



The Architect of the Capitol

2007 Performance and Accountability Report



Delivering on our Mission

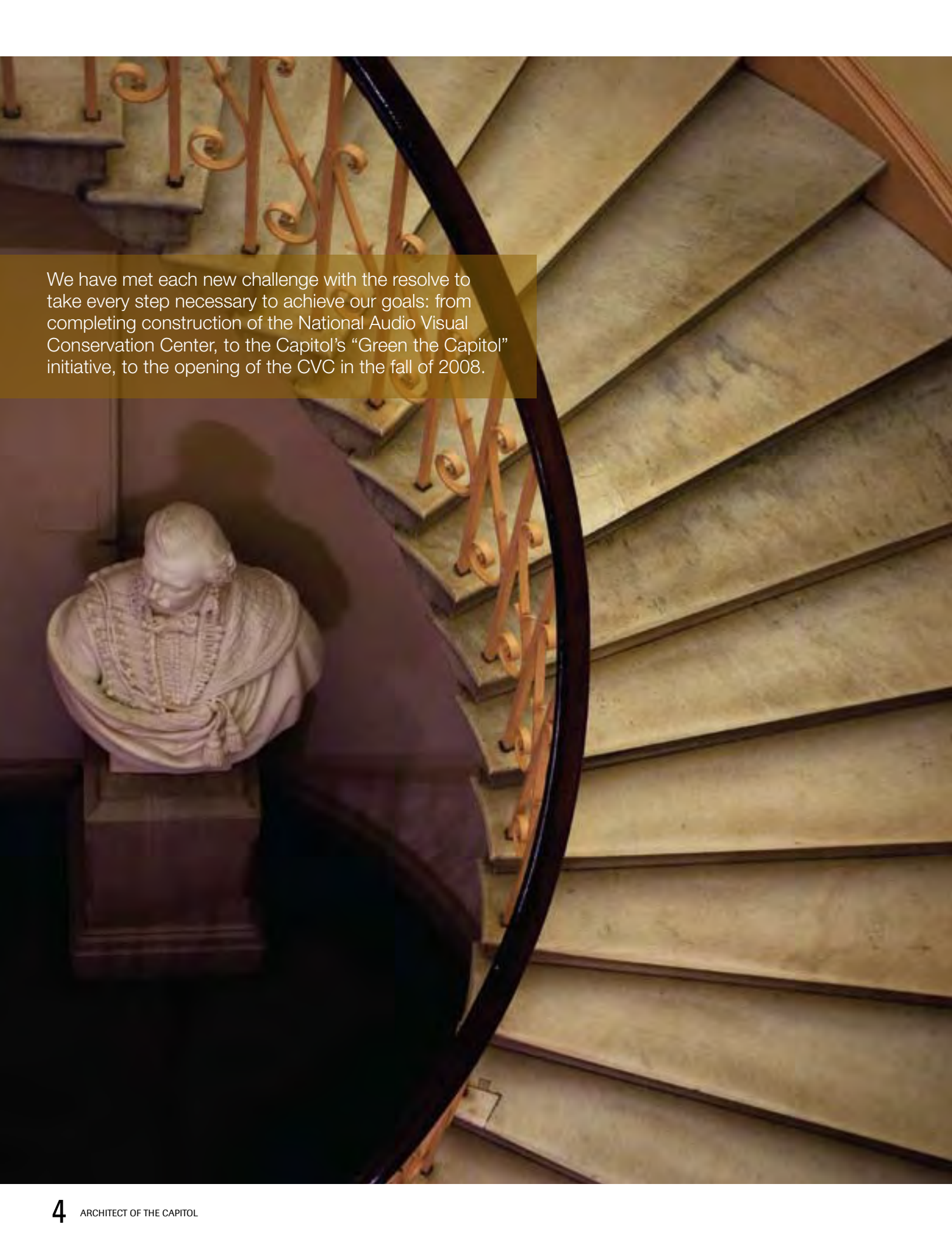
Provider of Exceptional Service as Stewards of the Nation's Capitol



WE ARE MAKING BIG CHANGES

OUR ORGANIZATION CONTINUALLY WORKS TO MEET THE MANY CHALLENGES OF BEING A GOOD STEWARD AND PROVIDER OF EXCEPTIONAL SERVICE TO THE CONGRESS AND THE PUBLIC. DURING FISCAL YEAR 2007, WE REALIZED A NUMBER OF KEY ACHIEVEMENTS INCLUDING RECEIVING GOVERNANCE RESPONSIBILITY FOR THE CAPITOL VISITOR CENTER, COMPLETING CONSTRUCTION OF THE NATIONAL AUDIO VISUAL CONSERVATION CENTER, AND MODERNIZING THE CAPITOL POWER PLANT, AMONG MANY OTHERS.

OUR MANY ACHIEVEMENTS HAVE BEEN MADE POSSIBLE THANKS TO THE SKILLED MEN AND WOMEN WHO MAKE UP THE AOC. OUR WORKFORCE IS UNRIVALED IN ITS PROFESSIONALISM, DEDICATION, AND COMMITMENT TO EXCEPTIONAL SERVICE. GOING FORWARD, WE PLEDGE TO CONTINUE MEETING FUTURE CHALLENGES WITH THE SAME UNWAVERING COMMITMENT AND PASSION FOR SERVICE THAT DEFINES THE AOC.



We have met each new challenge with the resolve to take every step necessary to achieve our goals: from completing construction of the National Audio Visual Conservation Center, to the Capitol's "Green the Capitol" initiative, to the opening of the CVC in the fall of 2008.

CONTENTS

7	INTRODUCTION: PAR Purpose and Components		
8	A Message from the Acting Architect of the Capitol		
10	A Message from the Chief Financial Officer		
13	SECTION I – Management’s Discussion and Analysis	58	Financial Highlights
13	Our Mission	58	Financial Statements and Results: Summary of Independent Auditor’s Report Findings
13	Our Vision	60	Guide to Financial Statements
13	History of the Architect of the Capitol	63	Looking Ahead
13	The Second and Third Board of Commissioners and City Superintendent	65	SECTION II – Performance Information
14	Commissioner of Public Buildings and Architect of the Capitol Extension	76	SECTION III – Financial Information
14	The Establishment of the Permanent Office of the Architect of the Capitol	77	A Message from the Audit Committee
15	Growth of the Organization	78	Independent Auditor’s Report
15	Our Organization	79	Independent Auditor’s Report on Internal Control
17	Status of Cross-Cutting Programs	85	Independent Auditor’s Report on Compliance
17	Collective Bargaining Agreement	87	Financial Statements
18	Customer Satisfaction Surveys	87	Overview of Financial Statements
18	Safer Workplace for Employees	90	Financial Statements
18	Facility Condition Assessment Updates	90	Balance Sheets
19	Capitol Complex Master Plan	91	Statements of Net Cost
20	Greening, Energy Efficiency, and Energy Conservation	92	Statements of Changes in Net Position
21	Central Administrative and Management Functions	93	Statements of Budgetary Resources
21	Office of the Chief Financial Officer	94	Notes to the Financial Statements
22	Office of the Chief Administrative Officer	106	Independent Auditor’s Report for the Capitol Visitor Center
26	Office of Planning and Project Management	107	Capitol Visitor Center – Base Project Obligation/ Expenditure Report and Notes
28	Office of Safety, Fire, and Environmental Programs	111	Capitol Visitor Center – Senate Shell Space Obligation/ Expenditure Report and Notes
29	Office of the General Counsel	114	Capitol Visitor Center – House of Representatives Shell Space Obligation/Expenditure Report and Notes
30	Jurisdictions	118	Required Supplementary Information
30	Capitol Building	118	Stewardship Assets (Stewardship Property, Plant, & Equipment)
32	Capitol Grounds	126	Botanic Garden
33	House Office Buildings	128	Deferred Maintenance
35	Senate Office Buildings		
36	Library of Congress Buildings and Grounds		
38	Capitol Power Plant		
40	Botanic Garden		
41	Supreme Court		
43	Capitol Police Buildings and Grounds		
44	Status of Key Projects	Appendix	
44	Capitol Visitor Center	129	List of Abbreviations and Acronyms
48	National Audio Visual Conservation Center	130	Acknowledgments and Additional Resources
49	Ft. Meade Book Storage Modules		
50	West Refrigeration Plant Expansion		
50	Supreme Court Modernization		
50	Utility Tunnel Improvement Plan		
52	Senate Sergeant at Arms Mail Handling Facility		
53	Performance Highlights	Inside Back Cover	
54	Status of AOC’s Progress Against Government Accountability Office General Management Review Recommendations		Map of AOC Facilities



INTRODUCTION

PAR Purpose and Components

The 2007 Performance and Accountability Report (PAR) of the Architect of the Capitol (AOC) provides performance and financial information for the fiscal year beginning on October 1, 2006, and ending on September 30, 2007. This is the fifth accountability report prepared by the AOC and the third to include annual performance information. Although the AOC is not required to prepare a PAR, we choose to publish one as a sound business practice to provide an accountable and transparent snapshot of the AOC, its operations, accomplishments, and challenges.

The PAR begins with letters from the Acting Architect, Stephen T. Ayers, AIA, and the Chief Financial Officer, Paula G. Lettice, followed by three main sections:

Management's Discussion and Analysis

This section gives an overview of the AOC with a description that includes the organization's mission, vision, organizational structure, and a short history. It discusses our significant accomplishments for the year and highlights seven key projects. In addition, it summarizes the AOC's financial information and its performance goals, objectives, and results.

Performance Information

In this section, the AOC compares its actual performance to its strategic goals. For any goals that were not met, it describes plans for improvement. This section also discusses future directions, including a description of recent revisions to the strategic plan.

Financial Information

This section begins with the AOC's audited annual financial statements and footnotes and the independent auditor's report. It also provides an analysis of the AOC's financial position, including comparisons to last year, analysis of legal compliance, and the limitations of the financial statements. Finally, it includes information on the AOC's heritage assets, as noted on the balance sheets and further discussed in the Required Supplemental Information section. Together, all of this information provides a complete assessment of the organization's financial status for the year.



A Message from the Acting Architect of the Capitol

Stephen T. Ayers, AIA
Acting Architect of the Capitol

On behalf of the Office of the Architect of the Capitol (AOC), I am pleased to present the Fiscal Year 2007 Performance and Accountability Report. This annual report was created to provide Congress and the American public with a transparent look at the AOC's unique day-to-day role serving Congress, as well as highlighting our stewardship responsibilities for more than 16.5 million square feet and nearly 450 acres of national assets.

We have had a very busy and productive year, and I take great pride in working alongside the skilled men and women who make up the AOC. They are the key in our ability to continually provide the excellent, high-quality service that our customers expect. I am pleased to report that our major projects are proceeding ahead, our historic assets are well-maintained, and our customer satisfaction ratings are high.

Our workforce can be counted on for their professionalism, dedication, and commitment to a job well done. They work behind the scenes to support our mission, which is to provide the U.S. Congress and the public with a wide range of professional expertise and services to preserve and enhance the Capitol complex and related facilities. Included among our numerous and varied responsibilities are:

- Supporting the day-to-day activities of the Congress so that it can go about the business of government without disruption;
- Being good stewards of the national treasures that have been entrusted to our care;
- Maintaining and operating the facilities on Capitol Hill, as well as tending to the historic Capitol Grounds; and
- Assisting with the arrangement of inaugural and other ceremonies.

During Fiscal Year 2007, the AOC succeeded on many fronts, and the effective execution of our Strategic and Performance Plan was one of our most significant accomplishments. In only the first year of our revised Strategic Plan, we have continued to focus on accountability and performance results in order to establish a stronger, more effective organization. Integral to this effort was the establishment of challenging performance targets; the introduction of new programs and procedures; and significant progress in the implementation of a cost accounting system, enhanced internal controls, and our continued adherence to the spirit and intent of the Government Performance and Results Act. We have also continued to invest in strategies that will allow us to attract and retain talented people, as evidenced by our Leadership Development Program and the graduation of our first class of program participants.

I am proud to announce that Fiscal Year 2007 saw a number of key achievements, a few of which are highlighted below:

- The AOC was assigned governance responsibility for the Capitol Visitor Center (CVC) by Congress. The CVC will offer an expanded U.S. Capitol visitor experience to the millions of visitors expected annually — with exhibition space, orientation theaters, a restaurant, retail shops, and comfort amenities not afforded to the public today. Operations are expected to commence upon receipt of a certificate of occupancy in late-summer 2008, with a public opening projected for late-fall 2008. Our transition team has been working to transform the CVC from a construction project to a fully-staffed and functioning visitor services operation.
- Construction of the National Audio Visual Conservation Center (NAVCC) was completed. The NAVCC will enhance the ability of the Library of Congress (LOC) to preserve and provide broad access to a comprehensive and valued collection of the world's audiovisual heritage. This

facility is located just southeast of Culpeper, Virginia, and is comprised of four buildings with more than 400,000 square feet of space. A detailed description of the NAVCC, including the unique aspects of the buildings that we will be responsible for operating and maintaining, is available in the *Status of Key Projects* section of this report.

- The Capitol Power Plant focused its efforts on plant modernization, which included commissioning the new, modern expansion of the West Refrigeration Plant. This expansion is a key component in realizing some of the “Green the Capitol” goals to reduce the carbon footprint of Congress. In addition, the Office of Planning and Project Management created a new Energy Team. The team implemented a review of energy and environmental criteria for prioritizing projects and updated design manuals to ensure sustainability.
- Our Office of the General Counsel and the Office of Safety, Fire, and Environmental Programs worked with the Office of Compliance to negotiate a settlement agreement on utility tunnel safety issues. This precedent-setting agreement lays forth a comprehensive program for addressing key safety issues and clean-up activities over five years (unless extended by mutual agreement or necessitated by funding shortfalls). The expansive nature of the problem, complexity of the solution, and successful negotiation of the agreement make this an historic achievement for the AOC.
- Our worker safety record has shown continuous improvement, highlighted by the Supreme Court jurisdiction’s perfect safety record. This is an impressive life-safety milestone and continues our accomplishments in this area for the seventh consecutive year.
- Our customer satisfaction ratings testify to the high-quality work and services that we provide. The House and Senate Office Building jurisdictions achieved ratings of more than 90 percent by customers. This was especially noteworthy during a challenging election year that required moving 194 House Members and 21 Senators.
- In our efforts to maintain a cooperative relationship with the unions that represent the AOC, we signed into force and effect a collective bargaining agreement with the American Federation of State, County, and Municipal Employees (AFSCME) Local 626. AFSCME represents ap-

proximately 500 laborers, custodians, gardeners, and other workers in the House and Senate Office Buildings, U.S. Capitol Building, and U.S. Botanic Garden jurisdictions. We expect the ground rules established by this agreement to create uniform personnel policies and practices among the various AOC jurisdictions.

- We made significant progress over the last year implementing GAO’s recommendations. Twenty-one recommendations have been implemented bringing the total recommendations closed to 43 out of 64. The remaining open recommendations involve primarily long-term efforts and no additional recommendations have been made. We will continue to work with GAO to fully implement the remaining recommendations as a part of our ongoing efforts towards high-performance.

Over the years, our organization has continually evolved to meet the many requirements of being a good steward and a provider of exceptional service. We pledge to continue to adapt to meet future challenges.

In the coming years, our major challenge will be to continue to meet our stewardship responsibilities in an era of limited resources, heightened security, and rapidly changing technology. Many of our heritage assets are over 100 years old and, despite past investments, we have accrued sizable deferred maintenance and capital investment obligations.

It is an honor and a privilege to serve with the dedicated and hard-working professionals of the AOC. We have a diverse team united by an unwavering commitment and passion for service. Our deep culture of pride, cooperation, and mutual respect distinguishes us from our peers. I know I can count on this highly professional and dedicated team to solve problems creatively and to sustain the exceptional level of service our customers have come to expect and deserve.

Sincerely,



Stephen T. Ayers, AIA
Acting Architect of the Capitol



A Message from the Chief Financial Officer

Paula G. Lettice
Chief Financial Officer

We are pleased to present the 2007 audited financial statements for the Architect of the Capitol (AOC). These financial statements are an integral component of our annual Performance and Accountability Report (PAR). Publication of this report highlights our significant accomplishments and is essential to our efforts to provide accountability to our Congressional stakeholders and the American public in a responsible manner. An independent audit provides assurance that our financial statements are free of material misstatement. Moreover, our annual audit process helps us fulfill our fiscal stewardship responsibilities in a reliable manner and demonstrates how our financial management professionals are working diligently to make the AOC a more effective and efficient organization.

At the top of our list of accomplishments, we are proud to announce that, for the third consecutive year, the AOC has received an unqualified audit opinion from our independent auditors on all of our principal financial statements. This followed two years of unqualified opinions on our Balance Sheet-only audits. This is a significant achievement and shows the steady progress our financial team has made since undergoing our first audit just a few short years ago. An unqualified opinion attests to the fact that our financial statements present fairly, in all material respects, our financial position, cost of programs, changes in net position, and budgetary resources. Notably, 2007 saw the downgrading of two material weaknesses and the modification of one repeat material weakness by our auditors. This signifies our sustained commitment towards financial accountability and indicates that we have the internal policies, procedures, and systems in place to keep accurate books, and protect the U.S. taxpayers' resources for which we are responsible.

The Independent Auditor's Report on Internal Control for 2007 contains no new material weaknesses and no new reportable conditions. Due to the complexity of the matters involved in addressing internal control deficiencies, we are aware that we cannot yet attest that we have comprehensive internal controls in place, and that we do not have a structure in place to monitor and identify changing risks. However, we have made progress on other key areas such as time recordation, payroll, and annual leave. Our strong commitment to corporate governance is evidenced by our diligent efforts to resolve the remaining weaknesses. We accept responsibility for addressing all of these issues, have developed a detailed action plan for addressing them, and to the extent possible within existing resources, will take corrective measures during 2008. For additional information about our material weaknesses, our reportable conditions, and our plans for addressing them, we invite you to read the *Summary of Independent Auditor's Report Findings* section of this report.

During this past year, we have continued to enhance our financial management business processes. These improvements to our financial stewardship responsibilities include:

- Implementing a monthly reporting dashboard to measure and give an account of financial performance and services;
- Further refining our cost accounting system, a managerial tool to help our managers measure cost and organizational performance. In 2007, we streamlined our cost accounting taxonomy to ensure greater simplicity, flexibility, and data accuracy. Our refined taxonomy has been matched to the AOC's strategic plan. These improvements have provided us with a solid base to further enhance our reporting, which will help improve performance and accountability across the AOC;
- Implementing changes to improve our monitoring and collection of invoices. We finished 2007 with payments on-time averaging 88 percent, or eight percent above our target for this fiscal year;
- Providing financial management support to the high-profile Capitol Visitor Center project and promptly responding to the needs of Congressional oversight;
- Initiating the upgrade and enhancement of our financial management accounting system. Our implementation strategy calls for an upgrade to our software and hardware technology, with the completion date for the first phase scheduled for spring 2008. This conversion will allow the AOC to stay current with best accounting practices and provide for the latest security updates;
- Managing 2007 budget operations under a full-year

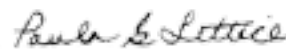
Continuing Resolution and providing optimum utilization of our appropriated funds;

- Administering our organization-wide Full-Time Equivalent (FTE) Management System, helping us remain within our FTE ceiling during 2007; and
- Filling key financial leadership positions with the hiring of two new division chiefs to lead our Budget and Financial Management Systems Divisions.

In closing, the AOC is fully committed to financial excellence and being a responsible and prudent manager of the resources entrusted to us by Congress and the American public. In 2007 we were successful in our efforts to enhance our accounting, budget, and financial management programs so that the AOC may become more strategic, efficient, and accountable in the years to come.

We recognize that the years ahead will be challenging as the demand for effective financial management and internal controls grows with our efforts to become more accountable. In 2008, we plan to build on our accomplishments to further refine our budget and financial management processes because a well-managed organization must have the ability to provide accurate and timely financial data and expertise to its decision-makers. The Office of the Chief Financial Officer is committed to meeting our fiscal stewardship responsibilities for the American public, to providing outstanding client service to members of Congress and their staffs, and to making the AOC a more effective and efficient federal organization.

Sincerely,



Paula G. Lettice
Chief Financial Officer



SECTION I

Management's Discussion and Analysis

Our Mission: The Office of the Architect of the Capitol's mission is to provide Congress and the public a wide range of professional expertise and services to preserve and enhance the Capitol complex and related facilities.

Our Vision: The AOC will be an innovative and efficient team dedicated to service excellence and to preserving, maintaining, and enhancing the national treasures entrusted to our care.

History of the Architect of the Capitol

The Architect of the Capitol is a permanent government position with origins reaching back to President George Washington's administration. The Architect's responsibilities dealing with the care and maintenance of the Capitol were authorized in the Residence Act of 1790, which directed the president to "keep in appointment as long as necessary three commissioners to provide suitable buildings for the accommodation of Congress."

In 1791 Washington appointed the first three commissioners, who generally met once a month at Suter's Tavern in Georgetown. They hired Pierre L'Enfant to lay out the federal city, Andrew Ellicott to survey the boundaries of the 100-square-mile federal district, and staged a competition for the design of the Capitol. In 1793 they awarded Dr. William Thornton, a doctor and amateur architect, \$500 and a city lot for his winning entry. At the same time, they awarded architect Stephen Hallet £100 to supervise construction of the Capitol, which he and Dr. Thornton had designed (Hallet had designed the floor plan and Thornton the exterior).

The Second and Third Board of Commissioners, and City Superintendent

Believing that work on the Capitol was proceeding too slowly, Washington decided to dismiss the board's first members and restock it with men willing to live in the federal city and accept a full-time salary for full-time work. In late-1794, he appointed the first two replacements; he filled the third seat in 1795. The second board dismissed Hallet as the Capitol architect and hired the English architect George Hadfield as his replacement. Hadfield, in turn, was fired in 1798 and supervision of the Capitol was given to James Hoban. The second Board of Commissioners oversaw completion of the Capitol's north wing and the construction of a temporary room for the House of Representatives.

In 1802, Congress transferred the duties of the former Board of Commissioners to a single Superintendent in a politically motivated move. Congress appropriated \$50,000 in 1803 to make repairs to the Capitol's north wing and the president's house and to begin construction of the Capitol's south wing. To fulfill the intent of the appropriation,

President Thomas Jefferson created the temporary position of “Surveyor of Public Buildings” and appointed Benjamin Henry Latrobe as architect and engineer. Latrobe and Jefferson collaborated on the south wing construction, which was completed in 1807. They also worked on the reconstruction of the north wing until the president’s retirement in 1809. Latrobe stayed on until construction funds dried up in 1811.

Following the aftermath of the War of 1812, Congress authorized the president to borrow \$500,000 to repair the public buildings. To fulfill the intent of the authorization, President James Madison created a three-man Board of Commissioners. On April 1815, the board of commissioners signed a contract with Latrobe to serve as architect in charge of Capitol repairs. Architect Latrobe continued until his resignation in 1817. The commissioner hired Charles Bulfinch as his replacement.

By Act of Congress in 1816, the City Superintendent and Board of Commissioners were abolished and their duties placed in the hands of a single Commissioner of Public Buildings. To this new position, Madison appointed Samuel Lane, a wounded veteran of the War of 1812. Upon Lane’s death in office in 1822, President James Monroe appointed as his successor Joseph Elgar, a former clerk in the commissioner’s office. His successors as Commissioner served through the presidency of Abraham Lincoln.

Commissioner of Public Buildings and Architect of the Capitol Extension

In September 1850, Congress authorized and funded the enlargement of the Capitol and granted the president the authority to appoint an architect to design and supervise the project. A second office was created as temporary appointment to oversee this major construction project. This Commissioner of Public Buildings provided care and maintenance of the Capitol while the Architect of the Capitol Extension provided guidance for its physical development.

Under the terms of the 1850 appropriation, President Millard Fillmore appointed Thomas U. Walter, an architect from Philadelphia. Walter served as Architect of the Capitol Extension from 1851 until his 1865 resignation. During his tenure, there were five commissioners in charge of the care and maintenance of the Capitol while he oversaw construction of the two new wings, and later, the new iron dome. Walter’s resignation in 1865 resulted in President Andrew Johnson appointing as his successor Edward Clark, Walter’s student and assistant. He was the second and last “Architect of the Capitol Extension” and would later become the first Architect of the permanent Office of the Architect the Capitol.

The Establishment of the Permanent Office of the Architect of the Capitol

In 1867, Congress abolished the office of Commissioner of Public Buildings. The action recognized that the responsibilities of the office were too great for one person. With the abolition of the office, its former duties were transferred to the Army Corps of Engineers, except those pertaining to the Capitol. Clark, the popular Architect of the Capitol Extension, was given responsibility for the care and maintenance of the building and grounds. Thus, with Clark’s job overseeing completion of the two wings coming to a close, friends in Congress gave him a newly-created permanent position. To reflect the expanded scope of his responsibilities, the word “Extension” was dropped from his title. Assumption of the former commissioners’ duties by the incumbent architect was confirmed by legislation passed in 1876.

Clark’s death in 1902 resulted in a vacancy that House Speaker Joe Cannon wished to see filled by Clark’s amiable assistant, Elliott Woods. As Woods was not an architect, the office title was changed to “Superintendent of the Capitol Buildings and Grounds” prior to President Theodore Roosevelt making the appointment. It reverted to “Architect of the Capitol” in 1921 to reward Woods for meritorious service. Woods oversaw much of the early expansion in the AOC’s facilities inventory, with the addition of the Cannon House and Russell Senate Office Buildings, and the Capitol Power Plant during his term.

The following is a list of those who have served as Architect of the Capitol, with their terms of service, and the president making the appointment:

- *Edward Clark*, 1865-1902*, Andrew Johnson
- *Elliott Woods*, 1902-1923, Theodore Roosevelt
- *David Lynn*, 1923-1954, Calvin Coolidge
- *J. George Stewart*, 1954-1970, Dwight D. Eisenhower
- *George M. White*, 1971-1995, Richard M. Nixon
- *Alan M. Hantman*, 1997-2007, William J. Clinton

Despite serving prior to the establishment of a permanent office, William Thornton, Benjamin Henry Latrobe, Charles Bulfinch, and Thomas Walter are also honored with the title “Architect of the Capitol.”

**Term of service includes time prior to the establishment of permanent AOC office.*

Under the provisions of legislation passed in 1989, the term of the Architect of the Capitol was limited to ten years, with the possibility of reappointment. The names of three potential candidates are to

be submitted to the president by a Congressional committee, with the appointment requiring Senate confirmation. This new process was established to make the position more accountable to Congress. In 1997, Alan Hantman was the first Architect of the Capitol to be appointed using the new procedures. Upon Hantman's retirement in February 2007, Stephen T. Ayers, AIA, has served as Acting Architect of the Capitol.

Growth of the Organization

When Edward Clark became the first modern-day Architect of the Capitol, his office consisted of fewer than ten full-time employees. The Capitol was the only building under his care and the grounds covered just 30 acres. Most maintenance work was performed by contractors. From this beginning, the legislative office has grown as Congress authorized the construction or acquisition of new buildings and added more land to the Capitol grounds. With each addition, the responsibilities of this office have grown. Today the grounds cover over 450 acres and there are now 15 major, monumental buildings in addition to dozens of minor ones. The Architect's office is staffed by more than 2,000 employees who now take care of 16.5 million square feet of space owned and leased (see Figure 1), most located in or near the Capitol complex, but with some important new additions located outside Washington, D.C.

The work of the Architect's office has become more diverse and sophisticated as its responsibilities have expanded. Although keeping the grass cut and the windows clean are still basic duties, as they

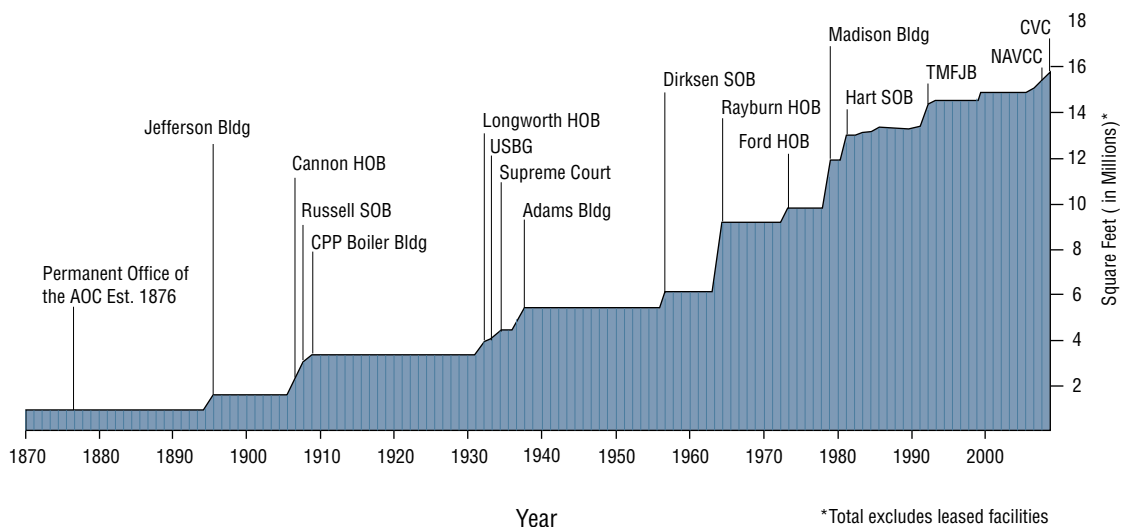
were in Clark's day, there are now complex telecommunication, security, transportation, and historic preservation responsibilities that were unknown in his time. Keeping pace with fast-evolving technology, while respecting the special requirements of historic buildings, is a challenge unknown to the AOC's nineteenth-century predecessors.

