.S. Department of State	$ 310,971	37.9%	$ 299,727	35.6%
U.S. Congress	73,699	9.0%	79,292	9.4%
U.S. Dept. of Health & Human Services	65,748	8.0%	73,471	8.7%
U.S. Dept. of Homeland Security	59,231	7.2%	51,824	6.2%
U.S. Defense Logistics Agency	55,413	6.8%	65,133	7.7%
U.S. Department of Veterans Affairs	46,093	5.6%	48,135	5.7%

16. Subsequent Events

GPO has evaluated subsequent events through December 15, 2017, 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
XML	Extensible Markup Language