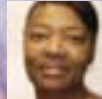


## Leading Our Customers into the Digital Future

[www.gpo.gov](http://www.gpo.gov)

- Video Introduction
- 2004 Annual Report
  - Public Printer's Message
  - You Our Customers
    - Congress
    - Executive Branch
    - Federal Courts
    - American Public
    - Federal Depository Library Program Partners
  - Fiscal Year Financial Results
  - Financial Report
    - Management's Discussion
    - Independent Auditors' Report
    - Consolidated Financial Statements
    - Consolidating and Supplemental Schedules
- GPO Facts
- Management Team
- News Releases
- Testimony
- GPO in the News
- Photo Gallery

**Leading Our Customers** into the Digital Future



Today's GPO is making sure the focus is always on you — our customers and partners in the Government information community and beyond. We are dedicated to providing Congress, Federal agencies, the courts, library community, and the public with the information products you need. You are the stars of our show, so we have put you front and center in this year's GPO Annual Report.

*Contents*

Public Printer's Message	2
Congress	4
Executive Branch	6
Federal Courts	8
American Public	10
Federal Depository Library Program Partners	12
Fiscal Year 2004 Financial Results	14



*"The time has come for the GPO to fully assume its responsibilities as the Government's leading resource for gathering, cataloging, producing, providing, and preserving its published information in all forms."*

I'm pleased to report the U.S. Government Printing Office has made outstanding progress during Fiscal Year 2004—the first full year of our efforts to transform the venerable agency into a 21st century digital information factory.

We restored the GPO's finances to a positive basis for the first time in five years, broadened the application of best practices throughout our operations, prepared for the release of new product and service options, set in motion our plan to relocate to a modern facility, and previewed our vision statement, the foundation of our approach to the GPO's digital future. We're now poised to set the GPO on a major new course with the release of our strategic plan.

Underscoring our progress are the results of the U.S. Government Accountability Office's widely anticipated study of Federal printing and information dissemination activities, *Government Printing Office: Actions to Strengthen and Sustain GPO's Transformation*, requested by Congress in 2002 and released this past June. The study validates our focus on information dissemination in the digital era. Equally as important, it acknowledges our plans to concentrate on core business functions, demonstrate the value we bring to customers, and expand and improve partnerships with other information providers.

We generated consolidated net income in 2004 for the first time since Fiscal Year 1999, reversing a trend that had depleted our financial reserves and jeopardized our ability to finance needed technological modernization. We also recorded a significant positive adjustment to our long-term workers' compensation liability, further strengthening our finances.

We implemented plans to achieve savings and improve service provision by outsourcing financial and Information Technology support operations. We also closed our final ailing regional printing plant. A second retirement incentive program, authorized by the Joint Committee on Printing, resulted in an additional workforce reduction of about 250 positions, yielding a cumulative reduction of approximately 550 positions, or nearly 20%, since January 2003.

We established a New Business Development office to devise new product and service options for Congress and Federal agencies. Security documents are gaining increased attention throughout the Government—from biometric passports to recommendations for new security document standards issued by the 9/11 Commission—and we view this as a major new opportunity for the GPO's expert capabilities. We also began reviewing options for developing GPO facilities outside of Washington, DC, to enhance security and continuity of operations.

During 2004 we began planning for the development of a Future Digital System that will allow us to obtain, preserve, and provide access to information produced by all three branches of Government, and to material currently in the

custody of the GPO and Federal depository libraries nationwide. This will be a world class system offering a comprehensive and dynamic means for preserving content independent of specific hardware and/or software. The Future Digital System will enable the GPO's customers to create and collaborate on content, electronically access the content they want, and allow us to deliver it in the formats our customers desire. The system will be flexible and extensible, allowing it to be easily adapted to future information management and dissemination needs.

A key to the GPO's future will be relocating from our aging, oversized quarters to modern, efficient facilities scaled and equipped to meet our needs in the 21st century. Rather than burden the taxpayers with this project, this year we began investigating opportunities to finance it through the redevelopment of our current structures. Redevelopment also holds out the potential for generating future income to underwrite our modernization and program needs. In September, following approval from the Joint Committee on Printing, we selected an expert real estate advisory firm to help guide us in this process, which we expect to culminate by late 2007. We will be working closely with our congressional oversight and appropriation committees on this important project.

Because of the relentless scope and pace of changes in information technology, the way the Government *Keeps America Informed* has changed. The GPO's historic mission places us at the very epicenter of this change. Instead of reacting to change, however, our job is to lead it. In 2004 we previewed for our stakeholders our strategic vision of the GPO in the 21st century, an agency that will:

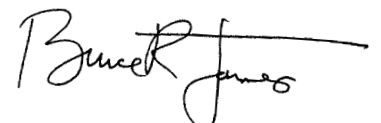
- **take the lead in creating digital standards for the official information of the United States Government;**
- **deploy the technology needed by Federal agencies and the public to gather and manage digital information in a uniformly structured database in order to authenticate documents disseminated over the Internet and to preserve the information for permanent public access;**
- **work with our library partners to develop a new model for no-fee public access through the Federal Depository Library Program. The model must include a fully digital database of all past, present, and future United States Government documents,**

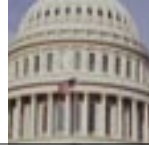
**augmented database search and retrieval tools, and increased training to enable librarians to better serve the 21st century information needs of their patrons;**

- **develop a customer service model that partners with our congressional and agency customers to provide a range of support and solutions for their publishing needs and responsibilities from creation through dissemination, whether in digital or printed formats;**
- **make significant investments in workforce development in order to train existing employees in the skills required for 21st century information management and dissemination; and**
- **relocate to a facility that is sized and suited for present and future requirements.**

To carry out these changes, we will modify the GPO's organizational structure around six new strategic business lines that will better serve the needs of our customers in Congress, Federal agencies, and the public: Digital Media Services, Library Information Delivery Services, Sales of Tangibles and Digital Content, Official Journals of Government, Security and Intelligent Documents, and Print Brokering. These new business lines will streamline the GPO, establish greater controls over management accountability, and place us in the best possible position to implement our strategic vision into a 21st century digital information factory.

The time has come for the GPO to fully assume its responsibilities as the Government's leading resource for gathering, cataloging, producing, providing, and preserving its published information in all forms. This is the GPO's historic mission, tracing its beginning to 1813, when the Federal Depository Library Program was first enacted. But to fully assume it, we must embrace our historic mission using the technology of the 21st century. Relying on the creative energy of our dedicated workforce, and based on the achievements we've logged over the past year, we're well-positioned to begin making our strategic vision of the GPO a reality in 2005 for you—our customers and partners in the Government information community and beyond.

  
BRUCE R. JAMES



A major part of the U.S. Government Printing Office's mission is to be a "one-stop" shop for Congress. GPO provides a wide range of traditional and electronic services to Congress, including the printing and binding of the *Congressional Record*, committee reports, hearings and bills, the House Journal, committee prints, House and Senate Calendars, and the *Congressional Serial Set*. Congress is now the GPO's primary print-on-demand customer.



*"The Government Printing Office is an integral part of the legislative process. The House of Representatives relies on the expertise of the dedicated professionals at the GPO to help communicate our constitutional process to the American people and to the world."*

The Honorable Jeff Trandahl  
Clerk of the House of Representatives

The GPO stands ready to serve the needs of Congress at a moment's notice and nowhere was that more apparent than in the events that unfolded this year.

While the entire country paused to mourn the passing of the Nation's 40th President, Ronald Reagan, GPO employees rolled up their sleeves and went to work. Overnight we produced thousands of programs highlighted with a gold embossed congressional eagle and tribute cards for the Lying in State ceremonies in the U.S. Capitol. In less than three hours, we also manufactured 30 condolence books for citizens wishing to pay last respects to President Reagan outside the Capitol Rotunda.

From the passing of a President to a tribute to those touched by the tragic events of September 11, 2001, GPO was there. At the request of Congress, we produced 15,000 case bound books of *In Remembrance of the Victims and Heroes of September 11, 2001*. The 313-page book, consisting of speeches made by Members of Congress on the floor of the Senate and the House, included color photos of the ceremony.

Earlier this year when the Senate Office buildings were temporarily closed due to a ricin incident, GPO stepped in to provide temporary space and network connectivity to the Senate Office of Legislative Counsel (SOLC). This arrangement proved to be so valuable in ensuring the continuing operation of the Senate that the Senate Rules and Administration Committee has approved SOLC's request to have an alternative work-site computer network reside at GPO.



While those are some of the more high profile projects we have completed for Congress, there are others that while may not receive as many headlines, are equally vital.

In Fiscal Year 2004, Congress was in session 153 days. GPO delivered 153 *Congressional Records*, some consisting of two volumes. On a nightly basis, GPO is in contact with the Senate and House Official Reporters of Debates and Digest Clerks to arrange the order of the proceedings, digest, speeches and legislation that will appear in that night's *Congressional Record*. *Congressional Record* manuscript and data files are received at GPO during the overnight hours and are then prepared, proof-read, corrected, compiled into pages, plated, printed, bound, and delivered to the Senate and House Chambers by nine every morning Congress is in session.

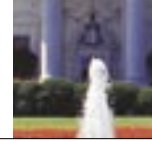
From printing the *Commemorative Joint Meeting of the Congress of the United States to the United States Senate Catalogue of Fine Art* to urgently needed legislative bills and reports and legislative calendars, GPO has always met the challenge and supported Congress in every possible way so that Congress is able to do the business of the people.



*"We rely on GPO's technical expertise, support services, and quick product delivery to meet both our day-to-day needs and our time-sensitive legislative requirements. GPO's dedication and fast turn around in fulfilling the requirements mandated by statute and those authorized by our office is very much appreciated."*

The Honorable Emily Reynolds  
Secretary of the Senate

## Executive Branch



The U.S. Government Printing Office provides the Executive Branch with a full range of consultative services as well as information content management and commercial printing procurement. GPO also supplies traditional printing, electronic publishing, information technology, and Web design services.



*"Over the years, SSA has relied heavily on GPO support for inspecting our major printing workloads as well as assisting us in preparing new contract specifications and getting contractors up and running. We are grateful to the GPO for supporting our printing initiatives with its solid expertise."*

Carolyn Hunt  
Printing Officer,  
Social Security Administration

Customer Service. Those two words are taking on a brand new meaning at the GPO. We know how important it is for you to have a GPO representative who not only knows your area inside out but who will also see your project through from start to finish. That is why we have created 12 new teams under what we are calling Agency Publishing Services. APS teams consult with you to determine the best approach to fulfilling your needs and will handle the entire process including determining which procurement vehicle to utilize, writing specifications, obtaining bids or quotes, selecting contractors, contract administration, and quality assurance. But that is not all we have done. GPO has also established a marketing and sales group made up of National Account Managers whose primary mission is to identify current and future needs and offer solutions. They spend the majority of their time in your environment building relationships and analyzing business processes.

Because we know many of you prefer to look up the information you need online, we have launched a new and improved agency Web site with you – our customers – in mind.

The Web site at [www.gpo.gov](http://www.gpo.gov) immediately puts at your fingertips four main GPO sections: GPO Inside — provides information about the agency, [GPO Access](#) — contains online Federal information where the public can get to more than a quarter of a million titles, GPO Services — offers information to our Federal customers, GPO Vendors — provides information about Federal contracts, print related procurement, and acquisition services. We are



never satisfied until you are, so if you have any comments or questions on how we can further improve our home page to better meet your needs, please don't hesitate to contact us.

GPO also produced *The Budget of the United States Government, FY 2005* which consisted of five different products. GPO received the budget in mid-January and had it printed, bound, shrink wrapped and delivered two weeks later. In addition to our own production facilities, we procure between 600 and 1,000 print related projects a day through a long-standing partnership with America's printing industry. In fact, the majority of the work we perform for you is contracted out to more than 2,500 private sector vendors across the country.

Chances are, you know the GPO in conjunction with the Office of the Federal Register, prints two volumes a year of the *Public Papers of the Presidents*. GPO makes the *Public Papers* available both in print and online every six months. What you may not know is that we also design and print materials for a variety of White House events throughout the year.

While the year 2010 may seem like something right out of a science-fiction movie, we at the GPO believe it is never too early to begin planning and preparing for a future project. That is why the GPO has already begun a partnership with the Census Bureau for the procurement of some 40 million mail packages of the 2010 Census. There have been two teams formed with representatives from both GPO and Census Bureau and they are meeting with various industry contractors nationwide seeking assistance in a joint market research project to ascertain the industry's technical and production capacity.



*"The Government Printing Office provides us with superb, efficient, and cost-effective printing procurement services and technical support. GPO also does an outstanding job of disseminating information to ensure the public has timely and equitable access to the work of the Federal Government."*

Fred Moore  
Printing Management Officer,  
NASA

## Federal Courts

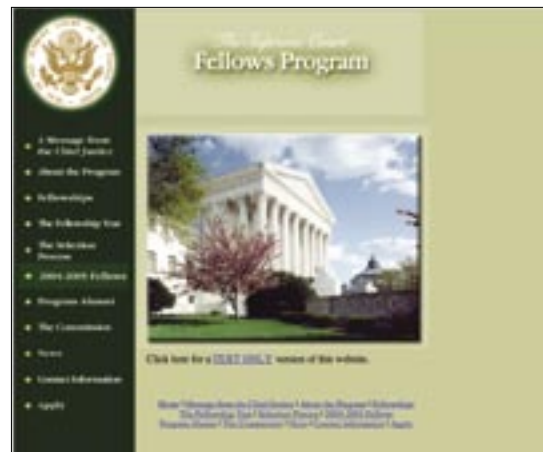


The U.S. Government Printing Office works closely with the Federal Courts to provide a host of services such as Web design, customer support, and commercial procurement services. GPO supplies traditional printing, electronic publishing, information technology services, and creative and security design services.

The GPO provides several electronic-based services for the U.S. Supreme Court. For the past five years, GPO has been hosting the Supreme Court of the United States Web site, a Web site that receives about three million hits per month. We maintain this site and all of the hosted sites 24 hours a day. We also maintain 20 additional sites with the same level of service. GPO has three shifts to handle the load of these sites.



We receive millions of hits on all the sites we host per month. These sites have been designed, developed, maintained and hosted by GPO. We receive updated Web site information by phone, fax, e-mail and postal mail on an hourly basis.



The GPO also provides the Supreme Court and other Federal courts with back-up print support and disaster recovery. Our Disaster Recovery Plan provides our customers with complete recovery of print and distribution needs during a disaster, and designates additional resources to assist customers at all times until the end of the crisis. In the event of a disaster, we provide required print services at our digital in-house facility, including the completion of the entire project at top-level security — folded, stapled and mailed. This means that in times of disaster we still provide all of our services to you in a timely manner, with exceptional quality and at an excellent value.



In addition to electronic and disaster recovery services, we also provide more traditional types of services to the courts. We've just completed a 500-page history book for the U.S. Court of Appeals for the Federal Circuit. The book on the history and work of the U.S. Court of Appeals covers the dozen years leading up to the Court's 20th anniversary. We worked very closely with the court on this project and everyone involved agrees it was a job well done!



*"The expansion of GPO's customer service function to include the creation of Agency Publishing Services Teams and National Account Managers has reduced the time it takes to research job status, submit change orders, and inquire on the best way to get the job done. GPO's aggressive outreach program makes sure we know what is available to us at all times."*

Dave Nicholson  
Printing Officer  
Administrative Office of the U.S. Courts



*"I have worked with GPO on numerous projects over the last eight years. The quality of the publications GPO has printed for the court is always first-rate. GPO's personnel are reliable, responsible, professional and the work is always done quickly and efficiently. Working with GPO is a highly pleasurable experience."*

Jan Horbaly  
Circuit Executive and Clerk of Court  
United States Court of Appeals  
for the Federal Circuit



The U.S. Government Printing Office informs the American public through a variety of programs and services including the [GPO Access Web site](#). *GPO Access* provides electronic access to more than 270,000 available titles from all three branches of the Federal Government, resulting in more than 1.2 million document downloads per day. In addition, the GPO's sales program provides the public the opportunity to purchase copies of Federal Government publications through the online

bookstore, main bookstore, and the Customer Contact Center. The GPO also partners with more than 1,200 Federal depository libraries throughout the country. These libraries provide public access to a wide variety of current and historical Government information and have experienced professional staff available to assist with the identification and use of U.S. Government information.

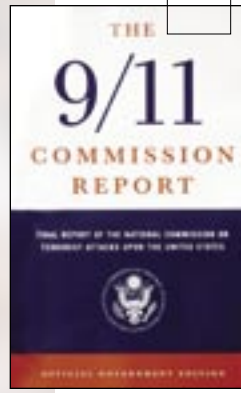


*"Easy access to Government publications is very important for our attorneys. The library staff depends on GPO Access and the local GPO bookstore to find out what materials are available and get copies of needed materials quickly."*

Barbara Folensbee-Moore  
Director of Library Services,  
Morgan, Lewis & Bockius

If ever there was a demand for the work of our Government, it has never been more apparent than in the *9/11 Commission Report*.

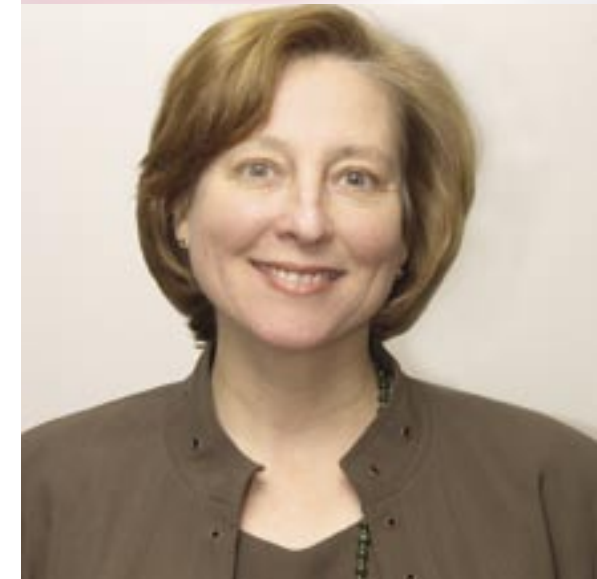
Following our mission to *Keep American Informed*, the GPO made the Official Government Edition of the *9/11 Commission Report* available to the American public through *GPO Access*, at no cost at the exact time the 9/11 Commission issued its report. The printed report was also available through our sales program at the very same time for a nominal charge. In addition, the GPO distributed free copies of the report to more than 1,250 libraries nationwide participating in the Federal Depository Library Program. To ensure permanent access, the report was transferred to the Cyber Cemetery of Former Federal Web Sites hosted in partnership with the University of North Texas. In addition, the GPO created personalized leather bound books for the Commission and printed a 32 page Executive Summary with cover.



If you have ever traveled outside the country, you know you cannot leave home without one key piece of identification — a United States passport, which GPO has been printing since 1926. Today, the GPO is not only working on a new electronic passport, but also on security and intelligent documents for agencies. The U.S. Department of State expects to issue electronic passports to the general public in 2005.

From computer chips to the nucleus of GPO's Future Digital System, the GPO is committed to using new technologies. To date, the GPO's Office of Innovation and

New Technology (INT) has established more than 100 unique "Innovation Associate" relationships that will aid us in our technology search. After hiring a Chief Technical Officer, Mike Wash, the INT office switched from the fact-finding phase to system design and architecture of the GPO's Future Digital System. The goal is to develop a state-of-the-art information lifecycle management system and to do so while being open about our processes and ideas. When the system is operational in 2007, the Future Digital System will fundamentally change the GPO's business landscape by shifting operational emphasis from the production and dissemination of printed products to the capture, management, preservation, and delivery of digital content. The Future Digital System is outlined in a Concept of Operations (ConOps), document, recently released by the GPO's premier "cross functional" core team representing all of the agency. The document identifies high level requirements for the new system founded on three key functions: Content Ingest, Content Management and Preservation, and Content Delivery. The work to date on the ConOps outlines what the system is expected to accomplish rather than the specifics of how it will do the job. Subsequent phases of the project will describe how functionality will be delivered. The ConOps is a living document which will be further developed in a collaborative manner with public, Government, and industry stakeholders to assure its successful implementation.



*"We use GPO almost everyday. We use GPO Access as a research and finding tool. We maintain many subscriptions both in paper and electronic formats and we use the bookstore on North Capitol Street. I appreciate the wealth of materials available at the GPO in terms of both content and quantity."*

Deborah Patterson  
Team Coordinator of Data Acquisitions,  
Thomas West Law



## Federal Depository Library Program Partners

The U.S. Government Printing Office's Federal Depository Library Program (FDLP) provides the more than 1,250 Federal depository libraries nationwide with a centralized mechanism for locating, acquiring, cataloging, and disseminating information produced by all three branches of the Federal Government. The GPO also provides permanent public access to the online titles made available to the FDLP. The GPO trains and provides information to the community of professional librarians who are specialized in Federal documents and dedicated to *Keeping America Informed* through their partnership with the GPO.



*"I realize the importance of the GPO in helping to build our library collections on campus. The GPO's support of the library community exceeded my expectations. It is nice to see the GPO's appreciation of the partnership it has with the FDLP."*

Joy Hanson,  
Librarian,  
Duke University Law Library

When we recently hit a new milestone of having available to you more than a quarter of a million online titles through GPO Access, we did not stop there. We are happy to report in the last year we have added a total of 32,349 new titles to the Federal Depository Library Program, of which 65% were made available online. These additions bring the total number of titles available through GPO Access to 275,970 titles.

The GPO and the Department of Energy's Office of Scientific and Technical Information (DOE OSTI) worked together in FY 2004 on another pilot project, the Rolling Window/Alert Web Service. Through a Web-based user profile application, Federal depository libraries can receive e-mail alerts, based on an 8-week "rolling window," of DOE OSTI bibliographic records and full-text links for documents and records made available to the public that match specified interests. Pilot project libraries are using the alert service to advertise "What's New" in their libraries.



We are happy to report our partnership with the library community is as strong as ever. We have trained thousands of librarians on how to help the public while partnering with the GPO. We praise the libraries for their support and excellence in informing the public no matter the form of the information. This past year, we have also begun crafting agreements with various depository partners to place consultants at host institutions so that they can be located close to the depository libraries with whom they will be responsible for working.

The GPO is working with the University of Arizona to identify electronic counterparts for all the physical items that it has selected and systematically substituting an electronic format. This will allow it to become the first all-electronic selective depository library. This in turn will allow the GPO to examine the characteristics and service requirements of an all-electronic depository.

The GPO has already begun working with the library community on a national plan with the goal of digitizing a complete legacy collection of tangible U.S. Government publications to ensure permanent public access.



*"I'm excited about the changes going on at the GPO. Being able to be a part of the new direction of the GPO is very important to the library community. It's great having the GPO ask our opinions and thoughts about the changes."*

Mary Brewer,  
Librarian,  
Arkansas State Library,  
Little Rock Arkansas



The summary tables are excerpts from the full audited consolidated financial statements and are not intended to substitute for the full audited financial statements which are included in the accompanying CD-ROM.

For Fiscal Year 2004, the GPO received a clean audit opinion on its consolidated financial statements.