Our Organization

The Office of the Architect of the Capitol serves the facilities needs of Congress and helps support the preservation of the historic Capitol complex and its heritage assets. The AOC's major facilities responsibilities may be divided into the operation and maintenance of its current building portfolio and the management of repair, renovation, and new construction projects.

The organization is led by the Architect of the Capitol who is appointed to a ten-year term by the President, and confirmed by the Senate. The Architect is eligible for reappointment upon completion of the initial term. He is an official of the Legislative Branch, acting as both an officer and an agent of Congress. The Architect further serves as a member of several governing or advisory bodies: the Capitol Police Board, Capitol Guide Board, Advisory Council on Historic Preservation, National Capital Memorial Commission, District of Columbia Zoning Commission, and Art Advisory Committee to the Washington Metropolitan Area Transit Authority. The Architect is also a non-voting member of the United States Capitol Preservation Commission and the National Building Museum.

Figure 1 Growth in Major Facilities Under AOC's Responsibility (in Square Feet)



*Total excludes leased facilities

The Capitol complex is presently sub-divided into nine jurisdictions, each with responsibility for a designated physical area, as follows:

- Capitol Building
- Capitol Grounds
- House Office Buildings
- Senate Office Buildings
- Library of Congress Buildings and Grounds
- Capitol Power Plant
- Botanic Garden
- Supreme Court
- Capitol Police Buildings and Grounds

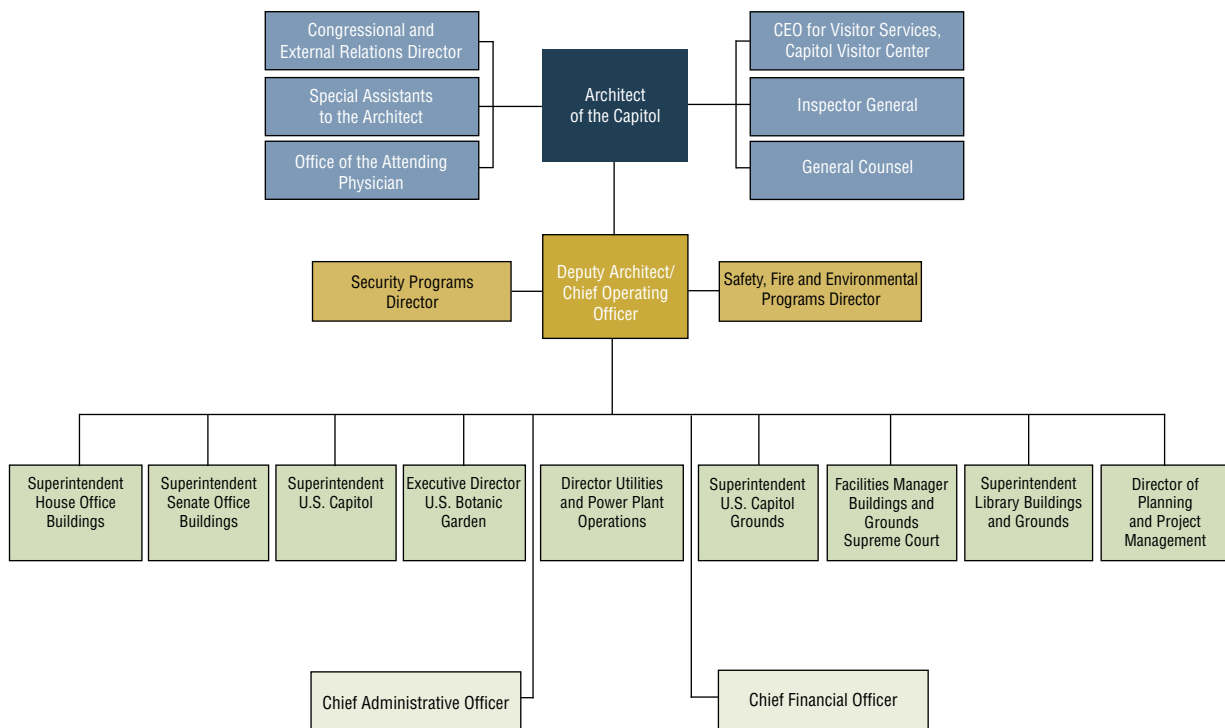
Starting in 2008, the Capitol Visitor Center will be added as a tenth jurisdiction. These jurisdictions are supported across the campus by the staffs of central management offices such as the Chief Financial Officer; the Chief Administrative Officer; the Director of Planning and Project Management; the Director of Safety, Fire and Environmental Programs; and the General Counsel. The following organizational chart (Figure 2) shows the relationship of these offices.

The historic nature and high-profile use of the buildings committed to the AOC's care create the fast-moving, complex environment in which the organization operates. The AOC's employees work to meet the needs of multiple internal and external stakeholders. These stakeholders include the Members of Congress, the Congressional leadership, multiple committees, and their staffs; the visiting public; and other clients. The AOC's organizational structure allows it to make the best use of its time, energy, and resources in order to effectively deliver services to its customers. In addition, this structure—with its lines of authority, communications, and reporting relationships—provides the organization with the flexibility to successfully react with a high degree of professionalism to unanticipated work order modifications and changing priorities. Working weekends and nights is not new for many AOC employees, who get many vital activities accomplished when Congress is observing its district work periods.

The AOC's skilled employees are responsible for the daily operations throughout the Capitol complex and its related off-site support facilities. AOC staff includes the electricians, plumbers, upholsterers, carpenters, painters, masons, and other skilled craftspeople who provide mechanical, electrical, structural, and maintenance work for the buildings and grounds; make any necessary building improve-

Figure 2

AOC ORGANIZATIONAL CHART



ments; support Congressional office moves; and repair and preserve fine art and furnishings. In addition, architecture, engineering, and construction groups design and complete projects of the highest quality, while the facilities maintenance staff provides the building maintenance services required throughout the Capitol complex. The organization also supports presidential inaugural ceremonies, state funerals, and other events and ceremonies held in the U.S. Capitol and on its grounds.

Status of Cross-Cutting Programs

There are six primary functions and programs that are actively managed across the Capitol complex:

- Collective Bargaining Agreement
- Customer Satisfaction Surveys
- Safer Workplace for Employees
- Facility Condition Assessment Updates
- Capitol Complex Master Plan
- Greening, Energy Efficiency, and Energy Conservation

Collective Bargaining Agreement

Effective management and employee relations are critically important to the AOC's success. The AOC has been working to foster a results-oriented workplace and fulfill its Congressional mandate by encouraging open communication and teamwork throughout the organization. In this vein, it is important to maintain a cooperative and effective working relationship with the unions that represent the AOC.

In July 2007, a collective bargaining agreement was signed into force and effect between the AOC and the American Federation of State, County, and Municipal Employees (AFSCME) Local 626, representing approximately 500 laborers, custodians, gardeners, and other workers in the House and Senate Office Buildings, U.S. Capitol Building, and U.S. Botanic Garden jurisdictions.

The agreement with AFSCME was reached after extensive negotiations and covers many personnel policies, practices, and working conditions. Chief among them are a new performance evaluation and communication system, merit employment and career staffing, annual and sick leave policies, probationary periods, health and safety, and upward mobility. The agreement allows for a grievance procedure that provides for final and binding arbitration, as required by law. It



In July 2007, a collective bargaining agreement was signed into force and effect between the AOC and the American Federation of State, County, and Municipal Employees.

is expected that the ground rules established by this agreement will create uniform personnel policies and practices among the various AOC jurisdictions and will benefit all covered employees through consistent and effective management, leadership, and governance.

Customer Satisfaction Surveys

The AOC takes great pride in keeping its customers satisfied. Annual customer satisfaction surveys are conducted to identify areas for further improvement. Figure 3 illustrates the customer satisfaction ratings across the AOC for the past four years.

In 2007, the AOC maintained the high level of service to which its customers have become accustomed. The AOC's overall average customer satisfaction rating across functional areas and jurisdictions was 89.6 percent. Although some individual service areas showed a minor decline from 2006, the overall satisfaction rating for the organization indicated a slight increase from the prior year. The AOC considers this a major achievement given the complexity and increased workload coinciding with the 110th Congressional election year office moves. To put the sheer size of the AOC's operations in context, more than 100,000 work orders were completed between just the House and Senate Office Building jurisdictions. The majority of this work was conducted off-hours or during Congressional district work periods in order to accommodate the Members' schedules and not hinder the work of the Congress with construction and noise.

Safer Workplace for Employees

For the seventh year in a row, the AOC's injury and illness (I&I) rate decreased. The 4.88 rate in 2006 dropped to 4.41 injuries and illnesses per 100 employees in 2007—a 9.6 percent reduction from the previous year. The AOC was able to achieve this reduction despite a heavy work load that included post-election office moves. Since 2000, the AOC has reduced its injury and illness rate by an outstanding 75 percent. To put these statistics in perspective, had the decrease from the 2000 rate not occurred, there would have been approximately 1,700 additional occupational injuries and illnesses over the last seven years. Figure 4 depicts the decrease in the I&I rate since 2000.

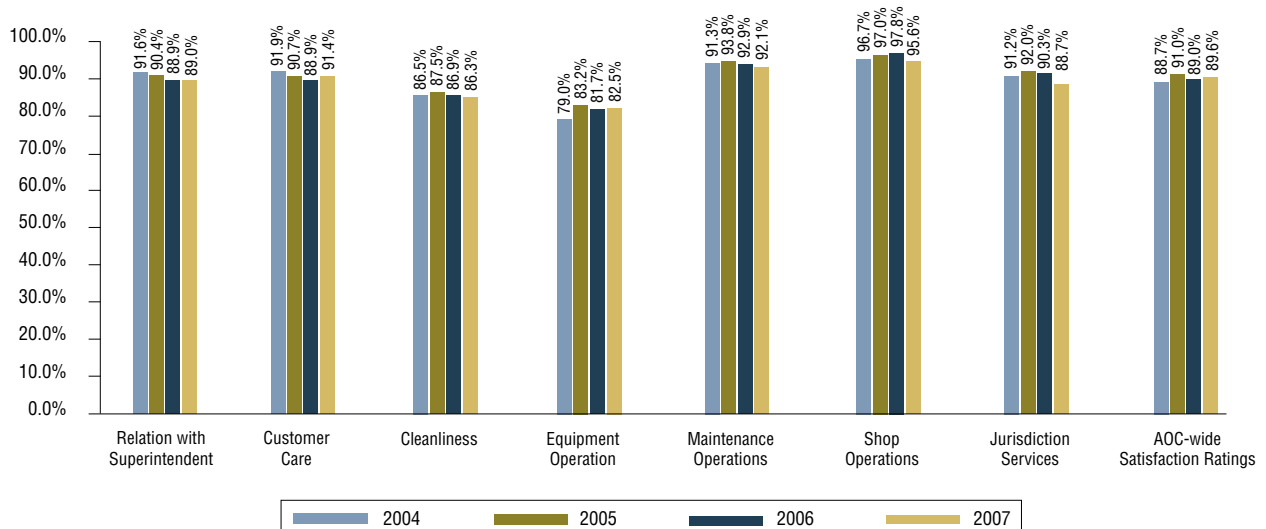
Creating a safer workplace for employees has not been the result of any single person or policy but, rather, a common commitment by employees, first line supervisors, managers, and senior leadership to make safe job performance an AOC priority. The AOC has been working to create a results-oriented workplace and views a safe work environment as key to delivering on that commitment.

Facility Condition Assessment Updates

The AOC, through its Strategic and Performance Plan, has established guidance for conducting annual Facilities Condition Assessment (FCA) updates for the buildings under its care. The AOC uses FCA updates to create a baseline for building conditions—comparing

Figure 3

AOC Overall Customer Satisfaction



conditions among facilities, setting goals, determining funding requirements, tracking facilities' investment, and managing the five-year Capital Improvement Plan. FCA updates include information from physical surveys; reviews of recent plans, reports or studies; and interviews with current facility managers, staff, and other experts. These Facilities Condition Assessments result in a compiled list of projects recommended to improve, renew, or repair facilities in order to address the deficiencies uncovered. FCAs were also used to develop the Jurisdictional Five-Year Design and Construction Plan, which serves as a guide during the development of the AOC's annual budget and its multi-year planning. These FCAs indicate a backlog of both deferred maintenance projects (fixing systems that have broken) and capital renewal projects (fixing systems that are predicted to fail in the near future).

The AOC evaluates each proposed project based on a scorecard that provides a baseline measurement of the current physical state of the facilities. This enables the AOC to develop a proactive plan for facility maintenance and renewal. The AOC has conducted and completed FCA updates on most of its facilities, including the Capitol, Capitol Grounds, Senate and House Office Buildings, U.S. Botanic Garden, U.S. Capitol Police Buildings and Grounds, Capitol Power Plant, and Thurgood Marshall Federal Judiciary Building. The AOC continues to complete and update FCAs across the Capitol complex.

Capitol Complex Master Plan

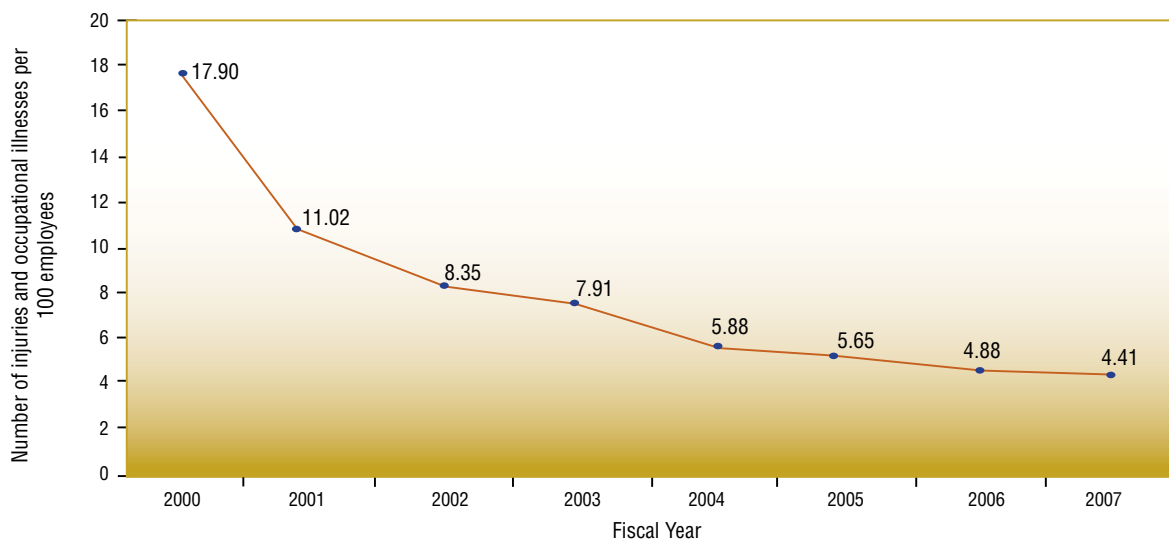
The Capitol Complex Master Plan (CCMP) serves as the framework for Capitol complex facility planning over the next 20 years. Incorporating the results of the Facility Condition Assessment updates, the master plan ensures that the AOC is well-prepared to address facility renewal requirements, advances in building technologies, and future Capitol complex growth.

In 2007, development of a revised draft CCMP is ongoing. The master plan lays out the Capitol complex's projects for the purpose of detailed physical and financial planning. All major infrastructure projects have been identified and classified for the short- or the long-term. In order to facilitate deferred maintenance and capital renewal planning initiatives, representatives from each AOC jurisdiction participated in the organization's coordination and communication efforts with its Congressional oversight committees.

To date, the AOC has placed significant prioritization emphasis on citations, code compliance, physical security, and energy-saving initiatives. The CCMP will assist the AOC and Congress in making current and future capital improvement decisions that fit within both its short- and long-term priorities. It will also provide a comprehensive vision for the Capitol complex—establishing priorities, allocating resources, and facilitating decision making throughout the organization.

Figure 4

Annual Illness & Injury Rate



Greening, Energy Efficiency, and Energy Conservation

The AOC recognizes the need to reduce carbon emissions and has begun implementing a number of projects that both reduce emissions and generate cost savings for the American taxpayer. Congressional leaders also have called on those of us who work on Capitol Hill to reduce energy consumption to help conserve natural resources and reduce costs.

In 2007, the AOC updated its Comprehensive Energy Conservation Management Plan and reported in the first AOC Annual Report on Energy and Water Conservation that the organization had exceeded the required Energy Policy Act reductions—achieving a 6.5 percent energy reduction versus the two percent required. The AOC also initiated a vegetative roof feasibility study for the Dirksen Senate Office Building and began investigating the use of renewable energy resources by initiating a photovoltaic roof feasibility study for the Rayburn House and Hart Senate Office Buildings. Furthermore, the Senate Office Building's dimmable ballast pilot program, that allows lighting to automatically adjust to the level of ambient outdoor lighting, was initiated, while a similar pilot is ongoing in the Capitol. The AOC also began a pilot program in the House Office Buildings to install dimmable ballasts in its stairwells.

Unlike many federal agencies, the AOC operates and maintains a power plant, so its energy-saving efforts go well beyond standard building enhancements and electricity reduction programs. The Capitol Power Plant (CPP) regularly analyzes and experiments with variations of its fuel-use mix to optimize cost, generation, and emissions. The Power Plant is only used to produce steam for heating and chilled water for air conditioning. Since 1991, data on CPP heat-energy output illustrates that the AOC has reduced its use of coal as a percentage of the total fuel mix by approximately 40 percent, while keeping generation relatively constant. In an effort to further reduce carbon emissions, the AOC will continue to decrease its use of coal by consuming more natural gas. Recent efficiency gains from projects at the CPP such as the West Refrigeration Plant Expansion (WRPE) will reduce both costs and emissions yearly. Conservative estimates project CPP cost savings of more than \$3 million annually with over 19,000 Megawatt Hours (MWh) saved from the WRPE alone (see *Status of Key Projects* for more detail on this expansion project).

In addition to emissions savings from operations at the power plant, the AOC is aggressively pursuing energy efficiency projects throughout the entire Capitol complex. These improvements include:

- Using metering, commissioning, and tracking to improve



The AOC has implemented a number of projects that both reduce carbon emissions and help to conserve natural resources to reduce overall energy costs and generate cost savings for the American taxpayer.

- operating efficiency and management;
- Installing and upgrading steam meters;
- Installing energy efficient lighting;
- Adopting new technologies and optimal operating practices for electronics and office equipment;
- Updating heating, ventilation, and air conditioning equipment and practices;
- Making computer rooms and servers more energy efficient;
- Planting new trees throughout the Capitol Grounds;
- Developing and producing sustainability programs that promote environmental awareness at the U.S. Botanic Garden;
- Procuring alternate fuel vehicles when purchasing or leasing any new vehicle; and
- Evaluating food service practices; elevator and vending machine energy efficiency; hot water use; laundry and dry cleaning services; fitness center operations; and other energy savings opportunities.

The AOC has also begun efforts to change the daily working patterns of building occupants. Heating and cooling are among the biggest culprits to excessive greenhouse gas emissions. As the AOC begins to moderate average energy output during the summer and winter months, the internal temperature of buildings will rise and fall respectively. In order to stay comfortable and productive, the AOC has begun to encourage occupants to embrace functional attire. The AOC is also trying to reduce the use of idle electronics equipment. To promote recycling, educational materials were issued on the AOC recycling program and a recycling working group was established. All of these actions will make a difference and save energy. By practicing efficient energy management, the AOC hopes to lower energy bills and save taxpayer dollars, while also reducing greenhouse gas emissions.

Central Administrative and Management Functions

The management and administrative offices, or “central staff,” provide services on an AOC-wide basis. These central staff offices include, but are not limited to, such functions as human resources, budgeting and accounting, project planning and management, procurement, information systems, legal, care and conservation of works of art, safety, and security.

The central staff is comprised of offices organized under the purview of the Chief Financial Officer, the Chief Administrative Officer, the Director of Planning and Project Management, the Director of Safety,

Fire, and Environmental Programs, the General Counsel, and the Director of Congressional and External Relations.

OFFICE OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer (CFO) oversees four divisions within the Office of the Chief Financial Officer: Accounting, Budget, Financial Management Systems, and Workforce Planning and Management.

Accounting

The Accounting Division provides direction, planning, and oversight for financial policy, procedures, reporting, and accounting operations; and managerial cost accounting at the AOC. It aims to provide financial and cost accounting services to the entire organization in a customer-focused and value-creating manner.

The AOC received a clean audit and unqualified opinion on its financial statements for the fifth consecutive year in 2007 (the first two were Balance Sheet-only audits). The AOC further accelerated its audit timeline and provided key support to auditors which enabled the timely completion of their 2007 fieldwork—a significant accomplishment. The AOC instituted monthly purchase card stoplight reports to monitor outstanding balances and continued to produce quarterly financial statements for the jurisdictions to provide interim financial status throughout the year. In addition, the AOC implemented changes to improve the on-time payments of its invoices. The organization finished 2007 with payments on time averaging 88 percent, which was eight percent above goal. These accomplishments highlight the maturation of the AOC’s financial systems and processes over the last several years and provide evidence of the integration of financial control and accountability throughout the organization. In addition to these accomplishments and towards the goal of making the AOC a more effective and efficient organization, the Accounting Division has further developed its cost accounting system—a managerial tool to measure cost and organization performance, support managerial decision making, and provide accountability.

Budget

The Budget Division is responsible for preparing, presenting, and executing all of the appropriated funds that the AOC receives from Congress, and providing financial management support within the AOC. This includes monitoring Congressional action on appropriation bills, working with the jurisdictions to formulate future year budgets, performing current year execution reviews, assisting in the development of operating plans, and responding to questions from Congressional hearings. The Budget Division also provides the AOC with recurring and special ad-hoc AOC-wide analytical reports and performs a unique payroll projection service.

The Budget Division successfully managed fiscal year 2007 under a full-year Continuing Resolution and provided optimum utilization of the AOC's appropriated funds. Further, after performing two separate execution reviews, the AOC successfully navigated the approval process and reprogramming actions to fund many important end-of-year projects. The Budget Division also worked closely with Congressional staffers and the Procurement Division to quickly approve and execute the funds.

In addition, the Budget Division worked to fund several previously unfunded Facility Condition Assessments in 2007 and worked across the organization to develop strategies to fund 2009 projects based on the Facility Condition Assessments performed to date. Finally, the division formed an Integrated Product Team to assess and implement ways to improve the fiscal year 2009 budget submission.

Financial Management Systems

The Financial Management Systems (FMS) Division manages and coordinates the design, development, implementation, maintenance, and support of the AOC's financial systems in order to provide federally compliant, auditable, modern systems that meet the needs of the organization. The AOC's financial management systems were developed based on Government Financial Accounting Standards.

During this fiscal year, the FMS Division developed extensive metrics to track organization-wide performance, including: systems availability, interface processing, and monthly reports. These metrics allow the organization to measure performance, making operations and planning more effective and efficient. The FMS Division also implemented key cycle time measurements to increase the efficiency of its work and help better measure customer service. This is the first year the AOC had such systems in place, advancing its efforts to improve the effectiveness and efficiency of the organization. This year also saw the first steps towards the upgrade and enhancement of the AOC's financial accounting system. One of the AOC's goals for 2008 is to upgrade and implement Financial Systems Integration Office-compliant financial software in the first phase of a planned upgrade of the organization's financial accounting systems software and hardware technology.

Workforce Planning and Management

The Workforce Planning and Management Division (WFPM) assists the AOC and its managers with succession planning, position resource management, full-time equivalent management, and organization analysis. WFPM works in close collaboration with the Human Resources Management Division on policies that foster a positive work environment that will attract and inspire excellence in

its people, enabling the AOC to provide best-value services, solutions, and the required support to Congress.

In 2007, a study was completed on basic skill levels for core positions, employee retirement plans, and interest in cross-training opportunities. The AOC plans to use this study to help better inform its decisions with regard to workforce planning and management in the future. The organization is committed to the optimum use of both its financial and personnel resources, which means ensuring that they are allocated based on priorities, long-range plans, and affordability as a sound business practice.

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

The Chief Administrative Officer (CAO) oversees seven divisions within the organization: Equal Employment Opportunity and Conciliation Programs, Human Resources Management, Information Technology, Curator, Procurement, United States Senate Restaurants, and the Immediate Office of the CAO.

Equal Employment Opportunity and Conciliation Programs

The Equal Employment Opportunity and Conciliation Programs Division (EEO/CP) administers the AOC's equal employment opportunity and sexual harassment policies and the conciliation, diversity, affirmative employment, and reasonable accommodation programs. As AOC's primary internal resource to address employee and management concerns, EEO/CP works to resolve EEO-related matters and other workplace disputes; develops and implements initiatives to promote a discrimination-free work environment and increase workforce diversity; and provides EEO technical assistance to managers and supervisors. EEO/CP also offers employees career counseling and serves as a conduit for information on other resources available to them.

In 2007, the EEO/CP Director testified before Congress regarding diversity in AOC senior-level staff. The AOC identified for Congress the achievements and barriers in achieving greater diversity in the senior ranks. The testimony particularly increased attention to efforts to attract and retain qualified, diverse individuals at all levels in the organization. In 2007, the AOC also successfully resolved employment-related claims within the 90-day target; designed and coordinated mandatory EEO training for the Senior Leadership Team and new supervisors; and conducted several diversity initiatives, including special emphasis programs.

Human Resources Management

The Human Resources Management Division (HRMD) works to acquire, nurture, and retain a high-caliber workforce, and advises the Acting Architect and Chief Operating Officer on policy, federal regula-



tions, and laws governing human resources. The division manages a variety of employee programs and services for the AOC to ensure that it continues to keep and attract the highest-quality workforce.

A key effort in 2007 was the staging of the first AOC job fair to assist the Construction Division in filling 14 critical positions to support improvements to the utility tunnels.

During this year, the AOC also worked to fill several important staff positions for the Capitol Visitor Center, including hiring the Chief Executive Officer for Visitor Services and selecting candidates for other key senior-level positions.

Information Technology

The Information Technology Division manages the AOC's information technology (IT) needs and allocates IT resources, upon which the AOC is dependent for day-to-day operations. Its mission is to provide customer service excellence by maintaining partnerships with its internal customers, capitalizing on technological advances, cultivating staff potential, and working as a team.

The AOC's IT division has developed a more comprehensive approach for prioritizing, selecting, tracking, and managing its project portfolio. The division is tackling the challenges of the 21st century through infrastructure- and application-interopability initiatives that focus on integration between employee desktops, the web, and personal digital assistants. Such efforts to ensure future infrastructure and application interoperability are most visible in its ongoing work to help define AOC-wide standards—including facilities management, web services, and data base integration. These advances help lay a foundation for next-generation distributed computing.

Going forward, the division's Enterprise Architecture (EA) team will continue to help define the AOC's current and desired technology environment. EA starts with the organization's business vision. It uses diagrams, models, and other tools to analyze AOC's strategic direction, business processes, information flows, and resource utilization to determine what hardware, software, and data are necessary to provide streamlined and measurable performance. This desired technology becomes the target enterprise architecture that will drive all future development decisions.

Curator

The Curator Division oversees the care and conservation of the works of fine art under the Architect's purview and the preservation of, and research into, the historic records of the AOC. The Curator is also involved in art and preservation-related issues at the Library of

Congress and Supreme Court and has played a key support role in exhibition development and the art plan for the Capitol Visitor Center. In accordance with the ongoing efforts to make the AOC a more strategic organization, the Curator Division has developed operational measures to support the organization's strategic plan.

The Curator's Records Management and Archives Branch preserves and makes available the historic records of the AOC. The archives is the repository for architectural and engineering drawings; and administrative, construction, and project records dating from the mid-nineteenth century to the present. The reference work of the division in providing historic information, copies of drawings, specifications, construction records, reports, and photographic images, plays an important role in the stewardship of the AOC's buildings and grounds.

Major conservation projects this year included the restoration of the 1901 wall murals in the Second Floor House Central West Front Corridor adjacent to the Speaker's Office, the conservation of the monumental painting and frame *Signing of the Constitution* in the House East Grand Staircase, and continuation of conservation in the Brumidi Corridors on the first floor of the Senate wing. The Statue of Freedom was cleaned, recoated, recaulked, and the pedestal coating repaired. The House and Senate East Front bronze doors were conserved. Strategic Plan goals for stewardship were met, including the expansion of the well-received preservation awareness program for AOC staff with 40 talks and tours and continuation of talks to external groups, including Capitol Police recruits. The Curator has coordinated guidelines and procedures for a number of new sculptures for the Capitol—including a statue of Rosa Parks, a bust of Sojourner Truth, and two replacement statues—and has planned for the relocation of statues to the new Capitol Visitor Center.

Procurement

The Procurement Division is responsible for procurement throughout the organization and solicits, awards, and administers contracts. The division develops procurement guidance and policy and works directly with vendors to make the procurement process function efficiently. They saw an increase in work assignments in 2007 over the previous fiscal years, and were directly responsible for executing approximately 4,600 procurement actions worth \$442.6 million. The division also administers the purchase card program, which executed approximately 14,500 transactions totalling \$11.7 million.

In 2007, procurement operational metrics were refined to better reflect the business processes and practices of the division and organization. The Procurement Overview Portal (POP) was implemented throughout the entire organization as an interactive and dynamic web



The wall murals, dating back to 1901, along the Capitol's Central West Front Corridor were all restored to their original luster.



page for the jurisdictions to view updates on their specific procurements, and Contracting Officer's Technical Representatives (COTRs) to track deliverables and contract completion dates. This system assists with ensuring the procurement process is transparent to the customer.

United States Senate Restaurants

The CAO manages the Senate Restaurants' multiple dining facilities, subject to oversight by the Senate Committee on Rules and Administration as to matters of general policy. These include the U.S. Senate Dining Room, the Public/Press Dining Room, a full-service banquet and catering operation, and multiple cafeterias, snack bars and sundry shops located in the Capitol, as well as in the Senate Office Buildings.

Immediate Office of the CAO

Finally, the CAO also manages offices supporting the AOC's strategic planning, quality management, and employee assistance programs. The Strategic Planning Office develops and maintains the organization's Strategic Plan and tracks compliance with the goals and objectives specified therein. It also serves as liaison with the Government Accountability Office (GAO) and other external agencies regarding major agency audits. The Quality Management Office develops and administers the AOC's quality management and evaluation program, and maintains metrics and data supporting its performance manage-

ment program. The Employee Assistance Program provides assistance referral services, and counseling for AOC employees experiencing personal problems, issues, or concerns impacting their work-life and well-being.

OFFICE OF PLANNING AND PROJECT MANAGEMENT

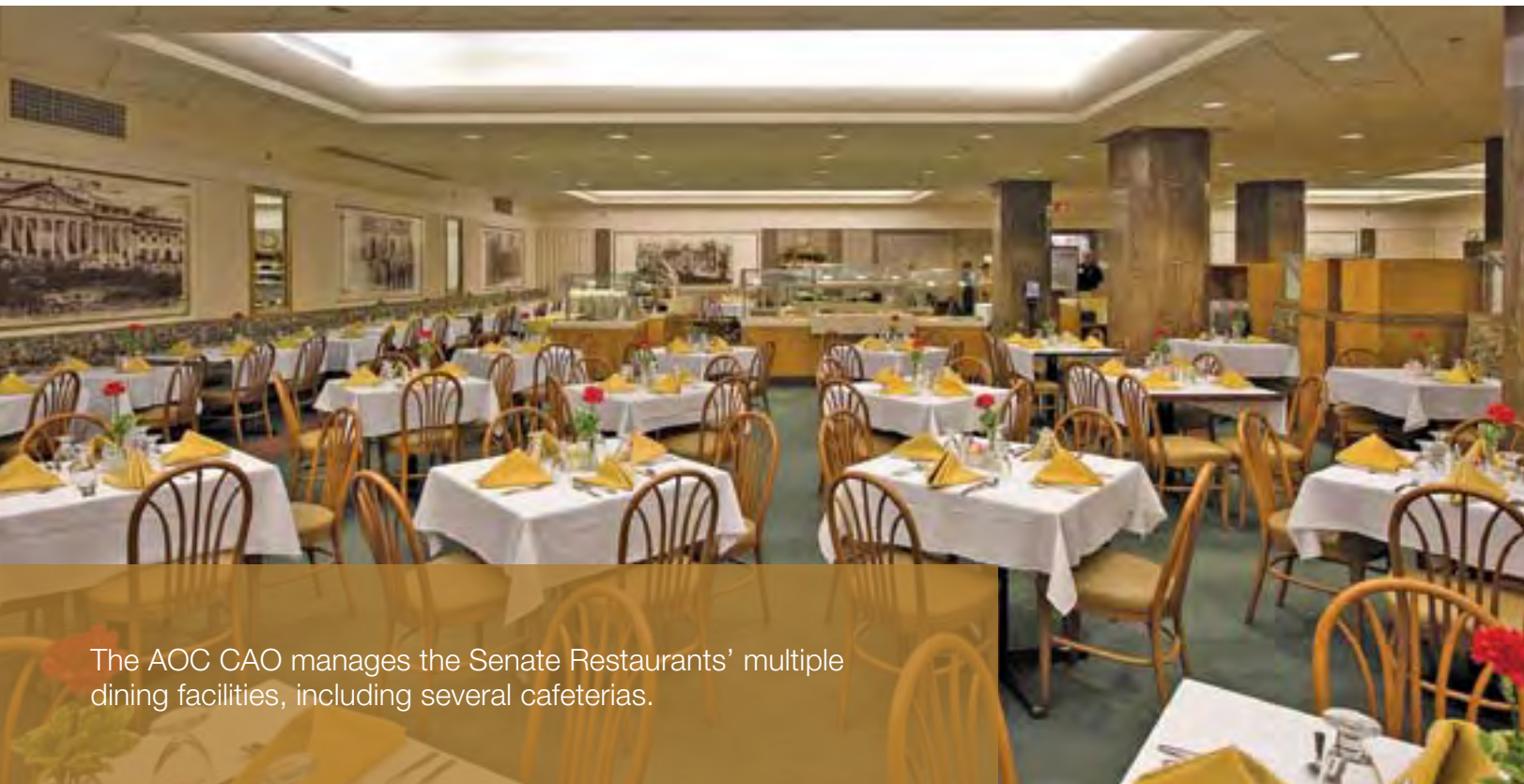
The Office of Planning and Project Management (PPM) oversees the organization's design services, project management, construction, technical support, and facilities planning and programming. Further, PPM assists the AOC with the development of the Facility Condition Assessment updates for buildings throughout the Capitol complex, the five-year Capital Improvement Program, and the long-term Capitol Complex Master Plan.

Design Services

The Design Services Division is primarily responsible for the technical design, oversight, and management services for studies and execution of smaller projects. Additionally, the Design Services Division provides expert guidance to the jurisdictions regarding issues such as building systems and infrastructure, and ensures that stewardship is maintained for these areas as well as for historic preservation.

Project Management

The Project Management Division is responsible for managing design



The AOC CAO manages the Senate Restaurants' multiple dining facilities, including several cafeterias.

and construction projects in existing buildings as well as for new and leased facilities. The professional and technical staff provides project management, construction management, and construction inspection services. The division determines the best acquisition strategy and execution method for each project, and then monitors and controls the cost, schedule and quality of the project throughout its life cycle. The Project Management Division publishes monthly performance metrics for internal use, and quarterly construction progress reports for the AOC's external stakeholders.

Construction

The Construction Division provides minor construction support to the jurisdictions, typically when construction requirements are beyond a jurisdiction's in-house capability. Highly-skilled tradesmen and craftsmen provide agility, flexibility, and institutional knowledge to handle a variety of planned stewardship requirements or when unpredictable events and changes occur. When the need arises, the AOC can react immediately to complete construction work with an internal workforce instead of contracting with an outside vendor.

Technical Support

The Technical Support Division develops, maintains, and enhances cost control, construction specification, and computer-aided design (CAD) systems by providing specialized CAD, cost-estimating, specification, graphic design, project tracking and scheduling, and

criteria and standards development services that adapt to both federal practice and the unique environment of the Capitol complex. CAD support efforts are tracked via the AOC's Falcon Document Management System (DMS) and through monthly update sessions with superintendent staff.

In addition, the division has added the services of a full-time project scheduler and has begun recovery of older CAD files into Building Information Models (BIM)—essential for future sustainable design and security needs.

Facilities Planning and Programming

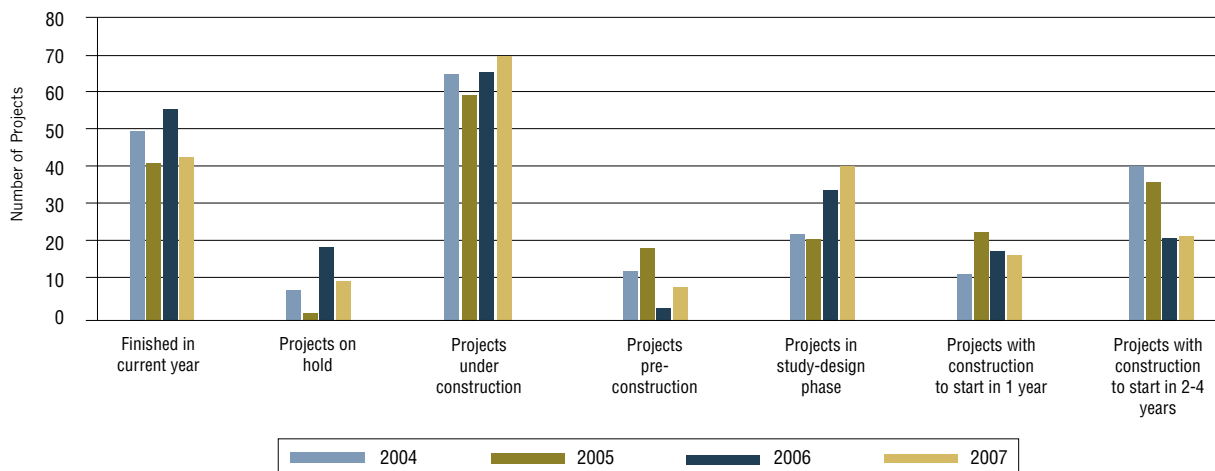
The Facility Planning and Programming Division is responsible for conducting Facility Condition Assessments, developing the five-year Capital Improvements Plan, and developing the long-range Capitol Complex Master Plan. These are important management tools used to proactively plan work to assure continuance of operations, coordinate and sequence work to avoid site conflicts and construction fatigue, and, to the extent possible, reduce budget spikes to meet emerging requirements.

During 2007, 43 projects were completed. These included the West Refrigeration Plant Expansion, the National Audio Visual Conservation Center, and the Perimeter Security Program. The AOC also completed various modernization projects in the House and Senate

Status of Projects

2004-2007

Figure 5



Office Buildings, the Supreme Court, and the Power Plant. Many of these projects take more than one year to complete. Thus, the AOC's many projects are always in various stages of progress from design to completion. Figures 5 and 6 show the different stages of projects during each of the last four years.

Status of Projects

The AOC has made significant progress to increase its project management effectiveness. In 2007, the organization completed a number of very large, multi-year projects. The AOC increased its execution rate by delivering 34 percent more work in place than the previous year, totalling more than \$222 million. Figures 7 and 8 highlight the number of projects and the dollar amount expended on projects over the years 2004 through 2007.

As a mark of the Architect of the Capitol's achievement in construc-

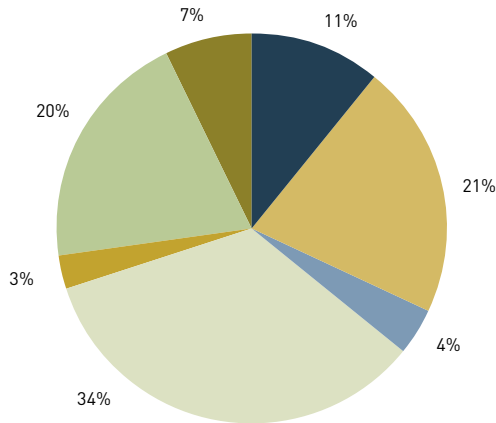
tion project planning and management, the AOC was recognized for two of its 2007 construction projects. In April 2008, the National Capital Chapter of the Construction Management Association of America (CMAA) awarded the AOC as co-winner for outstanding achievement for its West Refrigeration Plant Expansion Project and bestowed an Honorable Mention for the AOC's National Garden project at the U.S. Botanic Garden. These awards take into consideration a project's leadership, professionalism, and excellence in the practice of construction project management.

OFFICE OF SAFETY, FIRE, AND ENVIRONMENTAL PROGRAMS

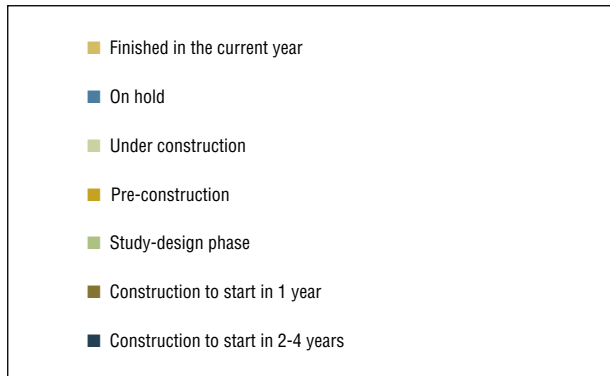
The Safety, Fire, and Environmental Programs Office (SFEP) is responsible for developing AOC-wide policy, providing technical support to jurisdictions to implement and comply with policy requirements, and providing monitoring and oversight of the AOC's compliance with

Status of Projects

Figure 6



2007



Total Projects 2004-2007

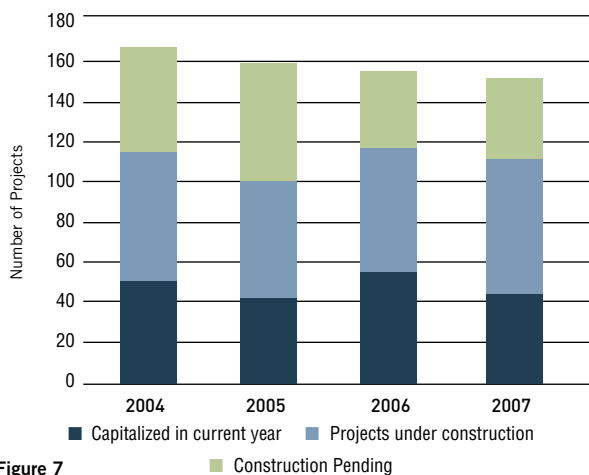


Figure 7

Total Expended on Projects 2004-2007

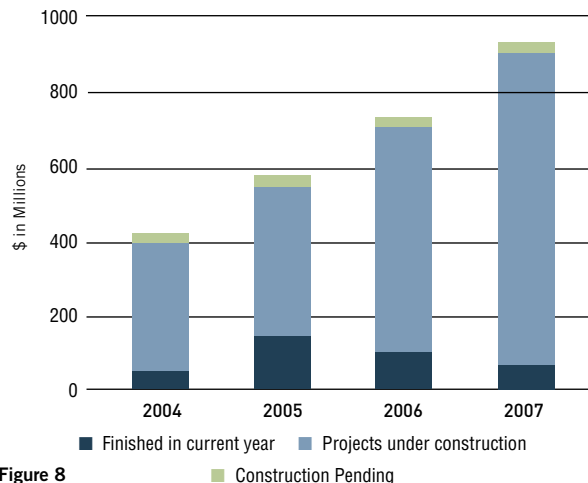


Figure 8

regulatory and policy requirements. SFEP serves as the primary point of contact with external regulatory agencies for the AOC's occupational safety and health, fire protection, and environmental programs.

A significant accomplishment this year was the publication of the AOC's Occupational Safety and Health (OSH) Program Plan 2007-2011. Developed in concert with AOC's Strategic Plan, SFEP established goals, objectives and methods and developed a detailed implementation plan to protect the safety and health of AOC employees by creating an injury- and illness-free work environment.

In addition, during 2007, SFEP played a key role in helping to address the issues in the utility tunnels and assisted with the development of the Utility Tunnel Improvement Plan (see *Status of Key Projects*).

SFEP also developed a program to identify and procure bio-based products as required by the Energy Policy Act of 2005. Specific accomplishments for 2007 include developing a preferred procurement program for bio-based products policy, contract language for all service and supply contracts, and an internal checklist for purchase card transactions giving preference to bio-based products. Implementation of the promotion and public education programs for bio-based products are underway.

Furthermore, the AOC continues to make progress in meeting the goals and metrics established for its recycling program. Specific accomplishments include maintaining a zero percent off-specification paper rate, providing educational materials to Congressional offices and Legislative Branch agencies, recycling 100 percent of AOC computer equipment, improving Legislative Branch communication and coordination by meeting quarterly with the Legislative Branch recycling working group, and increasing non-office waste recycling by over 20 percent from the 2005 baseline. In addition, two new non-office waste streams are being evaluated for inclusion in the recycling program.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel (OGC) provides legal advice and counsel to the Acting Architect, senior staff, and others within the organization on matters involving procurement and acquisition, contract claims and litigation, real property law, environmental law, employment law, labor law, occupational safety and health law, tort, and other areas of law where the organization has an interest or issue. The OGC serves as the supervising ethics office for the AOC, and reviews financial disclosure forms filed by senior AOC employees with the Clerk of the House of Representatives. The OGC also represents the organization in administrative hearings directly or through private



lawyers under contract, and the OGC arranges for legal representation by the Department of Justice in judicial proceedings.

Among the Office of the General Counsel's significant accomplishments in 2007 were its successful negotiation of a new collective bargaining agreement with the AFSCME (see *Status of Cross-Cutting Programs* for further detail) and the comprehensive settlement reached on the CPP utility tunnels (see *Status of Key Projects*).

Jurisdictions

The AOC's nine jurisdictions each play a unique role in meeting the organization's strategic goals. The following section briefly describes their individual missions and histories, in addition to highlighting their performance and achievements for 2007.

CAPITOL BUILDING

The Capitol has been the meeting place of the U.S. Congress for more than two centuries and is perhaps the most widely recognized symbol of the American government. It was Secretary of State Thomas Jefferson who originally conceived of the idea for a contest to determine the Capitol's design. Eighteen individuals submitted plans, but Dr. William Thornton's design of a two-winged structure, connected by a grand dome, was approved in 1793 by President George Wash-

ington, who later that year laid the Capitol foundation's cornerstone. Thornton is, therefore, honored as the first Architect of the Capitol.

Today, the Architect of the Capitol is responsible for much more than the Capitol itself. Under the direction of the Architect of the Capitol, the Capitol Building jurisdiction provides the day-to-day maintenance, renovation, and construction in the areas of structural, mechanical, electrical, and domestic care of the Capitol. The Capitol is not just a symbol of the democratic promise, it is also a working building for the Legislative Branch. The jurisdiction's work serves Congress, its legislative operations, support staff, and visitors, in addition to preserving and enhancing the building and its historic assets.

Strategic Goal 1:

Congressional and Supreme Court Operations Support *Facilities systems upgraded and space functionality increased*

The Capitol's age and historic preservation needs make developing functional workspaces for Members and their staffs a challenge. In 2007, the jurisdiction completed numerous projects to upgrade facility systems, which included telecommunications, electrical, mechanical, and other enhancements. In addition, the jurisdiction improved room layouts and the use of existing space to increase physical storage capacity and improve operations workflow.



In 2007, the restoration of the Statue of Freedom and the East Front bronze doors were among four major restoration projects completed.

Projects efficiently delivered and customer satisfaction achieved

The jurisdiction continues to achieve high levels of effectiveness and efficiency in its project management practices. In 2007, the jurisdiction completed 86 projects with 95 percent accomplished on time and within budget. The jurisdiction also achieved 100 percent accuracy in its inventory accountability and received an overall customer satisfaction rating over 90 percent.

Strategic Goal 2:

Heritage Asset Stewardship

Major restoration and conservation projects completed

As part of the AOC's stewardship responsibility to future generations, the jurisdiction cares for the Capitol's substantial art collection and other physical assets. In 2007, four major restoration and conservation projects were completed. The jurisdiction completed restoration of the Statue of Freedom, conservation of the stained glass panels in the Senate and House grand stairs, restoration of the Senate and House East Front bronze doors, and conservation of the West Front second floor corridor.

Strategic Goal 3:

Leadership and Administrative Support

Annual performance-based business plan implemented

In continuing to create a more efficient and effective AOC, the juris-



dition emphasized the need to develop, implement, and monitor an annual performance-based business plan, which identifies actions and measures necessary to execute the AOC's objectives and achieve its goals. The jurisdiction used these indicators to monitor success and to identify areas of opportunity for improvement.

Human-capital management improved

Attracting and retaining talented people is a major strategic priority for the AOC. In 2007, the jurisdiction promoted personnel from the Electrical Branch as recommended by an organization-wide audit. Two leader positions in the night labor organizational unit were created, and on-going efforts in the review of the air conditioning trades' grade composition were supported. The superintendent also increased representation of minorities in the trade disciplines, and met the AOC-wide goal in reducing injuries with only five for the year.

Performance against 2007 goals as stated in the 2006 PAR:

Task	Progress
Conservation of the stained glass panels in the House Grand Stairs	The stained glass panels were removed from the grand stairs and replaced with replicas. A repair and restoration plan will be developed for the original panels.
Installation of the new Brumidi Corridor Egress Door	The demolition effort is underway. The project is scheduled to be completed in 2008.
Restoration of the East Front Bronze Doors	Restoration of the Senate and House doors was completed in August 2007. Restoration of the Rotunda door is planned for spring 2008.
Security improvements to the West Grand Stair Enclosure and West Terrace Exit Doors and Stairs	An Executive Briefing Package was developed on the project and presented to leadership. Prospective bidders met on site to review the project requirements to prepare for the submission of their bids. Project completion is planned for August 2008.

The jurisdiction's goals for 2008 include:

- Sustain project delivery with an expected outcome of projects being delivered on time, within budget, and with high client satisfaction;
- Improve cleaning operations and increase client satisfaction in cleaning services; and
- Improve safety, by:
 - Ensuring reliable fire and safety systems are maintained;

- Supporting security infrastructure of the Capitol Police;
- Implementing necessary wayfinding; and
- Continuing to make buildings accessible and Americans with Disabilities Act (ADA) compliant.

CAPITOL GROUNDS

The Capitol complex's 234 acres are the responsibility of the Capitol Grounds jurisdiction. The grounds refer to the land within the Capitol complex upon which no building has been constructed. The original Capitol grounds encompassed a 31-acre parcel. The 1851 Capitol extension that added the present day House and Senate chambers brought the building's north and south walls very close to the Grounds' north and south boundaries. In 1872 Congress purchased two city blocks and annexed several publicly-owned squares to enlarge the grounds.

Nearly two years later, Frederick Law Olmsted, considered the preeminent American landscape architect of his time, was hired by Congress to oversee the expansion, and to design and create grounds that appropriately reflected the Capitol's grandeur. Over the years between 1874 to 1892, Olmsted designed a setting of lawns, walkways, streets, drives, and planting areas whose primary purpose was to center attention on the Capitol Building. He accomplished this by re-grading massive amounts of land and re-arranging hundreds of trees, creating numerous pathways and clearing sightlines to the building from nearly every approach. The Olmsted design sought to surround the Capitol by an open park that would welcome visitors and invite them to tour the area.

The Capitol Grounds jurisdiction conducts routine landscaping and conducts maintenance on supporting features, infrastructure, vehicles, and equipment. This includes mowing and trimming lawn areas, weeding and watering seasonal plantings, and comprehensive tree care. The jurisdiction is also responsible for hardscape care, such as irrigation systems repairs, fountain maintenance, and re-pointing of historic walls. Duties are fulfilled with the utmost consideration for the Grounds' historical, cultural, educational, and architectural value that is enjoyed by the millions of visitors who come to the Capitol each year and its thousands of public servants. This is a responsibility that the office first embraced over a century ago, and it continues without interruption today.

Strategic Goal 1:

Congressional and Supreme Court Operations Support

Special events effectively executed

Throughout the year, the jurisdiction provides support for special

events involving the erection of thousands of feet of security fencing and a variety of other tasks. These events often garner national and worldwide media attention and require rapid execution. For example, the annual Capitol Christmas tree lighting is effectively executed annually under strict deadlines and varying weather conditions.

Vehicular asset upgrade and replacement complete

The AOC operates a number of depreciable assets that need routine upgrade and periodic replacement. In 2007, the jurisdiction completed the vehicle and equipment replacement and upgrade program that had been underway for several years with the purchase of two dump trucks, two pickup trucks, three mid-sized tractors, a drain cleaning machine, and other minor specialty equipment and general grounds equipment. In addition, the jurisdiction began a vehicle inspection and maintenance program for the Capitol Grounds fleet. In only its second year, the annual vehicle safety inspection program is already providing measurable impact.

Quality of operational processes improved

In 2007, the jurisdiction improved the quality and timeliness of service requests and inquiries from AOC staff, Congressional staff, Capitol Police, the Sergeants at Arms, outside organizations, and visitors. The jurisdiction, for the first time, started collecting data on the operations of the shuttle bus service and on snow and ice removal activities. In addition, the jurisdiction is in the early stages of developing an inventory management system, which generates data that tracks time worked according to the AOC's cost accounting codes. This additional data allows the AOC to evaluate the service provided to customers and measure improvements.

The jurisdiction also improved the quality and appropriateness of care provided for plant material and historic landscape features, such as Olmsted walls and historic fountains. Historic preservation practices were incorporated into the maintenance of the Summer House, fountains, and sculptural elements, and several areas of the Grounds were restored.

Strategic Goal 2:

Heritage Asset Stewardship

Heritage asset recording processes improved

Caring for the jurisdiction's heritage assets is a large task due to its extensive inventory. In 2007, the jurisdiction changed the identification and listing of collections and collection policies in order to consider the historic and cultural value of memorial trees and other plantings. Additionally, a plant quality assessment mechanism was established and implemented. This enables the jurisdiction to recognize the heritage asset value of both the landscape design and individual com-

ponents and allows the jurisdiction to alter its operational practices accordingly to improve resource preservation.

Historic preservation of Capitol Square complete

Recent construction activities connected to the Capitol Visitor Center prompted efforts to return the historic landscape of Capitol Square to the truest form as conceived and designed by Frederick Law Olmsted in the late-19th century. Historic trees were replaced in-kind and replacements for missing trees were chosen according to historic documents. In addition, memorial trees were planted by Members of Congress on Capitol Square to function as replacements in the historic design.

Strategic Goal 3:

Leadership and Administrative Support

Human-capital management improved

In 2007, the jurisdiction improved the quality of training provided to employees by including a field-day type experience and programs that offered specific topics in horticulture, arboriculture, and agronomy. Masons were provided hands-on training in historic preservation practices and techniques, which led to a reclassification of the unit, incorporating them with masons throughout the AOC.

Performance against 2007 goals as stated in the 2006 PAR:

Task	Progress
Installation of automatic lawn sprinklers	Automatic lawn sprinklers continue to be installed, with the Senate-side of the grounds largely completed in 2007.
Raising of the sidewalk curbing stone on Capitol Square back to its proper height	Sidewalk curb edging stone is being returned to its proper height both by the AOC's masons and contracted sidewalk replacement workers.
Preparing the CVC grounds for visitors	The contracted landscape installation has not yet started but is planned for the coming months in preparation of the CVC opening in late 2008.
Strive to reduce the injury and illness rate to that of the other AOC divisions	The I&I rate did not drop this year but the jurisdiction is taking steps to improve its performance during 2008.

The jurisdiction's goals for 2008 include:

- Improve landscape documentation processes to include a Cultural Landscape Report that captures landscape history and



Capitol Christmas Tree lighting ceremony.

provides guidance for future restoration and maintenance;

- Decrease the jurisdiction's I&I rate; and
- Implement improvements in recycling of green wastes, along with other components of sustainability, to support the Capitol Hill-wide greening initiatives.

HOUSE OFFICE BUILDINGS

The House Office Buildings (HOB) Jurisdiction includes the House subways and the following seven structures, which are listed with their construction completion dates or acquisition dates:

- Cannon House Office Building 1908
- Longworth House Office Building 1933
- Rayburn House Office Building 1965
- East and West underground garages 1965
- Ford House Office Building transferred from the General Services Administration (GSA) in 1974
- Page Dorm transferred from the GSA in 1986

The HOB jurisdiction provides the daily domestic care required to maintain the cleanliness, ongoing facility and equipment maintenance and repair of the U.S House of Representatives' office buildings.

This work is initiated by client work requests, the preventative maintenance program, HOB building inspectors' surveys, compliance issues abatement, energy savings initiatives, HOB safety specialist inspections, and project work. The project work includes work performed by in-house staff, the AOC Construction Division, and coordinated efforts by outside contractors.

Strategic Goal 1:

Congressional and Supreme Court Operations Support
110th Congressional office moves completed and high customer satisfaction achieved

The 2006 midterm election was historic for the nation and for the AOC. The arrival of the 110th Congress and the accompanying transfer of power created far higher demand than typically experienced in the average election cycle. The jurisdiction experienced a 25 percent increase in the number of work orders completed from the previous year. In total, 194 Member offices and 20 committee offices were moved during a condensed two-month period with a customer satisfaction rating exceeding 90 percent.

Technology enhancements employed and facilities systems upgraded

The jurisdiction has undertaken initiatives to improve the quality of service provided to customers. Part of this effort involves upgrading technology to increase delivery efficiency. As a result, the jurisdiction has fully integrated handhelds into shop operations, providing broader and quicker access to data. The jurisdiction has also upgraded facilities systems in various areas of the HOB complex. For instance, media panels in the Homeland Security Committee hearing room have been installed, office renovations with abatement work in the Energy and Commerce Committee room have been performed, and garage repairs are complete.