GPO recorded an operating profit of \$1.3 million in Fiscal Year 2004, before other expenses as compared to an operating loss of \$34.6 million in the prior Fiscal Year. The improvement in operating performance is primarily reflective of the success of the GPO's Retirement Separation Incentive Program (RSIP) and heightened cost control awareness within the agency. In addition, GPO experienced increased revenue for its services in the printing procurement program as well as from in-house printing services. Revenue from operations increased by \$16.4 million to \$691.8 million in Fiscal Year 2004 from \$675.4 million in Fiscal Year 2003. Operating expenses decreased by \$19.5 million to \$690.4 million from \$709.9 million. Decreases in labor costs account for the majority of the reduction.

The GPO recorded a net profit of \$11.3 million for Fiscal Year 2004 as compared to a net loss of \$32.9 million in Fiscal Year 2003.

It is important to note that \$9.9 million of the net profit reflects a reduction in the estimated cost of the GPO's future long-term workers' compensation liability which had been recorded in a prior Fiscal Year. The future workers' compensation liability is an estimate that is determined each Year by the Department of Labor (DOL) and is adjusted up or down based on the annual DOL analysis.

The GPO's Balance Sheet strengthened as a result of its improved operating performance. Total assets increased by \$22.9 million during Fiscal Year 2004. Total liabilities increased by \$11.8 million over the same period, including an increase of \$7.0 million in customer agency deposit accounts for anticipated printing and binding services.

As previously mentioned, GPO recorded a \$9.9 million non-cash expense reduction in the estimated cost of its future long-term workers' compensation liability. The expected future cost at the end of Fiscal Year 2004 was \$79.6 million as opposed to \$89.5 million in Fiscal Year 2003.


It is important to note that the retained earnings deficit of \$8.3 million is reflective of the \$79.6 million potential future workers' compensation expense. Excluding the reserve for this estimated future charge, the GPO would have positive retained earnings of \$71.1 million.

Cash provided by operations in Fiscal Year 2004 improved by \$7.9 million over Fiscal Year 2003. During Fiscal Year 2004, the GPO generated \$1.4 million from operations, as opposed to consuming \$6.5 million in the Fiscal Year 2003. During Fiscal Year 2004, GPO made investments of \$10.4 million in new state-of-the-art business enterprise software, which will promote future operational efficiencies, as well as investments in infrastructure maintenance. This compares to \$12.5 million invested in Fiscal Year 2003. In Fiscal Year 2004, cash for financing activities was \$150,000. This source of cash represents the activity of special purpose appropriations made by Congress to the GPO. When expenditures are made, the appropriation reimburses the Revolving Fund. In Fiscal Year 2003, this financing source contributed \$10.6 million from appropriations for security measures and infrastructure improvements.

Summary of Revenues, Expenses, and Net Income (in thousands)	2004	2003
Operating Revenues	\$ 691,754	\$ 675,350
Operating Expenses	690,424	709,923
<b>Net Profit/(Loss) before other operating expenses</b>	<b>\$ 1,330</b>	<b>(\$ 34,573)</b>
Changes in long term workers' compensation liabilities	9,929	1,684
<b>Net Profit/(Loss)</b>	<b>\$ 11,259</b>	<b>(\$ 32,889)</b>

Summary Balance Sheet (in thousands)	2004	2003
<b>Assets</b>		
Current Assets		
Fund balance with the U.S. Treasury	\$ 194,018	\$ 203,021
Accounts receivable	144,589	113,358
Inventories, net	8,898	10,758
Prepaid expenses	432	600
<b>Total current assets</b>	<b>\$ 347,937</b>	<b>\$ 327,737</b>
Property, plant, and equipment	59,198	56,457
<b>Total Assets</b>	<b>\$ 407,135</b>	<b>\$ 384,194</b>
<b>Liabilities and Net Position</b>		
Current Liabilities		
Accounts payable & accrued expenses	\$ 88,546	\$ 72,109
Deferred revenues	73,703	67,545
Accrued annual leave	9,294	10,128
<b>Total current liabilities</b>	<b>\$ 171,543</b>	<b>\$ 149,782</b>
Other liabilities		
Workers' Compensation Liability	79,603	89,532
<b>Total Liabilities</b>	<b>\$ 251,146</b>	<b>\$ 239,314</b>
<b>Net position</b>		
Cumulative results of operations:		
Retained earnings (deficit)	(8,303)	(19,562)
Invested capital	92,879	92,879
Unexpended appropriations	71,413	71,563
<b>Total Net Position</b>	<b>155,989</b>	<b>144,880</b>
<b>Total Liabilities and Total Net Position</b>	<b>\$ 407,135</b>	<b>\$ 384,194</b>

Summary Statement of Cash Flows (in thousands)	2004	2003
<b>Cash Flows from Operating Activities</b>		
<b>Net Profit/(Loss)</b>	<b>\$ 11,259</b>	<b>(\$ 32,889)</b>
Provided by (used in) operating activities:		
(Increase) decrease in assets	(29,203)	16,824
Increase (decrease) in liabilities	21,761	4,215
Workers' compensation liability	(9,929)	(1,684)
<b>Total adjustments</b>	<b>(\$ 9,812)</b>	<b>\$ 26,422</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$1,447</b>	<b>(\$6,467)</b>
<b>Cash flows from Investing Activities</b>	<b>(10,300)</b>	<b>(12,498)</b>
<b>Cash flows (for) from Financing Activities</b>	<b>(150)</b>	<b>10,648</b>
<b>Net Decrease in Cash Balance</b>	<b>(\$ 9,003)</b>	<b>(\$ 8,317)</b>

The background of the entire page is a close-up, slightly blurred image of the American flag. The stars and stripes are visible, with the stars on the left and stripes on the right. The colors are muted, with a dark blue for the stars and a soft red and white for the stripes.

As you can see from this year's Annual Report, the GPO's main mission of *Keeping America Informed* is one we carry out everyday with pride and excellence. But we can't do that alone. That is why we are making sure we work closely with each and every one of you — our customers and partners — to ensure we are providing you with the products and services you need. The GPO is leading our customers into the digital future with experience, innovation, and best value.



The background of the entire page is a stylized American flag, with the stars and stripes visible. A light-colored grid pattern is overlaid on the flag, particularly prominent in the lower right quadrant. The text is positioned in the upper right area of the page.

UNITED STATES GOVERNMENT PRINTING OFFICE

# Financial Year in Review

*Fiscal Years 2004 and 2003*

*(with Independent Auditors' Report Thereon)*

<b>I. Management’s Discussion and Analysis</b> .....	<b>2</b>
Mission.....	3
Programs and Operations.....	3
Financial Results for Fiscal Year 2004.....	5
Performance Measures:.....	6
Operating Performance Measures.....	6
Financial Performance Measures.....	7
Possible Future Effects of Existing Events and Conditions.....	7
Fiscal Year 2005 Projections.....	9
<b>II. Independent Auditors’ Report</b> .....	<b>11</b>
<b>III. Consolidated Financial Statements</b> .....	<b>18</b>
Consolidated Balance Sheets.....	19
Consolidated Statements of Revenues and Expenses.....	20
Consolidated Statements of Cash Flows.....	21
<b>Notes to Consolidated Financial Statements</b> .....	<b>22</b>
1. Summary of Significant Accounting Policies.....	22
2. Fund Balance with the U.S. Treasury.....	27
3. Accounts Receivable.....	28
4. Inventories.....	28
5. Property, Plant, and Equipment.....	29
6. Accounts Payable and Accrued Expense.....	29
7. Deferred Revenues.....	29
8. Workers’ Compensation Liability.....	30
9. Commitments.....	31
10. Contingencies.....	31
11. Net Position.....	32
12. Appropriated Funds.....	33
13. Employee Benefit Plans.....	35
14. Concentration of Credit Risk.....	36
15. Major Customers.....	36
16. Retirement Separation Incentive Program.....	36
17. Regional Operations Closings and Consolidations.....	37
<b>IV. Consolidating and Supplemental Schedules</b> .....	<b>38</b>
Consolidating Balance Sheet by Fund Type.....	39
Consolidating Schedule of Revenues and Expenses by Fund Type.....	41
Consolidating Schedule of Cash Flows by Fund Type.....	42
Supplemental Schedule of Appropriated Funds.....	43
Supplemental Schedule of Balance Sheets for Revolving Fund.....	44
Consolidating Schedule of Income (Loss) before Other Operating Expenses by Major Program.....	48
Supplemental Schedule of Income (Loss) before Other Operating Expenses for Printing and Binding Operations.....	50
Supplemental Schedule of Income (Loss) before Other Operating Expenses for Information Dissemination.....	52

## SECTION I

# Management's Discussion and Analysis

As of September 30, 2004

The consolidated financial statements of the U.S. Government Printing Office (GPO or Agency) are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). Under the accrual method, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. GAAP also requires that accounting principles used be applied in a consistent manner with that of the previous year.

The consolidated financial statements report the financial position and the results of operations of the Agency pursuant to the requirements of 31 U.S.C. § 3515(b). The consolidated financial statements have been audited by an independent external auditor selected by the Public Printer in accordance with 44 U.S.C. § 309(e).

The consolidated financial statements are prepared from the GPO's financial management system. Transactions are recorded on the accrual basis and are within budgetary limitations established to facilitate compliance with legal constraints and controls over the use of Federal funds. GPO's annual financial statements and accompanying notes provide information on the Agency's financial position, results of operations, and changes in net position, and disclose all significant events and economic affairs controlled by 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 our accountability, integrity, and reliability. GPO's internal controls are designed to provide reasonable assurance that obligations and costs are in compliance with applicable laws and regulations; funds, property, and other assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and revenues and expenses are properly recorded and accounted for to enable the GPO to prepare reliable financial reports and maintain accountability over assets.

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

The Office of the Inspector General (OIG) monitors the Internal Control Program at GPO and keeps the Public Printer informed of the progress by management. Furthermore, the OIG and the U.S. Government Accountability Office (GAO) conduct audits of the GPO's programs and operations, and as such evaluate management controls. The Internal Control Program, along with recommendations from these audits, have strengthened management controls and improved the economy, efficiency, and effectiveness of GPO's programs, operations, and other activities.

## Mission

GPO has been faithfully serving the Nation by *Keeping America Informed* for over 140 years. The Agency utilizes conventional technology and state-of-the-art methods to produce and distribute Federal Government information products. The Agency accomplishes this vital mission by working in close partnership with all three branches of the Federal Government in the creation, cataloging and indexing, reproduction, storage, and dissemination of Government information. GPO ensures that Government information is readily available to the citizens of this great nation. Government information is accessible in an array of communication mediums from traditional printed products, such as books and pamphlets, to electronic documents and on-line databases that are accessible through the Internet by the entire World.

GPO is one of the Nation's oldest and most venerable agencies, within which the official version of every great American state paper since President Lincoln's time has been produced. Many of the Nation's most important information products, such as the *Congressional Record* and all other legislative information supporting the U.S. Senate and House of Representatives, are produced at the GPO Plant in Washington, DC. This 1.5 million square foot complex is the largest Government information processing, publishing, and distribution facility in the World.

Working in close partnership with the American printing and publishing industry, the GPO maintains a nationwide database of commercial businesses that compete to produce most of the information products required by the Government. GPO ensures that Federal customers get quality information products, in a timely manner, and at the best value from the private sector.

## Programs and Operations

The Government-wide programs and operations managed by GPO are based on various public laws codified in Title 44 of the *United States Code*. GPO's statutory responsibilities include fulfilling the printing needs of the Federal Government and distributing Government publications to the public. GPO activities are financed through a Revolving Fund, which is reimbursed by payments from Federal customers, sales to the public, and transfers from the Congressional Printing and Binding Appropriation and the Superintendent of Documents' Salaries and Expenses Appropriation. These two appropriations are used to reimburse the Revolving Fund for costs incurred while performing congressional work and fulfilling statutory requirements to disseminate Government information to the public, respectively. Reimbursements to the Revolving Fund from these appropriations are recorded as revenue when expended. Generally, unexpended annual appropriations are returned to the U.S. Treasury after 5 years have passed.

The demand for traditional printing has steadily declined over the years as advances in digital technology and services continue to expand the accessibility, form, and wealth of information. The decline in customer demand for traditional printing has impacted the operations of all major programs within GPO. As less printing is produced and procured for the Federal Government, fewer printed publications are available for distribution and sale to the public. The GPO workforce has been likewise reduced. The workforce consisted of 8,500 employees in fiscal year 1976, and totaled 2,401 employees at the end of fiscal year 2004. In April 2003, the Public Printer established the *Retirement Separation Incentive Program* (RSIP) under authority of Public Law 105-275, as amended, to help restructure the GPO workforce. This rightsizing of the workforce was necessary to

help stem the trend in operating losses that have occurred over the past several years as the demand for traditional printing declined. This major cost reduction initiative provided a solid foundation for improving GPO's overall financial performance this year and in the future.

The RSIP permitted incentive payments of up to \$25,000 per employee for voluntary separation from the Agency. The RSIP, over fiscal years 2003 and 2004, succeeded in reducing the workforce by 542 employees, or about 18 percent. Overall, the workforce declined by 618 employees, or about 20 percent, between September 30, 2002 and September 30, 2004. The RSIP reduced estimated personnel costs and benefits by about \$38 million per year. GPO accrued estimated costs of about \$18 million for the RSIP during fiscal years 2003 and 2004 based on the Agency's approval of employee applications for separation. GPO paid \$13.4 million in incentive payments to former employees. The balance of \$4.6 million due the Office of Personnel Management was unpaid at year-end. The U.S. Congress appropriated \$10 million (before rescission of \$59,000) to the GPO Revolving Fund in fiscal year 2004 to help finance this workforce restructuring. Statutory authority for the RSIP expired on September 30, 2004.

A major reorganization was implemented during fiscal year 2003 to improve customer service, program management, and operational performance. The Agency-wide reorganization established several key management positions, including the Managing Director of Customer Services, the Managing Director of Plant Operations, the Managing Director of Information Dissemination, the Chief Information Officer (CIO), the Chief Financial Officer (CFO), the Human Capital Officer, and the Chief of Staff.

Management initiatives are also underway to: increase the use of leading-edge technologies to improve the economy and efficiency of operations and the quality of services to customers; optimize the utilization of production equipment; minimize paper stored by employing just-in-time delivery contracts; reduce production spoilage; conserve energy resources; reduce leased building space, and minimize overtime requirements. In fiscal year 2004, the Agency started to provide excess building space to other Legislative Branch entities through interagency agreements. Furthermore, the Agency, with outside expertise, is exploring options for acquiring a new GPO headquarters building through redevelopment of the present building complex.

GPO's Plant Operations provide Congress with all legislative printing services, including overnight production of the *Congressional Record*, bills, reports, hearings, and other congressional documents. The legislative workload demand that will be placed on Plant Operations in future years is uncertain, subject to many variables, and cannot be accurately forecast with a high degree of certainty for budgeting purposes. Accordingly, in those years where the congressional printing and binding requirements exceed the funding provided by Congress, GPO uses its authority to temporarily fund the shortfall through the Revolving Fund. Congressional funding has been adequate in most years. At September 30, 2004, no funding shortfalls were projected. Appropriations made available for funding legislative services during fiscal year 2004 were considered adequate. GPO's Plant Operations also provide essential executive branch printing services, including the daily *Federal Register*, the *Code of Federal Regulations*, and U.S. Passports and postal cards. The customers reimburse the GPO Revolving Fund for these services through a system of rates and prices that recover costs.

GPO's Procurement Program is regarded as an economical and efficient source for satisfying the publishing needs of the Federal Government. The

majority of the Government's printing needs are effectively satisfied through this partnership with industry that takes advantage of the vast resources, expertise, and specialization within the commercial sector. The Program competitively acquires products and services from the private sector through various types of procurement vehicles tailored to the specific needs of customers. Thousands of pre-qualified businesses, small to large in size, openly compete for Government printing jobs. GPO procurement and technical experts are available to oversee each job to ensure that the contractor meets the customer's quality and schedule requirements. GPO's performance measures for on-time delivery and quality acceptance demonstrate the effectiveness of this partnership between industry and government.

GPO is both modernizing and streamlining the printing procurement process by taking greater advantage of new technologies, the Internet, and e-Business. In 2003, GPO and the Office of Management and Budget (OMB) entered into a compact that will significantly improve the economy, efficiency and effectiveness of the Federal Printing Program and the Federal Depository Library Program. The GPO/OMB Compact requires contractors to provide GPO with an electronic copy of each document ordered by a Federal agency. The Superintendent of Documents will use these electronic documents to increase the flow of Government information to the public through *GPO Access*, the Federal Depository Library Program, and other information dissemination programs. The proposed new ways of doing business with GPO were tested in fiscal year 2004 and are planned to be implemented in fiscal year 2005. Federal customers will have the opportunity to participate greater in the contractor selection process to ensure the best value to the Government. Additional discussion of this Compact is found later in this section.

The operations of the Sales of Publications Program are being reengineered to improve customer service and lower operating costs. Some major actions have been completed and others are underway to introduce new technologies, adopt the industry's leading practices, right-size operations, reduce costs, and increase revenues. This self-funding program has not recovered all of its operating expenses since fiscal year 1997. A downward trend in customer demand for printed publications has significantly reduced program revenues. The Sales of Publications Program earned \$24.0 million in revenues during fiscal year 2004. Revenues declined by \$7.1 million, or 22.8 percent, when compared to last year's revenues of \$31.1 million. This downward trend in sales began in fiscal year 1995 when revenues totaled about \$80 million.

The Superintendent of Documents completed several major actions to reduce the costs of the Sales of Publications Program in the last two years. The 16 remaining regional bookstores were closed during fiscal year 2003. Office and warehouse space requirements were significantly reduced in fiscal year 2004. Office space requirements at Central Office were reduced through staff reductions and space consolidation efforts. Inventory reduction and space consolidation efforts allowed GPO to vacate one of the two leased warehouse buildings in Laurel, Maryland. The workforce was also reduced. The quantity of each new publication purchased for the sales inventory was reduced to minimize inventory disposal costs. Customers are being encouraged to use the economical and efficient U. S. Government Online Bookstore to buy publications. The Superintendent of Documents is also improving operations and service by adopting industry-leading practices, such as an On Demand, Just-In-Time Inventory for Government publications.

The Salaries and Expense Appropriation funds the administration of the Federal Depository Library Program (FDLP), the Cataloging and Index-

ing Program, the By-Law Distribution Program and the distribution component of the International Exchange Program of the Library of Congress. GPO's cataloging and locator services have emerged as a critical element in the FDLP's provision of public access to U.S. Government publications. Long recognized as the National authority for cataloging Government publications, the FDLP is also recognized as a center of excellence in other aspects of managing an electronic collection for permanent public access.

The transition to a predominantly electronic FDLP began in 1996 at the direction of Congress. In fiscal year 2002, GPO received approval from Congress to acquire a commercial off-the-shelf *Integrated Library System* (ILS). In 2004, GPO awarded a contract for implementation of ILS. The system is scheduled to be operational in 2005. Once operational, the ILS public cataloging interface will offer enhanced information identification and location capabilities to all users. Depository library staff will, for the first time, have direct access to the processing and product status information, satisfying the majority of FDLP customer inquiries.

The Superintendent of Documents also plans to improve the FDLP. Funds from the S&E Appropriation for 2004 will be used to enhance *GPO Access* and other program areas. Planned enhancements to *GPO Access* include increased storage capacity, stronger security, and improved performance to the millions of users in the nation. This procurement project will be accomplished through *GovWorks*, a Federal acquisition center for information technology operated by the U.S. Department of the Interior.

GPO also launched the *GPO Enterprise Program* in 2004. This major information technology initiative will modernize GPO application systems throughout the Agency that support business and administrative operations. The scope of the project includes the replacement of obsolete legacy systems as well as the installation of new applications that will benefit the Agency.

The existing Oracle financial applications will be used as a foundation for establishing an integrated agency-wide information system. The new software has been purchased and is located on hardware at a remote secure computer facility that has a reliable back-up site to ensure continuity of service to the Agency. *GovWorks* is also providing support services for this IT project.

### Financial Results for Fiscal Year 2004

The Agency's operating revenues totaled \$691.8 million for fiscal year 2004 and \$675.4 million for fiscal year 2003. This represents an increase in revenues of \$16.4 million or 2.4 percent. The Agency's operating expenses, before other operating expenses, totaled \$690.4 million for fiscal year 2004 and \$709.9 million for fiscal year 2003. This represents a decrease in expenses of \$19.5 million or 2.7 percent. GPO's operating expenses included incentive retirement costs (i.e., RSIP) of \$7.6 million in fiscal year 2004 and \$10.4 million in fiscal year 2003. The GPO Revolving Fund realized a net gain of \$1.3 million for fiscal year 2004 before other operating expenses. In comparison, the GPO Revolving Fund realized a net loss of \$34.6 million for fiscal year 2003 before other operating expenses.

Other operating expenses consisted of the annual change in the accounting estimate for the DOL actuarial estimate of the liability for GPO's long-term Federal Employees' Compensation Act (FECA) benefits (i.e., workers' compensation). The FECA liability decreased by \$9.9 million in fiscal year 2004 and \$1.7 million in fiscal year 2003. After considering these reductions, GPO realized a consolidated net gain of \$11.3 million for fiscal year 2004 and a consolidated net loss of \$32.9 million for fiscal year 2003.

In-House Printing Operations includes the Central Plant and the former Denver Regional Printing Plant that was closed on May 1, 2004. Revenues from In-House Printing Operations totaled \$188.1 million for fiscal year 2004 and \$185.7 million for fiscal year 2003. This represents a modest increase in revenues of \$2.4 million or 1.3 percent. Revenues from Plant Operations vary and are dependent on customer demand for services. Operating expenses totaled \$180.5 million for fiscal year 2004 and \$183.0 million for fiscal year 2003. This represents a decrease in expenses of \$2.5 million or 1.4 percent. The decrease in expenses is the result of the reduction in the workforce. The net income for these operations, before other operating expenses, was \$7.6 million for fiscal year 2004 and \$2.7 million for fiscal year 2003.

Purchased Printing includes all publishing services acquired from the commercial sector by Customer Services for Federal customers. Revenues from Purchased Printing totaled \$448.7 million for fiscal year 2004 and \$440.5 million for fiscal year 2003. This represents a modest increase in revenues of \$8.2 million or 1.9 percent. Revenues from Purchased Printing vary and are dependent on customer demand for services. Operating expenses totaled \$449.0 million for fiscal year 2004 and \$450.8 million for fiscal year 2003. This represents a decrease in expenses of \$1.8 million or 0.4 percent. The decrease in expenses is the result of the reduction in the workforce. The net loss for this program before other operating expenses, was \$0.3 million for fiscal year 2004 and \$10.3 million for fiscal year 2003.

The Sales of Publications Program includes all publications, subscriptions, and other information products sold to the public by the Superintendent of Documents. The demand for these products continues to decline due to expansions in the availability of competing Government information on the Internet at no direct cost to the user. Revenues from the Sales of Publications totaled \$24.0 million for fiscal year 2004 and \$31.2 million for fiscal

year 2003. This represents a decrease in revenues of \$7.2 million or 23.1 percent. Operating expenses totaled \$33.2 million for fiscal year 2004 and \$49.8 million for fiscal year 2003. This represents a decrease in expenses of \$16.6 million or 33.3 percent. The net loss for this program, before other operating expenses, was \$9.2 million for fiscal year 2004 and \$18.6 million for fiscal year 2003.