Strategic Goal 2:

Heritage Asset Stewardship
Major restoration and repair projects complete

In caring for its buildings and other assets, the jurisdiction has completed two major restoration projects. The bronze doors in the Longworth House Office Building have been refinished and the exterior steps at the northeast Cannon House Office Building entrance have been replaced. These restoration and repair projects not only improve the aesthetic characteristics of the buildings but also increase safety.

Strategic Goal 3:

Leadership and Administrative Support
Performance-based business plan implemented

In an effort to advance how the jurisdiction does business, an annual business plan that aligns with the AOC Strategic Plan has been devel-

oped. The plan outlines key processes that emphasize performance enhancements. The jurisdiction plans to use these indicators to monitor performance and identify areas for improvement.

Management performance and accountability improved

Various enhancements to the jurisdiction's management practices have been implemented. Some of these improvements include: monthly HOB metrics and measures, meetings to review overall business performance, a new work order management system, AOC dashboard compliance, HOB semi-annual building inspectors' surveys, and internal controls (such as time and attendance audits and leave monitoring).

Performance against 2007 goals as stated in the 2006 PAR:

Task	Progress
Improve the audio and video in the Agriculture and Veterans Affairs Committees' hearing rooms	The audio and video improvements in the Agriculture hearing room are complete. Veterans Affairs improvements are in progress.
Upgrade the public restrooms to make them ADA compliant and modernize the elevators	Upgrades to the Rayburn and Ford House Office Buildings are complete. Upgrades to the Longworth House Office Building are pending. Four restrooms on the fifth floor in the Cannon House Office Building will be altered, pending design. Of the 25 elevators in the project, 23 are complete and two are in progress.
Install a central monitoring system for fire protection systems in HOBs	Central monitoring is in progress, with 50 percent complete.
Complete Congressional room moves resulting from the November 2006 elections	Congressional room moves are complete with a customer satisfaction rating of over 90 percent.
Install a new generator and power distribution system in the Longworth House Office Building	Upgrades to the generator and power distribution system are complete.

The jurisdiction's goals for 2008 include:

- Sustain project delivery with an expected outcome of projects being delivered on time, within budget and with high client satisfaction:
 - Develop an operation and maintenance plan to monitor proper operations of building systems and assets (including building logs) and execute the maintenance program for all systems,

- Automate data collection in order to receive timely reports on cleaning inspections, and
- Continue improvements to fire protection operations;
- Improve worker safety:
 - Develop multi-year Individual Development Plans (IDP) by integrating supervisory management and employee safety training with technical training typical to each position, and
 - Reduce injuries below five percent in all shops;
- Better manage building maintenance requirements:
 - Implement the facilities control inspection program, and
 - Develop baseline measures for cost per square foot for each preventative and corrective maintenance task order through the implementation of cost benchmarking in all shops.

SENATE OFFICE BUILDINGS

The Senate Office Buildings (SOB) Jurisdiction includes the Senate subways, restaurants, and the following eight structures, which are listed with their construction completion dates or acquisition dates:

- Russell Senate Office Building *1909*
- Senate underground garage *1935*
- Monocle Building *purchased in 1935*
- Dirksen Senate Office Building *1958*
- Hart Senate Office Building *1982*
- Two Childcare Centers *1986, 1999*
- Webster Hall Page Dorm *purchased in 1993*

The jurisdiction is responsible and accountable for traditional facilities management and construction services such as cleaning, preventative maintenance of building infrastructure systems, and routine services in the U.S. Senate's Office Buildings. The jurisdiction's business also includes less traditional and more specialized services, such as custom mill work, furniture construction, drapery design, furniture re-upholstery, historic preservation, garage services, and special function set-up.

Strategic Goal 1:

Congressional and Supreme Court Operations Support
110th Congressional office moves completed and high customer satisfaction achieved

In 2007, the jurisdiction successfully executed the 110th Congressional moves, which included moving 21 Senate Offices during a three-month period. These election-year moves encompassed

complete suite renovations, custom painting, draperies, carpet, furniture installation, and HAZMAT abatement. The moves covered approximately 85,000 square feet and required the relocation of 840 Members and staff. All of these moves were executed with a customer satisfaction rating of 96 percent.

Facilities systems upgraded and modular furniture installations complete

With many customers demanding video conferencing capabilities and other technological enhancements, retrofitting old spaces with modern equipment is a continual challenge. In 2007, the SOB jurisdiction modernized three committee rooms to include sound and video upgrades and new furnishings, while at the same time ensuring historic preservation of the existing structures. In addition, the jurisdiction completed a higher than average number of modular furniture installations. A modular furniture installation comprises the complete renovation of a Senator's suite, which includes painting, carpeting, new modular furniture and walls. In total, the jurisdiction completed nine modular furniture upgrades on time and within budget with highly satisfied customers.



The Senate Office Buildings jurisdiction includes the Senate subway system.

Facilities Condition Assessments (FCAs) completed

In an effort to analyze the current condition and estimated future needs of the Senate buildings, the jurisdiction has begun a comprehensive FCA program. In 2007, the jurisdiction completed FCAs for 20 percent of its buildings. These assessments provide necessary data to help the jurisdiction identify potential problems and avoid deferred maintenance.

Strategic Goal 3:

Leadership and Administrative Support

Performance-based business plan implemented

In keeping with the goal of creating a more effective and efficient AOC, the jurisdiction rebuilt its 2007 business plan to align with the new AOC strategic plan. The jurisdiction also implemented an automated tracking system to allow management to measure accomplishment of business plan objectives. Some specific results from the effective execution of the business plan were a 30 percent realized reduction in the injury and illness rate and a 1.8 percent increase in client satisfaction.

Management performance and accountability improved

The jurisdiction stepped up efforts to build quality into its processes. A quality system procedure was implemented for the Senate moves. Other changes in business strategies and processes included a night cleaning re-organization to focus on improved cleaning services and floor care, emergency preparedness exercises at the jurisdiction level, increased and focused client and oversight communication strategies, and coordination meetings with Congressional staff.

Performance against 2007 goals as stated in the 2006 PAR:

Task	Progress
Provide 100 percent sprinkler protection in the Russell Senate Office Building	The Russell Senate Office Building sprinkler project was successfully started and work continues.
Install fire alarm system in the Senate Legislative Underground Garage	Fire alarm system installation for the legislative garage is complete.
Install emergency generator, a new fire pump, and new sprinkler and fire alarm systems in the Dirksen Senate Office Building	Installation of emergency generator and fire pump in the Dirksen Senate Office Building is 75 percent complete.

The jurisdiction's goals for 2008 include:

- Sustain project delivery with an expected outcome of projects being delivered on time, within budget, and with high client satisfaction;

- Improve cleaning operations and increase client satisfaction in cleaning services;
- Improve occupant safety:
 - Initiate construction on Russell Senate Office Building emergency generator,
 - Initiate construction on Senate Employees' Child Care Center (SECCC) fire alarm system,
 - Initiate construction on Daniel Webster Page Dorm (DWPD) fire alarm system,
 - Initiate design for Russell Senate Office Building open stairwell citation; and
- Improve building infrastructure: award Dirksen Senate Office Building south core infrastructure.

LIBRARY OF CONGRESS BUILDINGS AND GROUNDS

The Library of Congress (LOC), like the Supreme Court, first resided in the Capitol. Although the Library was established in 1800, the doors to its own building did not open until 1897. Today the LOC is comprised of a number of buildings. The first four listed below are located in the Capitol complex, while the last two are outside of the District of Columbia:

- Thomas Jefferson Building *1897*
- John Adams Building *1938*
- James Madison Memorial Building *1980*
- Special Service Facility Center *purchased in 1991*
- Congressional campus, Fort Meade, Maryland, *transferred from the U.S. Army in 1993*
- National Audio Visual Conservation Center, Culpeper, Virginia, *dedicated in 2007 and planned to open 2008*

The LOC jurisdiction is responsible for the day-to-day structural, mechanical, and electrical care for the Library of Congress buildings and its surrounding grounds, including the operation of air conditioning, electrical, fire suppression, elevator, grounds, machine, masonry, painting and refinishing, plumbing, sheet metal, and wood crafting services.

Strategic Goal 1:

Congressional and Supreme Court Operations Support

First Street sidewalk replacement complete

In an effort to facilitate safe and comfortable pedestrian traffic around the Library buildings, the jurisdiction makes continual repairs to the surrounding sidewalks. In 2007, the annual sidewalk improvement

program focused on sidewalk replacement along First Street, adjacent to the Thomas Jefferson Building. This project coincided with the improvements being made on First Street, as part of the Capitol Visitor Center project.

Space functionality increased and customer satisfaction achieved

The jurisdiction has implemented an annual space modernization plan to continually improve and modernize existing space within the Library buildings. In 2007, the jurisdiction delivered all capital construction projects on schedule and within budget. In conjunction with this effort, the jurisdiction's overall client satisfaction increased by 1.2 percent to 92.8 percent, well above AOC goals.

Facilities Conditions Assessment for the John Adams Building awarded

As part of the jurisdiction's effort to assess the condition of its assets, a Facilities Conditions Assessment contract for the John Adams Building was awarded. The conditions assessment identification survey is nearing completion and will be converted to automated preventive maintenance work orders once finished.

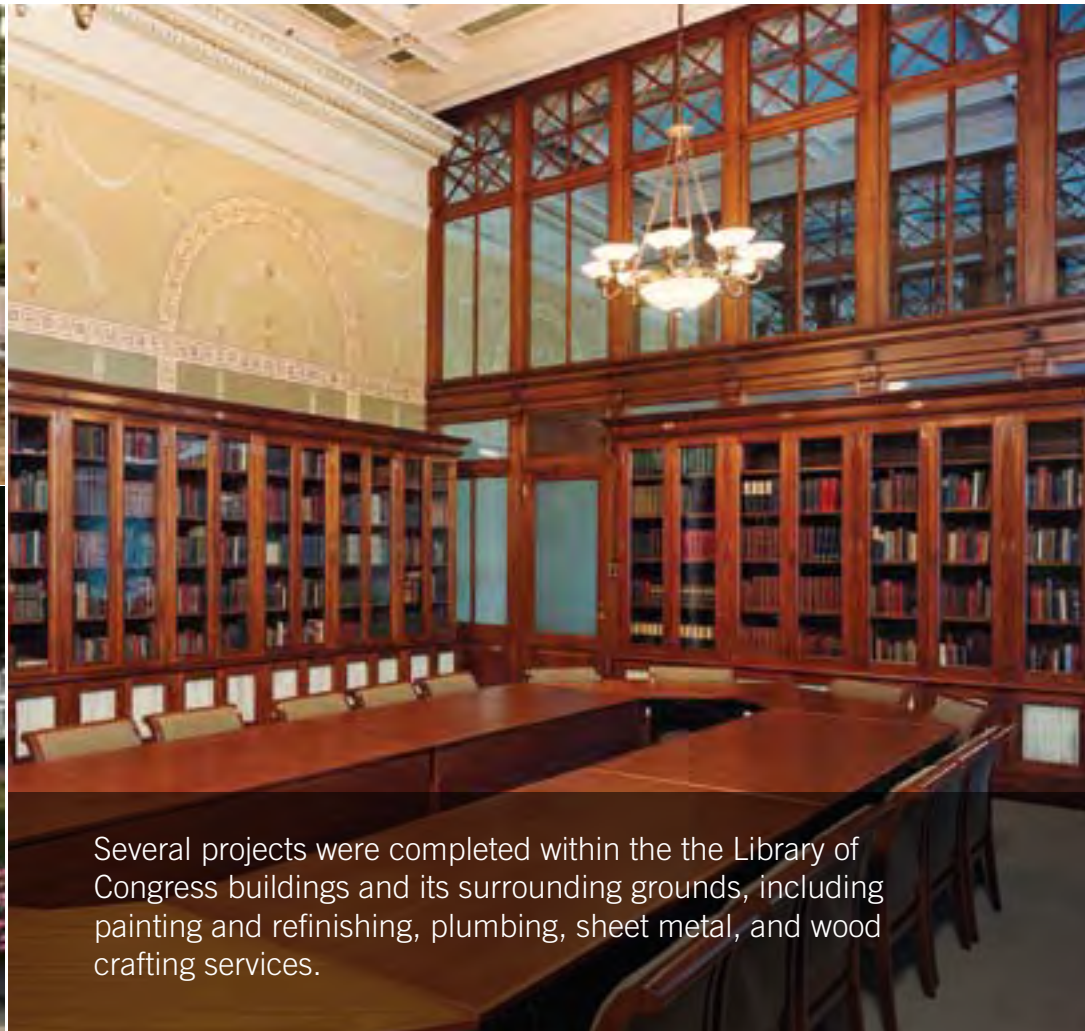
Strategic Goal 2:

Heritage Asset Stewardship

Copyright renovation project complete

In 2007, the jurisdiction successfully completed the copyright renovation project at the James Madison Memorial Building. This total renovation of 144,000 square feet was completed in eight construction zones during a ten-month compressed schedule. Approximately 420 employees were temporarily moved to leased space in Arlington, Virginia, to accommodate the construction activities. By completing the project on time and within budget, the jurisdiction avoided significant additional lease space costs.

Completion of this construction project was a significant milestone in the overall Library of Congress Copyright Division business re-engineering program. The business re-engineering program is a multi-year effort to streamline and improve the processing of copyright deposits, which are certificates of registration that serve as a record of receipt for copyrighted material. As a result of the successful construction project, the Copyright Division employees are now arranged within the new office spaces to optimize workflow.



Several projects were completed within the the Library of Congress buildings and its surrounding grounds, including painting and refinishing, plumbing, sheet metal, and wood crafting services.

Sculptures and artwork cleaned and restored

The jurisdiction managed the annual cleaning and assessment of the Thomas Jefferson Building Plaza sculpture, the Neptune Fountain. The 16 bronze figures in the Thomas Jefferson Building's Main Reading Room were cleaned and waxed, and the ground floor decorative paint re-creation project continued. The artwork in the Thomas Jefferson Building was surveyed in 2007 and subsequent treatment and restoration began. The Main Reading Room's Arch repair project phases 5 and 6 were also completed.

Strategic Goal 3:

**Leadership and Administrative Support
Management processes improved**

The jurisdiction improved processes relating to grounds care, landscaping, snow removal, sidewalks repair and replacement, and National Fire Protection Association (NFPA) device testing and inspection. Due to landscaping improvements in 2007, client satisfaction increased to a rating of 98.9 percent.

Performance against 2007 goals as stated in the 2006 PAR:

Task	Progress
Complete major renovations to the James Madison Memorial Building	All major renovations within the James Madison Memorial Building are complete.

The jurisdiction's goals for 2008 include:

- Better manage building maintenance requirements by completing Facility Condition Assessments for the Thomas Jefferson and James Madison Memorial Buildings;
- Complete modernization programs:
 - Execute the annual space modernization plan, with all identified client projects to be completed on time and within budget, and
 - Continue the elevator and escalator modernization program within the Thomas Jefferson Building and James Madison Memorial Building;
- Improve I&I rate by continuing progress on fire and life-safety upgrades; and
- Advance construction projects, including oversight for Book Storage Modules 3 and 4 construction at Fort Meade, Maryland (see *Status of Key Projects* for additional detail).

CAPITOL POWER PLANT

The Capitol Power Plant (CPP) is located only four blocks from the Capitol. The main plant was built in 1909 but ceased producing electrical power in 1951. It now generates steam for heating and chilled water to cool 24 facilities in the Capitol complex and the surrounding



The AOC's West Refrigeration Plant Expansion Project was recognized for outstanding achievement in the practice of construction management by the National Capital Chapter of the Construction Management Association of America.

area. In addition to the main plant, the property houses the West Refrigeration Plant and an operations building, both built in 1978. The jurisdiction recently completed a 16,500 square foot addition to the West Refrigeration plant, which will enable the power plant to meet Capitol complex demand through 2025 and improve total plant efficiency.

Strategic Goal 1:

**Congressional and Supreme Court Operations Support
West Refrigeration Plant Expansion Complete**

In 2007, the jurisdiction completed construction on and began operating the West Refrigeration Plant Expansion (WRPE). The WRPE was a major accomplishment for the AOC as a whole and is detailed in the *Status of Key Projects* section of this report. For the jurisdiction, the expansion required coordinating the construction and testing of the system, while operating the existing refrigeration plants to provide uninterrupted chilled water service to customers—a major management challenge. Furthermore, the plant design incorporates new Distributed Control System (DCS) and chilled water pumping technology, which is radically different from the previous infrastructure. CPP operations staff successfully completed a 14 month training program and began managing operations with no incidents.

Steam plant operations and efficiency improved

The CPP recognizes the importance of energy efficiency, which lowers costs and reduces the emission of harmful greenhouse gases into the environment. The jurisdiction worked to improve steam plant operations and efficiency. As a result, they determined that the Wickes Boiler grate system should be replaced and undertook necessary measures to implement a new system. In 2007, the grate drive was installed on Boiler 1 and the drive for Boiler 2 is scheduled to be completed in summer 2008.

Strategic Goal 3:

Leadership and Administrative Support

Energy cost avoidance strategies implemented

Although the CPP provides heating and cooling to the Capitol complex, the plant does not provide electricity. Instead, the CPP enters into service contracts with outside utilities to provide the electricity for its customers. In 2007, energy costs in the Washington, DC, metropolitan area continued to rise, posing a major challenge for the AOC. The CPP worked with the General Services Administration to implement a new service contract for its electricity needs. As a result, the CPP was able to avoid a potential \$9 million annual increase in the cost of electricity. This cost avoidance is substantial and will be realized each year for the duration of the contract.

Energy usage tracking and reporting improved

In line with the rest of the AOC, the jurisdiction recognizes the AOC-wide need to employ effective and efficient management practices to improve the performance and cost effectiveness of its operations. The CPP is also making improvements to meet the requirements of new regulations. As a result, the CPP has become more proactive in tracking and reporting energy usage to help the AOC meet the energy usage reduction requirements of the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007.

Performance against 2007 goals as stated in the 2006 PAR:

Task	Progress
Complete replacement of the grate drives with a modern grate system, including a modern Programmable Logic Controller-based control system	The grate drive was installed on Boiler 1 and the drive for Boiler 2 is scheduled to be completed in summer 2008.
Continue valve replacement in the steam distribution system, which requires replacing several valves that are over 50 years old	Several plant steam valves were replaced as planned.
Convert another steam turbine drive feed water pump to an electric drive	One of the installed feed water pumps has some problems on start-up. The jurisdiction is looking at ways to improve the overall system and is scheduled for completion in 2008.
Complete new design to provide emergency power and HVAC services to the emergency response center	The emergency power design was completed.

The jurisdiction's goals for 2008 include:

- Improve CPP energy efficiency and reduce energy consumption:
 - Complete the installation of the DCS in the Boiler Plant,
 - Install steam and chilled water meters at several buildings around Capitol Hill,
 - Install two new main air compressors in the West Refrigeration Plant and two new main air compressors in the Boiler Plant,
 - Complete WRPE and Utility Distribution System Inventory and integrate maintenance management procedures into the computerized work order system,
 - Install new grate system for one of the boilers, and
 - Continue to make improvements to the Utility Tunnel System.

BOTANIC GARDEN

Congress established the U.S. Botanic Garden (USBG) in 1820, but it was not until 1934 that the AOC took over its administration. The Botanic Garden is comprised of a conservatory, two acres of surrounding exterior grounds, the outdoor display in Frédéric Auguste Bartholdi Park, and an administration building. The Botanic Garden also has a plant production and support facility that opened in Anacostia in 1993. This support facility was obtained in an exchange with the District of Columbia and today has 36 greenhouse bays, as well as storage and maintenance shops. Also under the jurisdiction is the National Garden, which sits adjacent to the Botanic Garden Conservatory.

The jurisdiction serves Congress directly by providing constituent tours, expertise in plant sciences and education, foliage plants, and well-maintained facilities for sponsored Congressional events. The jurisdiction serves Congress indirectly through its work as a public plant museum, offering educational programs, tours, exhibits, professional consultation to other public and non-profit entities and a national partnership program that provides leadership in conservation and environmental and botanical education.

Strategic Goal 1:

Congressional and Supreme Court Operations Support ***American Public Gardens Association meeting*** ***successfully conducted***

In 2007, the jurisdiction co-hosted a national meeting of the American Public Gardens Association, a professional association of peers. The USBG was featured during an evening reception at the jurisdiction's site attended by more than 600 garden professionals. At the same time, the jurisdiction mounted an exhibit that featured the work and significant contributions to the nation of public gardens. This exhibit, mounted around the conservatory terrace and in the National Garden, featured the work of more than 25 public gardens from across the nation.

In preparation for hosting the jurisdiction's peers, the USBG put forth an outstanding effort to make the garden look its best. Repairs, cleaning, planting, watering, exhibitory, and visitor services were completed and executed with care and professionalism. The staff also made a lasting professional impression, offering educational tours, behind-the-scenes workshops, and other peer-to-peer activities that promoted networking and other exchanges.



In 2007, the Botanic Garden co-hosted a national meeting of the American Public Gardens Association, and mounted an exhibit that featured the significant contributions of public gardens—showcasing the work of more than 25 public gardens from across the nation.

These achievements helped build pride in the institution and an esprit de corps, and it demonstrated the jurisdiction's ability to reach new levels of expectation in its horticulture, visitor services, and facility maintenance. These higher expectations are already being translated into sustained productivity and high performance for 2008.

Conservatory dome servicing complete

In 2007, the jurisdiction's operations division accomplished the necessary measures to analyze, train, and equip its staff to service equipment and facilities in the upper reaches of the Conservatory dome, which is 93 feet high. Fan motors, lamps and shade cloth operators, all located out of reach of ladders, lifts, and catwalks, can now safely be accessed using technical rigging and rappelling techniques. Servicing these difficult-to-reach areas is an important part of maintaining the integrity and stability of the building and its habitats.

Strategic Goal 2:

Heritage Asset Stewardship

Major public outreach programs successfully launched

The jurisdiction's public programs division successfully launched two major new programs in 2007: The Fairchild Challenge, which is an environmental outreach program targeted to the middle schools of the District of Columbia, and the Junior Botanist, a certificate program for 8-12 year olds to develop interest in botany. The former served more than 500 students, while the latter offered students a hands-on experience in the conservatory exhibits, and a continuing educational involvement with the USBG after they complete the curriculum.

Strategic Goal 3:

Leadership and Administrative Support

Management processes improved

The jurisdiction's staff positions were restructured to establish an administrative presence at the offsite production facility. This resulted in increased coordination among the facilities, increased productivity in record keeping, and higher morale, as well as improved processing of paperwork.

With assistance from IT, the jurisdiction greatly enhanced its graphic production capability. Wayfinding and interpretive signage can now be professionally designed and produced in-house, enabling the institution to be responsive to educational initiatives and emergency signage needs.

Performance against 2007 goals as stated in the 2006 PAR:

Task	Progress
Complete a year-long self study for accreditation with the American Association of Museums (AAM)	Provisional AAM Accreditation was received. Now awaiting the final evaluation.
Begin preparations to co-host the national meeting of the American Public Garden Association, to be held in Washington, DC, in 2007	The jurisdiction successfully co-hosted the national meeting of the American Public Garden Association.
Launch a research partnership with the National Museum of Natural History, Department of Botany, to produce DNA signatures for medicinal plants in the plant collection	The partnership effort to establish DNA barcode signatures for medicinal plants is complete. The data have become part of the international effort to document the biodiversity of the earth's flora.

The jurisdiction's goals for 2008 include:

- Continue to enhance its efforts with regard to sustainable operations and sustainability education for both staff and the public:
 - Utilize hybrid vehicles for transportation between facilities to reduce fuel use,
 - Investigate facilities improvements with regard to rainwater harvesting, and
 - Mount a major exhibit on the topic of sustainable gardening and lifestyles in summer 2008;
- Enhance its Website and virtual visitor services in 2008, including virtual tours of the new National Garden site;
- Implement a test of a barcode plant inventory system to investigate how it could improve stewardship and productivity in plant record keeping and management of heritage assets; and
- Act on the conclusions of its recently completed visitor study to increase the effectiveness of its exhibits and outreach.

SUPREME COURT

From 1801 through 1935, the Supreme Court met in the U.S. Capitol and heard cases from six different locations, most notably in the "Old Senate Chamber." After 134 years in the Capitol, it moved to a permanent home in 1935. The Supreme Court building was constructed across the street from the Capitol's East Front between 1932 and 1935 in a classical architectural style chosen to complement the Capitol and surrounding Congressional office buildings. The Supreme Court building is currently undergoing a major, multi-year moderniza-

tion project that began in 2003 (see *Status of Key Projects* for more detail). The Thurgood Marshall Federal Judiciary Building (TMFJB) was constructed between 1990 and 1992 to meet the growing needs of the federal judiciary. The TMFJB is approximately two blocks from the Capitol, adjacent to Union Station.

The Supreme Court jurisdiction is responsible for four key areas: operations, security, historic preservation, and safety of the Supreme Court building, its Justices, and staff. The jurisdiction provides facility management services, such as maintenance and repair, and also responds to the daily needs of the Judicial Branch. The Supreme Court differs from other AOC jurisdictions because funding to care for the Supreme Court is appropriated to the Judicial Branch, and not directly to AOC.

Strategic Goal 1:

Congressional and Supreme Court Operations Support
Outstanding safety record continued

The jurisdiction’s most significant accomplishment for 2007 is its excellent safety record. The employees of the Supreme Court jurisdiction did not have a single recordable injury for the entire fiscal year, an impressive life-safety achievement that demonstrates extraordinary awareness for a safe and productive work environment.

Perimeter security upgrades initiated

Work related to the planned perimeter security upgrades at the Thurgood Marshall Federal Judiciary Building began during 2007. The AOC and the U.S. Courts are working together on the design and planning of the various security upgrades, while the fabrication of security bollards is progressing. Installation of the security bollards and related construction work at the TMFJB will begin in 2008, with completion planned for 2009.

Capitol Complex Master Plan successfully developed

The Supreme Court has participated in the successful development of the Capitol Complex Master Plan for both the Supreme Court Building and the Thurgood Marshall Federal Judiciary Building. These efforts will allow the AOC to track these buildings’ conditions, which will allow for more proactive facility maintenance and preservation planning.

Strategic Goal 2:

Heritage Asset Stewardship
Supreme Court Modernization Project on target

During 2007, the Supreme Court jurisdiction continued its management and operational involvement on the Supreme Court Modernization Project to ensure that the Supreme Court building’s occupants would be able to work safely and uninterrupted while this important facility upgrade continues. See the *Status of Key Projects* section of this report for additional detail.

Strategic Goal 3:

Leadership and Administrative Support
Performance standards linked to Strategic Plan

This fiscal year, the Supreme Court’s performance standards were linked to the AOC’s revised Strategic and Performance Plan, an achievement that will enable this jurisdiction to modernize its business model through greater innovation and efficiency.

Performance against 2007 goals as stated in the 2006 PAR:

Task	Progress
Installation of additional roof fall protection to the high roof areas to supplement the existing system	The additional roof fall protection project was postponed due to the requirement to determine if planned installation will be in compliance with appropriate codes and safety polices. An independent fall protection review of current fall protection design will ensure that the installation meets all current safety codes and meets maintenance requirements of Supreme Court facilities. Construction will begin in summer 2008.



The jurisdiction's goals for 2008 include:

- Improve building maintenance practices such as:
 - Implementing work order standards to put in place a full preventative maintenance program for the Supreme Court building and the Thurgood Marshall Federal Judiciary Building,
 - Implementing a deferred maintenance and capital renewal program for the TMFJB based on recently conducted facility condition assessments;
- Install security bollards at TMFJB.

CAPITOL POLICE BUILDINGS AND GROUNDS

The Architect of the Capitol has been responsible for the maintenance, daily care, and operations of Capitol Police Buildings and Grounds (CPBG) since 1974. The jurisdiction is also accountable for AOC security operations, management of the Capitol complex perimeter security kiosks, and the day-to-day operation, maintenance, structural, and mechanical care of the Alternate Computer Facility (ACF) in Virginia.

The U.S. Capitol Police buildings and grounds presently encompass

seven facilities, which are listed with their construction completion dates or acquisition dates:

- Eney, Chestnut, Gibson Memorial Building *transferred from GSA in 1986*
- Training facility *1996*
- Vehicle maintenance facility *2001 (leased facility)*
- Fairchild Building *2004 (leased facility)*
- Canine (K-9) Facility *2005*
- Storage/Logistics Warehouse *2005*
- Alternate Computer Facility *2005*

The CPBG jurisdiction also includes leased office space in the GPO Building and for its off-site delivery center.

Strategic Goal 1:

Congressional and Supreme Court Operations Support
Perimeter security improved

The CPBG jurisdiction completed numerous key perimeter security construction projects this fiscal year. These projects help to ensure the safety of Members, staff, and visitors, and provide better control



Completed 2007 projects include the installation of permanent police kiosks, vehicle barriers, retractable bollards, and gate arms throughout the Capitol complex.

over vehicular access throughout the Capitol complex. Completed 2007 projects include the installation of permanent police kiosks, vehicle barriers, retractable bollards, and gate arms across the Capitol campus.

Facilities condition assessments executed

The CPBG continued to execute facility condition assessments on its buildings in 2007, which help plan for their care and document building conditions for energy audit purposes. In this vein, the ACF achieved compliance with Virginia Department of Environmental Quality air emissions standards. In addition to these accomplishments, the CPBG jurisdiction also assumed custodial responsibility for the Capitol Police Fairchild facility. Since the enactment of the new cleaning contract, the Office of Security Programs (OSP) has seen a significant customer satisfaction increase.

Improve collaboration on security operations

In 2007, a Capitol Vulnerability Study Working Group (CVSWG) was initiated to evaluate recommendations for security improvements to the Capitol complex. With an emphasis on comprehensiveness and collaboration, this working group is comprised of staff from the AOC, the House and Senate Sergeants at Arms, and the U.S. Capitol Police. This effort will help those responsible for ensuring the safety and viability of the Congress better execute their mission across the entire Capitol complex.

Strategic Goal 3:

Leadership and Administrative Support

Human-capital management improved

Key CPBG positions were filled in 2007, including ACF Facilities Manager, CPBG Facilities Manager, and Assistant Facilities Manager. In addition, new full-time support was added, including a Safety, Fire and Environmental Specialist and Building Inspector.

The jurisdiction's goals for 2008 include:

- Advance security perimeter construction projects:
 - Begin initial facility and space alterations to accommodate the new data center and a digital radio system infrastructure. It is estimated that this project will take several years to complete,
 - Install additional perimeter security hydraulic barrier upgrades,
 - Work with the CVSWG to issue its final report and begin the process of instituting its recommendations, and
 - Assist the U.S. Capitol Police (USCP) with the site selection for the permanent placement of its off-site delivery center;

- Further engage the AOC in security policies and procedures related to the public opening of the CVC and NAVCC to determine the impact on the USCP;
- Successfully oversee major facilities management projects:
 - Continue execution of FCAs, and
 - Install Generator Load Bank and Lightning Protection for the Alternate Computer Facility;
- Improve facilities management services for our U.S. Capitol Police customers; and
- Assist the AOC-wide emergency preparedness plans, such as its pandemic flu plan.

Status of Key Projects

At any given time, there are several key projects taking place at multiple jurisdictions throughout the Capitol complex. The projects listed below were the most highly visible and important for 2007. These project accomplishments were the result of the tremendous teamwork at the AOC. The organization's work on these critical projects speak highly of the AOC's results-oriented work performance and increased communications with, and accountability to, Congress.

Capitol Visitor Center

At nearly 580,000 square feet, the Capitol Visitor Center (CVC) is the largest addition to the Capitol in its 214-year history and is approximately three quarters the size of the Capitol itself. This three-story underground facility will welcome millions of visitors to the seat of the U.S. government in a secure, educational, accessible, and convenient environment.

The visiting public will be able to explore exhibits that tell the story of the development of representative democracy in the United States and the construction of the Capitol Building. The Exhibition Hall will include a treasure trove of rarely seen documents and artifacts from the National Archives and the Library of Congress. The facility will also feature an orientation film and an 11-foot touchable model of the Capitol Dome. Guest amenities include a large cafeteria, gift shops, ATM machines, and multiple information desks. Through these many conveniences and new educational opportunities, the Capitol Visitor Center will greatly enhance the visitor experience at the U.S. Capitol.

During 2007, the AOC worked tirelessly with Congress and its construction management contractor to prepare the CVC for its opening in 2008. At the end of 2007, the overall CVC project was 98 percent complete, in dollar terms, and work on the project's fire alarm and life-safety system acceptance testing had begun.



The CVC Exhibition Hall will include a treasure trove of rarely seen documents and artifacts from the National Archives and the Library of Congress.



The AOC has been working to transform the CVC from a large-scale construction project to a fully-staffed and functioning visitor services operation.





The Capitol visitor experience will include orientation theatres, exhibit spaces, a restaurant, and retail shops.



In spring 2007, Congress assigned governance of the CVC to the AOC. Since then, an operations transition team has been working to seamlessly transition the CVC from a construction project to a fully-staffed and equipped visitor services operation. A Chief Executive Officer for Visitor Services was recruited to manage CVC guest services. The AOC also established a CVC maintenance transition team for the operations and maintenance of the new systems and equipment designed especially for this one-of-a-kind facility. The team participated in the inspection of construction activities, installation work, and commissioning activities, and is currently supporting the efforts in the testing and acceptance of the fire alarm systems. They also completed a gap analysis in the areas of inventory of tools and equipment, spare parts development, warranty program development, loading dock operations analysis, drawings documentation, equipment and assets documentation, and inventory and development of preventative maintenance requirements. Conceived as both a working facility and an open exhibit area, the transition team will lead staff relocation efforts from the Capitol to the new CVC spaces in 2008.

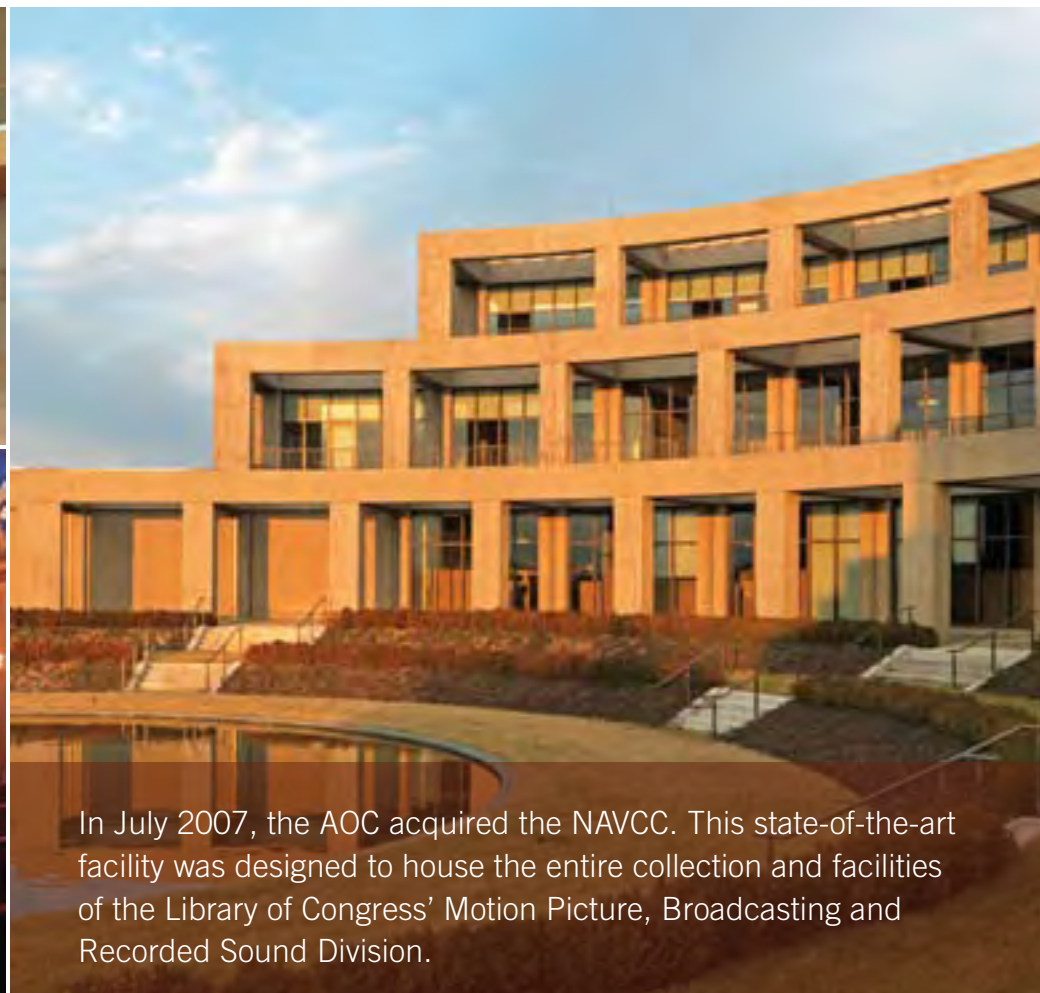
National Audio Visual Conservation Center

The new National Audio Visual Conservation Center (NAVCC) is a state-of-the-art facility designed to house the entire collection and

facilities of the Library of Congress' Motion Picture, Broadcasting and Recorded Sound Division (MBRS). The facility, stretching approximately 1,200 feet across the west face of Mount Pony, southeast of Culpeper, Virginia, about 60 miles south of the District of Columbia, will consolidate the audio-visual collections from across four states and the District.

The Center is the result of a unique public-private partnership between the Packard Humanities Institute (PHI), the Library of Congress, and the AOC. With a construction cost of more than \$150 million, it represents the largest-ever private gift to the U.S. Legislative Branch and one of the largest ever to the federal government. Since 2001, Congress has provided the funding to support operations, maintenance, equipment, and related costs.

In July 2007, the AOC acquired the NAVCC in an historic signing ceremony on Capitol Hill. On hand for the festivities were Speaker of the House Nancy Pelosi; Senate Majority Leader Harry Reid; President of the Packard Humanities Institute David Woodley Packard; Librarian of Congress James H. Billington; and Acting Architect of the Capitol Stephen T. Ayers, AIA. Upon its acceptance by the AOC, the facility became available for the Library of Congress' use. The AOC is



In July 2007, the AOC acquired the NAVCC. This state-of-the-art facility was designed to house the entire collection and facilities of the Library of Congress' Motion Picture, Broadcasting and Recorded Sound Division.

charged with the responsibility for the care and maintenance of this historic campus' buildings and grounds.

The centralized, 415,000-square-foot complex includes four buildings: a collections building to store the library's audio-visual collections, including all sound recordings, non-nitrate films and videos; a storage building housing two pods containing 124 specially constructed vaults for nitrate film collections; a central plant to house heating and air-conditioning equipment and electrical controls for the entire complex; and a three-tiered conservation building that will house the administrative, curatorial and processing staffs of the MBRS, and two leading-edge laboratories for the analog and digital preservation of film, sound recordings and video, as well as a theater. Care and maintenance of the NAVCC represents a unique undertaking for the AOC due to its location apart from the main Capitol complex and the distinctive features of this storage and conservation facility. Its collections vaults were repurposed from a previous underground facility used by the Federal Reserve Bank system for currency storage and other government uses. Much of the new campus is located underground, covered by a sprawling "green roof." The building has sophisticated climate and security systems to protect and preserve its contents, which need to be monitored and maintained, and the grounds are currently undergoing a major reforestation effort with the planting of 9,000 trees and nearly 200,000 indigenous plants.

While the campus is a working conservation facility, it also features an Art Deco theater where films from the library's collections may be screened free to the public. Silent films may be accompanied by music from a custom-made organ that can rise from a pit in the theater's stage. The theater will be one of only a small handful in the U.S. that is capable of showing original nitrate films, along with 16mm, 35mm, 70mm, and digital cinema.

Ft. Meade Book Storage Modules

The AOC is responsible for the construction of high-technology, high-density book storage facilities for the Library of Congress on a 100-acre site at Ft. George G. Meade in Anne Arundel County, Maryland. In 1993, Congress passed a law transferring this site from the U.S. Army to the AOC for use by the Library. This storage facility was necessary due to the severe crowding of the Library's book collections and special materials on Capitol Hill. The storage of these historic materials in a cool, dry environment will also serve to extend their life expectancy by centuries.

The Ft. Meade site was chosen for its proximity to the District of Columbia and to ensure good access to the items stored in the facility for researchers making requests in the Capitol Hill reading rooms.



The AOC is responsible for the construction of high-technology, high-density book storage facilities for the Library of Congress.

Requested library materials are transported twice-daily between Ft. Meade and Capitol Hill.

The storage modules are being constructed in phases. Phases 1 and 2, completed in 2002 and 2005, respectively, consist of remote book storage facilities for the LOC, as well as an office module, loading docks, mechanical rooms, vestibule, and circulation corridors. These modules house paper-based materials such as books and bound periodicals. The original storage plan calls for 13 modules to be built by 2027.

Construction on high-density storage modules 3 and 4, each to be 12,500 square feet, began in October 2006. They are scheduled for completion in 2009. The Library's Conservation Division, in close collaboration with the Office of the Architect of the Capitol, has developed a plan to ensure that these modules feature an optimum environment for its collections. Storage modules are to be maintained at a constant temperature of 50 degrees Fahrenheit, 30 percent relative humidity year-round. Once completed, modules 3 and 4 will house some 26 million items in special-format collections, such as maps, prints, photographs, negatives, microfilms, and manuscripts. These new modules will also provide a collections-processing area, four cold-storage rooms, and an administrative area.

West Refrigeration Plant Expansion

The West Refrigeration Plant Expansion (WRPE) is a capital improvement project at the U.S. Capitol Power Plant (CPP) that will increase energy capacity, reduce costs, and increase operating efficiencies. There are two primary phases to this expansion project. The main purpose of the first phase of this project, completed in November 2007, was to expand the existing West Refrigeration Plant by 25,000 square feet and provide 16,200 additional tons of cooling capacity to the U.S. Capitol complex and surrounding facilities to meet their growing heating and cooling needs. In addition, this phase converted the existing chilled water system to a primary/secondary variable speed pumping configuration.

The Annual National Capital Chapter of the Construction Management Association of America Project Achievement Awards recognized the AOC's West Refrigeration Plant Expansion for its achievement in the practice of construction management during 2007.

The updated chiller systems were turned over to the Power Plant operations staff in January 2007. The chillers were operated continuously during the spring and summer of 2007, while the existing 1970's-vintage chiller and pump systems underwent a complete maintenance overhaul. The project team completed the remaining piping interconnections between the new and existing refrigeration plants, and the new chiller systems, which are approximately 20 percent more efficient than the older systems, were used to base load the chilled water supply for the U.S. Capitol complex for much of 2007, thereby saving a significant amount of energy over the previous years energy use.

Shortly after the 2007 fiscal year ended, the AOC completed the commissioning and operational function tests for the new digital distributed control system (DCS) on the new WRPE chiller systems. DCS automates the operation of the chiller and pump system sequences. Between January and November 2007, the CPP operations staff ran the new plant in a manual configuration. In preparation for these new digital control systems, the CPP conducted 14 months of operator training.

The project's second phase, the subsequent installation of a new digital distributed control system for the package boilers, is scheduled for completion in spring 2008. This new system includes a new control room, auxiliary controls, and plant master controls. The control systems for both the chillers and boilers will reside on the same network infrastructure, allowing them to be monitored and controlled centrally.

Supreme Court Modernization

In July 2003, the AOC embarked on a multi-year Supreme Court modernization project with two main goals—to replace virtually all of the original systems, including electrical, plumbing, and HVAC (which have been in the building since it opened during the first term of President Franklin Roosevelt 70 years ago) and to build an annex that will house the Court Police.

The renovation work on the Supreme Court Building is being done in two phases. The first phase of the project includes the construction of the two-story underground annex for the Supreme Court Police on the Maryland Avenue side of the building, which began in 2003. The second phase includes upgrading and replacing the building systems, in addition to interior work on the underground annex. This work began in spring 2007.

The general contractor forecasts completion of the modernization project in fall 2009. Currently, project work is complete in the Northwest Quadrant. Work is ongoing in the Northeast Quadrant and the remaining three mechanical rooms. The Northeast Quadrant is scheduled for completion in summer 2008. At that time, work will begin on the Southeast Quadrant, and respectively work will continue in a clockwise rotation to complete the Southwest Quadrant.

Utility Tunnel Improvement Plan

During 2007, the AOC took several significant steps to address the conditions in the Capitol Power Plant utility tunnels. These tunnels provide heating and cooling services across the Capitol complex and several surrounding facilities. During fiscal year 2007, the AOC closed 14 of 39 outstanding Office of Compliance citations.

Most significantly, on May 31, 2007, the AOC and the General Counsel of the Office of Compliance (OOC) signed a comprehensive settlement of a complaint and three citations involving safety and health hazards in the utility tunnels. The OOC is responsible for advancing safety, health, and workplace rights in the Legislative Branch. Significant features of the AOC's settlement include:

- The AOC will permanently abate the safety and health hazards in the tunnels within five years unless extended by mutual agreement of the parties or necessitated by funding shortfalls.
- A baseline audit will be conducted in the tunnels to identify health and safety hazards.
- Representatives of the OOC and AOC will meet monthly.
- Abatement progress will be closely monitored by the OOC to ensure that milestone dates are being met.



Work on the Supreme Court Building is being done in two phases. The second phase began in spring 2007, and includes upgrading and replacing the building systems, in addition to interior work on the underground annex.

The AOC has taken focused and sustained steps to address these issues. To date, a dedicated management team, including a project executive and two project managers, has been established to oversee the tunnel improvement work and a utility tunnel improvement plan was developed. In addition, the Acting Architect has called for a top-to-bottom review of all asbestos-related operations throughout the organization. Corrective actions began in 2007, including construction of two new egress points, improved ventilation, re-insulation of steam and condensate lines, asbestos abatement, and removal of

delaminated concrete. As the organization continues in its efforts to improve the physical conditions in the utility tunnels, it will continue to review its practices and operating procedures. The AOC is working to ensure that all employees have the training, tools, and resources necessary to perform their work assignments in a safe and effective manner. The AOC realizes that it will take continued dedication, additional funding, and several years to cure the health and safety issues in the utility tunnels by June 2012 and is committed to work with Congress to resolve these issues.

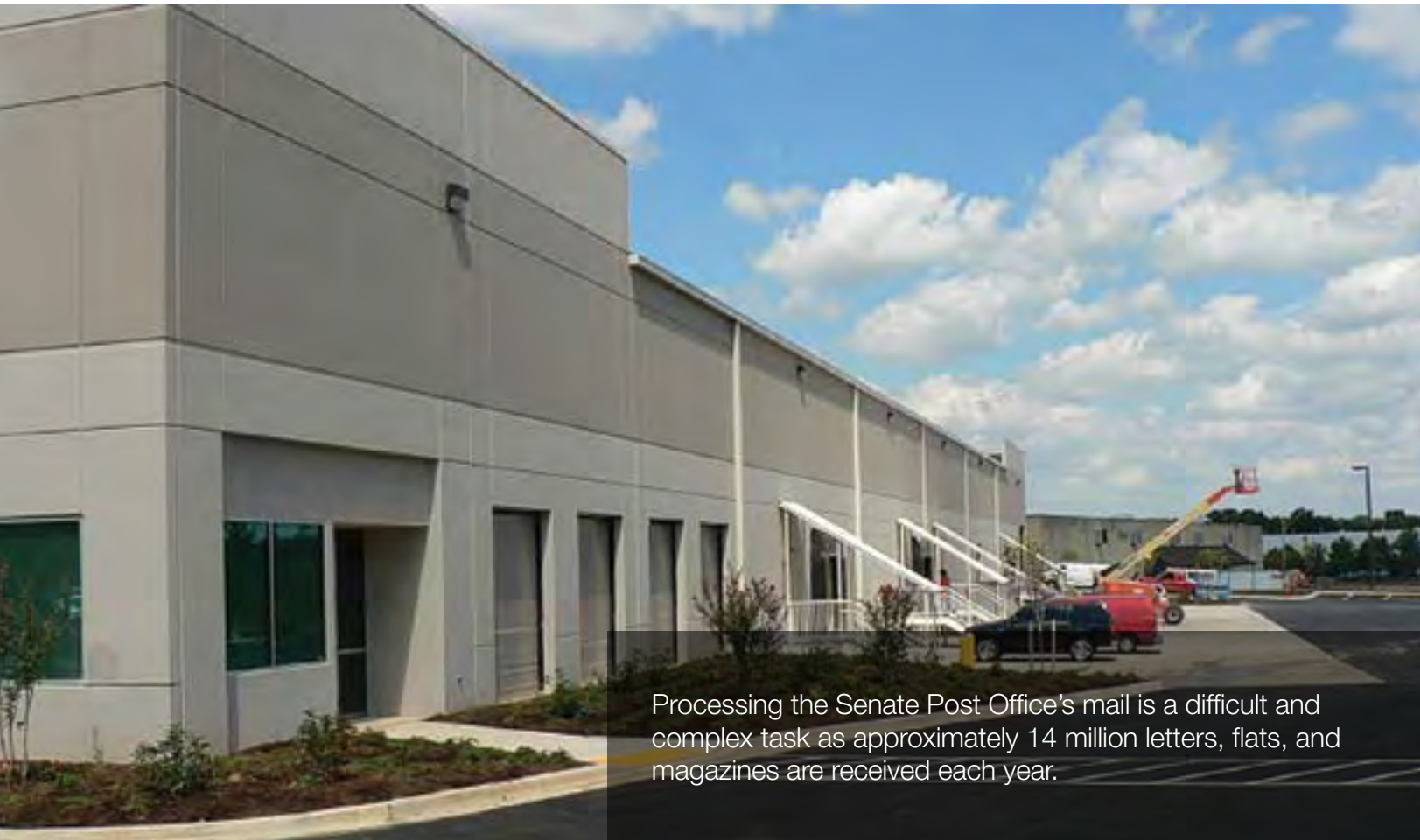
Senate Sergeant at Arms Mail Handling Facility

In 2007, the AOC began operations of the new Senate Sergeant at Arms Mail Handling Facility in Columbia Park, Maryland. Processing the Senate Post Office's mail is a difficult and complex task as approximately 14 million letters, flats, and magazines are received each year, which equates to about 56,000 pieces per day. In addition to this mail, the Senate receives about 300 packages per day, of which roughly ten percent are malicious. Preparations for the receipt of potentially dangerous mail is routine for the U.S. Senate, but the anthrax attacks on the Hart Senate Office Building in 2001 created the need to develop a new facility capable of mitigating a more serious threat. The new mail handling facility was specially designed to be an efficient, state-of-the-art mail and package inspection and testing facility for the Senate.

The new facility brings many needed improvements. It replaces the Senate Sergeant at Arms' previous mail handling facility located in Alexandria, Virginia, which was expensive and small. Though the Senate Post Office enhanced its operations in 2001 by instituting a number of safety procedures for all letters and packages, its new facility was expressly created to include the latest in mail handling equipment, countermeasures, and safety precautions. The Office of the Senate Sergeant at Arms will be responsible for security at

the stand alone site, which will help enhance the safety of its mail handling, while also improving service and reducing costs. Moreover, the new facility is designed with the capability to safely open mail and packages through the use of x-ray, irradiation, quarantine, and search; and provides a safer and more secure work environment for process personnel.

The AOC's role began in the earliest planning stages—from the choice of location, the site development, and the cost analysis of leasing versus buying. The AOC began the construction phase for the Senate Sergeant at Arms Mail Handling Facility in 2005 with the substantial completion of the outer shell completed in 2006. Build-out of the tenant improvements, which began in 2006, were completed in April 2007. The start of mail processing operations followed shortly thereafter, and the facility's purchase was completed in September 2007. By the end of the fiscal year, the AOC had completed the outfit and began operations on time and within appropriated funding. The AOC is responsible for facilities maintenance work at the completed building. The facility's expansive 3.1 acre site encompasses 52,500 square feet of building space and will bring improved safety and service to the U.S. Senate, making it an impressive addition to the AOC's building inventory.



Processing the Senate Post Office's mail is a difficult and complex task as approximately 14 million letters, flats, and magazines are received each year.

Performance Highlights

In October 2006, the AOC implemented our new Strategic and Performance Plan for fiscal year 2007 through fiscal year 2011. This plan emphasizes our mission areas and enabling services and focuses on results. Our performance reporting structure consists of three tiers: strategic goals, objectives, and outcome measures. The performance measures detailed in the PAR are based on our three strategic goals.

- Goal 1 - Congressional and Supreme Court Operations Support**

Congressional and Supreme Court operations are supported through the provision of effective facilities management, project delivery, and related services.

- Goal 2 - Heritage Asset Stewardship**

The national treasures entrusted to the care of the Office of the Architect of the Capitol are maintained and preserved for present and future generations, and visitors to the Capitol complex are provided an informative and inspiring experience.

- Goal 3 - Leadership and Administrative Support**

The responsibilities of the Office of the Architect of the Capitol are fulfilled efficiently and effectively, and accountability is enhanced, through the provision of high-quality leadership and administrative support activities.

In developing our Performance Plan, the AOC considered that there are various forces outside its control that could significantly alter our plans and expected results over the next five years. As such, the following assumptions were considered in the development of our plan:

- Funding will increase to enable achievement of goals and implementation of strategies; and
- Facilities cannot shut down; continuity of operations is a factor.

In addition, it should be noted that:

- 2007 will be a year of baseline measurement for most measures and will lead to the adjustment of our targeted levels of performance. Measures baselined in future years will be adjusted thereafter;
- Cycle times are for the entire cycle of the activity across the organization, not limited to any one division or jurisdiction; and
- Measures and strategies apply organization-wide, unless otherwise noted.

The Strategic and Performance Plan: Fiscal Year 2007 – Fiscal Year 2011, implemented in October 2006, contains a total of 41 perfor-

mance measures, stated in terms of our 2011 fiscal year performance goal. The AOC applied interim annual performance targets for each measure where possible. Many of the performance measures, however, are new and have no baseline data. Those interim annual performance targets will be applied once the baseline data is established. The breakdown of the 41 performance measures is:

AOC Strategic Goal	Outcome Measures	Key Performance Indicators ¹
Goal 1 – Congressional and Supreme Court Operations Support	16	41
Goal 2 – Heritage Asset Stewardship	7	9
Goal 3 – Leadership and Administrative Support	18	42
Total	41	92

¹Many of the Outcome Measures are multi-part measures. The Key Performance Indicators column tallies the number of individually-stated parts for the measures associated with each Strategic Goal.

Of the 92 total key performance indicators, 41 had performance targets for the 2007 fiscal year. The AOC met or exceeded our targets for 76 percent of its outcome measures (31 targets met out of 41 total performance targets). The table below provides a summary of the status of performance measures for each goal. A full account of our outcome measures and the work performed to reach our targets may be found in this report under *Section II: Performance Information*.

AOC Strategic Goal	Target Met	Target Not Met	Total
Goal 1 – Congressional and Supreme Court Operations Support	18	1	19
Goal 2 – Heritage Asset Stewardship	N/A	N/A	-
Goal 3 – Leadership and Administrative Support	13	9	22
Total	31	10	41

Looking Toward the Future: Our Performance-Based Budget

Our cost accounting system framework was introduced in 2007 and continues to mature, enabling us to gather and track cost and performance data that will allow us to link resource requests with our strategic goals. As such, in 2007 the AOC started to align our budget to our revised Strategic Plan goals and objectives as we developed our 2009 budget. The AOC will submit a performance-informed budget that shows links between dollars requested and our strategic goals as well as key performance results.

STATUS OF AOC'S PROGRESS AGAINST GOVERNMENT ACCOUNTABILITY OFFICE (GAO) GENERAL MANAGEMENT REVIEW (GMR) RECOMMENDATIONS²

The recommendations listed below have been generated through a series of reviews of the Architect of the Capitol's (AOC) operations over the last few years and have included a focus on overall management, facilities management, project management, Capitol Power Plant operations, human capital management, financial management, IT management, worker safety, and recycling. These recommendations are summarized below by issue area and include a brief synopsis of GAO's fiscal year 2007 assessment of AOC's progress.

The AOC has made significant progress over the last year implementing GAO's recommendations. The AOC fully implemented an additional 21 recommendations bringing the total number of recommendations closed to 43 out of 64. The remaining open recommendations involve primarily long-term efforts that AOC continues to make progress on in areas such as information technology portfolio management, internal controls, cost accounting, and workforce planning.

The overarching theme of the 2007 GAO report is the importance of strong leadership. A continued commitment to the high levels of performance the AOC has achieved is essential if the organization is to continue to effectively conduct its day-to-day work. The AOC agreed with GAO and put in place a solid leadership team that continues to implement key initiatives and improve our processes and procedures. The AOC also has a number of new tools at its disposal to help set goals, manage projects, and plan for the long-term needs of the Capitol complex and its clients.

As an organization focused on results, the AOC is always looking for opportunities to refine current processes and implement new and productive initiatives. The following accomplishments were noted in the report and continued attention will be placed on them to sustain the great progress made in these areas.