In fiscal year 2001, the GPO Revolving Fund received \$6 million in supplemental funding, under Public Law 107-20, to replace the antiquated air conditioning system and install new energy-efficient lighting fixtures. These funds were fully obligated at the end of fiscal year 2003. About \$5 million was allocated for the air conditioning project, and about \$1 million was allocated to the lighting fixtures project. GPO completed this building improvement project in fiscal year 2004. The entire \$6 million appropriation was expended as of September 30, 2004.

In fiscal year 2002, the GPO Revolving Fund received an appropriation of \$4 million for Emergency Response Funds (ERF) under Public Law 107-117. GPO has been using the ERF to enhance physical security and information technology security, ensure continuity of essential services, and acquire security equipment. The entire \$4 million appropriation was committed for specific purposes, and \$780,000 remained unexpended as of September 30, 2004.

In fiscal year 2004, the GPO Revolving Fund received a \$10 million appropriation from Congress for workforce restructuring. A subsequent budget rescission of \$59,000 (0.59 percent) reduced the appropriated amount to \$9,941,000. These funds were used to partially finance the \$18 million estimated cost of the RSIP. All of the appropriated funds were expended as of September 30, 2004.

During fiscal year 2004, GPO recorded Appropriation Revenue of \$12.1 million from the above three special appropriations made to the GPO Revolving Fund. This revenue recognition represents amounts expended by GPO during the year for the purposes authorized by Congress. Accounting standards require the recognition of appropriation revenue at the time the appropriated funds are spent. The cost of the acquired goods and services are either capitalized and depreciated over the asset's life, or expensed.

### Performance Measures

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

### Operating Performances Measures

#### Overtime Management

Overtime is a management tool used for meeting workload demand. GPO manages and controls overtime worked to minimize labor costs. In fiscal year 2004, GPO employees worked 191,000 hours of overtime, which is 12.4 percent more than the 170,000 hours worked in fiscal year 2003. The cost of overtime in fiscal year 2004 increased by \$823,000 from fiscal year 2003's level. GPO successfully achieved its goal for fiscal year 2004. Actual overtime hours worked of 191,000 hours was 9,000 hours below the ceiling of 200,000 overtime hours set for fiscal year 2004. The upper limit for overtime will be lowered by 5,000 hours to 195,000 hours for fiscal year 2005.

#### Production Chargeable Hours

Chargeable hours decreased to 533,000 in fiscal year 2004 from 576,000 in fiscal year 2003, a decrease of 43,000 hours, or 7.5 percent. The RSIP and other personnel separations reduced the number of employees available for work by 13.3 percent. The results for 2004 met GPO's goal of achieving sufficient chargeable hours necessary to break even. GPO's fiscal year 2005 goal is to have enough chargeable hours to achieve break even in Production Operations. Due to the mix in hourly rates charged for the various production processes, a specific chargeable hour target cannot be established.

#### Congressional Record Delivery

The *Congressional Record* is an important tool and product of the legislative process, with its timely production a large part of GPO's mission. To gauge GPO's efficiency in providing the *Congressional Record* to Congress, GPO has established a deadline of 9 a.m. the following day when copy is received in GPO by midnight, regardless of whether the Senate or the House of Representatives is in session. Our actual on-time delivery rate was 86 percent in fiscal years 2004 and 2003.

#### On-Time Delivery of Procured Printing

Customer Services contracted with commercial printers to ship 127,900 jobs in fiscal year 2004 compared with 142,900 jobs in fiscal year 2003. For fiscal year 2004, GPO's goal was to have at least 95 percent of procured printing orders delivered on schedule and a quality acceptance rate of at least 99 percent. Both goals were met for fiscal year 2004. Our goals for fiscal year 2005 will remain the same.

### Financial Performance Measures

#### Cash Management

**Payment Performance** — In fiscal year 2004, GPO continued to save millions of dollars from taking favorable prompt payment discounts offered by contractors for the payment of invoices within the discount period. GPO earned prompt payment discounts of \$6.5 million on purchased printing expense of \$413 million. Last year GPO earned \$6.9 million in discounts on \$409.3 million in printing expenses. This represents an average discount rate of 1.6 percent for fiscal year 2004, compared to 1.7 percent for the prior year. The 1.6 percent discount rate earned exceeded the goal of 1.4 percent for fiscal year 2004. Our goal for fiscal year 2005 will remain the same.

Discounts lost increased to \$217,000 in fiscal year 2004 from \$172,000 in fiscal year 2003. The percentages of discounts lost to discounts offered were 3.2 percent and 2.4 percent in fiscal years 2004 and 2003, respectively. GPO did not meet the goal set for fiscal year 2004, which was a maximum of 2.5 percent, due to a reduction in discounts offered and a slight increase in discounts lost. Our goal for fiscal year 2005 will remain the same.

**Electronic Payments** — The use of electronic funds transfer (EFT) payments results in savings for GPO and the U.S. Department of the Treasury because paper checks do not have to be produced and processed. In fiscal year 2004, approximately 8,900 monthly payments, or 88 percent, of all GPO payments were made by EFT, compared with 23,500 monthly payments, or 89 percent of all payments in fiscal year 2003. Our goal for fiscal year 2004 was to increase EFT payments to 93 percent of total payments. This goal was not met due to GPO outsourcing its predominantly EFT-based payroll system to the National Finance Center. Our percentage goal for EFT payments will be 90 percent of total payments made by GPO during fiscal year 2005.

#### Debt Management

**Federal Receivables** — In fiscal year 2004, GPO billed Federal agencies \$623 million for printing and binding services. Of this amount, \$434 million, or 69.7 percent, was collected using the Department of Treasury's Intra-governmental Payment and Collection (IPAC) system; \$42.7 million, or 6.9 percent, was from funds residing in Printing and Binding Deposit Accounts maintained by the GPO; and \$9.6 million, or 1.5 percent, was collected via credit card. These methods enable the collection of funds within 30 days or less, as opposed to the more traditional methods of collection which require the creation and exchange of paper documents.

GPO's billed accounts receivable from Government customers totaled about \$20.4 million at the end of fiscal year 2004, compared with \$15.4 million at the end of fiscal year 2003. The U.S. Department of Defense (DOD), GPO's largest customer and debtor, owed GPO a total of \$3.7 million of which \$3.1 million, or 84 percent, was over 30 days old and delinquent. At the end of fiscal year 2004, DOD owed GPO \$309,000 for billed, completed work that was due 31 to 60 days ago, \$168,000 that was due 61 to 90 days ago, and \$2.6 million that was due by more than 90 days. DOD's indebtedness to GPO of \$2.6 million, over 90 days old, represents 24 percent of GPO's total accounts receivables, over 90 days old, at year-end. In the past few years, GPO and the Defense Finance and Accounting Service (DFAS) have used the U.S. Treasury's IPAC system to expedite the collection of funds from DOD customers. This partnership has significantly improved the timeliness of collections. To illustrate, DOD owed GPO a total of \$34.9 million at the end of fiscal year 1998, including \$14.1 million that was due for 90 days or longer.

GPO offers customer agencies the alternative of establishing Printing and Binding Deposit Accounts for the prepayment of any and all printing and publishing services acquired from GPO. Deposit Accounts greatly simplify customer agency accounting and have the added benefit of providing detailed customer account information, via a secure Web site. Customers are able to either download or print their transactions. Separate deposit accounts may be established for different organizations, funds, or cost centers within the customer agency. At the end of the year, there were 458 printing and binding deposit accounts valued at \$61.4 million. Additionally, GPO held \$4.3 million in customer deposit accounts for the Sales of Publications Program. Therefore, customer deposit accounts totaled \$65.7 million at of September 30, 2004, as discussed in Note 7.

Customer agencies also have the option of paying for their printing and binding needs by credit card. Credit card transactions in fiscal year 2004 totaled \$9.6 million for 12,814 printing jobs. In comparison, GPO collected \$11.5 million for 14,799 printing jobs in fiscal year 2003. The average price per job paid via credit card for the past 2 years was about \$764, indicating that customers find it a convenient method to pay for small printing jobs.

### Possible Future Effects of Existing Events and Conditions

The following major events and conditions will impact the Agency's programs, operations, and other activities in the future. A synopsis of each major event or condition follows.

#### GPO's Transition to a World-Class Organization

The transformation to a world-class organization is well underway at GPO. As discussed earlier, GPO has completed an agency-wide reorganization to strengthen the business structure and improve customer service, and has also started to acquire new technologies to improve information technology and



financial management under the *GPO Enterprise Project*. GPO has also adopted the best practices of other public and private sector organizations, most notably with respect to human capital management.

GPO recognizes that Federal Government printing and information dissemination are changing due to technological advances in the printing and publishing industry. In June 2004, the GAO reported to Congress that the Public Printer and his leadership team understand the effects of this technological change on GPO and have begun an ambitious effort to transform GPO and reexamine its mission. GAO recommended that GPO take steps to improve planning and goal setting for the transformation, plus adopt leading practices of world-class organizations in financial management and information technology.

GAO also requested the National Academy of Sciences to convene a panel of printing and information dissemination experts to assist GPO in the transformation process underway at GPO. The panel suggested that GPO:

1. Develop a business plan to focus its mission on information dissemination as its primary goal, rather than printing;
2. Demonstrate to its customers the value it can provide;
3. Improve and extend partnerships with agencies to help establish itself as an information disseminator; and
4. Ensure that its internal operations are adequate for efficient and effective management of core business functions and for services to its customers.

The Public Printer agreed with the GAO report recommendations. Progress has been made to implement the recommendations of GAO and the suggestions of the Panel of Experts. The Public Printer also declared that the time has arrived to build a new model for government publishing based on

the technologies now available and those that will soon be here. He envisioned that digital technology, as we know it today, would be the fundamental building block for the future, as far as we can see. The Public Printer concluded that GPO must deploy the technology needed by its Federal customers and the public to gather and produce digital documents in a uniformly structured database in order to authenticate documents disseminated over the Internet and to preserve the information for permanent public access. The Office of Innovation and New Technology was created by the Public Printer in 2003 to ensure that GPO was cognizant of leading-edge technologies and technological advancements that could be utilized by GPO to satisfy the current and future needs of our customers.

#### GPO/OMB Compact Progress

On June 6, 2003, the Public Printer of the United States and the Director of the Office of Management and Budget (OMB) signed an agreement that will provide lasting benefits to the U.S. Government and the American public when fully implemented. The GPO/OMB Compact provides a comprehensive solution, and a more effective alternative, to the initial proposal in OMB Policy Memorandum No. M-02-07, *Procurement of Printing and Duplicating through the Government Printing Office*, dated May 3, 2002. The GPO/OMB Compact is a major step forward in the Public Printer's vision of devising an economical, efficient, and effective Government-wide policy that fits the 21st century.

The Compact declared that OMB and GPO share certain common goals, and therefore, should work together to develop a mechanism that will allow agencies direct access to printing vendors for the purpose of placing print orders, while at the same time enabling the GPO to meet its statutory requirements. The two common goals are reducing the cost of Federal printing and ensuring public access to all non-classified Government publications.

Under the Compact, GPO developed a demonstration print procurement contract that was similar to a U.S. General Services Administration (GSA) schedule contract. OMB selected the U.S. Department of Labor (DOL) as the pilot customer agency for this demonstration project. This new GPO procurement vehicle was tested by DOL during fiscal year 2004. GPO plans to make the new procurement vehicle available to the entire Federal Government in fiscal year 2005.

The GPO/OMB Compact resulted in new ways for Federal customers to do business with GPO and the private sector. Federal customers will have the opportunity to participate greater in the contractor selection process that will ensure the best value to the Government. Customer agencies will have more choices for satisfying their publishing requirements through GPO's procurement vehicles. A summary of each of the four major procurement methods follows:

1. *Agency Direct* – This new procurement vehicle is an agency-directed process that utilizes GPO certified contractors via a web portal to maximize agency control and contractor selection. The first part of this vehicle utilizes enhanced features of GPO's popular Simplified Agreement (SPA) program for low-dollar jobs. High-value jobs will be procured using a web-based system outlined on the GPO/OMB Compact. Federal customers will benefit by having a one-stop, integrated, print ordering and invoicing system for all print jobs. Any registered printer in the country will be free to submit a price quote on any job in the system. All procurements will be conducted directly by the agency under Federal Acquisition Regulations (FAR). A copy of the electronic print file will be provided to the Superintendent of Documents for historic preservation and information dissemination purposes.

2. *GPO Assisted Printing* – This new program consolidates existing GPO competitive procurements into a single one-stop, full service program. Major enhancements include an e-commerce system that will web-post all small purchase solicitations and encourage on-line bidding by contractors. Under this full service procurement method, agencies receive all of GPO's traditional support including product design, specification development, contract award and administration, on-site production inspection, quality assurance, contract audit and legal services, and all other professional and technical expertise needed to fulfill the customer's requirements.

3. *Term Contracts* – This existing procurement method will continue to operate generally as it has in the past. GPO will award general usage and agency specific term contracts for recurring products and services over a specific period of time (e.g., year). Customers will have the choice of directly placing print orders with the term contractor (i.e., direct-deal) or allowing GPO to place the print orders for them.

4. *Convenience Printing Contract* – This new program is designed to provide agencies with a quick, cost-effective and legal way to obtain small urgent work directly from local outlets throughout the entire nation.

As a condition of payment, vendors will be required to provide GPO with one electronic version and two paper copies of every Government document produced by the vendor. When implemented across the Executive Branch, this new electronic document collection system will significantly improve GPO's ability to accomplish its mission of *Keeping America Informed*. This requirement will ensure that all commercially printed Government publications reach the Superintendent of Documents for public dissemination and historic preservation.

#### Headquarters' Relocation and Redevelopment Project

GPO is planning to relocate to a new, modern, efficient facility under an innovative project that will redevelop GPO's historic structures. The present multi-building headquarters facility is very old and expensive to operate and maintain. The goal is to develop a single modern headquarters facility that satisfies GPO's plant and office space requirements for the future. A new facility would be more efficient, provide better working conditions for employees, better serve customers, and reduce overhead costs. In 2004, GPO awarded a contract to provide real estate consulting services related to all aspects of the GPO's relocation and redevelopment project.

#### Sharing of Excess Building Space

The reduction in GPO's requirements for office and warehouse space has created opportunities for other legislative branch entities to utilize the valuable excess space in GPO's building complex in Washington, DC. In 2004, GPO provided excess space to the Capitol Police under an interagency agreement. This agreement requires payments to the GPO Revolving Fund, as reimbursement for the cost of services provided to the Capitol Police. GPO is working with the Architect of the Capitol to provide space to other legislative branch entities in fiscal year 2005.

#### Restructuring of Procurement Operations Under Consideration

Customers Services, as part of their internal reorganization, has been evaluating the organizational structure of procurement operations in order to improve the economy, efficiency, and effectiveness of the procurement program, and improve services to customers. In 2004, the Term Contract Division and the Purchase Division were abolished and merged into Agency Publishing Services (APS), a new full-service procurement organization.

#### Implementation of Goal Sharing

The Public Printer established the GPO Goal Sharing Program in August 2004. This incentive award program will benefit the Agency and all employees. Any realized cost savings resulting from employees' efforts to reduce GPO's costs in certain defined areas will be shared equally between the Agency and the workforce (50/50 split). All employees are eligible to receive an equal share of the 50 percent portion of the realized cost savings allocated to the workforce. The three initial cost saving areas are (1) Employee Safety (i.e., workers' compensation), (2) Utilities (i.e., electric and steam), and (3) Paper Waste (i.e., production spoilage). The first year of the Program will be fiscal year 2005.

#### Fiscal Year 2005 Projections

Congress created the GPO Revolving Fund to finance the business-type operations of the Agency. The Revolving Fund was designed to financially "break even" by recovering costs through rates, prices, and other charges to customers for goods and services provided by the GPO. The Agency achieved this financial goal in fiscal year 2004, the first time since fiscal year 1998. Overall, the Agency realized a modest net gain of \$1.3 million from operations before recognizing a decrease of about \$9.9 million in DOL's estimate of workers' compensation liability for GPO under FECA. Overall, the Agency realized a net gain of about \$11.3 million for fiscal year 2004.

The Public Printer has built a strong management team with vast business and government experience, and a wealth of industry knowledge. Greater emphasis has been placed on operating GPO in a business-like manner to improve program results and financial performance.

The Agency's fiscal year 2005 financial performance is expected to improve as a result of management initiatives recently completed, or in

process. These initiatives should increase revenues and reduce costs. Many of these initiatives provide benefits of a recurring nature, and therefore, will improve the Agency's long-term financial performance.

*First*, GPO reduced the workforce by 542 employees under the Retirement Separation Incentive Program (RSIP) during fiscal years 2003 and 2004. The RSIP had one-time estimated costs of \$18 million, and realized estimated payroll savings of \$38 million per year, as discussed earlier in this section and note 16. The GPO Revolving Fund received a \$10 million (before rescission of \$59,000) appropriation from Congress in fiscal year 2004 to partially reimburse the Agency for the costs of this workforce restructuring under the retirement incentive authority established by law.

*Second*, GPO implemented a major reorganization to streamline management and to bring the Agency into line with current business practices. The agency-wide reorganization realigned GPO's business-type operations to improve program management, control, and accountability for performance and results. The reorganization also recognized the importance of financial management leadership by creating a needed Chief Financial Officer (CFO) position that was filled on September 24, 2003.

*Third*, a GPO Audit Committee is being established. The audit committee traditionally oversees the process for the annual audit of the consolidated financial statements. The committee is generally responsible for ensuring that the entity has a high-quality financial reporting process that provides transparent, consistent and comparable financial statements. In this regard, the committee should be working closely with management and both internal and external auditors to effectively monitor the financial reporting process.

*Fourth*, GPO is taking other major steps to improve financial management and IT management, as recommended by GAO. The *GPO Enterprise Program*, an agency-wide IT modernization project, is a prime example of GPO adopting leading practices of world-class organizations. GPO will have a fully integrated financial management system once this project is complete.

Several other major cost saving initiatives are underway to reduce expenditures for: (1) employee overtime; (2) workers' compensation; (3) energy; (4) paper; and (5) owned and leased space. Finally, GPO has been reducing operating costs by closing historically unprofitable operations that are no longer required, as discussed in Note 17. A Goal Sharing Program was also introduced in 2004 for the purpose of reducing costs in targeted areas.

Additionally, new and expanded services are also expected to increase revenues in the future for some programs at GPO. GPO is in the process of reinventing itself to better serve its customers. The Agency will continue to transform its image as a producer of ink-on-paper products to a digital information services organization. This major transformation will require an investment in new technology and technical skills for the future. The Public Printer has increased the recruitment of outstanding college scholars to obtain the next generation of technical skills needed to take GPO into the 21st century.

Finally, the Public Printer has been meeting with Members of Congress, congressional staff, Federal agency heads, the heads of Federal operations with congruent missions – such as the Postmaster General, Director of the Bureau of Engraving and Printing, and Director of the Mint – the library and information communities, the printing industry, and others to identify customer needs and business opportunities. This critical input from customers and other interested parties will be used in the strategic planning process to establish the future direction of the Agency in the age of digital information and e-Government.

## Independent Auditors' Report



KPMG LLP  
2001 M Street, NW  
Washington, DC 20036

### Independent Auditors' Report

The Public Printer  
United States Government Printing Office:

We have audited the accompanying consolidated balance sheets of the United States Government Printing Office (the GPO) as of September 30, 2004 and 2003, and the related consolidated statements of revenues and expenses and cash flows for the years then ended. The objective of our audits was to express an opinion on the fair presentation of these consolidated financial statements. In connection with our audits, we also considered the GPO's internal control over financial reporting and tested the GPO's compliance with certain provisions of applicable laws, regulations, and contracts that could have a direct and material effect on its consolidated financial statements.

#### SUMMARY

As stated in our opinions on the consolidated financial statements, we concluded that the GPO's consolidated financial statements as of and for the years ended September 30, 2004 and 2003, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

Our consideration of internal control over financial reporting resulted in deficiencies in the design and/or operation of the GPO's information technology (IT) general controls and certain application controls being identified as a reportable condition. However, this reportable condition is not believed to be a material weakness.

The results of our tests of compliance with certain provisions of laws, regulations, and contracts disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards*, issued by the Comptroller General of the United States.

The following sections discuss our opinion on the GPO's consolidated financial statements, our consideration of the GPO's internal control over financial reporting, our tests of the GPO's compliance with certain provisions of applicable laws, regulations, and contracts, and management's and our responsibilities.



### OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated balance sheets of the United States Government Printing Office as of September 30, 2004 and 2003, and the related consolidated statements of revenues and expenses and cash flows for the years then ended.

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the financial position of the GPO as of September 30, 2004 and 2003, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the GPO's consolidated financial statements taken as a whole. The information contained in the Management's Discussion and Analysis section and the Consolidating and Supplemental Schedules section are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. This information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements and accordingly, we express no opinion on it.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the GPO's ability to record, process, summarize, and report financial data consistent with the assertions by management in the consolidated financial statements.

Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

In our fiscal year 2004 audit, we noted a matter, discussed in Exhibit I, involving the internal control over financial reporting and its operation that we consider to be a reportable condition. However, the reportable condition is not believed to be a material weakness.

We also noted other matters involving internal control over financial reporting and its operation that we have reported to management of the GPO in a separate letter dated November 10, 2004.

### COMPLIANCE AND OTHER MATTERS

The results of our tests of compliance with certain provisions of laws, regulations, and contracts described in the Responsibilities section of this report disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards*.



## RESPONSIBILITIES

### *Management's Responsibilities*

Management is responsible for the consolidated financial statements, including:

- Preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America;
- Establishing and maintaining internal controls over financial reporting; and
- Complying with laws, regulations, and contracts.

In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies. Because of inherent limitations in internal control, misstatements, due to error or fraud may nevertheless occur and not be detected.

### *Auditors' Responsibilities*

Our responsibility is to express an opinion on the fiscal year 2004 and 2003 consolidated financial statements of the GPO, based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

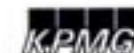
An audit includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
- Assessing the accounting principles used and significant estimates made by management, and
- Evaluating the overall consolidated financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion.

In planning and performing our fiscal year 2004 audit, we considered the GPO's internal control over financial reporting by obtaining an understanding of the GPO's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in *Government Auditing Standards*. The objective of our audit was not to provide assurance on internal control over financial reporting. Consequently, we do not provide an opinion thereon.

As part of obtaining reasonable assurance about whether the GPO's fiscal year 2004 consolidated financial statements are free of material misstatement, we performed tests of the GPO's 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. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, and contracts applicable to the GPO. Providing an opinion on compliance with laws, regulations, and contracts was not an objective of our audit and, accordingly, we do not express such an opinion.



## DISTRIBUTION

This report is intended for the information and use of the Public Printer, the Joint Committee on Printing, the GPO's management, the GPO's Office of Inspector General, the Government Accountability Office, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 10, 2004

*IT General and Application Controls*

Deficiencies in the design and/or operations of the GPO's IT general and certain application controls are considered a reportable condition. This condition, which has been reported to management in prior years' audit reports, relates to the following areas:

- **Entity-Wide Security Program**

Several areas regarding GPO's enterprise-wide security program need improvement. During 2004, the GPO implemented an enterprise-wide security program statement that established information security objectives for the GPO. While this program statement is a positive step for the GPO, certain requirements of the program are not being met. Specifically, the GPO needs to complete the certification and accreditation of its key financial systems, establish a formal incident response program, and develop an information security awareness program. Without a well-designed program, security controls may be inadequate; responsibilities may be unclear, misunderstood, and improperly implemented; and controls may be inconsistently applied.