Accomplishments:

- Filled key leadership positions;
- Developed and issued a revised performance-based strategic plan that enhances accountability via performance measures in all functional areas;
- Improved communication internally and externally:
 - Hired a Director of Congressional and External Relations;
 - Developed Congressional and Communication Protocols; and

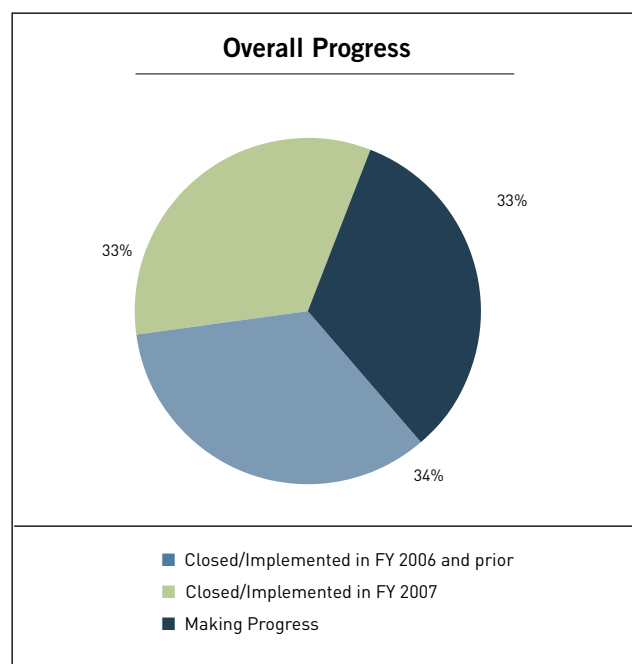
- Revised Employee Feedback Process Manual;
- Enhanced project delivery:
 - Clarified roles and responsibilities;
 - Developed a core competency program;
 - Established performance measures; and
 - Developed an implementation plan for Construction Division improvement initiatives;
- Advanced enterprise architecture and information technology investment structures and methodologies;
- Received third consecutive unqualified financial audit opinion on all financial statements; and
- Decreased injury and illness rate for the seventh consecutive year.

Areas of Continued Focus:

- Transition planning during the vacancy period for the Architect;
- Implementation of internal controls and cost accounting; and
- Identification of the best service delivery methods and workforce planning and analysis.

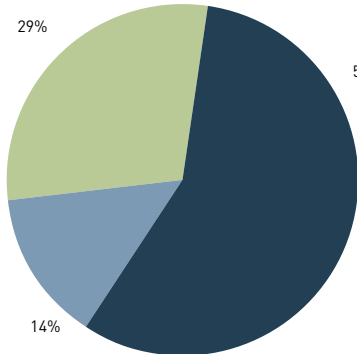
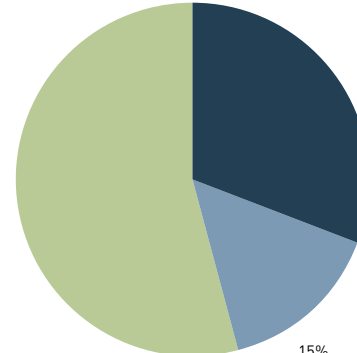
The AOC will continue to work with GAO to fully implement the remaining recommendations. The AOC continues to be a high-performing organization and will continually assess areas needed for improvement and implement actions to further strengthen its performance.

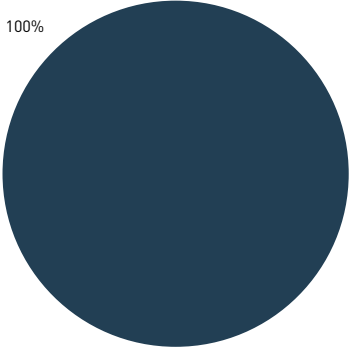
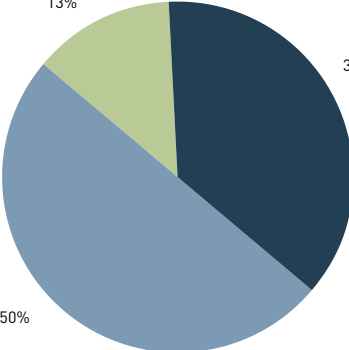
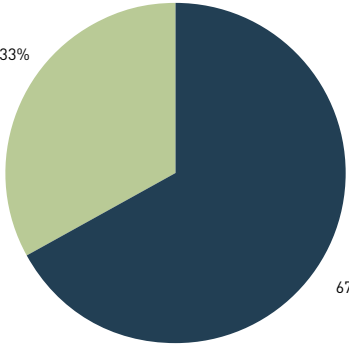
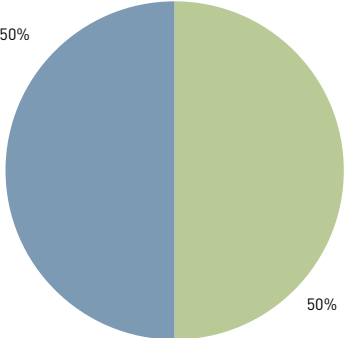
Figure 9



² For complete information see GAO's February 2007 Report (GAO-07-407) entitled "Architect of the Capitol: Committed, Sustained, Leadership Needed to Continue Progress."

Issue Area	GAO's 2007 Assessment	Progress								
<p>Strategic Management</p> <p>Improve strategic planning and organizational alignment; establish meaningful performance measures; improve the process to obtain feedback from employees and customers; and strengthen the relationship between AOC and Congressional stakeholders.</p>	<p><i>Progress</i></p> <ul style="list-style-type: none"> • Issued revised strategic plan and Chief Operating Officer (COO) action plan • Provided periodic briefings to update Congressional stakeholders • Revised employee feedback process manual • Began establishing procedures for communicating with Congressional and other external stakeholders <p><i>Remaining Actions:</i></p> <ul style="list-style-type: none"> • Review and update the strategic plan regularly and incorporate any changes that may result from AOC's review of options and strategies for delivering its services and operations • Continue to work with Congressional stakeholders to develop and report key measures that are meaningful to AOC's customers and reflect the agency's day-to-day operations 	<table border="1"> <caption>Strategic Management Progress</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Closed/Implemented in FY 2006 and prior</td> <td>50%</td> </tr> <tr> <td>Closed/Implemented in FY 2007</td> <td>43%</td> </tr> <tr> <td>Making Progress</td> <td>7%</td> </tr> </tbody> </table>	Category	Percentage	Closed/Implemented in FY 2006 and prior	50%	Closed/Implemented in FY 2007	43%	Making Progress	7%
Category	Percentage									
Closed/Implemented in FY 2006 and prior	50%									
Closed/Implemented in FY 2007	43%									
Making Progress	7%									
<p>Human Capital Management</p> <p>Strengthen performance measurement and strategic human capital management by developing annual goals and measuring performance; link AOC's senior executive and employee performance management systems to mission-critical goals; establish agency-wide core and technical competencies; develop the capacity to collect and analyze workforce data; strengthen AOC's human capital policies, procedures, and processes; and improve communications with employees.</p>	<p><i>Progress:</i></p> <ul style="list-style-type: none"> • Developed the capacity for collecting and analyzing workforce data • Hired a contractor to begin developing a strategic workforce plan <p><i>Remaining Actions:</i></p> <ul style="list-style-type: none"> • Assess how best to deliver (either through outsourcing or in-house resources) the services AOC provides 	<table border="1"> <caption>Human Capital Management Progress</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Closed/Implemented in FY 2006 and prior</td> <td>67%</td> </tr> <tr> <td>Making Progress</td> <td>22%</td> </tr> <tr> <td>Closed/Implemented in FY 2007</td> <td>11%</td> </tr> </tbody> </table>	Category	Percentage	Closed/Implemented in FY 2006 and prior	67%	Making Progress	22%	Closed/Implemented in FY 2007	11%
Category	Percentage									
Closed/Implemented in FY 2006 and prior	67%									
Making Progress	22%									
Closed/Implemented in FY 2007	11%									
<p>Financial Management</p> <p>Develop strategies to institutionalize financial management practices that will support budgeting, financial, and program management; provide strong and visible support for efforts to prepare auditable financial statements and implement an effective internal control framework; work with operating managers to assess the usefulness of financial statement-level information; and monitor the implementation and related milestones of making AOC-wide system, procedural, and cultural changes necessary to provide managers with timely financial, cost, and performance information.</p>	<p><i>Progress:</i></p> <ul style="list-style-type: none"> • Developed agency-wide audited financial statements • Implemented a new financial management system • Continued to develop and implement a risk-based internal control framework and cost accounting system <p><i>Remaining Actions:</i></p> <ul style="list-style-type: none"> • Increase focus and attention on completing the development and implementation of three key financial management improvement initiatives—an internal control framework, a cost accounting system, and a management reporting system 	<table border="1"> <caption>Financial Management Progress</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Closed/Implemented in FY 2006 and prior</td> <td>75%</td> </tr> <tr> <td>Closed/Implemented in FY 2007</td> <td>25%</td> </tr> </tbody> </table>	Category	Percentage	Closed/Implemented in FY 2006 and prior	75%	Closed/Implemented in FY 2007	25%		
Category	Percentage									
Closed/Implemented in FY 2006 and prior	75%									
Closed/Implemented in FY 2007	25%									
<p> ■ Closed/Implemented in FY 2006 and prior ■ Closed/Implemented in FY 2007 ■ Making Progress </p>										

Issue Area	GAO's 2007 Assessment	Progress								
<p>Information Technology (IT) Management</p> <p>Establish a chief information officer or comparable senior executive, with the responsibility, authority, and adequate resources for managing IT across the agency; plan for and implement practices in GAO's investment management guide associated with corporate, portfolio-based investment decision making; develop, implement, and maintain an Enterprise Architecture (EA); leverage an EA for organizational transformation; require disciplined and rigorous processes for managing the development and acquisition of IT systems; and establish and implement an information security program.</p>	<p><i>Progress:</i></p> <ul style="list-style-type: none"> • Developed, approved, and implemented a process, including those practices in GAO's investment management guide, for controlling existing projects • Made significant progress toward planning for and implementing the practices in GAO's EA management guide • Developed a policy that describes the procedures, practices, and guidelines that govern the management and acquisition of IT systems • Designated a chief information security officer • Certified and accredited its general support systems and major applications <p><i>Remaining Actions:</i></p> <ul style="list-style-type: none"> • Prioritize all IT investments, develop an IT investment portfolio, and oversee each investment using a portfolio approach • Fully implement key architecture practices, such as defining "as is" and "to be" architecture descriptions in terms of performance • Consistently demonstrate quality assurance, configuration management, and contract tracking and oversight processes • Develop system contingency plans for all systems • Implement a security process to monitor and evaluate IT policy and control effectiveness 	 <table border="1"> <caption>Progress Data for IT Management</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Making Progress</td> <td>57%</td> </tr> <tr> <td>Closed/Implemented in FY 2007</td> <td>29%</td> </tr> <tr> <td>Closed/Implemented in FY 2006 and prior</td> <td>14%</td> </tr> </tbody> </table>	Category	Percentage	Making Progress	57%	Closed/Implemented in FY 2007	29%	Closed/Implemented in FY 2006 and prior	14%
Category	Percentage									
Making Progress	57%									
Closed/Implemented in FY 2007	29%									
Closed/Implemented in FY 2006 and prior	14%									
<p>Project Management</p> <p>Develop a Capitol Complex Master Plan (CCMP) and complete condition assessments of all buildings and facilities; engage Congressional and other stakeholders throughout the development of the CCMP; develop a process for assigning project priorities; inform and obtain agreement from Congressional and other stakeholders on how and why specific projects are submitted for funding; define project-management-related performance measures; align project management staff and resources with AOC's mission-critical goals; develop a method to establish and track more accurate budget targets; expedite the development of a customer satisfaction survey for construction services; clarify roles and responsibilities of staff; revise project management manuals; develop or modify information systems to provide needed cost and schedule data and track reasons for changes.</p>	<p><i>Progress:</i></p> <ul style="list-style-type: none"> • Established performance measures • Clarified the roles and responsibilities for staff in the Project Management Division and updated guidance for managing projects • Conducted a review of Construction Division operations and management in 2006 and is currently implementing the recommendations from that review <p><i>Remaining Actions:</i></p> <ul style="list-style-type: none"> • Complete implementation of the new cost accounting system so that AOC can implement all of the recommendations intended to improve accountability for the Construction Division • Continue reviewing its methods for estimating Construction Division project costs, including contingency costs and allocations for construction management and administration • Finalize the Capitol Complex Master Plan 	 <table border="1"> <caption>Progress Data for Project Management</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Making Progress</td> <td>31%</td> </tr> <tr> <td>Closed/Implemented in FY 2007</td> <td>54%</td> </tr> <tr> <td>Closed/Implemented in FY 2006 and prior</td> <td>15%</td> </tr> </tbody> </table>	Category	Percentage	Making Progress	31%	Closed/Implemented in FY 2007	54%	Closed/Implemented in FY 2006 and prior	15%
Category	Percentage									
Making Progress	31%									
Closed/Implemented in FY 2007	54%									
Closed/Implemented in FY 2006 and prior	15%									
<p> ■ Closed/Implemented in FY 2006 and prior ■ Closed/Implemented in FY 2007 ■ Making Progress </p>										

Issue Area	GAO's 2007 Assessment	Progress
<p>Facilities Management</p> <p>Develop more specific timeliness measures that more accurately reflect the amount of time required to complete tasks; develop the capability to comprehensively and routinely track cost performance measures; benchmark performance measures against those of similar institutions; use the new facilities management information system to track preventive maintenance and demand work orders across all jurisdictions.</p>	<p><i>Progress:</i></p> <ul style="list-style-type: none"> Implemented a new facilities management information system Planned to benchmark AOC's performance measures with peer organizations <p><i>Remaining Actions:</i></p> <ul style="list-style-type: none"> Complete development of metrics and input preventive maintenance work orders Use the new facilities management information system in conjunction with the new cost accounting system 	 <p>100%</p>
<p>Worker Safety</p> <p>Identify performance measures for safety goals and objectives; establish clearly defined and documented policies and procedures for reporting hazards; establish a consistent AOC-wide system for conducting investigations and follow-up; establish a safety-training curriculum; assign clear responsibility for tracking and recording training received by AOC employees; clarify and explore the possibility of expanding the role of the Office of the Attending Physician (OAP); establish a senior management work group that will routinely discuss workers' compensation cases and costs; expand upon its safety perception survey.</p>	<p><i>Progress:</i></p> <ul style="list-style-type: none"> Implemented 7 of 34 specialized safety policies Completed a job hazard analysis process to identify hazards Implemented a system to track investigations of incidents Selected a data management system that will track and record employee training, licensing, and certification Clarified the role of the Office of the Attending Physician (OAP) <p><i>Remaining Actions:</i></p> <ul style="list-style-type: none"> Fully implement all specialized safety policies Align its training system with its system to track and identify corrective actions for hazards and incidents Develop a more rigorous (and anonymous) approach to measuring employee's perceptions of AOC's safety climate 	 <p>13% 37% 50%</p>
<p>Capitol Power Plant (CPP) Management</p> <p>Develop an implementation plan for adopting consultant recommendations to use the most economically priced fuel to operate the steam boilers and reduce CPP staff; not wait to implement prudent operational and incremental organizational changes in anticipation of a more permanent organization when the West Refrigeration Plant Expansion project is complete; evaluate the training provided to CPP operators and use the evaluation results in implementing the staffing plan.</p>	<p><i>Progress:</i></p> <ul style="list-style-type: none"> Made progress in improving CPP management and efficiently staffing the modernized power plant Started working with a consultant to develop a new workload analysis and staffing implementation plan <p><i>Remaining Actions:</i></p> <ul style="list-style-type: none"> Develop and implement a staffing plan that is based on the recommendations from the recent consultant's study and incorporate the results of the training evaluation 	 <p>33% 67%</p>
<p>Recycling</p> <p>Develop a clear mission and goals for AOC's recycling program with input from key Congressional stakeholders; obtain preliminary input from Congressional stakeholders on its environmental program plan.</p>	<p><i>Progress:</i></p> <ul style="list-style-type: none"> Used input from internal and external stakeholders to finalize the development of recycling program mission, goals, and performance measures Formed a Legislative Branch recycling group Included recycling tasks and responsibilities in position descriptions and the AOC evaluation system <p><i>Remaining Actions:</i></p> <p>N/A</p>	 <p>50% 50%</p>

Financial Highlights

The AOC's audited financial statements and footnotes appear in the financial section of the PAR. These financials received, for the third consecutive year, an unqualified audit opinion issued by its independent auditors on all of its primary financial statements. Although the AOC is not required to have its financial statements audited, the organization has initiated annual audits to support its goal of improving financial management and responsibly managing the resources entrusted to its care.

Financial Statements and Results

Summary of Independent Auditor's Report Findings

(Please refer to the *Independent Auditor's Report on Internal Control* in the Financial Section of this Performance and Accountability Report for the complete text of the auditor's report.)

Material Weaknesses	
<p>Internal Control Assessments (Repeat Condition)</p> <p>AOC has not completed a formal and systematic assessment and evaluation of the design and operation of internal controls. As of September 30, 2007, AOC has completed an assessment of the procure-to-pay process, and has partially completed the human resource, time and attendance, and project management processes. In the absence of a complete assessment, AOC cannot determine if its current internal control design mitigates existing risks and effectively safeguards assets.</p>	<p>Auditor's Recommendation: The auditor recommends that AOC complete and document internal control assessments that evaluate the effectiveness of the design and operation of its internal control structure, including the identification of risks to material accounts and the existence of internal controls to mitigate those risks. Although AOC is not subject to OMB Circular A-123, <i>Management's Responsibility for Internal Control</i>, the auditor recommends that AOC consult the "Implementation Guide for OMB Circular A-123, Appendix A, Internal Control over Financial Reporting" (the Guide). The Guide was issued by the Chief Financial Officer's Council in May 2005. The Guide includes guidance to enable management to evaluate internal controls and monitor and test these controls throughout the year.</p> <p>Management's Response: The AOC agrees with the recommendation. The organization will consult the Guide for implementation guidance. Its implementation has been slowed for several reasons. First is the organization's inability to attract a qualified candidate to lead the effort and to staff the initiative. The AOC has had to change its approach for budget reasons. It also has had delays due to the significant effort to get an automated monitoring tool, which will alleviate some of the administrative tasks associated with the attestation process. Additionally, the tool will enable real-time reporting on several aspects of the program not currently feasible. The monitoring tool is close to completion.</p>
<p>Risk Assessment Updates (Repeat Condition)</p> <p>The AOC internal control environment does not have a formal, documented process to monitor the internal and external environment, identify changing risk profiles, or respond accordingly. Specifically, AOC did not implement additional controls to reconcile the payroll data transmitted to and received from the National Finance Center (NFC), as recommended by NFC as an appendix to its qualified SAS 70 opinion. While several employees performed additional tests in response to the recommendation, the actions were predicated on individual efforts, as compared to a repeatable sustainable systemic effort.</p>	<p>Auditor's Recommendation: The auditor recommends that AOC develop a component in their internal control structure to monitor and identify changing risks. Also, AOC should reconcile NFC payroll data transmission to data receipt including, at a minimum, jurisdictional employees and hours.</p> <p>Management's Response: The AOC agrees and is looking into the establishment of a Senior Assessment Team (SAT) as recommended in the CFO Council's Implementation Guide. The SAT provides oversight and accountability for the agency's internal control over financial reporting. Their responsibility is not intended to be an annual exercise, but rather a continuous effort throughout the year. The AOC will also explore additional methods of reconciling NFC payroll data transmission to data receipt including jurisdictional employees and hours.</p>
<p>Internal Control Design and Management of the Purchase to Disbursement Process (Modified Repeat Condition)</p> <p>No organization/entity within AOC is accountable for the collective purchase to disbursement process. AOC has decentralized many components of the purchase and disbursement process, including initiating and coding requisitions, purchase authorizations, receiving, and disbursement approvals. Within a decentralized process, this lack of central monitoring and oversight results in a weakened control environment.</p>	<p>Auditor's Recommendation: The auditor recommends that AOC assign formal authority for oversight and monitoring of the process, including risk assessments and control design. This assessment should focus on interchange points between all process participants to ensure that financial statement risks are adequately mitigated. The auditor also recommends limiting access to the vendor database to a select number of individuals, and that proposed changes be reviewed and approved before data entry. Data entry should also be reviewed for accuracy by a bipartisan, third party.</p> <p>Management's Response: The AOC agrees in part regarding the number of persons who have access to the vendor database and the lack of a process for submitting requests for a new vendor code number.</p> <p>The AOC is defining a process for the Jurisdictions to follow when requesting a new vendor code number. It also plans to limit the authority and access to enter vendor code numbers to two individuals and assign overall responsibility for the oversight of the vendor database to the Financial Management Systems (FMS) Division, which would limit involvement of the Accounting and Procurement Divisions.</p>

<h2 style="margin: 0;">Significant Deficiencies</h2>	
<p data-bbox="183 243 406 291">Information System Controls (Repeat Condition)</p> <p data-bbox="183 304 537 590">The auditor evaluated AOC's information system general controls following guidance provided by the National Institute of Standards and Technology (NIST) and the Government Accountability Office's (GAO) Federal Information System Controls Audit Manual (FISCAM). The auditor provided a detailed report, as well as a prioritization of findings, under separate cover. For detailed descriptions of and recommendations for these findings, refer to the separately issued report.</p> <p data-bbox="183 615 526 827">The auditor continues to identify areas for improvement in the implementation of AOC's security program as a result of the absence of key security personnel, such as the Chief Information Security Officer (CISO). However, AOC's incumbent CISO has made progress in improving its overall security program over the past few months.</p>	<p data-bbox="566 239 1414 359">Auditor's Recommendation: The auditor recommends that AOC should conduct a comprehensive risk assessment using National Institute of Standards and Technology methodology to identify risks and implement appropriate mitigating controls to address the vulnerabilities, including those identified in audit reports. AOC should complete the implementation of the security plans and require security awareness training of all staff and specialized training of IT security staff.</p> <p data-bbox="566 384 1425 504">AOC should also develop a formal process to address observations from security reviews, which should include independent evaluation of the corrective action. In addition, AOC should develop and implement user account management procedures to ensure timely removal or modification of user accounts and assigned privileges. Finally, the AOC should ensure that policies concerning the approval and entering of time are strictly enforced.</p> <p data-bbox="566 529 1414 598">Management's Response: The AOC agrees with the recommendations. The organization has been planning its approach to improve the overall AOC information systems security posture which includes the actions recommended by this audit report.</p> <p data-bbox="566 623 1422 835">The AOC's approach to the audit recommendations would be: 1) Ensure AOC ISSP incorporates all the required information system controls including the risk management, security policy requirements, roles and responsibilities, access control, continuity of operations, continuous monitoring requirement, etc.; 2) Develop a detailed action plan for each area of weakness to accomplish the actions in a short or long term time period considering its priority and feasibility to achieve; 3) Take actions for the items that the AOC can fix with its current resources and capability that have high priorities in the first phase; and 4) Develop mid and long-term plans for those items requiring additional resources, skills, and based upon their priority/criticality. Then, take actions as resources or funds become available. Currently, the AOC is working on improving system access (internal and external) controls and continuous monitoring areas of controls.</p>
<p data-bbox="183 911 456 982">Time Recordation, Processing, and Approval Procedures (Repeat Condition)</p> <p data-bbox="183 995 540 1232">The auditor identified the following instances in which AOC time recordation and payroll was not properly authorized. First, out of a sample of 78, 30 employees were either missing an overtime approval form, did not have the required authorizing signature, or did not obtain approval before the overtime was taken. Next, out of a sample of 78, 12 leave request forms were not approved prior to the leave being taken.</p>	<p data-bbox="566 909 1425 957">Auditor's Recommendation: The auditor recommends that AOC ensure that policies concerning the approval and entering of time are strictly enforced.</p> <p data-bbox="566 982 1398 1075">Management's Response: The AOC agrees with the first recommendation. The internal control memo for time and attendance (T&A) reiterates the need for proper documentation (including approved overtime forms) prior to supervisory approval of T&A. This will have to be reinforced by the Inspector General and Chief Operation Officer.</p> <p data-bbox="566 1100 1422 1243">The AOC disagrees with the second recommendation. AOC Policy 630 provides procedures for unscheduled/emergency leave (both annual and sick leave). It requires that an employee must notify his supervisor before or as soon after the employee is scheduled to report for work to explain circumstances and request leave. The employee should usually be advised whether or not the leave is approved. Upon returning to work, the employee must submit his application for leave to his supervisor. There is no evidence to support that this verbal process was not followed.</p> <p data-bbox="566 1268 1422 1434">The critical control point to ensure there is not improper expenditure of funds is prior to transmission of T&A to ensure payment is correct. If the supervisor makes a written decision on the leave request prior to transmission of T&A, payment is proper. The internal control memo for T&A reiterates the need for proper documentation (including signed leave slips) prior to supervisory approval of T&A. This will have to be reinforced by the Inspector General and Chief Operating Officer. HRMD proposes to change the leave policy language for submitting leave slips for unplanned leave from "immediately upon return to work" to "prior to submission in the T&A system."</p>

GUIDE TO THE FINANCIAL STATEMENTS

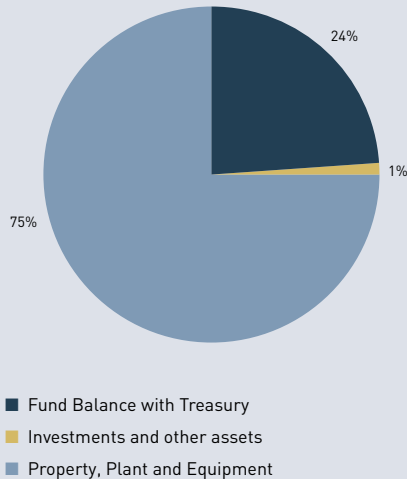
During the early 1990's, several congressional acts were passed which mandated the Executive Branch of government provide better accountability to the people, adopt uniform federal accounting and reporting standards, as well as provide tools to better manage their financial resources. The Architect of the Capitol, a Legislative Branch organization, has voluntarily adopted many of the best business practices implemented by the Executive Branch. In 2002, the AOC produced its first set of financial statements. The full set of financial statements includes a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and Statement of Financing. The AOC's statements are

compiled using Office of Management and Budget (OMB) guidance (Circular A-136), and the Financial Accounting Standards Advisory Boards (FASAB) standards, concepts, and interpretations as the measuring criteria.

The AOC prepares all five principal annual financial statements as required by the Chief Financial Officer's Act of 1990, as amended by the Government Management Reporting Act (GMRA) of 1994. The financial statements summarize the financial position and activity of the organization. During 2003 and 2004, the AOC produced audited balance sheets that received unqualified (clean) opinions. For 2005 and 2006, the full financial statement package was audited for the first time, also resulting in clean opinions. The AOC once again received an unqualified (clean) audit opinion for its 2007 financial statements.

Total Assets

Figure 10



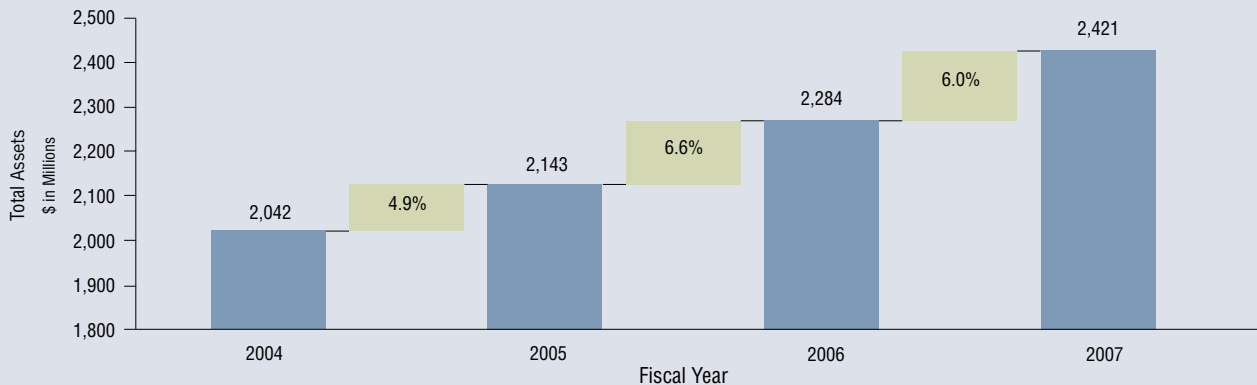
FINANCIAL POSITION

As of September 30, 2007, AOC's total assets amounted to \$2.42 billion, which was a six percent increase from the previous year. As indicated in Figure 10, the vast majority of assets were composed of **Property, Plant and Equipment (PP&E)**. PP&E, net of accumulated depreciation of \$949 million, amounted to \$1.81 billion at year-end. Major 2007 PP&E additions include property acquired via donation from the Packard Humanities Institute and a transfer of matching funds of \$16.5 million, which is to be used at the Library of Congress' National Audio Visual Conservation Center. In accordance with SFFAS 6, this acquisition was recorded at the fair market value of \$45 million. Also included in PP&E is \$717 million of construction work-in-progress.

Figure 11

Trends in Total Assets

2004-2007



Fund Balance with Treasury is the aggregate amount of funds available to make authorized expenditures and pay liabilities and amounted to \$572 million. Investments amounted to \$34.8 million and accounts receivable amounted to \$1.78 million, which includes reimbursement for supplying entities on Capitol Hill with steam and chilled water to heat and cool their facilities.

Figure 11 displays the growth in AOC's total assets between 2004 and 2007.

Total liabilities amounted to \$435 million as of September 30, 2007.

Debt Held by the Public, the largest component of total liabilities, represents the value of bonds sold to finance the construction of the Thurgood Marshall Federal Judiciary Building and amounts to \$152 million at year-end.

Federal Employee Benefits amounted to \$44.4 million and is composed of the actuarial Federal Employees' Compensation Act (FECA) liability, which represents the liability for future workers' compensation benefits. Accrued payroll and annual leave amounted to \$14.7 million, which includes salaries and wages earned by employees, but not disbursed as of September 30, 2007.

In 2007, the AOC's contingent and environmental liabilities increased by \$60 million. The AOC conducted a review of contingent liabilities for financial statement purposes for 2007 and 2006. Based on this review, the organization recorded a contingent liability for claims it thinks it will probably lose and for which it can reasonably

estimate the amount of an unfavorable outcome. Please see footnote 10 to the audited financial statements for additional detail.

Figure 12 show the major components of AOC's total liabilities on September 30, 2007 and Figure 13 presents the change in total liabilities between 2004 and 2007.

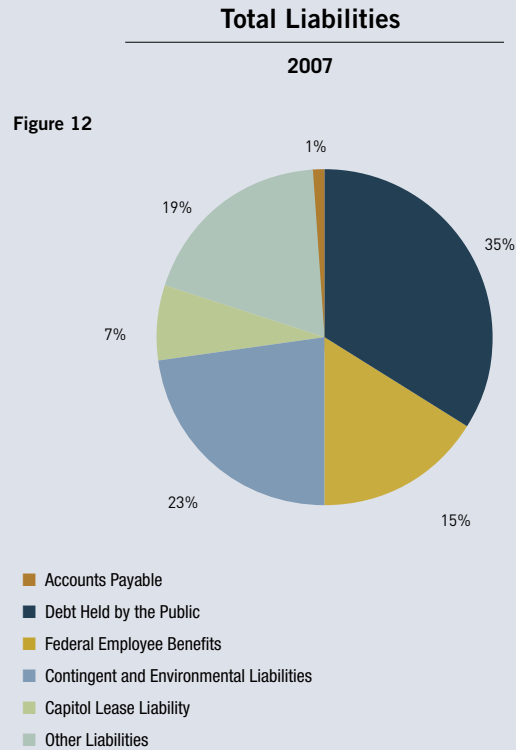


Figure 12

Figure 13

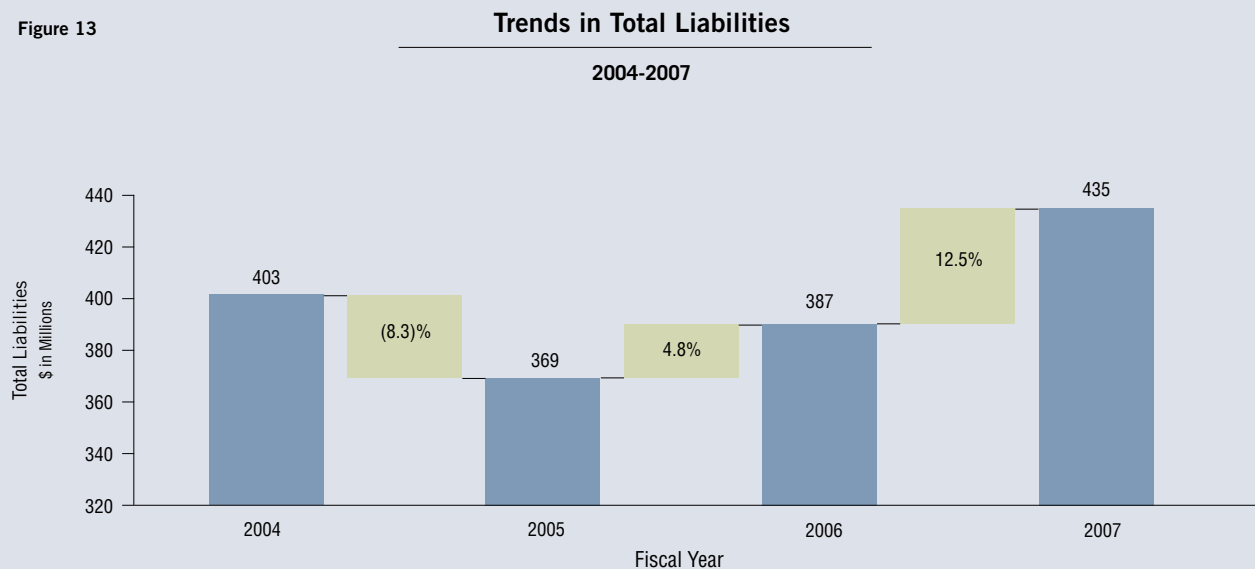
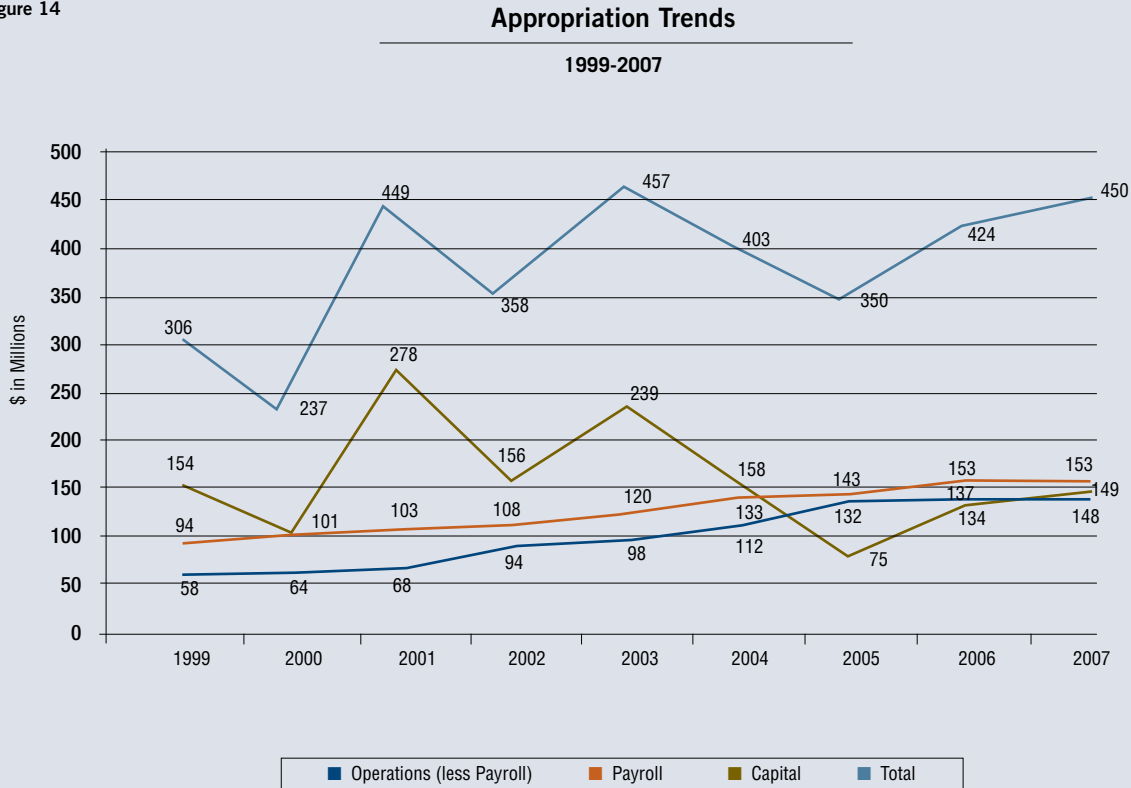


Figure 14



Appropriations fluctuate in proportion to our capital project load, while appropriated funds for payroll and other expenses have been keeping pace with cost-of-living increases and inflation.

NET COSTS OF OPERATIONS

The statement of net cost is designed to display, in clear terms, the net cost of the reporting entity's operations for the period. Net cost includes total costs less all revenues attributed to a program and permitted to be offset against those program costs. At the present time, we present net costs by jurisdiction; in the future, we may present net costs by program. A program might be generally defined as a major activity or operation within a department and agency, which could be associated with one or more appropriations.

Our main revenues are derived from providing steam and chilled water to entities within the Capitol complex and additional surrounding facilities, and from rent received from the Administrative Office of the U.S. Courts for the Thurgood Marshall Federal Judiciary Building.

CHANGES IN NET POSITION

The statement of changes in net position identifies all financing sources available to or used by the AOC to support its net cost of operations and also identifies the net effect or change in its financial position. Net position has two components: Cumulative Results

of Operations and Unexpended Appropriations. The statement is designed to display each component separately to enable the user to better understand the nature of changes to net position as a whole. The primary difference between the two components is that Cumulative Results of Operations reflects activity that has already occurred and Unexpended Appropriations is that portion of appropriations still to be used.

Both components of net position are also reflected as line items on the balance sheet. Certain other line items are also presented on the statement of budgetary resources and the statement of financing. The Net Cost of Operations line ties directly to the statement of net cost.

BUDGETARY RESOURCES

The statement of budgetary resources provides data on how the AOC obtained its budgetary resources and the status of these resources at the end of the reporting period. On this statement the first thing to notice is that the line "Total Budgetary Resources" equals the line "Total Status of Budgetary Resources." This is a key budgetary equation.

Looking Ahead

The AOC serves as steward of the Capitol complex, providing facility maintenance and heritage asset preservation for the Capitol, Congressional office buildings, Library of Congress, Supreme Court, Botanic Garden, and other facilities. Among the assets that the AOC manages and preserves are several irreplaceable cultural and historic artifacts that are the legacy of millions of Americans.

The AOC’s most pressing challenge in the upcoming years is to continue meeting its stewardship responsibilities in an era of limited financial resources. Many of the organization’s heritage real property assets are over 100 years old (see Figure 15) and, as a result, have accrued sizable deferred maintenance and capital investment obligations. Despite past investments, many of these historic buildings require significant funding for maintenance, repair, and refurbishment over the next two decades to remain safe and viable.

The deferred maintenance and capital renewal backlogs for the AOC’s facility portfolio are primarily due to past funding limitations, wherein capital reinvestments have not kept pace with assets’ depreciating condition. Figure 16 highlights the expected funding requirements over the next 20 years. This graphic illustrates the long-term real property portfolio requirements by the various components of our facilities program. The consequence of such a funding shortfall is the deterioration of the AOC’s facilities—increasing the likelihood of significant building system failures, disruptions to Congressional operations, access restrictions, and even the potential for facility closure in extreme instances. The stress on the AOC’s aging infrastructure may already be observed, as demonstrated by the Office of Compliance’s recent citations on AOC’s tunnels, egress pathways and stairs, and other life safety conditions noted.

Although Congress has supported many key initiatives (see Figure 17 for the total dollar amount invested in AOC facilities from 2004 through 2007), resource levels have not been sufficient to address all known requirements. This has led to a pent up “bow wave” of demand, represented by a resource “bump” in the first few years. These demands increase as AOC incurs new maintenance obligations due to new facilities such as the Senate Mail Facility, the National Audio Visual Conservation Center in Culpeper, Virginia and others.

The combination of sustaining facility functionality while addressing competing demands results in a long-term property portfolio requirement that far exceeds present funding profiles. The AOC presented a five-year “get well” plan followed by continued reinvestment funding to sustain our portfolio, with building renewals and client requests consistent with the current Master Plan. There are predictable consequences if inadequate sustainment funding is provided—an increased likelihood of significant building system failures, disruption to Congressional operations, access restrictions, and even the potential for facility closure in extreme instances.

Moreover, in a post-September 11 environment, the AOC continues to face heightened physical security and safety requirements, which require expensive, ongoing facility modifications and new equipment to meet emerging high-risk threats on an ongoing basis. Rapidly changing technology demands (such as CATV and the intranet) have added to the facilities’ systems requirements. In addition, new legislation such as the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007 increased the AOC’s stewardship responsibilities without an appreciable increase in funding to meet these extra demands.

Figure 15

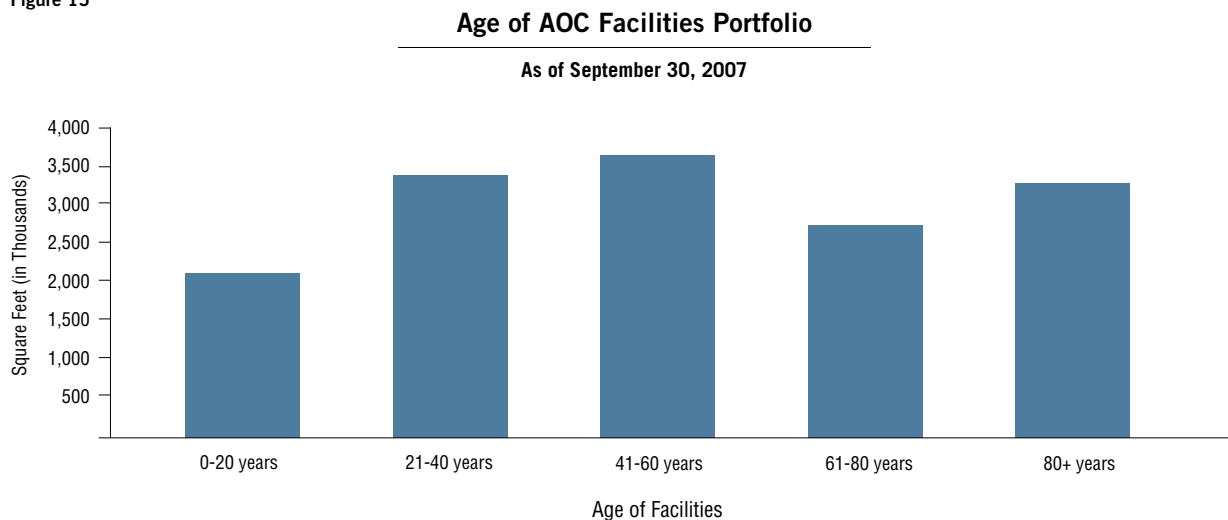
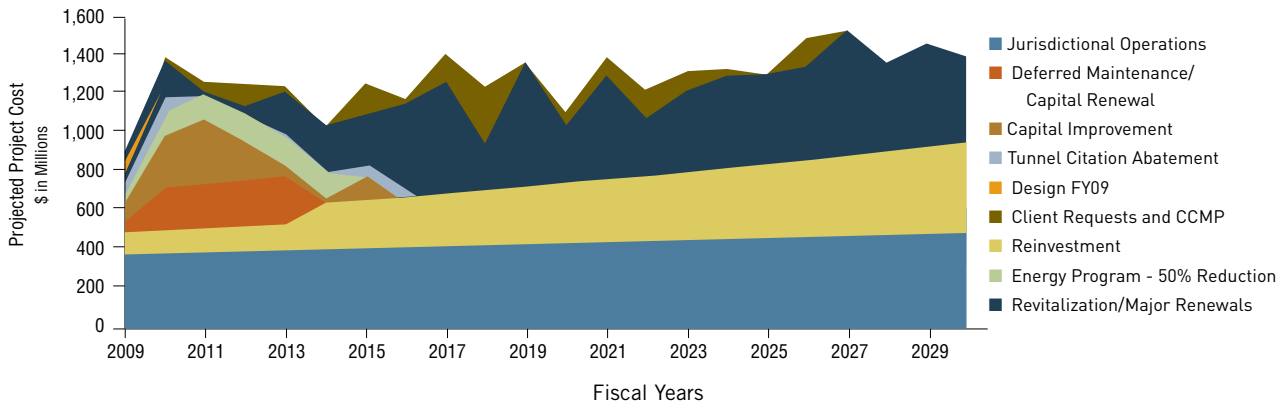


Figure 16

Long Term Funding Projections

(\$ In Millions adjusted for inflation)



Faced with the serious prospect of deteriorating facilities, the AOC believes it has reached a critical crossroads in meeting its deferred maintenance and capital investment needs. The future challenges are complex and will remain with the organization for several years to come. Based on recent facility condition assessments, “immediate” and “high” urgency deferred maintenance and capital renewal requirements are projected to increase dramatically over the next few years. Any long-term maintenance issues unaddressed now often will require a costly re-design and may put the facilities and their priceless collections at risk.

Given this significant funding challenge, the AOC plans to work with Congress to develop a reasonable path forward because the present budget posture is projected to lead to system failures and unmet requirements in the future. In doing so, the AOC plans to focus on the Capitol Complex Master Plan to carry out its proactive strategy for prioritizing maintenance projects, efficiently managing and meeting Congressional needs, and outlining requirements, timing, drivers, and impacts. The AOC also plans to explore potential alternate ways

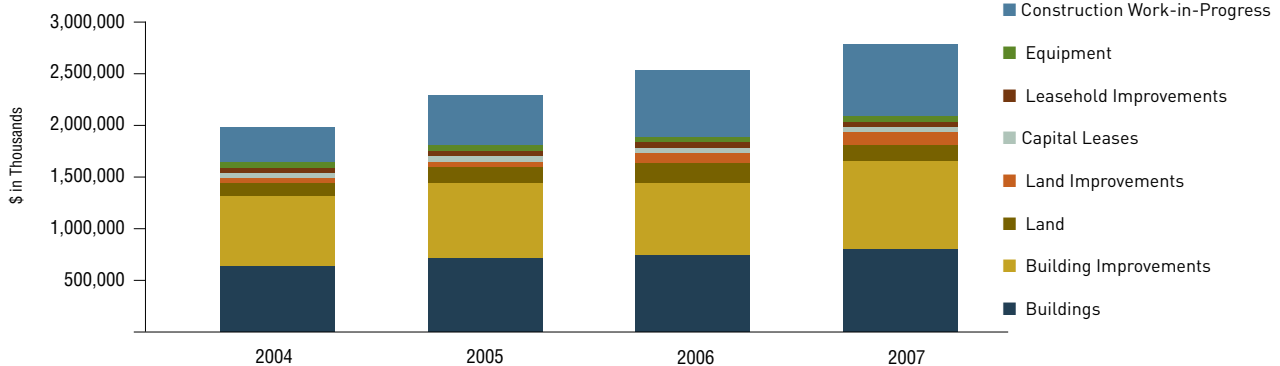
to secure funding and execute projects, for example public private partnerships (PPP). We have requested funds in our fiscal year 2009 budget for immediate project needs.

AOC analysis shows that an estimated \$3.2 billion is needed (excluding jurisdictional operations) over the next five years to “get well.” This figure addresses citations, deferred maintenance, capital renewal, revitalization and major renewals, and reinvestment (for a separate discussion of deferred maintenance, please refer to the Required Supplementary Information Section of this report). The facilities maintenance challenges faced by other federal agencies underscore the dangers of inaction. The AOC believes it has made significant strides in becoming a more effective and efficient organization – as demonstrated by the cataloguing of its real property portfolio’s condition and introducing the use of performance metrics in maintaining these facilities. Proactive leadership and adequate reinvestment now will ensure the long-term protection of its facilities, the security of the AOC’s visiting public and staff, and the preservation of its one-of-a-kind real property portfolio and heritage asset collections for years to come.

Figure 17

Total Dollar Amount Invested in Facilities Portfolio

2004-2007





SECTION II
Performance Information



SECTION II

Performance Information

This is the AOC's third year of providing a Performance Information section in our Performance and Accountability Report. During fiscal year 2007, the AOC continued to move the organization to focus on results and the means to measure our success. In this fiscal year, the AOC introduced our *Strategic and Performance Plan: Fiscal Year 2007 – Fiscal Year 2011*. This plan revises several of our annual performance goals to make the targets more challenging and adds new performance (outcome) measures.

Our Strategic Plan is the cornerstone of our performance management approach and is primarily supplemented by our Performance Plan. The Performance Plan is published annually prior to the beginning of each fiscal year. The Performance Plan makes each strategic goal actionable by outlining the specific objectives, outcome measure targets, and associated activities that will be undertaken during the upcoming fiscal year.

Our performance reporting structure consists of three tiers: strategic goals, objectives, and outcome measures. The AOC breaks down each strategic goal into concrete objectives, which are supported by outcome measures and annual targets. In this section, performance achievements for each goal, followed by a table listing the outcome measures and targets for 2007 are listed. The tables compare actual performance to target performance and provide an explanation for those instances where a target was not met. With the implementation of our new, revised Strategic Plan, 2007 was a year of transformation at the AOC with several notable accomplishments, as discussed below.

GOAL 1 - CONGRESSIONAL AND SUPREME COURT OPERATIONS SUPPORT

Congressional and Supreme Court operations are supported through the provision of effective facilities management, project delivery, and related services.

Objective 1.1 – Facilities Maintenance – Effective facilities management services are provided to the Congress and Supreme Court to maintain the facilities and grounds under the care of the Architect of the Capitol.

Objective 1.2 – Facilities Operations – High-quality services are provided in direct support of Congressional and Supreme Court operations.

Objective 1.3 – Client Services – Effective facilities management services are provided in direct support of our customers.

Objective 1.4 – Project Delivery – Capital assets are provided and maintained through effective planning and project delivery.

Performance Achievements

Objective 1.1 – Facilities Maintenance

- Developed standards for contracted maintenance for leased facilities.
- Developed funding options for decreasing the deferred maintenance backlog and briefed Congress on those options.

Objective 1.2 – Facilities Operations

- Communicated cleaning standards to customers.
- Studied energy trends and developed strategies to mitigate them. Reached out to our clients to encourage them to reduce energy use.
- Updated the Comprehensive Energy Conservation and Management Plan and submitted with the Annual Report to Congress to comply with the requirements of the Energy Policy Act of 2005.
- Issued additional educational materials about recycling program participation to 100 percent of Congressional offices and participating Legislative Branch agencies. Further improved communication and coordination among interested Legislative Branch agencies by establishing a recycling working group.
- Developed a customer satisfaction survey for grounds care and established baseline data.

Objective 1.3 – Client Services

- Developed a survey mechanism for the shuttle bus and established baseline data.

Objective 1.4 – Project Delivery

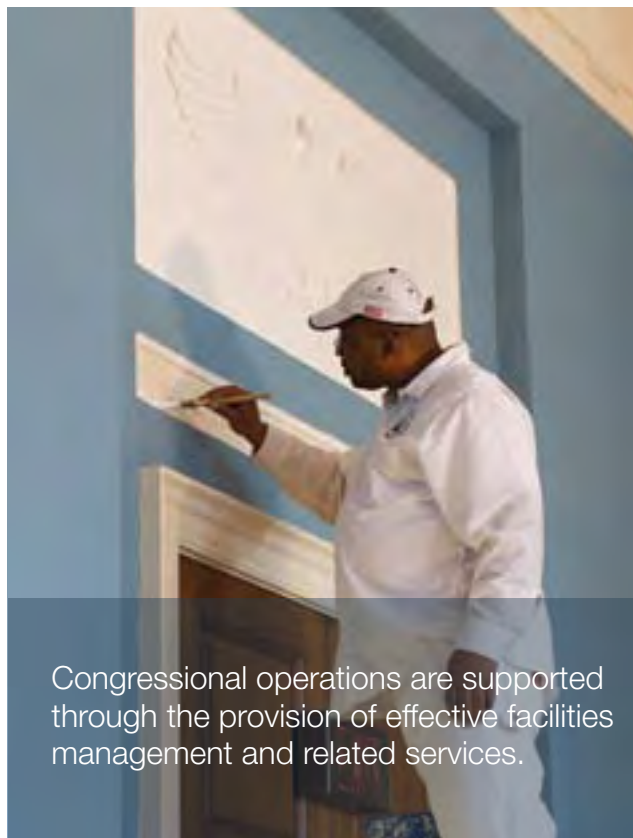
- Developed improved methods for tracking budget and final project cost by defining what is included in total project cost and updating cost accounting codes, accordingly.
- Developed project management plans to capture roles and responsibilities, change orders, oversight processes, communications, project controls, and customer service objectives.
- Evaluated and began implementation of recommendations from the Peer Review of Construction Division operations.

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By Fiscal Year 2011 the Facility Conditions Index (FCI) is maintained at an assessment level of good to excellent for 90% of the square footage of the facilities that have been formally assessed.	70%	64.5% ¹	Not Met
By Fiscal Year 2011: a) Cost per square foot for maintenance and repair at a level of at least 2% of the Current Replacement Value (CRV); b) Cost per square foot for maintenance and repair does not exceed 110% of industry standards for like facilities; and c) Customer satisfaction with maintenance and repair of buildings is at least 90%.	a) N/A – 2007 Baseline b) N/A – 2007 Baseline c) ≥85%	a) N/A b) N/A c) 92.1%	a) N/A b) N/A c) Met

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By Fiscal Year 2011: a) At least 90% of preventive maintenance work orders are completed as scheduled every month; and b) A sustainment rate of 1.0 is achieved.	a) N/A – 2008 Baseline b) N/A – 2008 Baseline	a) N/A b) N/A	a) N/A b) N/A
By FY 2011: Cleaning inspections confirm that: a) Cleaning standards are met at least 90% of the time; b) Cost per square foot for cleaning services does not exceed 110% of industry standards for like facilities; and c) Customer satisfaction with cleaning services is at least 90%.	a) ≥85% b) N/A – 2008 Baseline c) ≥85%	a) 96.3% b) N/A c) 86.3%	a) Met b) N/A c) Met
By FY 2011, utilities are effectively utilized in order that: a) A decrease of 2% per year is achieved in total energy consumption; b) Energy costs per square foot do not exceed 110% of industry standards for like facilities; and c) 90% of our goals, as outlined in the AOC Plan to comply with the Energy Policy Act of 2005, are met.	a) ≤FY03 minus 4% points b) N/A – 2007 Baseline c) 90%	a) 6.7% b) N/A c) 100%	a) Met b) N/A c) Met



Congressional operations are supported through the provision of effective facilities management and related services.

¹ a. Two main LOC buildings (Thomas Jefferson and James Madison Memorial Buildings), LOC Special Facilities Center, National Audio Visual Conservation Center, the Supreme Court, the West Refrigeration Plant Expansion at the Capitol Power Plant, the Plant's major equipment, and miscellaneous Capitol Police facilities were not part of the calculation as these Facility Condition Assessments have not been completed.

b. Tunnels were not part of the calculation since there is a separate and discrete compliance program associated with the tunnels.

c. Bartholdi Park, the Summer House, and Taft Memorial were not part of the calculation as they are considered historic assets and will be part of a separate outcome measure (2.2.2).

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By FY 2008 ² : a) Overall recycling rates for office wastes of the AOC recycling program are increased by 5 percentage points over the FY 2005 baseline (26.8%);	a) N/A	a) 28.6%	a) N/A
b) An off-specification (formerly "contamination") rate for paper of 0% is maintained;	b) N/A	b) 0%	b) N/A
c) Overall tonnage recycled of AOC-managed non-office waste is increased by 3 percent over the FY 2005 baseline (510 tons);	c) N/A	c) 616 tons <i>(21% increase)</i>	c) N/A
d) Customer satisfaction with the overall Senate recycling program ³ is increased by 3 percentage points over the FY 2005 baseline (87%); and	d) N/A	d) 88.2%	d) N/A
e) Customer satisfaction with the House recycling program ⁴ containers is increased by 3 percentage points over the FY 2005 baseline (88%).	e) N/A	e) 76.6%	e) N/A

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By FY 2011: a) Customer satisfaction with grounds care, landscaping, and snow removal is at least 90%; and,	a) ≥85%	a) 90.8%	a) Met
b) Costs do not exceed 110% of industry standards for like facilities.	b) N/A – 2008 Baseline	b) N/A	b) N/A
By Fiscal Year 2011 the condition of roads, sidewalks, pavers, parking lots and storm drains is maintained at an assessment level of good to excellent for 90% of the squares that have been formally assessed via a Facility Condition Assessment.	70%	82.2% ⁵	Met
By FY 2011 fire suppression and detection device testing and inspection standards, as set by the National Fire Protection Association (NFPA), are met 100% of the time.	100%	100%	Met



Customer satisfaction with grounds care and snow removal was achieved at a 90 percent rate or better.

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By FY 2011: a) Requests for routine client services are responded to and completed within established timeframes 90% of the time; b) Customers are notified 100% of the time for any exception; and c) Customer satisfaction with routine client services is at least 90%.	a) N/A – 2008 Baseline b) N/A – 2008 Baseline c) ≥85%	a) N/A b) N/A c) 88.7%	a) N/A b) N/A c) Met
By FY 2011: a) Requests for moving and relocation services, including election-year moves, are responded to and completed within established timeframes 90% of the time; b) Customers are notified 100% of the time for any exception; c) A customer satisfaction rate of at least 90% is achieved for moving and relocation services for non-election year moves; and d) A customer satisfaction rate of at least 90% is achieved for moving and relocation services for election-year moves.	a) N/A – 2008 Baseline b) N/A – 2008 Baseline c) ≥85% d) ≥85%	a) N/A b) N/A c) 90.2% d) Senate 95.8% House 90%	a) N/A b) N/A c) Met d) Met
By FY 2011 customer satisfaction with transportation services is at least 90%.	≥85%	88.4%	Met
By FY 2011: a) Set-up and clean-up times for non-USBG events are met 100% of the time; b) Customer satisfaction with non-USBG event support services is at least 90%; and c) 90% of USBG events are rated as “successful” under standards developed according to procedures detailed in AOC process manual BG-SP5.1 “Events at The U.S. Botanic Garden Conservatory.”	a) N/A – 2010 Baseline b) ≥85% c) ≥85%	a) N/A b) 89.8% c) 88.9%	a) N/A b) Met c) Met

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By FY2011: a) Customer satisfaction with furniture services is at least 90%; and b) Backorder rate is reduced to 0.	a) ≥85% b) 8%	a) 97.4% a) 1.92%	a) Met b) Met
FY 2011: a) Requests for space planning services are responded to and completed within established timeframes 90% of the time; b) Customers are notified 100% of the time for any exception; and c) Customer satisfaction with space planning services is at least 90%.	a) N/A – 2008 Baseline b) N/A – 2008 Baseline c) ≥85%	a) N/A b) N/A c) 88.8%	a) N/A b) N/A c) Met
By FY 2011: a) 90% of all projects ⁶ are on schedule; b) 90% of all projects ⁷ are within budget; c) Government estimate is within +/- 10% of the awarded contract amount 90% of the time ⁸ ; and d) Customer satisfaction for in-house design and construction services is increased to a level of 90%.	a) N/A – 2008 Baseline b) N/A – 2008 Baseline c) N/A – 2008 Baseline d) ≥85%	a) N/A b) N/A c) N/A d) Design Services 91.6% ⁹ Construction Services 89.5% ¹⁰	a) N/A b) N/A c) N/A d) Met

² Recycling goals and metrics are set for 2008 per the current policy in place for those. This is an exception to the remainder of this Plan which has targets for 2011. In addition, the policy does not call for intermediate annual targets and therefore 2007 targets are listed as N/A. However, since we do collect the data for each of those measures we have reported results for informational purposes.