- **Access Controls**

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

Examples of improvements needed include:

- Utilizing independent risk assessments in order to properly classify computer information resources according to sensitivity and criticality.
- Reviewing access authorization listings and user account privileges for all of GPO's information systems to determine if access is still required and privileges are appropriate based upon job function.
- Improving configuration settings surrounding the financial accounting system and the general ledger.
- Improving physical access controls.
- Enhancing employee checkout procedures.

- **Application Change Control and Systems Development**

The GPO has an established software change control program; however, certain controls over the modification of application software programs are deficient. These controls should be designed to ensure that only authorized programs and modifications are implemented. Without proper controls, a risk exists that security features could be inadvertently or deliberately omitted or "turned off" or that processing irregularities or malicious code could be introduced. As an example, the GPO needs to limit access to its software development libraries.

- **System Software**

Certain controls over access to and modification of system software need improvement. System software controls are essential in providing reasonable assurance that operating system-based security controls are not compromised and that the system will not be impaired. If controls in this area are inadequate, unauthorized individuals might use system software to circumvent security controls to read, modify, or delete critical or sensitive information and programs. We noted that procedures should be developed to manage both changes and access to system software components.

- **Segregation of Duties**

Certain controls over separating the work responsibilities so that one individual does not control all critical stages of a process need improvement. These controls should be designed to ensure that duties are divided to diminish the likelihood that errors and wrongful acts will go undetected because the activities of one group or individual will serve as a check on the activities of another. Inadequately segregated duties increase the risk that erroneously or fraudulent transactions could be processed, that improper program changes could be implemented, and that computer resources could be damaged or destroyed. Specifically, we noted that standard operating procedures should be developed to provide employees with better guidance while executing their job responsibilities.

- **Service Continuity**

Losing the capability to process, retrieve, and protect information maintained electronically can significantly impact an agency's ability to accomplish its mission. For this reason, an agency should have (1) procedures in place to protect information resources and minimize the risk of unplanned interruptions and (2) a plan to recover critical operations should interruptions occur. The GPO needs to establish a comprehensive, entity-wide business continuity and disaster recovery plan for all general support and major application systems.

The GPO made considerable progress in strengthening its information security environment during FY 2004. The development and implementation of an enterprise-wide security plan, *GPO Information Technology Security Program Statement of Policy* (GPO Publication 825.33), institutionalized security standards to be applied consistently across the GPO. Additionally, the Chief Information Officer (CIO) organization underwent a considerable restructuring during FY 2004 to align its resources to focus on critical areas. However, we noted several areas in which the GPO continues to have weaknesses. We recommend that the GPO develop a formal action plan to review and revise its IT general and certain application controls. This plan should address each of the areas discussed above as well as any other areas that impact the IT general control environment, set forth appropriate corrective action steps, assign responsibilities to employees, and establish target completion dates for each action. This plan should be adopted by the GPO and periodically reviewed for progress towards achievement of corrective actions.

Management Response:

GPO Management concurred with the reportable condition and has developed a corrective action plan that will be implemented during 2005.

## SECTION III

# Consolidated Financial Statements

## Consolidated Balance Sheets

As of September 30, 2004 and 2003

(Dollars in thousands)

	2004	2003
<b>ASSETS</b>		
Current assets		
Fund balance with the U.S. Treasury (Note 2)	\$ 194,018	\$ 203,021
Accounts receivable, net (Note 3)	144,589	113,358
Inventories, net (Note 4)	8,898	10,758
Prepaid expenses	432	600
<b>Total current assets</b>	<b>347,937</b>	<b>327,737</b>
Property, plant, and equipment, net (Note 5)	51,198	56,457
<b>Total assets</b>	<b>\$ 407,135</b>	<b>\$ 384,194</b>
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities		
Accounts payable and accrued expenses (Note 6)	\$ 88,546	\$ 72,109
Deferred revenues (Note 7)	73,703	67,545
Accrued annual leave	9,294	10,128
<b>Total current liabilities</b>	<b>171,543</b>	<b>149,782</b>
Other liabilities		
Workers' compensation liability (Note 8)	79,604	89,532
<b>Total liabilities</b>	<b>251,146</b>	<b>239,314</b>
Commitments and contingencies (Notes 9 and 10)		
Net position (Note 11)		
Cumulative results of operations:		
Retained earnings (accumulated deficit)	(8,303)	(19,562)
Invested capital	92,879	92,879
Unexpended appropriations	71,413	71,563
<b>Total net position</b>	<b>155,989</b>	<b>144,880</b>
<b>Total liabilities and total net position</b>	<b>\$ 407,135</b>	<b>\$ 384,194</b>

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

**Consolidated Statements of Revenues and Expenses**

For the Fiscal Years Ended September 30, 2004 and 2003

(Dollars in thousands)

	2004	2003
<b>OPERATING REVENUES</b>		
Printing and binding	\$ 531,242	\$ 534,849
Sales of publications	24,024	31,135
Appropriations	131,466	104,761
Reimbursements	5,022	4,605
<b>Total operating revenues</b>	<b>691,754</b>	<b>675,350</b>
<b>OPERATING EXPENSES</b>		
Printing and reproduction	400,492	394,438
Personnel compensation and benefits	197,646	211,603
Retirement separation incentive program (Note 16)	7,628	10,410
Supplies and materials	32,367	35,374
Rents, communications, and utilities	22,085	23,509
Publications sold	6,146	8,392
Depreciation and amortization	7,622	7,105
Other services	11,904	7,867
Surplus publications	108	6,792
Travel and transportation	4,426	4,433
<b>Subtotal</b>	<b>690,424</b>	<b>709,923</b>
<b>Income (loss) before other operating expenses</b>	<b>1,330</b>	<b>(34,573)</b>
<b>OTHER OPERATING EXPENSES</b>		
Changes in workers' compensation liabilities (Note 8)	9,929	1,684
<b>NET INCOME (LOSS)</b>	<b>\$ 11,259</b>	<b>\$ (32,889)</b>

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

**Consolidated Statements of Cash Flows**

For the Fiscal Years Ended September 30, 2004 and 2003

(Dollars in thousands)

	2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net income (loss)</b>	<b>\$ 11,259</b>	<b>\$ (32,889)</b>
Adjustments to reconcile net income (loss) to net cash		
Provided by (used in) operating activities:		
Depreciation and amortization	7,622	7,105
Gain on disposal of property, plant, and equipment	(63)	(38)
Changes in assets and liabilities:		
(Increase) decrease in assets-		
Accounts receivable	(31,231)	8,129
Inventories	1,860	8,840
Prepaid expenses	168	(145)
Increase (decrease) in liabilities-		
Accounts payable and accrued expenses	16,437	1,402
Deferred revenue	6,158	2,740
Accrued annual leave	(834)	73
Workers' compensation liability	(9,929)	(1,684)
<b>Total adjustments</b>	<b>(9,812)</b>	<b>26,422</b>
<b>Net cash provided by (used in) operating activities</b>	<b>1,447</b>	<b>(6,467)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(10,363)	(12,536)
Proceeds from sale of property, plant, and equipment	63	38
<b>Net cash used in investing activities</b>	<b>(10,300)</b>	<b>(12,498)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease) Increase in unexpended appropriations	(150)	10,648
<b>Net cash (used in) provided by financing activities</b>	<b>(150)</b>	<b>10,648</b>
<b>Net decrease in fund balance with the U.S. Treasury</b>	<b>(9,003)</b>	<b>(8,317)</b>
Fund balance with the U.S. Treasury, beginning of year	203,021	211,338
<b>Fund balance with the U.S. Treasury, end of year</b>	<b>\$ 194,018</b>	<b>\$ 203,021</b>

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

## SECTION III

## Notes to Consolidated Financial Statements

## 1. Summary of Significant Accounting Policies

## A. Reporting Entity

The U.S. Government Printing 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*. The Congress established GPO to provide the Federal Government with an efficient and effective means for the production, procurement, and dissemination of Government information to the Nation.

The Public Printer of the United States, appointed by the President of the United States 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. § 309, and annual and special appropriations provided by Congress. The GPO Revolving Fund maintains a system of accounts and records transactions to comply with the requirements of Section 309 of Title 44.

The Joint Committee on Printing (JCP) has primary responsibility for Congressional oversight of GPO's programs and operations. The JCP is comprised of five members of the U.S. House of Representatives and five members of the U.S. Senate. The Chairmanship and vice Chairmanship of the JCP alternate between the House and the Senate by Congresses.

GPO is dependent on two annual appropriations. The Salaries and Expense (S&E) Appropriation finances certain public information dissemination programs of the Superintendent of Documents. The Congressional Printing and Binding Appropriation is used to reimburse GPO for the cost of all publishing services provided to the Congress. GPO's budget requests are subject to review by the House and Senate Appropriations Committees' Subcommittees on Legislative Branch Appropriations. GPO also receives funds from customer agencies as reimbursement for products and services, and from the public for the sale of Government publications and subscriptions.

## B. Accounting Environment

## Basis of Accounting

As allowed by the Federal Accounting Standards Advisory Board (FASAB), the consolidated financial statements of GPO have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), applicable to commercial enterprises. Under the accrual method, revenues are recognized when earned, and expenses are recognized when incurred, without regard to the receipt or disbursement of cash.

## 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 31 U.S.C. § 3515(b) 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.

The GPO 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 situations.

## Funds

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

*Revolving Fund* – The GPO Revolving Fund is an inter-governmental fund established by Congress on July 1, 1953. This business-type revolving fund is available without fiscal year limitation for financing the operation and maintenance of GPO, except for those programs of the Superintendent of Documents that are funded by specific appropriations.

The GPO Revolving Fund is a self-sustaining financial entity used primarily to temporarily finance and account for GPO's Printing and Binding Operations and the Sales of Publications Operations. Accordingly, the two major sources of revenue to the revolving fund are reimbursements from the Congress and other Federal customers for providing printing, binding, and distribution services, and publication and subscription sales to the public.

The Printing and Binding Operations account for the revenues and expenses associated with services provided by the printing plant (i.e., in-plant printing) and Printing Procurement Program (i.e., commercially procured printing). The costs of these services are recovered through rates charged customers that include direct costs, overhead, and related expenses permitted under Section 309 of Title 44, United States Code.

The Superintendent of Documents, Sales of Publications Program, sells Federal Government information products to the public. The sales price of a Federal Government publication is established in accordance with 44 U.S.C. § 1708. Book dealers and purchasers of large quantities may be allowed a price discount of up to 25 percent for purchases.

*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 information dissemination services provided to the public without charge to recipients by the Superintendent of Documents.

The Congressional Printing and Binding Appropriation is the larger of the two annual appropriations available to GPO. This 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 other annual appropriation made available to GPO is the Superintendent of Documents, Salaries and Expenses Appropriation. This appropriation is used to fund the following four information dissemination programs of the Superintendent of Documents: the Federal Depository Library Program (FDLP) which includes *GPO Access*, the Cataloging and Indexing Program, the By-Law Distribution Program, and the International Exchange Program. The majority of these appropriated funds finance the FDLP.

Expenditures from the two annual appropriations to the Agency are used to reimburse the GPO Revolving Fund for the cost of printing and binding, and other services and supplies furnished by GPO in accordance with Title 44 *Public Printing and Documents*.

## C. Fund Balance with U. S. Treasury

Fund balance with the U.S. Treasury represents all balances in GPO accounts with the U.S. Department of the Treasury.

## 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 uncollectable accounts. The allowance for doubtful accounts is based on GPO's recent collection experience.

## E. Inventories

Inventories of publications held for sale are valued at the lower of cost, using the weighted average cost method, or market. The 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 excess publications is based on life cycle studies of product sales by the Superintendent of Documents that provide a historical basis for the determination of potential excess inventory on hand.

Inventories of paper, materials and supplies include the cost of production material (e.g., blank paper, spare parts, ink, and 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. Inventories of materials and supplies are shown net of a provision for obsolescence.



### F. Property, Plant, and Equipment

Property, plant, and equipment purchases are valued at the 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. Printing equipment transferred to GPO from other Federal agencies is valued in accordance with JCP Regulation Number 26, *Government Printing and Binding Regulations*. This valuation approximates fair market value. Major alterations and renovations are capitalized while normal maintenance and repair costs are expensed as incurred. Depreciation and amortization of property, plant, and equipment is calculated on a straight-line basis over the estimated useful life of the asset.

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

#### Standard Estimated Useful Life Of Assets by Major Category

Asset Category	Standard Estimated Useful Life (Years)
1. Land	N/A
2. Building Improvements	20
3. Building Appurtenances	20
4. Other Structures and Facilities	20
5. Furniture and Fixtures	20
6. Leasehold Improvements	10
7. Plant Machinery and Equipment	10
8. Office Machinery and Equipment	5
9. Motor Vehicles	5
10. Computer Software	3

Land has an indefinite life and is not subject to depreciation.

### G. Deferred Revenue

Deferred revenue results from the receipt of customer remittances for products or services that will be delivered or provided in the future. Deferred revenue is recorded as revenue when products or services are produced or provided.

### H. Accrued Annual Leave

Annual leave is accrued as a liability when earned, and the liability is reduced when leave is used. The annual leave liability is calculated using the current hourly salary or wage of an employee times their total hours of unused annual leave that has been earned. Sick leave and other types of non-vested leave are expensed when used. Employees are not entitled to a lump-sum payment for their unused sick leave. Employees will receive a lump-sum payment for any unused annual leave when they separate from Federal service, enter on active duty in the armed forces, or elect to receive a lump-sum payment at retirement. Generally, this lump-sum payment will equal the pay the employee would have received had they remained employed until expiration of the period covered by the annual 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 deaths are attributable to job-related injuries or occupational diseases.

The Department of Labor (DOL) administers the FECA Program, which provides workers' compensation benefits to GPO employees and others through the Special Benefit Fund. GPO annually reimburses DOL for the cost of FECA benefit claims paid on GPO's behalf.

Future workers' compensation estimates are generated from the application of actuarial procedures developed by DOL to estimate the liability for FECA benefits. The liability for future workers' compensation benefits includes the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases related to injuries incurred

but not reported. The liability is determined by utilizing historic benefit payment patterns related to a particular period to estimate the ultimate payments related to that period.

### J. Revenue Recognition

*Printing and Binding* – By law, GPO must be reimbursed for the cost of printing and binding services furnished customers. 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.

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

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

*Reimbursements* – Revenues from the storage and distribution of Government publications by the Superintendent of Documents for other Federal agencies are recorded when services have been performed.

### K. Expense Recognition

*Printing and Reproduction* – This expense represents the cost of printing and reproduction jobs procured from the commercial 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 (FEHB), Federal Employees' Group Life Insurance (FEGLI) and Federal Retirement Programs (i.e., CSRS, FERS, and TSP). Personnel benefits also include the entire cost of transit benefits provided by GPO to participating employees. Personnel compensation and benefits are recorded as expenses when earned by employees.

*Supplies and Materials* – Paper is the most significant cost component within the category of supplies and materials. Paper and paper products are commercially procured to satisfy in-plant printing requirements and customer orders for blank paper. The expense is recorded when paper is drawn from inventory or delivered to the customer (direct mill-to-customer shipments). This expense category also includes all other supplies and materials that are not capitalized, such as personal computers, furniture, office supplies, spare parts, ink, etc. The costs of these items are expensed when issued from the stores inventory for use.

*Rents, Communications, and Utilities* – Rent and lease costs are incurred for the use of building space, equipment, and motor vehicles. GPO leases office, retail, and warehouse space from the U.S. General Services Administration (GSA) and/or commercial landlords. GPO also rents automobiles and trucks. Communications includes telecommunication services and postage expenses. Utilities include electricity, gas, steam, and water service. Expenses are recorded as services are provided.

*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.

*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 (i.e., month). The acquisition cost of each capitalized asset is depreciated, or amortized, over the asset's estimated useful life. The estimated useful life is measured in months (e.g., 60 months). Depreciation, or amortization, of a capitalized asset generally commences when the capitalized asset is placed in service.

*Other Services* – This expense represents the cost of services provided by contractors for audits, investigations, consulting services, tuition, and training. The expenses are recognized when services have been provided.

*Surplus Publications* – This expense represents an estimate of the cost of potentially unsaleable publications held in inventory for sale by the Superintendent of Documents. The estimate is based on an analysis of product life cycles that considers quantities purchased, historic sales by month, inventory disposals, and remaining stock held in inventory for sale over an assumed standard life.

*Travel and Transportation* – This category includes travel and transportation costs of persons or things, including employee relocation costs. 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. Travel expenses are accrued when they are estimable, while transportation costs are generally recorded on the date of shipment.

*L. Consolidated Statements of Cash Flows*

The consolidated statements of cash flows identify cash receipts and disbursements and classify each into operating, investing, and financing activity categories. The disclosure of this information is intended to help assess the ability of GPO to generate funds from current operations, to identify financing acquired from outside sources, and to identify the major non-operating (investing) uses of funds.

*M. Use of Estimates*

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

*N. Tax Status*

GPO is not subject to federal, state, or local income taxes. Accordingly, no provision for income tax is recorded.

**2. Fund Balance with the U.S. Treasury**

A table of items included in GPO’s funds with the U.S. Treasury, including funds on-hand or in-transit to the Treasury, as of September 30, 2004 and 2003 follows.

	(Dollars in thousands)	
	<b>2004</b>	<b>2003</b>
<b>Fund Balances:</b>		
Revolving fund:		
Unrestricted	\$ 34,141	\$ 37,722
Restricted:		
Deposit accounts	65,703	58,673
Retirement Separation Incentive Program	4,607	9,135
Other	16,114	17,514
On-hand or in-transit	195	31
<b>Total revolving fund</b>	<b>120,760</b>	<b>123,075</b>
Appropriated Funds:		
Congressional printing and binding	48,331	48,819
Salaries and expenses	19,978	21,000
Supplemental and other	4,949	10,127
<b>Total appropriated funds</b>	<b>73,258</b>	<b>79,946</b>
<b>Total</b>	<b>\$ 194,018</b>	<b>\$ 203,021</b>
<b>Status of Fund Balance with the U.S. Treasury:</b>		
Unobligated balance:		
Available	\$ 34,356	\$ 59,074
Unavailable	4,949	10,127
<b>Total</b>	<b>39,305</b>	<b>69,201</b>
Obligated balance not yet disbursed	154,713	133,820
<b>Total</b>	<b>\$ 194,018</b>	<b>\$ 203,021</b>

Unrestricted funds are available to meet the financial obligations of the Revolving Fund. Restricted funds are comprised of customer deposit accounts, accrued wages and salaries, payroll taxes and other withholdings, earned annual leave not used by employees, and amounts due under the new Retirement Separation Incentive Program. These funds can only be used for the purpose specified.

Supplemental and other appropriations include unexpended appropriations made to the GPO for specific purposes as discussed in Note 11B.

GPO provided the U.S. Census Monitoring Board (CMB), a former Federal entity, with administrative support services for a fee between fiscal year 1998 and fiscal year 2001. The U.S. Department of the Treasury continues to maintain a fund balance for the former CMB that is reported under GPO’s accounts. GPO does not include this amount in its consolidated financial statements because the appropriated funds are only available for obligations of the former CMB. The CMB fund balance was \$279,243 at September 30, 2004 and September 30, 2003. GPO has requested the U.S. Department of the Treasury to accept return of the CMB fund balance.

### 3. Accounts Receivable

Accounts receivable as of September 30, 2004 and 2003, consisted of the following.

	(Dollars in thousands)	
	2004	2003
Federal Agencies:		
Unbilled accounts receivable	\$ 127,083	\$ 98,269
Billed completed work	20,354	15,400
<b>Subtotal</b>	<b>147,437</b>	<b>113,669</b>
Other receivables:		
The public	1,204	1,467
GPO employees	814	1,136
<b>Subtotal</b>	<b>2,018</b>	<b>2,603</b>
<b>Total accounts receivable</b>	<b>149,455</b>	<b>116,272</b>
Allowance for doubtful accounts	(4,866)	(2,914)
<b>Total accounts receivable, net</b>	<b>\$ 144,589</b>	<b>\$ 113,358</b>

The majority of GPO accounts receivable are due from other Federal agencies that ordered goods and services from GPO. By law, these customers are required to reimburse the GPO Revolving Fund for the cost of their orders through a system of rates and prices maintained by GPO.

Unbilled accounts receivable result from the delivery of goods and the performance of services for which bills have not been presented to the customer for payment yet. Accordingly, unbilled accounts receivable includes the value of work in process and completed work for customer orders as of September 30, 2004 and 2003. Unbilled accounts receivable due from Federal agencies totaled \$127.1 million at September 30, 2004, and \$98.3 million at September 30, 2003.

Billed accounts receivable due from Federal agencies for completed orders totaled \$20.4 million at September 30, 2004, and \$15.4 million at September 30, 2003.

Employee accounts receivable includes amounts 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.

### 4. Inventories, net

The components of inventories as of September 30, 2004 and 2003 follow.

	(Dollars in thousands)	
	2004	2003
Publications for sale	\$ 2,881	\$ 1,963
Paper	2,716	4,202
Materials and supplies	3,301	4,593
<b>Inventories, net</b>	<b>\$ 8,898</b>	<b>\$ 10,758</b>

### 5. Property, Plant, and Equipment

Net property, plant, and equipment (PP&E) as of September 30, 2004 and 2003, consisted of the following.

	(Dollars in thousands)	
	2004	2003
Land	\$ 9,971	\$ 9,971
Buildings and improvements	75,617	73,906
Plant machinery and equipment	74,976	74,961
Computers and computer software	29,814	23,602
Furniture and fixtures	6,015	4,867
Motor vehicles	740	740
Leasehold improvements	1,030	1,030
Construction and software in process	1,020	207
<b>Total</b>	<b>199,183</b>	<b>189,284</b>
Less: Accumulated depreciation and amortization	(139,985)	(132,827)
<b>Net property, plant, and equipment</b>	<b>\$ 59,198</b>	<b>\$ 56,457</b>

### 6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of September 30, 2004 and 2003, were composed of the following. The category "Accrued salaries and payroll taxes" includes the accrual for the RSIP.

	(Dollars in thousands)	
	2004	2003
Accounts payable:		
Commercial printing	\$ 41,353	\$ 33,607
U.S. Government agencies	28,480	13,914
Other	7,287	8,068
<b>Total accounts payable</b>	<b>77,120</b>	<b>55,589</b>
Accrued salaries and payroll taxes	11,426	16,520
<b>Total accounts payable and accrued expenses</b>	<b>\$ 88,546</b>	<b>\$ 72,109</b>

### 7. Deferred Revenues

As of September 30, 2004 and 2003, deferred revenues from customers consisted of the following.

	(Dollars in thousands)	
	2004	2003
Deposit accounts	\$ 65,703	\$ 58,673
Subscriptions	4,874	6,241
Unfilled orders	941	418
Advance billings	2,185	2,213
<b>Total</b>	<b>\$ 73,703</b>	<b>\$ 67,545</b>

GPO held about \$65.7 million in customer deposit accounts as of September 30, 2004. Government customers had advanced about \$61.4 million for printing and binding, and about \$4.3 million for publications. The restricted funds in these deposit accounts will be applied to future orders specified by customers, or refunded upon request.

As of September 30, 2004, GPO deferred the recognition of about \$4.9 million in revenues for subscription services that will be provided to customers in the future. Customers pay for subscriptions to the *Congressional Record* and other Government publications in advance of delivery by the Superintendent of Documents. The revenues from subscriptions will be recognized as these periodicals are published and distributed to subscribers.

GPO also deferred the recognition of \$941,000 in revenues for unfilled orders of Government publications. The revenue from these sales will be recognized when the Superintendent of Documents fills the customer's order. GPO will refund the payment in those instances where the publication is no longer available for sale.

As of September 30, 2004, GPO deferred the recognition of about \$2.2 million in revenues for advance billings to Government customers. Advance billings are occasionally used to finance the cost of producing certain large printing and binding jobs. GPO will recognize the revenue as work is completed.

### 8. Workers' Compensation Liability

The DOL develops an actuarial estimate of future workers' compensation benefits for each Federal entity to use for financial accounting and reporting each year. The U.S. Department of the Treasury requires Federal entities to use DOL's estimates for intra-governmental accounting of liabilities. The workers' compensation liability estimate for GPO was about \$79.6 million as of September 30, 2004, and about \$89.5 million as of September 30, 2003. Therefore, the accrued liability for workers' compensation benefits decreased by \$9.9 million during the year ended September 30, 2004.

The DOL liability estimate includes the expected payments for death, disability, medical, and miscellaneous costs for approved compensation cases, as well as a component for incurred but not reported claims. The liability is determined using historical benefit payment patterns related to specific incurred periods to predict the ultimate payments related to those periods. The methodology provides for the effects of inflation and adjusts historical payments to current year constant dollars by applying wage inflation factors (cost of living adjustments or COLA's) and medical inflation factors (consumer price index medical or CPIM's) to the calculation of projected benefits. The compensation COLA's and CPIM's used in the projections for 2004 and 2003 were as follows.

Fiscal Year	COLA		CPIM	
	2004	2003	2004	2003
2004	N/A	2.30%	N/A	3.21%
2005	2.03%	2.00%	4.14%	3.54%
2006	2.73%	1.83%	3.96%	3.64%
2007	2.40%	1.97%	3.98%	3.80%
2008	2.40%	2.17%	3.99%	3.92%
2009+	2.40%	2.17%	4.02%	3.92%

Projected annual payments were discounted to the present value based on OMB's economic assumptions for 10-year Treasury notes and bonds. For 2004, interest rate assumptions were 4.883 percent in Year 1, and 5.235 percent in Year 2 and thereafter. For 2003, interest rate assumptions were 3.84 percent in Year 1, and 4.35 percent in Year 2 and thereafter.

### 9. Commitments

#### 9. A. Operating Leases

As of September 30, 2004, GPO was committed to various non-cancelable commercial operating leases, primarily covering warehouse, retail, and office space. Some of these leases contain escalation clauses and renewal options. A schedule of future minimum rental payments required under operating leases by type, which have initial or remaining non-cancelable lease terms in excess of one year, follows.

(Dollars in thousands)

Fiscal Year	Warehouse	Retail	Office	Total
2005	\$ 1,404	\$ 92	\$ 508	\$ 2,004
2006	681	94	257	1,032
2007	440	96	109	645
2008	440	-	7	447
2009 and beyond	73	-	-	73
<b>Total minimum lease payments</b>	<b>\$ 3,038</b>	<b>\$ 282</b>	<b>\$ 881</b>	<b>\$ 4,201</b>

Rent expenses were \$3,875,000 and \$6,657,000 for the years ended September 30, 2004 and 2003, respectively. As discussed in Note 17, leased costs for retail and warehouse space decreased as a result of the closing of 16 GPO bookstores in fiscal year 2003 and vacating a GPO leased warehouse in Laurel, Maryland (i.e., Laurel Building I) in which the lease expired in August 2004. The only remaining GPO bookstore lease still in effect is for the former Atlanta Bookstore. GPO and the landlord are presently negotiating a lease termination that may take effect in January 2005.

#### 9. B. Commitments on Undelivered Orders

Some of GPO's orders for goods and services have been placed, but have not been delivered at fiscal year-end. Total undelivered orders for all GPO activities were approximately \$111.1 million and \$88.3 million as of September 30, 2004 and 2003, respectively.

### 10. Contingencies

#### Administrative Proceedings, Legal Actions, and Claims

GPO is a party in various administrative proceedings, legal actions, and claims brought against the Government by employees, contractors, and other parties. The uncertainty involving the outcome of these pending matters will be determined when future events occur or fail to occur.

GPO recorded an estimated liability of \$300,000 for contingencies at September 30, 2004. Management and legal counsel were of the opinion that incurrence of a liability was probable for a claim being administratively adjudicated. Any administrative award, damages, or other amounts paid in connection with this case would probably be paid from the Revolving Fund.

GPO did not record any liability for contingencies as of September 30, 2003. At the time, management and legal counsel were of the opinion that incurrence of a liability was not probable for any of these contingent matters. In some cases, legal matters relate to contractual arrangements GPO has entered into for goods and services procured on behalf of other Federal agencies. The costs of administering, litigating, and resolving these actions are borne by the GPO Revolving Fund unless the costs can be recovered from another Federal agency.

Certain legal matters in which GPO is a named party may be administered and litigated by the U.S. Department of Justice (DOJ) on behalf of GPO, an agency of the U.S. Government. In these cases, amounts paid under any judgment, compromise settlement, or award are funded from the Judgment Fund administered by the U.S. Department of the Treasury (31 U.S.C. § 1304). The Judgment Fund paid a total of \$36,000 and \$869,000 on behalf of GPO for the years ended September 30, 2004 and 2003, respectively. In addition, subsequent to fiscal year end, a settlement was made on one case brought against GPO for about \$532,000, which will be paid out of the Judgment Fund. These amounts are not reflected in GPO's consolidated financial statements.

Contingencies for litigation involving GPO where the risk of loss was reasonably possible were approximately \$0.6 million as of September 30, 2004, and approximately \$4 million as of September 30, 2003.

**11. Net Position**

*11. A. Cumulative Results of Operations*

*Retained Earnings (deficit)* - The retained earnings (deficit) include the net operating results of the GPO Revolving Fund since its inception, less transfers to other Federal agencies required by statute.

*Invested Capital* - The invested Capital represents Federal resources directly appropriated to GPO by Congress to invest in GPO assets, namely land, buildings, equipment, and capital.

Below is a summary of the changes to the cumulative results of operations in the fiscal years ended September 30, 2004 and 2003.

(Dollars in thousands)			
Cumulative Results of Operations	Retained Earnings (accumulated deficit)	Invested Capital	Total
<b>Balance at September 30, 2002</b>	<b>\$ 13,327</b>	<b>\$ 92,879</b>	<b>\$ 106,206</b>
Net loss for fiscal year ended September 30, 2003	(32,889)	-	(32,889)
<b>Balance at September 30, 2003</b>	<b>\$ (19,562)</b>	<b>\$ 92,879</b>	<b>\$ 73,317</b>
Net income for fiscal year ended September 30, 2004	11,259	-	11,259
<b>Balance at September 30, 2004</b>	<b>\$ (8,303)</b>	<b>\$ 92,879</b>	<b>\$ 84,576</b>

*11. B. Unexpended Appropriations*

As of September 30, 2004, GPO had obligated \$48,331,000 of the unexpended appropriations available for Congressional Printing and Binding, and \$18,133,000 of the unexpended appropriations available for Salaries and Expenses. This \$66,464,000 in obligations is based on the estimated cost of open orders as of September 30, 2004. At September 30, 2003, these amounts were \$44,540,000 for the Congressional Printing and Binding and \$16,780,000 for Salaries and Expenses, totaling \$61,320,000.

During fiscal year 2001, Congress authorized GPO to use \$9.5 million from prior year Congressional Printing and Binding Appropriations to cover the cost of congressional work submitted but not completed. At the end of fiscal year 2004, a balance of about \$2.8 million of the \$9.5 million was available for future expenditures. During fiscal year 2001, Congress also authorized GPO to use \$3.3 million from prior year Salaries and Expenses Appropriations to pay for the printing and distribution of Government publications selected by the depository libraries. A balance of \$1.4 million of the \$3.3 million was available for future expenditures as of September 30, 2004.

In fiscal year 2001, Congress appropriated \$6 million to replace the antiquated air-conditioning system and install modern energy-efficient lighting fixtures in GPO buildings. Installation of the lighting fixtures was completed in fiscal year 2003. Replacement of the air-conditioning system was completed in fiscal year 2004. GPO expended the entire appropriation amount.

In fiscal year 2002, Congress appropriated \$4 million in Emergency Response Funds to GPO. These funds were provided to improve security and establish backup facilities to ensure continuity of key operations in the event of a National emergency affecting the Washington, DC area. About \$780,000 of this appropriation was unexpended as of September 30, 2004.

The following table reflects the unexpended balances at the end of fiscal years 2002, 2003, and 2004, for appropriations made to GPO.

Appropriations	(Dollars in thousands)			
	Revolving Fund Appropriation	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation	Total
<b>Unexpended balance at September 30, 2002</b>	<b>\$ 18,369</b>	<b>\$ 15,767</b>	<b>\$ 26,780</b>	<b>\$ 60,916</b>
Appropriations received in FY 03	-	29,468	89,557	119,025
Appropriations expended in FY 03	(8,126)	(28,455)	(71,797)	(108,378)
<b>Unexpended balance at September 30, 2003</b>	<b>10,243</b>	<b>16,780</b>	<b>44,540</b>	<b>71,563</b>
Appropriations received in FY 04	9,941	34,253	90,573	134,767
Appropriations expended in FY 04	(15,235)	(32,900)	(86,782)	(134,917)
<b>Unexpended balance at September 30, 2004</b>	<b>\$ 4,949</b>	<b>\$ 18,133</b>	<b>\$ 48,331</b>	<b>\$ 71,413</b>

**12. Appropriated Funds**

*12. A. Available Appropriations*

The total net appropriations made available to GPO, after rescissions, for fiscal years 2004 and 2003 were as follows.

	(Dollars in thousands)	
	2004	2003
Congressional printing and binding	\$ 90,573	\$ 89,557
Salaries and expenses	34,253	29,468
Retirement separation incentive program	9,941	-
<b>Total available appropriations</b>	<b>\$ 134,767</b>	<b>\$ 119,205</b>

### 12. B. Expended Appropriations

The total appropriations expended for GPO programs, operations, and other activities during fiscal years 2004 and 2003 were as follows.

	(Dollars in thousands)	
	2004	2003
<b>Congressional printing and binding:</b>		
Congressional Record products	\$ 20,452	\$ 19,893
Miscellaneous publications and printing and binding	19,399	18,132
Hearings	18,797	16,615
Bills, resolutions, and amendments	10,455	7,478
Details to Congress	2,918	2,754
Other	14,761	6,925
<b>Total congressional printing and binding</b>	<b>86,782</b>	<b>71,797</b>
<b>Salaries and expenses:</b>		
Depository library distribution	26,609	23,802
Cataloging and indexing	5,408	3,826
By-law distribution	87	233
International exchange	796	594
<b>Total salaries and expenses</b>	<b>32,900</b>	<b>28,455</b>
<b>Revolving fund:</b>		
Homeland security	1,405	101
Air conditioning and lighting upgrade	778	5,029
Retirement separation incentive program	9,941	-
<b>Total revolving fund</b>	<b>12,124</b>	<b>5,130</b>
<b>Total expended appropriations</b>	<b>\$ 131,806</b>	<b>\$ 105,382</b>
Reconciliation of expended appropriations to the consolidated statements of revenues and expenses:		
<b>Total expended appropriations</b>	<b>\$ 131,806</b>	<b>\$ 105,382</b>
Eliminations (Intra-agency)	(340)	(621)
<b>Consolidated revenues from appropriations</b>	<b>\$ 131,466</b>	<b>\$ 104,761</b>

### 13. Employee Benefit Plans

GPO funds a portion of pension contributions for its employees under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), and also makes payroll deductions from employees for their pension contributions. The U.S. 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. Therefore, GPO is not required to disclose the unfunded pension liability and post-employment benefits relative to its employees.

#### Civil Service Retirement System

The majority of GPO's employees were covered by the CSRS, a defined benefit plan. Total GPO (employer) contributions to CSRS for employees covered under this retirement program were 7.5 percent of basic pay in both fiscal years 2004 and 2003 for investigators and law-enforcement officers; and 7 percent of basic pay in both fiscal years for all other employees. GPO's contributions were \$5.7 million and \$6.9 million for the fiscal years ended September 30, 2004 and 2003, respectively.

#### Federal Employees Retirement System

On January 1, 1987, FERS was created pursuant to Public Law 99-335. Using the Social Security system as a base, FERS provides a defined benefit plan (Basic Benefit Plan) and a voluntary (defined contribution) plan. 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. FERS also offers the Federal Government's Thrift Savings Plan (TSP), which requires GPO to contribute 1 percent of an enrolled employee's base pay, and to match voluntary employee contributions of up to 4 percent of base pay. Employees participating in CSRS may contribute to the TSP, but they do not receive any matching contributions from the Agency.

In fiscal years 2004 and 2003, GPO (employer) contributions to FERS were 15.9 percent of basic pay for Congressional Record indexers; 22.7 percent of basic pay for investigators and law officers; and 10.7 percent of basic pay for all other employees covered under this plan. Total GPO contributions were \$7.3 million and \$6.9 million in fiscal year 2004 and 2003, respectively. Contributions by GPO to TSP for fiscal year 2004 and 2003 were \$2.8 million and \$2.5 million, respectively.

#### 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 matching amounts of 6.2 percent of gross pay (up to \$87,900 in 2004 and \$87,000 in 2003) to SSA's Old Age, Survivors, and Disability Insurance (OASDI) Program. Additionally, GPO makes matching contributions for all employees of 1.45 percent of gross pay to SSA's Medicare Hospital Insurance Program. Contributions to these SSA programs for the years ended September 30, 2004 and 2003, totaled \$7.1 million and \$6.8 million, respectively.

#### Pension and Other Post-Employment Benefits Provided by Others

OPM is responsible for the management, administration, and funding of certain Government-wide programs that provide pension and other post-employment benefits to retired employees of the Federal Government. These OPM administered programs provide benefits to former employees of GPO. OPM administered pension programs include the CSRS and the FERS. Other OPM administered programs provide health and life insurance benefits to active, inactive, and retired employees. Permanent employees of GPO may participate in the Federal Employees Health Benefit Program (FEHBP) and/or Federal Employee Group Life Insurance Program (FEGILIP) before and after their retirement from the Agency.

The FASAB, Statement of Federal Financial Accounting Standards (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*, requires agencies that follow Federal Accounting Standards to recognize their share of the normal cost of pension and other post-employment benefits provided by others, such as OPM. To the extent that normal costs exceed current contributions, the standard requires that an additional expense be recognized by the employing agency for the future estimated cost of post-employment benefits not currently funded. SFFAS No. 5 also requires that the estimated expense amount be offset by an equal amount of imputed financing. OPM, which is responsible for these programs, represents the source of imputed financing for the post-employment benefits.

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

#### 14. Concentration of Credit Risk

GPO financial instruments, none of which are held for trading purposes, consist primarily of funds with the U.S. Treasury, accounts receivable, and accounts payable at September 30, 2004 and 2003. GPO estimates the fair value of financial instruments at September 30, 2004 and 2003, to be the carrying value.

#### 15. Major Customers

GPO's primary customers are the U.S. Congress and large Federal agencies. In fiscal years 2004 and 2003, revenues from those customers representing 10 percent or more of GPO's revenues follow.

(Dollars in thousands)

	2004		2003	
	Amount	Percent	Amount	Percent
Department of Defense	\$ 112,028	16.2%	\$ 124,263	18.4%
Department of the Treasury	\$ 81,645	11.8%	\$ 91,858	13.6%
Department of Health & Human Services	\$ 82,596	11.9%	\$ 80,525	11.9%
Congress of the United States	\$ 88,841	12.8%	\$ 74,035	11.0%

#### 16. Retirement Separation Incentive Program

In April 2003, the Public Printer established the Retirement Separation Incentive Program (RSIP) under authority of Public Law 105-275, as amended, to help restructure the GPO workforce. The RSIP permitted incentive payments of up to \$25,000 per employee for voluntary separation from the Agency. This major cost reduction initiative was needed to help stem the trend in operating losses that have occurred over the past several years as the demand for traditional printing declined.

The RSIP reduced the workforce by 542 employees over fiscal years 2003 and 2004. The RSIP reduced estimated personnel costs and benefits by \$38 million per year. The estimated cost of the RSIP was \$18 million. The U.S. Congress appropriated \$10 million to the GPO Revolving Fund in fiscal year 2004 to help finance this workforce restructuring. A subsequent budget rescission of \$59,000 (0.59 percent) reduced the appropriated amount to \$9,941,000. The RSIP was implemented in two parts, generally corresponding to the two fiscal years in which the program was employed. Statutory authority for the RSIP expired on September 30, 2004. The following chart summarizes the estimated costs and benefits of the RSIP.

(Dollars in thousands)

RSIP	Employee Separations	Estimated One-Time Costs	Estimated Annual Savings
Part 1 - FY 2003	312	\$ 10,410	\$ 21,747
Part 2 - FY 2004	230	7,628	16,271
<b>Total</b>	<b>542</b>	<b>\$ 18,038</b>	<b>\$ 38,018</b>

The RSIP costs of \$18 million include almost \$4.6 million payable to OPM for early retirement contributions required by statute. The OPM contributions were unpaid at September 30, 2004.

#### 17. Regional Operation Closings and Consolidations

GPO employed regional operation closings and consolidations to right-size operations and reduce unnecessary operating costs during fiscal years 2003 and 2004. The downward trend in customer demand for traditional printing has reduced operating revenues for all major programs at GPO. Accordingly, program managers have been evaluating their programs in an effort to identify opportunities to improve the economy, efficiency, and effectiveness of their operations.

During fiscal year 2003, the Superintendent of Documents closed all remaining bookstores with the exception of the Main Bookstore in Washington, DC, and the Retail Sales Outlet in Laurel, MD. The 16 bookstores closed were located in Atlanta, GA, Columbus, OH, Cleveland, OH, Dallas, TX, Denver, CO, Detroit, MI, Houston, TX, Jacksonville, FL, Kansas City, MO, Los Angeles, CA, Milwaukee, WI, New York, NY, Pittsburgh, PA, Portland, OR, Pueblo, CO, and Seattle, WA. GPO accrued one-time estimated termination costs of \$535,000 for existing operating leases, \$50,000 for site restoration, and \$635,000 for severance pay to 28 employees that were involuntarily separated as a result of the closings as of September 30, 2003. The remaining bookstore employees either retired or were transferred to other Federal agencies.

During fiscal year 2003, GPO initiated actions to reduce the Agency's requirements for leased space at the GPO warehouse facility in Laurel, MD. The GPO warehouse facility consisted of two adjacent buildings. Building Number I and most of Building II were being used by the Superintendent of Documents for the Sales of Publications. Building Number II was also being used by Production Operations for the storage of equipment, paper, and supplies. First, Plant Operations closed the paper storage operations in the Laurel facility during fiscal year 2003. In fiscal year 2004, the Superintendent of Documents finished vacating Building Number I by consolidated their operations into Building Number II. GPO accrued one-time termination costs of \$614,000 for the operating lease for Building Number I, and \$150,000 for site restoration during fiscal year 2003. The lease for the vacated building expired in August 2004.

The costs associated with the bookstore closings and the warehouse consolidation are reflected in the operating expenses in the statement of revenues and expenses for fiscal year 2003.

During fiscal year 2004, Customer Services closed the Regional Printing Plant in Denver, CO. This was the last regional printing plant operated by GPO. The regional plant reported an operating loss of about \$722,000 in fiscal year 2004 and \$1.8 million in fiscal year 2003 on revenues of \$349,000 and \$561,000, respectively. GPO accrued one-time estimated termination costs of \$145,000 for severance pay to four former employees, \$65,000 for building lease payments, and \$200,000 for leased operating equipment.

The costs associated with the closing of the Denver Regional Printing Plant are reflected in the operating expenses in the statement of revenues and expenses for fiscal year 2004.

SECTION IV

Consolidating  
and  
Supplemental  
Schedules  
(unaudited)

Consolidating Balance Sheet by Fund Type

As of September 30, 2004

(Dollars in thousands)

(Unaudited)

	Revolving Fund		General Fund		Total Before Eliminations	Eliminations	Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation			
<b>Assets</b>							
<b>CURRENT ASSETS</b>							
Funds with the U.S. Treasury	\$ 118,741	\$ 6,968	\$ 19,978	\$ 48,331	\$ 194,018	\$ -	\$ 194,018
Accounts receivable, net	227,587	726	23	-	228,336	(83,747)	144,589
Inventories:							
Publications for sale, net	-	2,881	-	-	2,881	-	2,881
Paper	2,716	-	-	-	2,716	-	2,716
Materials and supplies, net	3,301	-	-	-	3,301	-	3,301
<b>Total inventories, net</b>	<b>6,017</b>	<b>2,881</b>			<b>8,898</b>		<b>8,898</b>
Prepaid expenses	432	-	-	-	432	-	432
<b>Total current assets</b>	<b>352,777</b>	<b>10,575</b>	<b>20,001</b>	<b>48,331</b>	<b>431,684</b>	<b>(83,747)</b>	<b>347,937</b>
<b>PROPERTY, PLANT, AND EQUIPMENT</b>							
Land	9,971	-	-	-	9,971	-	9,971
Buildings and improvements	75,617	-	-	-	75,617	-	75,617
Plant machinery and equipment	74,976	-	-	-	74,976	-	74,976
Computers and computer software	29,814	-	-	-	29,814	-	29,814
Furniture and fixtures	6,015	-	-	-	6,015	-	6,015
Motor vehicles	740	-	-	-	740	-	740
Leasehold improvements	1,030	-	-	-	1,030	-	1,030
Construction and software in process	1,020	-	-	-	1,020	-	1,020
	199,183	-	-	-	199,183	-	199,183
Less: Accumulated depreciation and amortization	(139,985)	-	-	-	(139,985)	-	(139,985)
<b>Property, plant, and equipment, net</b>	<b>59,198</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,198</b>	<b>-</b>	<b>59,198</b>
<b>Total assets</b>	<b>\$ 411,975</b>	<b>\$ 10,575</b>	<b>\$ 20,001</b>	<b>\$ 48,331</b>	<b>\$ 490,882</b>	<b>\$ (83,747)</b>	<b>\$ 407,135</b>

See accompanying independent auditors' report.



**Consolidating Balance Sheet by Fund Type**

As of September 30, 2004

(Dollars in thousands)

(Unaudited)

	Revolving Fund		General Fund				Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation	Total Before Eliminations	Eliminations	
<b>Liabilities and Net Position</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable and accrued expenses	\$ 88,375	\$ 82,051	\$ 1,868	\$ -	\$172,293	\$(83,747)	\$ 88,546
Deferred revenue	63,552	10,151	-	-	73,703	-	73,703
Accrued annual leave	9,294	-	-	-	9,294	-	9,294
<b>Total current liabilities</b>	<b>161,221</b>	<b>92,202</b>	<b>1,868</b>	<b>-</b>	<b>255,290</b>	<b>(83,747)</b>	<b>171,543</b>
<b>OTHER LIABILITIES</b>							
Workers' compensation liability	79,603	-	-	-	79,603	-	79,603
<b>Total other liabilities</b>	<b>79,603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,603</b>	<b>-</b>	<b>79,603</b>
<b>Total liabilities</b>	<b>240,824</b>	<b>92,202</b>	<b>1,868</b>	<b>-</b>	<b>334,893</b>	<b>(83,747)</b>	<b>251,146</b>
<b>NET POSITION</b>							
Cumulative results of operations:							
Retained earnings (accumulated deficit)	75,913	(84,216)	-	-	(8,303)	-	(8,303)
Invested capital	90,290	2,589	-	-	92,879	-	92,879
Unexpended appropriations	4,949	-	18,133	48,331	71,413	-	71,413
<b>Total net position</b>	<b>171,151</b>	<b>(81,627)</b>	<b>18,133</b>	<b>48,331</b>	<b>155,989</b>	<b>-</b>	<b>155,989</b>
<b>Total liabilities and total net position</b>	<b>\$ 411,975</b>	<b>\$ 10,575</b>	<b>\$ 20,001</b>	<b>\$ 48,331</b>	<b>\$490,882</b>	<b>\$(83,747)</b>	<b>\$407,135</b>

See accompanying independent auditors' report.

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

For the Fiscal Year Ended September 30, 2004

(Dollars in thousands)

(Unaudited)

	Revolving Fund		General Fund				Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation	Total Before Eliminations	Eliminations	
<b>OPERATING REVENUES</b>							
Printing and Binding	\$ 638,047	\$ -	\$ -	\$ -	\$638,047	\$(106,805)	\$ 531,242
Sales of Publications	-	24,024	-	-	24,024	-	24,024
Appropriations	12,124	-	32,900	86,782	131,806	(340)	131,466
Reimbursements	-	5,022	-	-	5,022	-	5,022
<b>Total operating revenues</b>	<b>650,171</b>	<b>29,046</b>	<b>32,900</b>	<b>86,782</b>	<b>798,899</b>	<b>(107,145)</b>	<b>691,754</b>
<b>OPERATING EXPENSES</b>							
Printing and reproduction	406,638	196	11,652	86,782	505,268	(104,776)	400,492
Personnel compensation and benefits	162,539	20,877	15,809	-	199,225	(1,579)	197,646
Retirement separation incentive program	7,274	-	354	-	7,628	-	7,628
Supplies and materials	30,831	728	907	-	32,466	(99)	32,367
Rents, communications, and utilities	12,459	8,420	1,432	-	22,311	(226)	22,085
Publications sold	-	6,146	-	-	6,146	-	6,146
Depreciation and amortization	7,125	316	181	-	7,622	-	7,622
Other services	9,896	1,233	1,240	-	12,369	(465)	11,904
Surplus publications	-	108	-	-	108	-	108
Travel and transportation	2,308	793	1,325	-	4,426	-	4,426
<b>Total operating expenses</b>	<b>639,070</b>	<b>38,817</b>	<b>32,900</b>	<b>86,782</b>	<b>797,569</b>	<b>(107,145)</b>	<b>690,424</b>
<b>Income (loss) before other operating expenses</b>	<b>11,101</b>	<b>(9,771)</b>	<b>-</b>	<b>-</b>	<b>1,330</b>	<b>-</b>	<b>1,330</b>
<b>OTHER OPERATING EXPENSES</b>							
Changes in workers' compensation liabilities	9,929	-	-	-	9,929	-	9,929
<b>Net Income (loss)</b>	<b>\$ 21,030</b>	<b>\$ (9,771)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,259</b>	<b>\$ -</b>	<b>\$ 11,259</b>

See accompanying independent auditors' report.

**Consolidating Schedule of Cash Flow by Fund Type**

For the Fiscal Year Ended September 30, 2004

(Dollars in thousands)

(Unaudited)

	Revolving Fund		General Fund		Total Before Eliminations	Eliminations	Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Net income (loss)</b>	<b>\$ 21,030</b>	<b>\$ (9,771)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,259</b>	<b>\$ -</b>	<b>\$ 11,259</b>
Adjustments to reconcile net (income loss) to net cash provided by operating activities:							
Depreciation and amortization	7,622	-	-	-	7,622	-	7,622
Gain on disposal of property, plant, and equipment	(63)	-	-	-	(63)	-	(63)
Changes in assets and liabilities:							
(Increase) decrease in assets-							
Accounts receivable	(36,478)	717	6	-	(35,755)	4,524	(31,231)
Inventories	2,778	(918)	-	-	1,860	-	1,860
Prepaid expenses	168	-	-	-	168	-	168
Increase (decrease) in liabilities-							
Accounts payable and accrued expenses	16,281	11,341	(2,382)	(4,279)	20,961	(4,524)	16,437
Deferred revenue	7,401	(1,243)	-	-	6,158	-	6,158
Accrued annual leave	(834)	-	-	-	(834)	-	(834)
Workers' compensation liability	(9,929)	-	-	-	(9,929)	-	(9,929)
<b>Total adjustments</b>	<b>(13,054)</b>	<b>9,897</b>	<b>(2,376)</b>	<b>(4,279)</b>	<b>(9,812)</b>	<b>-</b>	<b>(9,812)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>7,976</b>	<b>126</b>	<b>(2,376)</b>	<b>(4,279)</b>	<b>1,447</b>	<b>-</b>	<b>1,447</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Capital expenditures	(10,363)	-	-	-	(10,363)	-	(10,363)
Proceeds from sale of property, plant, and equipment	63	-	-	-	63	-	63
<b>Net cash used in investing activities</b>	<b>(10,300)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,300)</b>	<b>-</b>	<b>(10,300)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Increase (decrease) in unexpended appropriations	(5,295)	-	1,353	3,791	(150)	-	(150)
<b>Net cash (used in) provided by in financing activities</b>	<b>(5,295)</b>	<b>-</b>	<b>1,353</b>	<b>3,791</b>	<b>(150)</b>	<b>-</b>	<b>(150)</b>
<b>Net (decrease) increase in fund balance with the U.S. Treasury</b>	<b>(7,619)</b>	<b>126</b>	<b>(1,023)</b>	<b>(488)</b>	<b>(9,003)</b>	<b>-</b>	<b>(9,003)</b>
Fund balance with the U.S. Treasury, beginning of year	126,359	6,843	21,000	48,819	203,021	-	203,021
<b>Fund balance with the U.S. Treasury, end of year</b>	<b>\$ 118,740</b>	<b>\$ 6,969</b>	<b>\$ 19,977</b>	<b>\$ 48,331</b>	<b>\$ 194,018</b>	<b>\$ -</b>	<b>\$ 194,018</b>

See accompanying independent auditors' report.

**Supplemental Schedule of Appropriated Funds**

For the Fiscal Years, Ended September 30, 2004 and 2003

(Dollars in thousands)

(Unaudited)

	Revolving Fund Appropriation	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation	Total	
				2004	2003
Unexpended Appropriations, beginning of year (on cash basis)	\$ 10,243	\$ 21,000	\$ 48,819	\$ 80,062	\$ 62,299
Funds Provided:					
Appropriations	9,941	34,253	90,573	134,767	119,025
<b>Total funds available</b>	<b>20,184</b>	<b>55,253</b>	<b>139,392</b>	<b>214,829</b>	<b>181,324</b>
Funds Applied:					
Obligated appropriations-					
Current year	9,941	24,350	57,589	91,880	69,592
Prior years	5,294	10,925	33,472	49,691	31,670
<b>Total funds applied</b>	<b>15,235</b>	<b>35,275</b>	<b>91,061</b>	<b>141,571</b>	<b>101,262</b>
<b>Unexpended Appropriations, end of year (on cash basis)</b>	<b>4,949</b>	<b>19,978</b>	<b>48,331</b>	<b>73,258</b>	<b>80,062</b>
Adjustments:					
Intra-agency accounts receivable	-	23	-	23	29
Intra-agency accounts payable	-	(1,868)	-	(1,868)	(8,528)
<b>Unexpended Appropriations, end of year (on accrual basis)</b>	<b>\$ 4,949</b>	<b>\$ 18,133</b>	<b>\$ 48,331</b>	<b>\$ 71,413</b>	<b>\$ 71,563</b>

See accompanying independent auditors' report.

**Supplemental Schedule of Balance Sheets for Revolving Fund**

As of September 30, 2004 and 2003

(Dollars in thousands)

(Unaudited)

	Printing and Binding Operations		Sales of Publications Operations		Total Revolving Fund 2004			Total Revolving Fund 2003		
	2004	2003	2004	2003	Before Eliminations	Eliminations	Consolidated	Before Eliminations	Eliminations	Consolidated
<b>ASSETS</b>										
<b>CURRENT ASSETS</b>										
Fund balance with the U.S. Treasury	\$ 118,741	\$ 126,359	\$ 6,968	\$ 6,843	\$ 125,709	\$ -	\$ 125,709	\$ 133,202	\$ -	\$ 133,202
Accounts receivable, net	227,587	191,110	726	1,443	228,313	(83,748)	144,565	192,553	(79,224)	113,329
Inventories, net	6,017	8,795	2,881	1,963	8,898	-	8,898	10,758	-	10,758
Prepaid expenses	432	600	-	-	432	-	432	600	-	600
<b>Total current assets</b>	<b>352,777</b>	<b>326,864</b>	<b>10,575</b>	<b>10,249</b>	<b>363,352</b>	<b>(83,748)</b>	<b>279,604</b>	<b>337,113</b>	<b>(79,224)</b>	<b>257,889</b>
<b>PROPERTY, PLANT, AND EQUIPMENT</b>										
Land	9,971	9,971	-	-	9,971	-	9,971	9,971	-	9,971
Buildings and improvements	75,617	73,906	-	-	75,617	-	75,617	73,906	-	73,906
Plant machinery and equipment	74,976	74,961	-	-	74,976	-	74,976	74,961	-	74,961
Computers and computer software	29,814	23,602	-	-	29,814	-	29,814	23,602	-	23,602
Furniture and fixtures	6,015	4,867	-	-	6,015	-	6,015	4,867	-	4,867
Motor vehicles	740	740	-	-	740	-	740	740	-	740
Leasehold improvements	1,030	1,030	-	-	1,030	-	1,030	1,030	-	1,030
Construction and software in process	1,020	207	-	-	1,020	-	1,020	207	-	207
	199,183	189,284	-	-	199,183	-	199,183	189,284	-	189,284
Less: Accumulated depreciation and amortization	(139,985)	(132,827)	-	-	(139,985)	-	(139,985)	(132,827)	-	(132,827)
Property, plant, and equipment, net	59,198	56,457	-	-	59,198	-	59,198	56,457	-	56,457
<b>Total assets</b>	<b>\$ 411,975</b>	<b>\$ 383,321</b>	<b>\$ 10,575</b>	<b>\$ 10,249</b>	<b>\$ 422,550</b>	<b>\$ (83,748)</b>	<b>\$ 338,802</b>	<b>\$ 393,570</b>	<b>\$ (79,224)</b>	<b>\$ 314,346</b>

See accompanying independent auditors' report.

**Supplemental Schedule of Balance Sheets for Revolving Fund**

As of September 30, 2004 and 2003

(Dollars in thousands)

(Unaudited)

	Printing and Binding Operations		Sales of Publications Operations		Total Revolving Fund 2004			Total Revolving Fund 2003		
	2004	2003	2004	2003	Before Eliminations	Eliminations	Consolidated	Before Eliminations	Eliminations	Consolidated
<b>LIABILITIES AND NET POSITION</b>										
<b>CURRENT LIABILITIES</b>										
Accounts payable and accrued expenses	\$ 88,375	\$ 72,093	\$ 82,051	\$ 70,712	\$ 170,426	\$ (83,748)	\$ 86,678	\$ 142,805	\$ (79,224)	\$ 63,581
Deferred revenue	63,552	56,151	10,151	11,394	73,703	-	73,703	67,545	-	67,545
Accrued annual leave	9,294	10,128	-	-	9,294	-	9,294	10,128	-	10,128
<b>Total current liabilities</b>	<b>161,221</b>	<b>138,372</b>	<b>92,202</b>	<b>82,106</b>	<b>253,423</b>	<b>(83,748)</b>	<b>169,675</b>	<b>220,478</b>	<b>(79,224)</b>	<b>141,254</b>
<b>OTHER LIABILITIES</b>										
Workers' compensation liability	79,603	89,532	-	-	79,603	-	79,603	89,532	-	89,532
<b>Total other liabilities</b>	<b>79,603</b>	<b>89,532</b>	<b>-</b>	<b>-</b>	<b>79,603</b>	<b>-</b>	<b>79,603</b>	<b>89,532</b>	<b>-</b>	<b>89,532</b>
<b>Total liabilities</b>	<b>240,824</b>	<b>227,904</b>	<b>92,202</b>	<b>82,106</b>	<b>333,026</b>	<b>(83,748)</b>	<b>249,278</b>	<b>310,010</b>	<b>(79,224)</b>	<b>230,786</b>
<b>NET POSITION</b>										
Cumulative results of operations:										
Retained earnings (accumulated deficit)	75,913	54,884	(84,216)	(74,446)	(8,303)	-	(8,303)	(19,562)	-	(19,562)
Invested capital	90,290	90,290	2,589	2,589	92,879	-	92,879	92,879	-	92,879
Unexpended appropriations	4,948	10,243	-	-	4,948	-	4,948	10,243	-	10,243
<b>Total net position</b>	<b>171,151</b>	<b>155,417</b>	<b>(81,627)</b>	<b>(71,857)</b>	<b>89,524</b>	<b>-</b>	<b>89,524</b>	<b>83,560</b>	<b>-</b>	<b>83,560</b>
<b>Total liabilities and total net position</b>	<b>\$ 411,975</b>	<b>\$ 383,321</b>	<b>\$ 10,575</b>	<b>\$ 10,249</b>	<b>\$ 422,550</b>	<b>\$ (83,748)</b>	<b>\$ 338,802</b>	<b>\$ 393,570</b>	<b>\$ (79,224)</b>	<b>\$ 314,346</b>

See accompanying independent auditors' report.

### Consolidating Schedule of Income (Loss) before Other Operating Expenses by Major Program

For the Fiscal Years, Ended September 30, 2004 and 2003

(Dollars in thousands)

(Unaudited)

	Printing and Binding Operations		Information Dissemination Operations		Congressional Printing and Binding		Other Operations		Total GPO Before Eliminations		Eliminations		Total GPO	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
<b>REVENUES:</b>														
Printing and binding	\$ 626,154	\$ 615,636	\$ -	\$ -	\$ -	\$ -	\$ 1,270	\$ 1,502	\$ 627,424	\$ 617,138	\$ (106,805)	\$ (92,718)	\$ 520,619	\$ 524,420
Sales of blank paper	9,813	9,859	-	-	-	-	-	-	9,813	9,859	-	-	9,813	9,859
Sales of waste and scrap	810	570	-	-	-	-	-	-	810	570	-	-	810	570
Sales of publications	-	-	24,024	31,135	-	-	-	-	24,024	31,135	-	-	24,024	31,135
Appropriations	-	-	32,900	28,455	86,782	71,797	12,124	5,130	131,806	105,382	(340)	(621)	131,466	104,761
Reimbursements	-	-	5,022	4,605	-	-	-	-	5,022	4,605	-	-	5,022	4,605
<b>Total revenues</b>	<b>636,777</b>	<b>626,065</b>	<b>61,946</b>	<b>64,195</b>	<b>86,782</b>	<b>71,797</b>	<b>13,394</b>	<b>6,632</b>	<b>798,899</b>	<b>768,689</b>	<b>(107,145)</b>	<b>(93,339)</b>	<b>691,754</b>	<b>675,350</b>
<b>EXPENSES:</b>														
Printing and reproduction	406,638	402,830	11,848	10,376	86,782	71,797	-	-	505,268	485,003	(104,776)	(90,565)	400,492	394,438
Personnel compensation and benefit	161,872	170,557	36,686	41,026	-	-	667	1,710	199,225	213,293	(1,579)	(1,690)	197,646	211,603
Retirement separation incentive program	-	-	354	560	-	-	7,274	9,850	7,628	10,410	-	-	7,628	10,410
Supplies and materials	30,555	33,350	1,635	2,070	-	-	276	64	32,466	35,484	(99)	(110)	32,367	35,374
Rents, communications, and utilities	11,660	12,012	9,852	9,667	-	-	799	2,079	22,311	23,758	(226)	(249)	22,085	23,509
Publications sold	-	-	6,146	8,392	-	-	-	-	6,146	8,392	-	-	6,146	8,392
Depreciation and amortization	7,083	6,591	497	507	-	-	42	7	7,622	7,105	-	-	7,622	7,105
Other services	9,422	6,383	2,473	1,893	-	-	474	316	12,369	8,592	(465)	(725)	11,904	7,867
Surplus publications	-	-	108	6,792	-	-	-	-	108	6,792	-	-	108	6,792
Travel and transportation	2,303	2,027	2,118	2,401	-	-	5	5	4,426	4,433	-	-	4,426	4,433
<b>Total expenses</b>	<b>629,533</b>	<b>633,750</b>	<b>71,717</b>	<b>83,684</b>	<b>86,782</b>	<b>71,797</b>	<b>9,537</b>	<b>14,031</b>	<b>797,569</b>	<b>803,262</b>	<b>(107,145)</b>	<b>(93,339)</b>	<b>690,424</b>	<b>709,923</b>
<b>INCOME (LOSS) before Other Operating Expenses</b>	<b>\$ 7,244</b>	<b>\$ (7,685)</b>	<b>\$ (9,771)</b>	<b>\$ (19,489)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,857</b>	<b>\$ (7,399)</b>	<b>\$ 1,330</b>	<b>\$ (34,573)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,330</b>	<b>\$ (34,573)</b>

See accompanying independent auditors' report.

### Supplemental Schedule of Income (Loss) before Other Operating Expenses for Printing and Binding Operations

For the Fiscal Years, Ended September 30, 2004 and 2003

(Dollars in thousands)

(Unaudited)

	Plant Printing Operations		Regional Printing		Total In-House Printing				Purchased Printing				Total Printing and Binding Operations			
	2004	2003	2004	2003	2004	Percent of Revenues	2003	Percent of Revenues	2004	Percent of Revenues	2003	Percent of Revenues	2004	Percent of Revenues	2003	Percent of Revenues
<b>REVENUES:</b>																
Printing and binding	\$ 177,079	\$ 174,663	\$ 349	\$ 561	\$177,428	95	\$175,224	95	\$ 448,726	100	\$ 440,412	100	\$ 626,154	98	\$ 615,636	98
Sales of blank paper	9,813	9,859	-	-	9,813	5	9,859	5	-	-	-	-	9,813	2	9,859	2
Sales of waste and scrap	810	570	-	-	810	-	570	-	-	-	-	-	810	-	570	-
<b>Total revenues</b>	<b>187,702</b>	<b>185,092</b>	<b>349</b>	<b>561</b>	<b>188,051</b>	<b>100</b>	<b>185,653</b>	<b>100</b>	<b>448,726</b>	<b>100</b>	<b>440,412</b>	<b>100</b>	<b>636,777</b>	<b>100</b>	<b>626,065</b>	<b>100</b>
<b>EXPENSES:</b>																
Printing and reproduction	-	-	-	-	-	-	-	-	406,638	91	402,830	92	406,638	65	402,830	65
Personnel compensation and benefits	129,709	131,570	562	1,281	130,271	69	132,851	73	31,601	7	37,706	9	161,872	25	170,557	27
Supplies and materials	29,543	31,847	46	134	29,589	16	31,981	17	966	-	1,369	-	30,555	5	33,350	5
Rents, communications, and utilities	6,628	5,908	140	229	6,768	4	6,137	3	4,892	1	5,875	1	11,660	2	12,012	2
Depreciation and amortization	6,205	5,922	3	3	6,208	3	5,925	3	875	-	666	-	7,083	1	6,591	1
Other services	6,024	4,636	316	714	6,340	3	5,350	3	3,082	1	1,033	-	9,422	1	6,383	1
Travel and transportation	1,295	741	4	7	1,299	1	748	-	1,004	-	1,279	-	2,303	-	2,027	-
<b>Total expenses</b>	<b>179,404</b>	<b>180,624</b>	<b>1,071</b>	<b>2,368</b>	<b>180,475</b>	<b>96</b>	<b>182,992</b>	<b>99</b>	<b>449,058</b>	<b>100</b>	<b>450,758</b>	<b>102</b>	<b>629,533</b>	<b>99</b>	<b>633,750</b>	<b>101</b>
<b>INCOME (LOSS) before Other Operating Expenses</b>	<b>\$ 8,298</b>	<b>\$ 4,468</b>	<b>\$ (722)</b>	<b>\$ (1,807)</b>	<b>\$ 7,576</b>	<b>4</b>	<b>\$ 2,661</b>	<b>1</b>	<b>\$ (332)</b>	<b>-</b>	<b>\$ (10,346)</b>	<b>(2)</b>	<b>\$ 7,244</b>	<b>1</b>	<b>\$ (7,685)</b>	<b>(1)</b>

See accompanying independent auditors' report.

### Supplemental Schedule of Income (Loss) before Other Operating Expenses for Information Dissemination

For the Fiscal Years, Ended September 30, 2004 and 2003

(Dollars in thousands)

(Unaudited)

	Sales of Publications Program				Agency Distribution Services				Salaries and Expenses Programs				Total Information Dissemination			
	2004	Percent of Revenues	2003	Percent of Revenues	2004	Percent of Revenues	2003	Percent of Revenues	2004	Percent of Revenues	2003	Percent of Revenues	2004	Percent of Revenues	2003	Percent of Revenues
<b>REVENUES:</b>																
Sales of publications	\$ 24,024	100	\$ 31,135	100	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 24,024	39	\$ 31,135	49
Appropriations	-	-	-	-	-	-	-	-	32,900	100	28,455	100	32,900	53	28,455	44
Reimbursements	-	-	-	-	5,022	100	4,605	100	-	-	-	-	5,022	8	4,605	7
<b>Total revenues</b>	<b>24,024</b>	<b>100</b>	<b>31,135</b>	<b>100</b>	<b>5,022</b>	<b>100</b>	<b>4,605</b>	<b>100</b>	<b>32,900</b>	<b>100</b>	<b>28,455</b>	<b>100</b>	<b>61,946</b>	<b>100</b>	<b>64,195</b>	<b>100</b>
<b>EXPENSES:</b>																
Printing and reproduction	80	-	283	1	116	2	93	2	11,652	35	10,000	35	11,848	19	10,376	16
Personnel compensation and benefits	17,429	74	23,938	79	3,448	68	3,100	68	15,809	48	13,988	49	36,686	59	41,026	64
Retirement separation incentive program	-	-	560	2	-	-	-	-	354	1	-	-	354	3	560	1
Supplies and materials	579	2	991	3	149	3	142	3	907	3	937	3	1,635	3	2,070	3
Rents, communications, and utilities	7,076	29	6,926	21	1,344	27	1,709	37	1,432	4	1,032	4	9,852	16	9,667	15
Publications sold	6,146	26	8,392	26	-	-	-	-	-	-	-	-	6,146	10	8,392	13
Depreciation and amortization	252	1	244	1	64	1	43	1	181	1	220	1	497	1	507	1
Other services	1,044	4	967	3	189	4	109	2	1,240	4	817	3	2,473	4	1,893	3
Surplus publications	108	-	6,792	22	-	-	-	-	-	-	-	-	108	-	6,792	11
Travel and transportation	509	2	687	2	284	6	253	5	1,325	4	1,461	5	2,118	3	2,401	4
<b>Total expenses</b>	<b>33,223</b>	<b>138</b>	<b>49,780</b>	<b>160</b>	<b>5,594</b>	<b>111</b>	<b>5,449</b>	<b>118</b>	<b>32,900</b>	<b>100</b>	<b>28,455</b>	<b>100</b>	<b>71,717</b>	<b>116</b>	<b>83,684</b>	<b>130</b>
<b>INCOME (LOSS) before Other Operating Expenses</b>	<b>\$ (9,199)</b>	<b>(38)</b>	<b>\$ (18,645)</b>	<b>(60)</b>	<b>\$ (572)</b>	<b>\$ (11)</b>	<b>\$ (844)</b>	<b>(18)</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>\$ (9,771)</b>	<b>(16)</b>	<b>\$ (19,489)</b>	<b>(30)</b>

See accompanying independent auditors' report.

**Q. What is the history of GPO?**

**A.** The U.S. Government Printing Office's core mission, *Keeping America Informed*, dates to 1813 when Congress determined the need to make information regarding the work of the three branches of Government available to all Americans. This is the inherent function of Government which GPO carries out for Federal agencies on behalf of the public. GPO is the Federal Government's primary centralized resource for gathering, cataloging, producing, providing and preserving published information in all its forms.

Many of our nation's most important information products, such as the *Congressional Record* and *Federal Register*, are produced at the GPO's main plant in Washington, D.C., a 1.5 million square-foot complex that is the largest information processing, printing, and distribution facility in the world located just five blocks from the Capitol. In addition to the agency's production facilities, GPO procures between 600 and 1,000 print-related projects a day through private sector vendors across the country. The majority of the Government's printing needs are met through a long-standing partnership with America's printing industry. GPO competitively buys products and services from thousands of private sector companies in all 50 States. It is one of the Government's most successful procurement programs, assuring the most cost-effective use of the taxpayers' printing dollars.

Today, GPO is at the epicenter of technological change, embracing a historic mission while looking to the digital future. The 2,500 men and women of GPO are hard at work transforming the agency into a 21st century digital information processing facility.

**Q. How is the GPO managed?**

**A.** As the nation's 24th Public Printer, Bruce R. James serves as the Chief Executive Officer of the U.S. Government Printing Office, one of the nation's oldest and most venerable agencies. Headquartered in Washington, D.C., James oversees production and distribution of information products and services for all three branches of the Federal Government.

Bruce R. James of Nevada was nominated by President George W. Bush for the position of Public Printer and was confirmed by the United States Senate November 22, 2002.

Deputy Public Printer Bill Turri serves as the Chief Operating Officer of GPO.

**Q. What does the GPO do?**

**A.** GPO is the Federal Government's primary centralized resource for gathering, cataloging, producing, providing, authenticating, and preserving published information in all its forms.

GPO is responsible for the production and distribution of information products and services for all three branches of the Federal Government.

For example, GPO made the Official Government Edition of *The 9-11 Commission Report* available to the American public through *GPO Access* [www.gpoaccess.gov](http://www.gpoaccess.gov) at no cost at the exact time the 9-11 Commission issued its report in July 2004. The printed report was also available through our sales program at the very same time for a minimal charge. Unlike most Federal agencies, GPO operates much like a business, as it is reimbursed by its customers for the cost of work performed.

In addition, the GPO distributed free copies of the report to the more than 1,250 libraries nationwide participating in the Federal Depository Library Program located in congressional districts across the country.

GPO's main mission is to ensure the American public has access to Government information.

**Q. What is GPO Access?**

**A.** *GPO Access* [www.gpoaccess.gov](http://www.gpoaccess.gov) is a service of the U.S. Government Printing Office that provides free electronic access to a wealth of important information products produced by the Federal Government. The information provided on this site is the official, published version and the information retrieved from *GPO Access* can be used without restriction, unless specifically noted. This free service is funded by the Federal Depository Library Program and has grown out of Public Law 103-40, known as the *Government Printing Office Electronic Information Enhancement Act of 1993*.

**Q. What is the Federal Depository Library Program (FDLP)?**

**A.** Established by Congress to ensure the American public has access to its Government's information, the Federal Depository Library Program involves the acquisition, format conversion, and distribution of depository materials and the coordination of Federal depository libraries across the country.

The mission of the FDLP is to disseminate information products from all three branches of the Government to more than 1,250 libraries nationwide. Libraries that have been designated as Federal depositories maintain these information products as part of their existing collections and are responsible for assuring that the public has free access to the material provided by the FDLP.

GPO, through a partnership with the FDLP, provides personal assistance in locating and using Government information. Participating libraries may be located via *GPO Access* or by calling toll-free 866.512.1800.

**Q. How do I get documents from the GPO?**

**A.** More than 275,000 Federal Government document titles are available to the public via the Internet at *GPO Access* [www.gpoaccess.gov](http://www.gpoaccess.gov).

Printed copies of many of those documents ranging from Supreme Court opinions to reports from the Bureau of Labor Statistics may also be purchased in person, online, via phone, fax, email, or postal mail.

**To order in person**, please visit the GPO Main Bookstore at 710 North Capitol St. NW, Washington, DC (Corner of North Capitol and H Streets) from 8:00 a.m.- 4:30 p.m. EST.

**To order online**, visit the U.S. Government Online Bookstore at <http://bookstore.gpo.gov>.

**To order by phone or inquire about an order**, call toll-free 866.512.1800 or, in the D.C. metro area, call 202.512.1800 from 7:00 a.m.- 9:00 p.m. EST.

**By fax**, dial 202.512.2104. Send order inquiries to [contactcenter@gpo.gov](mailto:contactcenter@gpo.gov).

**Send mail to:** Information Dissemination (Superintendent of Documents), P.O. Box 371954, Pittsburgh, PA 15250-7954.

All orders require prepayment by VISA, MasterCard, American Express, or Discover/NOVUS credit cards, check, or SOD deposit account.

**Q. Who pays for the GPO?**

**A.** Unlike most Federal agencies, GPO operates much like a business — it is reimbursed by its customers for the cost of work performed. GPO also receives two appropriations each year. One pays for the cost of congressional printing, and the other to fund the cataloging, indexing, distribution and online access to Government documents, through the FDLP.

**Q. Where is the GPO located?**

**A.** GPO's central office is located at 732 North Capitol Street NW, Washington, DC 20401. GPO also has several offices nationwide.







**PUBLIC PRINTER**  
Bruce R. James  
*Chief Executive Officer*



**CHIEF OF STAFF**  
Robert C. Tapella



**DEPUTY PUBLIC PRINTER**  
William H. Turri  
*Chief Operating Officer*



**DEPUTY CHIEF OF STAFF**  
Maria S. Robinson



**CONGRESSIONAL RELATIONS**  
Andrew M. Sherman  
*Director*



**EQUAL EMPLOYMENT OPPORTUNITY**  
Nadine L. Elzy  
*Director*



**CUSTOMER SERVICES**  
James C. Bradley  
*Managing Director*



**FINANCE AND ADMINISTRATION**  
Steven T. Shedd  
*Chief Financial Officer*



**PUBLIC RELATIONS**  
Veronica Meter  
*Director*



**INSPECTOR GENERAL**  
Gregory A. Brower  
*Inspector General*



**PLANT OPERATIONS**  
Robert E. Schwenk  
*Managing Director*



**HUMAN CAPITAL**  
William T. Harris  
*Acting Chief Human Capital Officer*



**OFFICE OF INNOVATION & NEW TECHNOLOGY**  
Scott A. Stovall  
*Co-Director*



**LEGAL COUNSEL**  
Michael L. Wash  
*Chief Technical Officer & Co-Director*



**LEGAL COUNSEL**  
Anthony J. Zagami  
*General Counsel*



**INFORMATION DISSEMINATION**  
Judith C. Russell  
*Superintendent of Documents*



**INFORMATION TECHNOLOGY & SYSTEMS**  
Reynold C. Schweickhardt  
*Chief Information Officer*



**NEW BUSINESS DEVELOPMENT**  
Charles C. Cook, Sr.  
*Director*



**SECURITY SERVICES**  
Ronald C. Monroe  
*Chief of Police & Director*

[www.gpo.gov](http://www.gpo.gov)  
Leading Our Customers into the Digital Future

Bruce R. James

*Public Printer of the United States — Chief Executive Officer*

As the nation's 24th Public Printer, James serves as the Chief Executive Officer of the U.S. Government Printing Office, one of the nation's oldest and most venerable agencies. Headquartered in Washington, D.C., James oversees production and distribution of information products and services for all three branches of the Federal Government. Many of the country's most important information products, such as the *Congressional Record* and the *Federal Register* are produced at the GPO's main plant, located five blocks from the Capitol. This 1.5 million square foot complex is the largest information processing, printing and distribution facility in the world.

#### **Biography**

President George W. Bush nominated Bruce R. James of Nevada for the position of Public Printer and was confirmed by the United States Senate November 22, 2002. James, a 1964 graduate of Rochester Institute of Technology's School of Printing Management and Sciences, brings a lifetime of print and information industry experience to the GPO. Beginning with a basement print shop in his hometown of Cleveland, Ohio at age 11, he founded, developed and managed technology-driven printing and publishing enterprises that operated throughout the country and around the world. Among the enterprises he built are:

- **Uniplan Corporation**, San Francisco, founded in 1973, pioneered the use of mainframe computers for text and graphics processing and electronic image generation, providing services for the U.S. computer and semiconductor industries.
- **Electrographic Corporation**, San Francisco, founded in 1983, provided worldwide electronic information gathering, processing and distribution services for the publishing and banking industries.
- **Barclays Law Publishing**, San Francisco, founded in 1985, perfected the first fully automated, digital custom printing system, which allowed each customer to order a publication to their exact requirements. For four straight years, Barclays was chosen by Inc. Magazine as one of the America's 500 fastest growing companies.
- **Polish-American Printing Company**, Warsaw, Poland, founded in 1990, a nationwide newspaper printing concern headquartered in Warsaw, Poland.
- **Nevada New-Tech, Inc.**, Incline Village, Nevada, founded in 1994, invests in technology based new enterprises in his home state of Nevada.

In 1993, at age 50, he retired from business and moved with his wife Nora, to Lake Tahoe in Nevada to devote his life to public service in the government and non-profit sectors. Resigning from 13 boards to accept the GPO post, he remains chair of the Board of Trustees of his alma mater, Rochester Institute of Technology, one of the nation's largest private universities, and a board member of Sierra Nevada College at Lake Tahoe.

William H. Turri

*Deputy Public Printer of the United States — Chief Operating Officer*

Deputy Public Printer William H. Turri holds the second-highest position within the U.S. Government Printing Office. As Deputy Public Printer, Turri serves as Chief Operating Officer of the GPO, responsible for overseeing the GPO's day-to-day printing, printing procurement, and information dissemination operations serving Congress, Federal agencies, and the American public.

#### **Biography**

Turri brings to the GPO a lifelong career in the printing industry. A 1962 graduate of the Rochester Institute of Technology's (RIT) School of Graphic Arts and Photography, he began his professional career as an Estimator with Eastern Colortype. In 1963, he joined Case-Hoyt, one of the foremost quality printers in the Nation, as a Customer Service Representative, rising to become Supervisor of Customer Service, Sales Representative, and Vice-President for Sales. In 1985, he was named Chief Operating Officer of Monroe Litho, where he later served as President from 1993 to 1995. In 1995, he returned to Case-Hoyt as President and member of its Board of Directors, retiring in 2001.

Turri is a member of RIT's President's Roundtable as well as the Nathaniel Rochester Society Committee, an organization dedicated to providing scholarships to RIT students. He was the 2002 recipient of RIT's Outstanding Alumni Award and has established an endowed scholarship fund for RIT students.

Turri has lectured to senior classes at RIT and served as President of the RIT Alumni/Flower City Chapter. He also served on the New York State Board of the Printing Industries of America, Inc., for 4 years, and was a member of the Printing School Industry Advisory Committee.

Robert C. Tapella

*Office of the Public Printer — Chief of Staff*

As Chief of Staff, Robert C. Tapella directs strategic planning for the U.S. Government Printing Office and advises the Public Printer on all aspects of GPO's business.

**Biography**

Bob Tapella took over the helm as GPO's Chief of Staff in June 2004 after having served as the agency's Deputy Chief of Staff since his December 2002 appointment. Tapella brings to the agency a unique combination that includes extensive legislative experience and an education and practical background in graphic communications and printing management.

From 1996 to 2000, he served as professional staff on the House of Representatives Committee on House Oversight. As such, Tapella supervised the Office of Member Services, was Chief of Staff to Rep. Bill Redmond and Special Assistant to the Clerk of the House of Representatives. From 1986 to 1993, he was District Representative for Rep. Bill Thomas. Tapella began his career in the graphic design business, venturing later into print brokering, corporate communication and strategic planning. He is a 1991 graduate of California Polytechnic State University, one of the country's leading schools in printing and graphic communications.

A California native, Tapella is a past National Board member and current member of the Young Republican National Federation, Inc., an alumnus of the American Council of Young Political Leaders, and an alumnus of Leadership Sunnyvale's Class of 1995.

Maria S. Robinson

*Office of the Public Printer — Deputy Chief of Staff*

As Deputy Chief of Staff at the U.S. Government Printing Office, Maria S. Robinson provides oversight to staff offices and works with the Chief of Staff in the strategic planning process and other related functions.

**Biography**

Robinson's congressional experience makes her a valuable asset to the GPO as Congress is one of the agency's most important customers. Prior to her position at the GPO, she served as the Staff Director for the Joint Committee on Printing (JCP) while working as the Policy Director for the House Administration Committee. The principal purpose of the JCP is to provide daily oversight of GPO operations. As the Policy Director her duties were to oversee, manage and formulate policy issues for the Chairman. She also supervised Office of Members' Service (OMS) and worked personally with Members of Congress and/or their Chief of Staffs regarding Member problems or concerns of the operations of the House.

Robinson served as part of Congressman Robert W. Ney's staff for ten years before coming to the GPO. In 1999 she was the Legislative Director for Rep. Ney. She managed the Congressman's legislative agenda and/or projects. She also administered the work being done in all of his respective committee assignments and subcommittee positions. Robinson also served as the Legislative Assistant for Rep. Ney.

She received her Bachelor of Science in Government and Politics in 1997 from University of Maryland University College, College Park, Maryland.

Andrew M. Sherman

*Office of the Public Printer — Director of Congressional Relations*

As the Director of Congressional Relations, Andrew M. Sherman serves as the official point of contact with the Congress, providing direct liaison with the Congress on behalf of the Public Printer and the U.S. Government Printing Office. Sherman communicates GPO news and other information to the Congress, responds to inquiries from Member and committee offices, works directly with the Joint Committee on Printing, monitors congressional action for impacts on the GPO, and coordinates the GPO's congressional testimony and legislative initiatives.

**Biography**

Sherman is a 23-year veteran of the GPO with extensive experience in the GPO's budget, appropriations, legislation, planning, and public affairs operations. He has worked for the Office of the Public Printer in various capacities since 1985. He is a recipient of the Public Printer's Distinguished Service Award Certificate (1982), two Public Printer Meritorious Service Awards (1987, 1988), and the Public Printer's Distinguished Service Award (1992), GPO's highest honor.

Sherman earned a B.A. (with Distinction) in Government in 1976 and an M.A. in Government in 1981, both from The University of Virginia. He held a Governor's Fellowship at The University of Virginia's Woodrow Wilson Department of Government and Foreign Affairs 1976- 77. Prior to joining the GPO he was a graduate teaching assistant in American history at Old Dominion University 1978-80.

He has served as Eastern regional director (1993-95), treasurer (1996), and president of the National State Publishing Association (1997), an organization of state printing and publishing organizations.

Nadine L. Elzy

*Office of Equal Employment Opportunity — Director*

As Director of the Office of Equal Employment Opportunity for the U.S Government Printing Office, Nadine L. Elzy administers the Equal Employment Opportunity (EEO) program for the U. S. Government Printing Office. This includes oversight of the Affirmative Employment/ Special Emphasis Programs and Counseling.

**Biography**

Elzy comes to GPO from the Office of Thrift Supervision where she served as the Equal Employment Opportunity Director from February 1994 to December 1997. Between 1986 and 1994 she was the Deputy EEO director and Acting Special Assistant (EEO) for the U.S. Customs Services. She served as the Federal Women's Program Manager for the U.S. Equal Employment Opportunity Commission from 1985 to 1986. Elzy was with the Naval Medical Command as their EEO Officer between 1983 and 1985. She also served as the Equal Employment Opportunity Officer for the Marine Corps Recruit Depot at Parris Island, SC.

Elzy holds a bachelor's degree from the University of West Florida. She has completed numerous courses in the areas of equal employment opportunity and Federal personnel management. Her honors and awards are extensive and include outstanding performance and special act awards throughout her career.

**Veronica Meter**

*Office of the Public Printer — Director of Public Relations*

As Director of Public Relations for the U.S. Government Printing Office, Veronica Meter serves as the key point of contact for the press and the public, ensuring the story of the GPO's work is told to the American people.

**Biography**

Meter brings to the GPO 14 years of experience in electronic and print media, as well as public relations. Her professional and educational communications background includes extensive work in creating and developing new programs and operations from the ground up.

Meter joined the GPO in May 2003 as an expert consultant in the video production arena, where she initiated video projects showcasing the agency, coordinated press coverage and speeches, and organized agency related events. Prior to GPO, Meter had been the Executive Producer for Las Vegas' 24-hour cable news station, Las Vegas ONE-TV (a partnership of KLAS-TV 8 CBS, the Las Vegas Sun, Cox Communications and the Greenspun Media Group). During her first year there, Meter led the teams that launched three brand new television programs. In addition to overseeing daytime programming, Meter was also in charge of handling special events coverage including live breaking news. From 1996 to 1999, Meter was a newscast producer at KLAS-TV Channel 8 Eyewitness News, the CBS affiliate in Las Vegas. She also produced a brand new program for the PBS station KLVX-TV, which she helped develop. Prior to that, Meter was News and Public Affairs Director for the Telemundo affiliate, where she organized the new office. In that role, she also pioneered Spanish-language news in Las Vegas by producing and anchoring the area's first Spanish-language nightly newscast.

Meter has been honored with many electronic media awards through the years. She was recognized for the September 11, 2001 spot news coverage of "Attack on America" and in 2000, she was nominated for an Emmy for her work during the breaking news story "Columbine Shooting." Some of her other awards include two Tellys and a Clarion.

Meter has a B.A. in Journalism from California State University at Northridge.

**Gergory A. Brower**

*Office of the Inspector General — Inspector General*

As Inspector General of the U.S. Government Printing Office, Greg A. Brower is responsible for conducting and supervising audits and investigations relating to GPO; recommending policies to promote economy, efficiency, and effectiveness in GPO operations; and - in the words of the Federal law establishing GPO's IG - "providing a means of keeping the Public Printer and the Congress fully and currently informed about problems and deficiencies relating to the administration and operations of the GPO."

**Biography**

Brower joined the GPO as Inspector General in October 2004. Brower brings to the GPO a broad range of significant experience in legal and government affairs. Prior to joining the GPO, Brower served in the U.S. Department of Justice where he was Legislative Counsel in the Executive Office for U.S. Attorneys (EOUSA), managing Congressional affairs for the 93 U.S. Attorneys Offices around the country. He also served as EOUSA's liaison to other DOJ components, including the FBI, DEA, the Office of Legal Policy, and the Office of Legislative Affairs, working closely with those and other components on a wide range of policy issues, including counterterrorism, alien smuggling, corporate fraud, narcotics trafficking, and criminal sentencing.

As an attorney, Brower has more than 12 years of experience in civil litigation and administrative law. In the government arena, he was twice elected to the Nevada State Legislature, and has served on a variety of state and national task forces and commissions, including: National Commission on Uniform State Laws, Nevada State Sentencing Commission, Nevada State Juvenile Justice Commission, Nevada State Corrections Task Force, and the American Legislative Exchange Council's Civil Justice Task Force. He has also served on Capitol Hill as a Legislative Fellow in the office of former U.S. Senator John Seymour, advising the Senator and staff on national security and military issues.

Over the years, Brower has been involved in a number of professional, community, and charitable activities and has served on the boards of the PBS Television affiliate in Reno, Nevada, the Truckee Meadows Community College in northern Nevada, and the Reno Council of the U.S. Navy League. He has also served on U.S. Senator John Ensign's service academy selection committee, and is a former member of the Bruce R. Thompson Inn of Court in Reno, Nevada and the Washoe County District Court Bench-Bar Committee.

Brower is a graduate of the University of California, Berkeley and The George Washington University Law School, and served in the U.S. Navy as a Surface Warfare Officer.

Anthony J. Zagami

*Office of the Legal Counsel — General Counsel*

As the General Counsel for the U.S. Government Printing Office, Anthony J. Zagami acts as the chief legal officer for the agency. In that capacity, he provides legal opinions and advice to the Public Printer, and represents the GPO in all legal matters involving Government and non-Government organizations. In addition, to providing legal opinions and advice for the agency, the Office of the General Counsel represents GPO before all Federal administrative forums, including the Merit Systems Protection Board, the Equal Employment Opportunity Commission, and various Boards of Contract Appeals.

**Biography**

Zagami was appointed as the General Counsel to GPO in 1990. Before coming to GPO, he served for nearly nine years as the General Counsel to the Joint Committee on Printing (JCP), GPO's Congressional oversight panel and one of the oldest committees of Congress.

During that time, he also acted briefly as the JCP's Staff Director. Prior to joining the Congressional Committee, Zagami was the Staff Assistant to the Secretary of the Senate and worked in the U.S. Senate Chamber with the Official Reporters of Debates.

Zagami received his Bachelor of Science degree from the University of Maryland School of Business and Public Administration in College Park, MD. He later earned a Juris Doctor Degree from the George Mason University School of Law located in Arlington, Virginia. He is a member of the District of Columbia Bar, the U.S. District Court and Federal Circuit Court of Appeals. Zagami is also certified to practice law before the United States Supreme Court. Zagami has been active in many professional, civic, and social organizations, including the American and Federal Bar Associations, the U.S. Capitol Historical Society, the National Italian American Foundation, the Make-A-Wish Children's Foundation of Greater Washington, and the U.S. Senate Staff Club, having previously served as a Board Member and General Counsel. He is a former elected officer and Chairman of the Board of Directors of the U.S. Senate Federal Credit Union, and currently serves as a Council member and past President of the Capitol Hill Chapter of the Federal Bar Association.

Scott A. Stovall

*Office of the Public Printer — Co-Director of the Office of Innovation and New Technology*

Scott A. Stovall is Co-Director of the Office of Innovation and New Technology (INT) at the U.S. Government Printing Office. As Co-Director, Stovall is responsible for gathering and sharing non-proprietary information and ideas about emerging and transformative technologies related to GPO's mission. INT's current research probe relates to Digital Preservation, Authentication and Versioning of Government Publications.

In addition to pure research, INT's mission is to establish relationships with industry, governmental, educational and organizational Innovation Associates. It is INT's goal that these relationships will be based upon a mutuality of interest of the parties in assuring the free flow of government information to the Nation, safeguarding the information for future generations and assuring that these objectives are achieved by utilizing state of the art methods and processes.

**Biography**

Prior to becoming Director, Stovall was a Branch Chief for the Printing Procurement Department's (PPD) Contract Management Division. He was responsible for PPD's Systems Support information technology functions as well as the Bid Section, the Scheduling Section, Transportation Management and the Electronic Publishing Support Group (ePUB). Earlier in his career, he served as section chief of ePUB where he developed and served as manager of PPD's in-house desktop and electronic publishing consulting group. He advised management on trends in publishing, and authored numerous electronic publishing articles for the Printing Industries of America's (PIA) Government Printing and Information Council. Stovall has been a frequent speaker at PIA technology forums in Washington, DC and throughout the United States. He has also been a featured speaker at NASA's annual Publishing Management conference, the U.S. Geological Survey's Publishing 2000 conference, and for Xplor Mid-Atlantic.

Stovall holds a Bachelor of Science in Technology, with a major in Printing Management from Georgia Southern University in Statesboro, GA.

Michael L. Wash

*Office of the Public Printer — Chief Technical Officer & Co-Director of the Office of Innovation and New Technology*

As Co-Director and Chief Technical Officer, Michael L. Wash leads the Office of Innovation and New Technology at the U.S. Government Printing Office. He provides principal guidance in the creation and development of technology designed to accelerate the transformation of the GPO into a 21st century information organization utilizing leading edge solutions to provide the highest quality government information services to the nation.

#### **Biography**

Wash has been in the technology industry for the last 25 years, holds more than a dozen patents and was honored with the title of Inventor of the Year in 1996. Prior to joining the GPO, Wash served as the Executive Director of Product Management and Marketing at Gerber Scientific Products since February of 2003. Wash joined Gerber from Eastman Kodak Company, Rochester, N.Y., a world leader in photographic and digital imaging, where he spent a total of 26 years. Most recently at Kodak he served as the Worldwide General Manager, Digital Photo Finishing Systems. In this capacity, he directed the company's digital photo finishing equipment business, driving more than \$2 billion in services revenue for Kodak's consumer imaging division. He was responsible for developing the system to deliver Kodak Perfect Touch Processing for the consumer photo market in North America and Europe.

He also held positions at Colorado Memory Systems, Loveland, Colo., as director of engineering; and, as a founder, at Combyte, Inc., Fort Collins, Colorado, a company engaged in the development and manufacture of storage devices for the personal computer market, as Vice President of engineering.

Wash received his BSEE degree from Purdue University in 1977. He holds 18 patents, one of which was awarded the National Inventor of the Year in 1996 by the Intellectual Properties Owners Association.

Charles C. Cook, Sr.

*Office of the Public Printer — Director, New Business Development*

Charles C. Cook, a veteran of the U.S. Government Printing Office since 1969, was promoted to Co-Director of New Business Development in 2004. He is primarily responsible for identifying and developing new revenue opportunities for the GPO.

#### **Biography**

From 1993 to 2004, Cook was Superintendent of the Congressional Printing Management Division, later renamed Congressional Publishing Services, where he was responsible for the overall management of the operation. In 1991 he was Assistant Superintendent of the Congressional Printing Management Division, responsible for providing liaison to the Congress for its legislative requirements and management of the office. From 1986 to 1991 Cook served as Supervisor to Congressional Detailees and was responsible for approximately 125 Production Department employees detailed to Capitol Hill to assist the congressional staff in preparing congressional publications for publishing. He was also in charge of supervising 20 Congressional Receiving and Distribution Clerks who were responsible for the delivery of material produced by GPO to Congressional offices. After beginning his career at GPO in 1969, as a Hand Compositor in the Mono Hand Section, he was assigned to the Office of the Superintendent of Composition in the Printing Specialist trainee program in 1978. Later he was reassigned to the Congressional Printing Management Division where he was responsible for meeting with congressional committees, support offices, the GPO Production Department, and Printing Procurement Department to meet congressional printing requirements.

He has been the primary GPO representative to the Joint Congressional Committee on Inaugural Ceremonies for all of the printing requirements for the last 4 Inaugurations and in 1997 received the U.S. Capitol Police Service Award for Outstanding Service to the department.

Cook attended the University of Baltimore, School of Business.

James C. Bradley

*Customer Services — Managing Director*

As Managing Director of Customer Services, James C. Bradley directs the U.S. Government Printing Office's decision-making to produce or procure printing, manages printing contract administration, and provides prepress and design consultation services. Bradley oversees customer outreach and satisfaction and leads the marketing efforts of GPO's services. The new Customer Services organization incorporates the GPO's Printing Procurement Department, creating a direct line of responsive authority for meeting customer printing and publications needs.

**Biography**

Bradley directed the GPO's former customer services operation from 1997 to 2003, earning praise for his knowledge, expertise, and customer advocacy. He came to the GPO from the Joint Committee on Printing (JCP), where for 14 years he served as a professional staff member and lead technical advisor for the Committee.

From 1980 to 1983, Bradley was Printing Officer for the Department of Energy, and from 1971 to 1980, he held a variety of operational and management positions at the Internal Revenue Service, including managing the composition, procurement, and production of business and individual tax forms for nationwide distribution.

Bradley holds a B.S. in printing management, with a minor in business administration, from Sam Houston State University, Texas.

Steven T. Shedd

*Finance & Administration — Chief Financial Officer*

As the Chief Financial Officer for the U.S. Government Printing Office, Steven T. Shedd manages and provides policy guidance and oversight for the agency's financial management and administrative support systems, personnel, and operation. Shedd serves as GPO's chief liaison with the House and Senate Appropriations Committees.

**Biography**

Shedd joins the GPO after spending 25 years in the private sector. A native Bostonian, he moved to the DC area three years ago, accepting a position in a Virginia-based start up company that was subsequently acquired.

Before entering the accounting field, Shedd spent seven years as a cobol programmer while attending undergraduate and graduate school. His shift to the finance and accounting profession began when he accepted a position at Coopers & Lybrand in Boston (now PricewaterhouseCoopers, PWC) as he was completing his graduate work. Shedd holds a B.A. in Economics from Brandeis University and an MBA from Boston University.

Upon leaving PWC in 1980, he began a series of progressive job moves as Internal Audit Manager, Manager of Accounting, Director of Accounting and Reporting, Division Controller, Corporate Controller and finally becoming the Chief Financial Officer of a public technology company in 1993.

Shedd has extensive experience in technology manufacturing, software and service companies and has participated in a significant number of merger and acquisitions transactions.



Robert E. Schwenk

*Plant Operations — Managing Director*

As the Managing Director of Plant Operations, Robert E. Schwenk oversees all legislative printing services for Congress, including overnight production of the Congressional Record, bills, reports, hearings, and other congressional documents for the U.S. Government Printing Office. Schwenk also directs essential executive branch printing services, including the daily Federal Register, the Code of Federal Regulations, and U.S. Passports and postal cards.

**Biography**

By 1985, Schwenk, a graduate of GPO's apprentice program, rose through the ranks to become Superintendent of GPO's Electronic Photocomposition Division, responsible for all prepress activities for the preparation of congressional and agency information products for print and the online dissemination.

During his career at GPO, Schwenk directed the development of GPO's on-demand printing systems and guided the implementation of computer-to-plate printing at GPO, which, today, is used to create more than 95% of all printing plates used by GPO's production operations.

William T. Harris

*Human Capital — Acting Chief Human Capital Officer*

As the Acting Chief Human Capital Officer, William T. Harris leads the planning and implementation of human resources systems and programs in support of the U.S. Government Printing Office's transformation into a 21st century, digital information organization.

Harris oversees the development of a progressive human resources office with policies and procedures that both honor the culture and values of the past and position the agency to meet future, ever-changing, human capital requirements.

**Biography**

Harris began his career with GPO as a part time Personnel Psychologist while still in graduate school. In over 25 years of service with GPO he has served as the Chief of The Employee and Organizational Assistance Branch, The Director of Occupational Health and Environmental Services and as the Deputy Chief Human Capital Officer.

Harris received his Bachelor of Arts from the University of Maryland in College Park. He received a Master's degree from the Adler-Dreikurs Institute at Bowie State University and a PhD from the University of Maryland.

He is a US Army Infantry Veteran who served a tour of combat duty in Vietnam. He was awarded a Maryland Graduate School Fellowship and served a Post Doctoral Internship at Spring Grove State Hospital in Baltimore Maryland. Harris is a licensed Psychologist.

Judith C. Russell

*Information Dissemination — Superintendent of Documents*

Judith C. Russell is the Superintendent of Documents and Managing Director of Information Dissemination at the U.S. Government Printing Office. She leads the agency in providing the public access to Government information published by the U.S. Congress, Federal agencies and the Federal courts. Russell manages the *GPO Access* Web site, Federal Depository Library Program, Document Sales Program, and the consumer information program.

#### **Biography**

Russell, former director of the Office of Electronic Information Dissemination Services and Federal Depository Library Program at the U.S. Government Printing Office, returned to GPO in January 2003 when she assumed the position of the Superintendent of Documents.

Appointed by Bruce R. James, Public Printer of the United States, Russell is the 22nd Superintendent of Documents, and the first woman to hold the post. Previously, Russell served as Deputy Director of the National Commission on Libraries and Information Science (NCLIS), the Federal agency that advises the President and the Congress on the information needs of the American people. She helped develop and implement Commission policy and was responsible for the day-to-day operation of the agency from 1998 until she accepted the appointment as Superintendent of Documents. From 1991 to 1996, Russell was Director of GPO's Office of Electronic Information Services (EIDS). In that capacity, she helped establish GPO Access, one of the Federal Government's most heavily used web sites, providing online access over 2000 databases, including the *Code of Federal Regulations*, *Federal Register*, and the *Congressional Record*. She also led the development of GPO's 1996 Report to the Congress, "Study to Identify Measures Necessary for a Successful Transition to a More Electronic Federal Depository Library Program." For a 16-month period, Russell was also Director of the Federal Depository Library Program at GPO, with responsibility for the Catalog of U.S. Government Publications as well as administration of the program that distributes Federal publications to more than 1,200 depository libraries across the Nation.

Russell's library experience prior to coming to the GPO includes COMSAT Laboratories, the Program of Policy Studies in Science and Technology at The George Washington University, and the Office of Technology Assessment. She also has provided management, marketing, and technical services for private technology companies including Mead Data Central and the Disclosure Information Group.

Russell is a graduate of The Catholic University of America, Washington, DC, where she received a Master of Science in Library Science. She received her Bachelor of Arts, Cum Laude, from Dunbarton College of the Holy Cross, Washington, DC. Russell is the recipient of the 1993 Special Award, Federal Computer Week's Federal 100: The Readers' Choice Awards "In recognition of those individuals who have made a difference over the past year in the federal information technology community...."

Reynold C. Schweickhardt

*Information Technology & Systems — Chief Information Officer*

As Chief Information Officer, Reynold C. Schweickhardt is responsible for establishing, coordinating, and directing IRM policies and programs for the effective management, planning, use, security, and evaluation of the U.S. Government Printing Office's IT resources.

#### **Biography**

Schweickhardt helped spearhead several key technology initiatives for the U.S. House of Representatives during the 104th – 108th Congresses before being named GPO's Information Resources Management (IRM) Policy Manager in March 2003.

Schweickhardt comes to the GPO from the House Administration Committee, where as Director of Technology he was responsible for IT strategy for the House of Representatives.

He coordinated implementation of a business-continuity/ disaster-recovery infrastructure for the House and participated in the House's response to the anthrax crisis, including initiation of a digital mail pilot program. Schweickhardt directed the rollout of several emergency communication systems for Members of Congress, including RIM BlackBerry communication devices and GETS cards to maintain communication capabilities.

From 1995 to 2000, Schweickhardt served as a professional staff member and then Deputy Staff Director of the House Administration Committee, where he coordinated IT programs for the House. He helped develop legislative branch-wide programs with the Senate, Library of Congress, and the GPO including a standards program for information interchange in support of a planned XML-based Document Management System and an Intranet for legislative information system that significantly reduced duplicative information sources in the legislative branch. He also provided oversight for the House's Y2K remediation plan.

While serving as staff to the House Administration Committee, Schweickhardt was staff director of the Joint Committee on Printing, where he supported legislative oversight of the GPO's operations and programs, including the GPO's equipment and technology acquisitions.

Before Government service, Schweickhardt was with Hewlett-Packard Co., where he was a software engineer and R&D project manager. He also worked as an IT consultant.

Schweickhardt attended the University of California at Santa Barbara.

Ronald C. Monroe

*Security Services — Chief of Police and Director*

As Chief of Police and Director at the U.S. Government Printing Office, Ronald C. Monroe is responsible for developing, installing, and managing the daily security program for the facility. The majority of Monroe's attention is focused on three areas: personnel security, physical security, and law enforcement.

**Biography**

Monroe joined the GPO in August 2004 as the Director of Security Services and GPO's first Chief of Police. Monroe has served as a member of the Metropolitan Police Department in many capacities since 1979. Moving through the ranks he was promoted to sergeant early on in his career working as a patrol officer in the Third District. Continuing his ascent up the ladder with a promotion to Lieutenant Assistant, Chief Monroe was assigned to the Repeat Offender Unit where he commanded the department's warrant squad and a covert investigation unit. He was promoted to Captain in 1991 and returned to the Fourth District as a sector commander, of the area with the highest concentration of violent crime and narcotics dealing. Over the next decade he was promoted to the rank of Commander and assumed command of the Fourth District and served as the Assistant Chief in charge of the Northern region.

Monroe has completed training at the FBI National Academy, as well as, the Senior Management Institute for Police which is sponsored by the Police Executive Research Forum and instructed by the faculty of John F. Kennedy School of Government of Harvard University. He graduated with high honors from the University of the District of Columbia with a Bachelor of Science Degree in the Administration of Justice and holds a Master of Science in Management degree from Johns Hopkins University.

Chief Monroe's professional excellence has been recognized by a variety of groups and his notable accomplishments are numerous. He acted as the Metropolitan Police Department's planner and coordinator for Y2K events. Monroe also served as a consultant in helping to prepare to host the 2000 International Monetary Fund/World Trade Organization conference.

**Agency Projects**

**10.01.04** — GPO's Future Digital System Concept of Operations will be a world class system for managing official Government content  
[http://www.gpo.gov/news/2004/ConOps\\_1004.pdf](http://www.gpo.gov/news/2004/ConOps_1004.pdf)

This project was presented at the Fall Depository Library Council Meeting on October 17, 2004  
 Presentation as PDF — [http://www.gpo.gov/news/2004/04\\_10\\_18\\_dlc\\_presentation.pdf](http://www.gpo.gov/news/2004/04_10_18_dlc_presentation.pdf)

**2004 Press Releases**

The following is a list of press releases issued by the U.S. Government Printing Office. Releases are available in Adobe Portable Document Format (PDF).

**October 2004**

**10.22.04** — Customer Service, Technology Highlight GPO Forum  
<http://www.gpoaccess.gov/pr/media/2004/04news28.pdf>

**10.18.04** — GPO Presents Southern Oregon University Library of the Year Award  
<http://www.gpoaccess.gov/pr/media/2004/04news28.pdf>

**10.07.04** — GPO to Present Library of the Year Award  
<http://www.gpoaccess.gov/pr/media/2004/04news26.pdf>

**10.07.04** — GPO Unveils Concept for World Class System to Manage Official Government Information  
<http://www.gpoaccess.gov/pr/media/2004/04news24.pdf>

**September 2004**

**09.27.04** — Government Printing Office Recognized as a Patriotic Employer  
<http://www.gpoaccess.gov/pr/media/2004/04news23.pdf>

**09.16.04** — Government Printing Office Forges Ahead With Building Project  
<http://www.gpoaccess.gov/pr/media/2004/04news22.pdf>

**July 2004**

**07.21.04** — GPO Provides Public Access to Official Government Edition of 9/11 Commission Final Report  
<http://www.gpoaccess.gov/pr/media/2004/04news19.pdf>

**07.20.04** — GPO Taps Inventor of the Year to Lead the Office of Innovation and New Technology  
<http://www.gpoaccess.gov/pr/media/2004/04news18.pdf>

**07.15.04** — Longtime Hill Staffer and Former Joint Committee on Printing Staff Director Joins GPO Management  
<http://www.gpoaccess.gov/pr/media/2004/04news17.pdf>

**07.09.04** — Public Printer Presents Library Community Latest Insight Into GPO'S Strategic Planning Process  
<http://www.gpoaccess.gov/pr/media/2004/04news16.pdf>

**07.07.04** — GPO Leader with Printing and Congressional Background to Play Key Role in Next Phase of Transformation  
<http://www.gpoaccess.gov/pr/media/2004/04news15.pdf>

**June 2004**

**06.16.04** — Nevada Bruce James Brings Home Jobs  
<http://www.gpoaccess.gov/pr/media/2004/04news14.pdf>

**06.15.04** — The Government Printing Office Provides Training to Library Community  
<http://www.gpoaccess.gov/pr/media/2004/04news13.pdf>

**06.05.04** — Bruce James Statement in Reaction to the Passing of President Ronald Reagan  
<http://www.gpoaccess.gov/pr/media/2004/04news12.pdf>

**April 2004**

**04.28.04** — Government Printing Office Rolls Out Budget Priorities  
<http://www.gpoaccess.gov/pr/media/2004/04news11.pdf>

**04.27.04** — Public Printer Bruce James to Discuss the Government Printing Office Transformation at Two House Hearings  
<http://www.gpoaccess.gov/pr/media/2004/04news10.pdf>

**04.21.04** — Public Printer Bruce James Hand Picks Five New Depository Library Council Members  
<http://www.gpoaccess.gov/pr/media/2004/04news09.pdf>

**March 2004**

**03.19.04** — Government Printing Office Officials to Discuss Partnership Opportunities with Private Sector  
<http://www.gpoaccess.gov/pr/media/2004/04news08.pdf>

**03.17.04** — Agency Transformation Leads to Employment Opportunities at the Government Printing Office  
<http://www.gpoaccess.gov/pr/media/2004/04news07.pdf>

**03.05.04** — Statement in reaction to the passing of former Nevada Governor Mike O'Callaghan  
<http://www.gpoaccess.gov/pr/media/2004/04news06.pdf>

**03.04.04** — The Government Printing Office Forges Ahead with Transformation to Digital Age  
<http://www.gpoaccess.gov/pr/media/2004/04news05.pdf>

**03.03.04** — The Government Printing Office and ABVI-Goodwill Partner to Provide Jobs for People with Disabilities  
<http://www.gpoaccess.gov/pr/media/2004/04news04.pdf>

**February 2004**

**02.25.04** — House budget cancel statement  
<http://www.gpoaccess.gov/pr/media/2004/04news03.pdf>

**January 2004**

**01.30.04** — The Budget of the U.S. Government, FY 2005  
<http://www.gpoaccess.gov/pr/media/2004/04news02.pdf>

**01.20.04** — Photo Opportunity: Production of The Budget of the United States, FY 2005 With OMB Director Joshua Bolten and Public Printer of the United States Bruce James  
<http://www.gpoaccess.gov/pr/media/2004/04news01.pdf>

**Federal Computer Week**

Reproduced with permission of *Federal Computer Week*, ©2004, FCW Media Group. All rights reserved.

**Printer for the 21st Century**

The nation's printer looks for ways to reinvent his office  
by Florence Olsen  
August 16, 2004

[Printer for the 21st century.pdf](#)

---

**Government Computer News**

Reprinted courtesy of *Government Computer News*. ©2004 by Post Newsweek Tech Media, a division of The Washington Post Company. All rights reserved.

**GPO Moving Beyond Print and Web**

by Susan M. Menke  
November 8, 2004

[GPO Moving Beyond Print and Web.pdf](#)

---

**Roll Call**

All articles ©2004, Roll Call Inc.

**“James Lays Out GPO Overhaul”**

by Jennifer Yachnin  
October 19, 2004  
[James Lays Out GPO Overhaul.pdf](#)

**“Blocking for GPO”**

by Jennifer Yachnin  
September 16, 2004  
[Blocking for GPO.pdf](#)

**“James Juggles Present, Future at Printing Office”**

by Jennifer Yachnin  
March 8, 2004  
[James Juggles Present, Future.pdf](#)

**“GPO May Seek New Headquarters”**

by Jennifer Yachnin  
February 10, 2004  
[GPO May Seek New Headquarters.pdf](#)

**The Hill**

Courtesy of *The Hill*

**GPO Move Will Mean Big Hill Development**

by Andrew Glass  
February 10, 2004

[GPO moves on.pdf](#)

---

**The Washington Post**

©2002, *The Washington Post*. Reprinted with permission.

**GPO Seeking a New Home**

by Dana Hedgpeth  
February 11, 2004

[GPO Seeking a New Home.pdf](#)

---

**The Washington Times**

©2004 News World Communications, Inc.

**GPO Chooses Dallas Adviser**

by Tim Lemke  
September 17, 2004

[GPO Chooses Dallas Adviser.pdf](#)

**Government Printer Eyes Smaller Offices**

by Tim Lemke  
February 11, 2004

[Government Printer.pdf](#)

---

**WhatTheyThink**

Courtesy of *WhatTheyThink*

**The GPO: Living Up to Its “Great and Glorious History”: An Interview with Bruce James and Mike Wash**

by Cary Sherburne, Senior WTT Editor  
July 22, 23, 2004

**Part 1** [WhatTheyThink.com - The GPO-Part 1.pdf](#)

**Part 2** [The GPO-Part 2.pdf](#)

**GPO Testimony before Congress**

---

**Public Printer Bruce R. James**

**April 28, 2004 — Prepared Statement**

Before the Committee on House Administration, U.S. House of Representatives, on the Transformation of the U.S. Government Printing Office to Meet the Demands of the 21st Century

<http://www.gpo.gov/congressional/testimony/oversight.pdf>

---

**April 28, 2004 — Prepared Statement**

Before the Subcommittee on Legislative Appropriations, Committee on Appropriations, U.S. House of Representatives, on the Appropriations Request of the U.S. Government Printing Office for Fiscal Year 2005

[http://www.gpo.gov/congressional/testimony/4\\_28\\_04.pdf](http://www.gpo.gov/congressional/testimony/4_28_04.pdf)

---

**March 4, 2004 — Appropriations**

Request of the U.S. Government Printing Office for Fiscal Year 2005

Before the Subcommittee on Legislative Branch Appropriations, Senate Committee on Appropriations

[http://www.gpo.gov/congressional/testimony/sapp05\\_stmt.pdf](http://www.gpo.gov/congressional/testimony/sapp05_stmt.pdf)



Area Girl Scouts participate in "Girls Go Tech at the GPO." The day-long event educated young women about career options in the changing world of printing, technology and science.



Bruce James & Judy Russell present the Federal Depository Library of the Year Award to Rep. Greg Walden, Lenn Hannon and Deborah Hollens.



Bruce James with Joint Committee on Printing Chair Bob Ney, American Association of People with Disabilities VP Jim Dickson, and Rep. Steny Hoyer.



Bruce James welcomes Hewlett-Packard CEO Carly Fiorina to GPO. Fiorina examines a book printed for the Senate.



Public Printer Bruce James and the 2004 GPO Apprentice Class welcomed Ursula Burns, Xerox VP, as the graduation keynote speaker. Mrs. Burns spoke to the graduates about embracing the digital future.



Press and customers on hand at the GPO bookstore for the release of the Official Government Edition of the 9/11 Commission Report.



GPO interacts with attendees at Graph Expo 2004.



Deputy Public Printer Bill Turri with GPO National Account Managers at Xplor 2004.