³ Includes Senate Office Buildings and Senate side of Capitol.

⁴ Includes House Office Buildings and House side of Capitol.

⁵ For 2007, roads and catch basins were not included in the calculation as they are not assigned to a square during collection of condition information. The AOC will explore assigning them to squares for future year calculations of this performance metric.

⁶ All construction projects \$200,000 and above managed by an AOC jurisdiction or the Planning and Project Management Division.

⁷ All construction projects \$200,000 and above managed by an AOC jurisdiction or the Planning and Project Management Division.

⁸ All construction projects \$200,000 and above managed by an AOC jurisdiction or the Planning and Project Management Division.

⁹ Based on 10 projects that were evaluated as of March 31, 2008.

¹⁰ Based on 18 projects that were evaluated as of March 31, 2008.

2007 Results

This section provides details for performance targets that the AOC did not meet in 2007 and what the AOC is doing to improve in the future.

Facility condition

The AOC did not meet our target for the Facility Conditions Index (FCI) this year. The primary reason this target was not met is the condition of the Rayburn House Office Building garage. There are a significant amount of concrete repairs required in the garage that reduces the overall facility condition index for the structures under the AOC’s care. The Rayburn garage repairs will be done in the future to improve the FCI. In addition, the AOC recently completed the Facility Condition Assessment for the John Adams Building. This assessment confirms the building is in poor condition—as measured by its Facility Condition Index. We have begun to address the needs for deferred maintenance in the 2009 fiscal year budget request and will continue to do so in future years.

GOAL 2 - HERITAGE ASSET STEWARDSHIP

The national treasures entrusted to the care of the Office of the Architect of the Capitol are maintained and preserved for present and future generations and visitors to the Capitol complex are provided an informative and inspiring experience.

In order to achieve our goal, we focused on three objectives:

Objective 2.1 – Preservation of Heritage Collections – Fine and decorative art, historic artifacts and records, living collections, and other heritage assets under the jurisdiction of the AOC are catalogued, documented, and preserved in good condition.

Objective 2.2 – Preservation of Historic Buildings, Landscape, and Architectural Features – Historic building, landscape, and architectural features in the Capitol complex are preserved in good condition.

Objective 2.3 – Heritage Asset Presentation – Capitol complex visitors are provided with high-quality interpretive exhibits and programs.

Performance Achievements

Objective 2.1 – Preservation of Heritage Collections

- Implemented the AOC Preservation Policy and appointed the Historic Preservation Officer.

Objective 2.2 – Preservation of Historic Buildings, Landscape, and Architectural Features

- Documented our inventory list, refined inventory schedules, and explored technology to integrate inventory with related systems.

- Implemented the AOC Preservation Policy and integrated the role of the Historic Preservation Officer into jurisdictional meetings.

Objective 2.3 – Heritage Asset Presentation

- Enhanced the U.S. Botanic Garden website content.
- Explored multi-media opportunities for presenting information about heritage assets.

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By FY 2011: a) 80% of fine and decorative art, historic artifacts and records, living collections, and other heritage assets are documented and their current condition, assessed for present and future restoration efforts, and preservation priorities are identified; and b) Heritage asset documentation is updated according to its schedule schedule 90% of the time.	a) N/A– 2008 Baseline b) N/A – 2008 Baseline	a) N/A b) N/A	a) N/A b) N/A
By FY 2011, 80% of fine and decorative art, historic artifacts and records, living collections, and other heritage assets are maintained in good condition according to the criteria in our standards document, the AOC Performance and Accountability Report, Stewardship Report section.	N/A – 2008 Baseline	N/A	N/A
By FY 2011, and each year thereafter, conservation concerns of fine and decorative art, historic artifacts and records, living collections, and other heritage assets are addressed in 95% of all minor and major construction, public events, and ongoing facilities maintenance work where identified and as applicable.	N/A – 2008 Baseline	N/A	N/A

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By FY 2011: a) 80% of all historic buildings, landscape, and architectural features are documented and their current condition assessed for present and future restoration efforts and preservation priorities have been identified; and b) Heritage asset documentation is updated according to its schedule 90% of the time.	a) N/A – 2008 Baseline b) N/A – 2008 Baseline	a) N/A b) N/A	a) N/A b) N/A
By FY 2011, 80% of historic buildings, landscape, and architectural features are maintained in good condition according to the criteria in our standards document, the Facilities Condition Assessments.	N/A – 2009 Baseline	N/A	N/A
By FY 2011, and each year thereafter, historic preservation concerns of historic buildings, landscape, and architectural features are addressed in 95% of all minor and major construction, public events, and ongoing facilities maintenance work where identified and as applicable.	N/A – 2008 Baseline	N/A	N/A
By FY 2011 an average overall rating of at least 90% is achieved on the recurring visitor satisfaction survey for interpretive exhibits and interpretive programs.	N/A – 2009 Baseline	N/A	N/A

2007 Results

There were no Performance Plan measures with a 2007 target. The heritage asset stewardship approach outlined in the fiscal year 2007 through fiscal year 2011 Strategic Plan represents a much more robust effort for assessing and documenting heritage collections. During 2007, the processes and procedures were finalized via the Preservation Policy, to be implemented in early 2008.

GOAL 3 - LEADERSHIP AND ADMINISTRATIVE SUPPORT

The responsibilities of the Office of the Architect of the Capitol are fulfilled efficiently and effectively, and accountability is enhanced, through the provision of high-quality leadership and administrative support services.

Objective 3.1 – Leadership – The AOC’s executive leadership and administration establishes clearly defined goals and effective strategies, and the coordination of support systems, so as to maximize the AOC’s mission performance and accountability.

Objective 3.2 – People – AOC staff is enabled to support the achievement of AOC goals by the promotion of a work environment that fosters equal employment opportunity, organizational and individual performance, and professional development.

Objective 3.3 – Information – AOC staff leverages information technology and communications to improve AOC’s mission performance.

Objective 3.4 – Fiscal – Financial services are provided in a customer-focused and value-creating manner and foster a culture of high integrity and accountability.

Objective 3.5 – Material – Responsive, quality, cost-effective, and accountable procurement and inventory management is provided to meet the Agency’s service and supply needs.

Objective 3.6 – Safety, Fire, Security, Emergency Preparedness, and Environmental Services – AOC resources are protected through effective safety, fire, security, emergency preparedness, and environmental services.

Performance Achievements

Objective 3.1 – Leadership

- Continued implementation of customer service training to internal service provider employees.
- Continued evaluation of executive information systems.

Objective 3.2 – People

- Established key cycle time measures for various personnel-related services in the Budget, Human Resources Management, and Workforce Planning and Management divisions.

Objective 3.3 – Information

- Instituted customized customer service training for IT help desk staff.
- Established a new IT governance structure.
- Promoted the purpose of the Employee Advisory Council via a renewed promotion campaign.
- Developed and implemented congressional protocols.
- Developed guidelines for media relations.

Objective 3.4 – Fiscal

- Established key cycle time measure for various financial services for the Accounting, Budget, and Financial Management Systems divisions.
- Introduced, piloted, and rolled-out the Management Operations Reporting (cost accounting) activity code taxonomy to provide a necessary framework for cost accounting at the AOC.
- Issued the first annual financial statements for major programs and/or business segments.
- Developed a monitoring mechanism for contracts that use bulk funding.

Objective 3.5 – Material

- Established key cycle time measures for various procurement services.
- Reviewed the operational needs of the jurisdictions to identify opportunities to establish additional contractual vehicles, consolidate requirements where applicable, and award contracts that can be used by multiple AOC jurisdictions and/or Legislative Branch agencies.
- Initiated policy and legislative changes necessary to enable new methods and/or flexibility for contracting and purchasing.
- Surveyed contractors to identify barriers to efficiency and cost-effectiveness.
- Enhanced access to and content of procurement information through the Procurement Overview Portal (POP).
- Identified refresher courses to improve the (COTR-related) contracting knowledge of AOC staff.
- Trained inventory personnel on the Inventory Control System ordering process.

Objective 3.6 – Safety, Fire, Security, Emergency Preparedness, and Environmental Services

- Published Hazard Assessment and Control Policy, establishing requirement to assess safety hazards and risks, develop a system for prioritization, and ensure that the identification, control and elimination of hazards is made a part of routine planning and operating activities.
- Developed baseline environmental risk assessment code data.
- Developed a central framework that defines the minimum requirements for jurisdiction and central support staff emergency preparedness plans.
- Established key cycle time measures for various safety, fire, security, emergency preparedness, and environmental services.

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By FY 2011 AOC efficiency and effectiveness results in the achievement of 90% of Strategic Plan outcome measures.	80%	76%	Not Met
By FY 2011 our workforce is aligned with future needs as defined in the Strategic Workforce Plan so that the gap between current competencies and anticipated competencies is no greater than 10% within each budget cycle.	N/A – 2008 Baseline	N/A	N/A
By FY 2011 an average employee satisfaction rating with how the AOC is improving of at least 90% is achieved on the biennial employee feedback assessment.	N/A – 2008 Baseline	N/A	N/A

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By FY 2011: a) 90% of claims are closed within 90 days, in accordance with the Conciliation Program policy; b) Customers are notified 100% of the time for any exception; and c) 100% of affirmative employment initiatives approved by executive management/superintendents are implemented AOC-wide.	a) 85% b) 100% c) 100%	a) 93.9% b) 100% c) N/A ¹¹	a) Met b) Met c) Met
By FY 2011: a) Timely response to personnel needs is ensured by meeting 90% of the cycle time measures for various personnel-related services ¹² as defined in the AOC operational dashboard; and b) An average rating of at least 90% is achieved on the recurring survey for satisfaction with personnel-related services.	a) 85% b) N/A – 2009 Baseline	a) 50% ¹³ b) N/A	a) Not Met b) N/A
By FY 2011: a) Requests for information technology services are responded to and completed within established timeframes 90% of the time; b) Customers are notified 100% of the time for any exception; c) An average rating of at least 90% is achieved on the recurring survey for satisfaction with IT services; and d) During core hours ¹⁴ (6 a.m. to 6 p.m.), mission-critical systems are available 98% of the time, mission-essential systems are available 95% of the time, and mission-support systems are available 90% of the time.	a) N/A – 2008 Baseline b) N/A – 2008 Baseline c) N/A – 2009 Baseline d) 98%/95%/90%	a) N/A b) N/A c) N/A d) 99.6%/99.7%/99.3%	a) N/A b) N/A c) N/A d) Met

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By FY 2011: a) Achieve level 5 of the GAO Information Technology Investment Management certification and maintain thereafter; b) Achieve at least level 3 of the Capability Maturity Model Integration (CMMI) certification; and c) By FY 2007, achieve level 5 of the GAO Enterprise Architecture Maturity Framework (EAMMF) and maintain thereafter.	a) Level 2 b) N/A – 2008 Baseline a) Level 5	a) Level 2 b) N/A a) Level 3	Met b) N/A Not Met
By FY 2011 an average rating of at least 90% is achieved on the biennial AOC employee feedback assessment for satisfaction with internal communications.	N/A – 2008 Baseline	N/A	N/A
By FY 2011 an average rating of at least 90% is achieved on the recurring survey for effective external communication.	N/A – 2009 Baseline	N/A	N/A
By FY 2011: a) Timely response to financial services is ensured by meeting 90% of the cycle time measures for various financial services as defined in the AOC operational dashboard; and b) An average rating of at least 90% is achieved on the recurring survey for satisfaction with useful timely financial information provided to manage programs.	a) N/A – 2008 Baseline b) N/A – 2009 Baseline	a) N/A b) N/A	a) N/A b) N/A

¹¹ The Affirmative Employment Program policy was developed in 2007 and reviewed. It is currently pending approval and therefore does not count as an 2007 initiative.

¹² Covers services provided by the Budget, Human Resources Management, and Workforce Planning and Management divisions.

¹³ The 2007 yearly average for number of days to hire temporary and permanent positions are the two measures reflected at this time – the average number of days to hire temporary positions was not met, hence the 50 percent result; cycle time measures for Budget and Workforce Planning and Management have not been placed on the operational dashboard yet.

¹⁴ In 2007, core hours were defined as 7am-5pm due to the continuing resolution.

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By FY 2011: a) Jurisdictional obligation rate targets for annual funds are met 100% of the time; and b) FY2003-2007 multi-year fund targets are met 95% of the time; c) FY 2004-2008 multi-year fund targets are met 95% of the time; d) FY 2005-2009 multi-year fund targets are met 95% of the time; e) FY 2006-2010 multi-year fund targets are met 95% of the time; f) FY 2006-2011 multi-year fund targets are met 95% of the time; and g) FY 2007-2011 multi-year fund targets are met 95% of the time.	a) 100% b) 95% c) 95% d) 95% e) 95% f) 95% g) 95%	a) 9% b) 100% c) 25% d) 50% e) 43% f) 100% g) 0%	a) Not Met b) Met c) Not Met d) Not Met e) Not Met f) Met g) Not Met
By FY 2007, and each year thereafter: a) A clean audit opinion is received; and b) 80% of internal control and audit weaknesses are resolved within one year.	a) Clean b) 80%	a) Clean b) 60%	a) Met b) Not Met
By FY 2011: a) Timely response to procurement needs is ensured by meeting 90% of the cycle time measures for various procurement services as defined in the AOC operational dashboard; b) An average rating of at least 90% is achieved on the recurring survey for satisfaction with procurement services; c) Final contract cost does not exceed original cost by more than 15% for 85% of contracts ¹⁵ ; and d) Final contract schedule does not exceed original schedule ¹⁶ by more than 10% for 85% of contracts.	a) 85% b) N/A – 2009 Baseline c) N/A – 2009 Baseline d) N/A – 2009 Baseline	a) 100% b) N/A c) N/A d) N/A	a) Met b) N/A c) N/A d) N/A
By FY 2011 the inventory usage ratio is maintained at a level of 1.0.	1.50	1.21	Met

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
By FY 2007, and each year thereafter, a) The injury and illness rate is reduced by 3% over the previous year; b) The lost time case rate by 3%; and c) The number of lost productions days due to work-related injuries and illnesses by 1% over the previous year.	a) 2006 less 3% (4.73%) b) 2006 less 3% (3.07%) c) 2006 less 1% ¹⁷ (4,775 hrs)	a) Reduction of 9.63% b) Reduction of 16.77% c) Reduction of 28.67% (total hours = 3,441)	a) Met b) Met c) Met
By FY 2011 the overall risk assessment code rating is improved by one rating level from the baseline for environmental findings.	N/A – 2007 Baseline	N/A	N/A
By FY 2011: a) 100% of jurisdictional emergency preparedness plans are revised to follow the central framework; b) 100% of employees with designated roles in emergency preparedness are trained; and c) Drills exercising jurisdiction plans (following the central framework) that include all employees (all shifts) are conducted at least once per year.	a) N/A b) N/A c) N/A	a) N/A b) N/A c) N/A	a) N/A b) N/A c) N/A
By FY 2011: a) Timely response to safety, fire, security, emergency preparedness, and environmental services needs is ensured by meeting 90% of safety, 90% of fire, 90% of security, 90% of emergency preparedness, and 90% of environmental service cycle times as defined in the AOC operational dashboard; and	a) N/A – 2008 Baseline	a) N/A	a) N/A

¹⁵ A baseline will be set in FY09 for construction projects only; FY2010 targets will include both construction and service contracts.

¹⁶ A baseline will be set in FY09 for construction projects only; FY2010 targets will include both construction and service contracts.

¹⁷ Note that actual results are based on hours of Continuation of Pay paid through payroll.

Performance Measures

Measure	2007 Target	2007 Result	2007 Target Achieved
b) An average rating of at least 90% is achieved on the recurring survey for satisfaction with safety, fire, security, emergency preparedness, and environmental services.	b) N/A – 2009 Baseline	b) N/A	b) N/A

2007 Results

This section provides details for performance targets that we did not meet in 2007 and what we are doing to improve in the future.

Average number of days to hire temporary positions

The average number of days to hire temporary positions was not met in 2007. The target was 60 days and the 2007 average was 61 days. This was due to several factors. In two instances the positions required classification which was not considered as a process step in setting the goal. Three instances were candidate related (e.g. suitability issues and timeliness of completing application). In 2008, the AOC plans to review the measure definition to determine if there is a measure that better reflects the steps required in the process; consider returning incomplete requests or customer “holds” after a specified number of days in order to improve cycle time; and continuing to highlight specific issues that extend the cycle time in the dashboard metrics meeting with customers. Issues related to suitability are beyond the control of the process owner or the customer. The AOC will also consider whether actions with prolonged suitability issues (e.g. a specified number of days) should not be counted toward the measure.

GAO Enterprise Architecture Management Maturity Framework

Our goal to achieve level 5 of the GAO Enterprise Architecture Management Maturity Framework (EAMMF) was not achieved. However, the AOC is well on our way to moving to level 5. Most items to qualify for levels 4 and 5 have been completed; only 15 percent of the work remains. The specific items remaining are completing the as-is and to-be architecture descriptions in terms of AOC performance, and measuring and reporting EA return on investments and compliance. The AOC has plans in place to achieve these in 2009.

Obligation rates

The AOC met our end-of-year obligation goals (of 100 percent obligated) just 9 percent of the time. It is unlikely that an organization can make the 100 percent obligation goal due to obligations such as payroll that lag. The AOC did not meet our goals for a number of multi-year accounts (specifically, 2004-2008, 2005-2009, 2006-2010, and 2007-2011). There are numerous reasons for this, including delays in submitting and gaining approval for 2007 Operating

Plans, the 2007 full-year Continuing Resolution, delays in initiating projects, leasing issues, and some continued delays in developing and implementing Jurisdiction Plans as part of the Capitol Complex Master Plan.

Resolving internal control and audit weaknesses

The AOC did not meet our target for resolving internal control and audit weaknesses within one year. The three internal control weaknesses identified in the annual audit have been partially resolved. Details are as follows.

- 1 - **Internal Control Assessments** - Some progress has been made in this area. For example, the cycle memos process was implemented in 2007.
- 2 - **Reconciliation of Payroll** - Substantial progress has been made in this area. This task should be complete by the fourth quarter of 2008.
- 3 - **Purchase to Disbursement Process**
 - a - Budget Object Code (BOC) Training for Requisitioners - No work started;
 - b - Regular review of Construction in Process projects with managers – Resolved;
 - c - Limiting access to the vendor database in our Financial Management Systems (FMS) - Partially complete.

The accounting division expects to complete weakness number 3c (limiting access to the vendor database in FMS) during the third quarter of 2008. Weakness number 1 (Internal Control Assessments), weakness number 2 (reconciliation of payroll) and weakness number 3a (BOC Training for Requisitioner) should be resolved by the fourth quarter of 2008.

Looking Toward the Future: 2008 and Beyond

The implementation of our *Strategic and Performance Plan: Fiscal Year 2007 – Fiscal Year 2011* enhanced the AOC’s focus on results by outlining key performance indicators in each of our mission and support services areas. Moreover, the AOC introduced, piloted, and rolled out a cost accounting taxonomy that will make it possible to map cost and performance data to strategic goals in subsequent years. These two critical steps will move us toward performance-based budgeting. Utilizing information gathered in 2007, as a complement to our standard budget submission, the AOC will submit a performance-informed budget in 2009 that links requested funding, the strategic plan, and key performance results.



SECTION III
Financial Information

A Message from the Audit Committee

The Audit Committee of the Architect of the Capitol (AOC) was established on April 4, 2003. The five-member Audit Committee assists the Architect of the Capitol in fulfilling its fiduciary responsibilities by providing an independent review of the financial statement audit process and facilitating open disclosure and transparency. The Committee was created by the AOC as a best business practice and was not mandated or established by statute.

The Committee meets regularly with the AOC's management and its internal and external auditors to review and discuss the AOC's external financial audit coverage, the effectiveness of the AOC's internal controls over its financial operations, and its compliance with certain laws and regulations that could materially impact their financial statements. The external auditors are responsible for expressing an opinion on the conformity of the AOC's audited financial statements with generally accepted accounting principles. The Committee reviews the findings of the internal and external auditors, and the AOC's responses to those findings, to ensure its plan for corrective action includes appropriate and timely follow-up measures. In addition, the Committee reviews the annual Performance and Accountability Report, including the financial statements, and provides comments to the AOC's management, which has primary responsibility for the report.

We met four times during the past year, from January 16, 2007 through December 5, 2007, and discussed a number of items jointly with management, the AOC Inspector General, and the external auditors, Kearney & Company. We also met independently with the Acting Architect of the Capitol, Inspector General, Chief Financial Officer, and Accounting Officers. Management proposed, and the Committee agreed, that the 2007 audit would be a full audit of all four principal financial statements with comparative presentations. We also concurred with management's decision to defer a request for the external auditor to provide an opinion on the internal controls. This decision is based on a government-wide on-going discussion with the Government Accountability Office (GAO) referencing internal control audits.

At the start of the Fiscal Year 2007 audit, we discussed the overall scope of work and the audit plans of the external auditors and AOC Inspector General. The Committee had several discussions regarding the audit in order to ensure independence and objectivity in the audit process. We reviewed the Inspector General's audit plan and reviewed the status of the 2006 audit findings.

The Committee also discussed the staffing challenges facing the Chief Financial Officer. Resources and proper planning are essential to ensure that a financial staff capable of sustaining recent accountability improvements and making future gains in critical areas (e.g. Internal Control Program) is in place.

For the annual leave and timekeeping controls and issues related to employee pay, we reviewed the auditor's findings with the AOC's policies and discussed ways to strengthen controls with the AOC. A major concern of the Committee is the progress made with the assessment, evaluation, and implementation of the Internal Control Program and its progress on implementing compensating controls to address their reliance on payroll data that has been processed by NFC that may be inaccurate.

Sincerely,

Dr. Michael J. Riley
Chair and Voting Member

Michael F. Lampley
Voting Member

John D. Webster
Voting Member

Independent Auditor's Report

To the Architect of the Capitol

We have audited the accompanying balance sheets of the Architect of the Capitol (AOC) as of September 30, 2007 and 2006, and the related statements of net cost, statements of changes in net position, and statements of budgetary resources for the years then ended. These financial statements are the responsibility of AOC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of AOC at September 30, 2007 and 2006, and its net cost of operations, changes in net position, and budgetary resources for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated January 16, 2008 on our consideration of AOC's internal control over financial reporting, and compliance and other matters for the year ended September 30, 2007. The purpose of these reports is to describe the scope of our internal control testing over financial reporting and compliance and the results of that testing. The purpose of these reports is not to provide an opinion on the internal control over financial reporting or on compliance. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



January 16, 2008
Alexandria, Virginia

Independent Auditor's Report on Internal Control

To the Architect of the Capitol

We have audited the financial statements of the Architect of the Capitol (AOC) as of and for the year ended September 30, 2007, and have issued our report dated January 16, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*. The management of AOC is responsible for maintaining effective internal control over financial reporting.

In planning and performing our audit, we considered AOC's internal control over financial reporting by obtaining an understanding of the design effectiveness of AOC's internal control, determining whether these controls had been placed in operation, assessing control risk, and performing tests of AOC's controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal controls. Accordingly, we do not express an opinion on the effectiveness of AOC's internal control over financial reporting.

We limited our control testing to those controls necessary to achieve the following OMB control objectives that provide reasonable, but not absolute assurance, that: (1) transactions are properly recorded, processed, and summarized to permit the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition; (2) transactions are executed in compliance with laws governing the use of budget authority, government-wide policies and laws identified in Appendix E of OMB Bulletin No. 07-04, and other laws and regulations that could have a direct and material effect on the financial statements; and (3) transactions and other data that support reported performance measures are properly recorded, processed, and summarized to permit the preparation of performance information in accordance with criteria stated by management. We did not test all internal controls relevant to the operating objectives broadly defined by the Federal Managers' Financial Integrity Act of 1982.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination

of control deficiencies, that adversely affects AOC's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of AOC's financial statements that is more than inconsequential will not be prevented or detected by AOC's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by AOC's internal control. Our consideration of internal control was for the limited purpose described in the second paragraph of this report and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We noted three matters, discussed below, involving the internal control and its operation that we consider to be material weaknesses.

MATERIAL WEAKNESSES

1. Internal Control Assessments (Repeat Condition)

AOC has not completed a formal and systematic assessment and evaluation of the design and operation of internal controls. As of September 30, 2007, AOC has completed an assessment of the procure to pay process, and has partially completed the human resource, time and attendance, and project management processes. In the absence of a complete assessment, AOC cannot determine if its current internal control design mitigates existing risks and effectively safeguards assets.

Recommendation - We recommend that AOC complete and document internal control assessments that evaluate the effectiveness of the design and operation of its internal control structure, including the identification of risks to material accounts and the existence of internal controls to mitigate those risks. Although AOC is not subject to OMB Circular A-123, *Management's Responsibility for Internal Control*, we recommend that AOC consult the "Implementation Guide for OMB Circular A-123, Appendix A, Internal Control over Financial Reporting" (the Guide). The Guide was issued by the Chief Financial Officer's Council in May 2005. The Guide includes guidance to enable management to evaluate internal controls and monitor and test these controls throughout the year.

2. Risk Assessment Updates (Repeat Condition)

The AOC internal control environment does not have a formal, documented process to monitor the internal and external environment, identify changing risk profiles, or respond accordingly. Specifically, AOC did not implement additional controls to reconcile the payroll data transmitted to and received from the National Finance Center (NFC), as recommended by NFC as an appendix to its qualified SAS 70 opinion. While several employees performed additional tests in response to the event, the actions were predicated on individual efforts, as compared to a repeatable and sustainable systemic effort.

Recommendation - We recommend that AOC develop a component in the internal control structure to monitor and identify changing risks. Also, AOC should reconcile NFC payroll data transmission to data receipt including, at a minimum, jurisdictional employees and hours.

3. Internal Control Design and Management of the Purchase to Disbursement Process (Modified Repeat Condition)

No organization/entity within AOC is accountable for the collective purchase to disbursement process. AOC has decentralized many components of the purchase and disbursement process, including initiating and coding requisitions, purchase authorizations, receiving, and disbursement approvals. Within a decentralized process, this lack of central monitoring and oversight results in a weakened control environment. This lack of internal control oversight and financial information integration includes the following:

- Seven individuals from two divisions had access and the ability to modify the vendor database with no process to ensure the propriety and accuracy of changes. In addition, supervisors did not approve vendor requests before new vendors were created in the system. Changes and modifications to the vendor database directly affect those to whom AOC can disburse funds.
- The jurisdictions' purchasing agents enter Budget Object Codes (BOCs) into purchase requisitions. However, the purchasing agents have received no financial training and have no written guidance to ensure consistent coding of transactions. Subsequent financial reporting and analyses is predicated upon the original coding. Additionally, AOC cannot readily search the financial records for certain transaction types, such as leases.
- AOC does not have a formal process to regularly review Construction Work in Progress projects with Project Managers after the project is initially established to ensure that accounting treatment is consistent with actual project activity. We identified one project, which contained a component that did not qualify for capitalization. We also questioned the proper capitalization of approximately ten other projects. While AOC was later able to justify the capitalization, AOC conducted the research in response to our queries, instead of as an integral component of the financial statement preparation process.

Recommendation- We recommend that AOC assign formal authority for oversight and monitoring of the process, including risk assessments and control design. This assessment should focus on interchange points between all process participants to ensure that financial statement risks are adequately mitigated. We also recommend limiting access to the vendor database to a select number of individuals, and that proposed changes be reviewed and approved before data entry. Data entry should also be reviewed for accuracy by a bipartisan, third party.

SIGNIFICANT DEFICIENCIES

1. Information System Controls (Repeat Condition)

We evaluated AOC's information system general controls following guidance provided by the National Institute of Standards and Technology (NIST) and the Government Accountability Office's (GAO) Federal Information System Controls Audit Manual (FISCAM). We provided a detailed report, as well as a prioritization of findings, under separate cover. For detailed descriptions of and recommendations for these findings, refer to the separately issued report.

We continue to identify areas for improvement in the implementation of AOC's security program as a result of the absence of key security personnel, such as the Chief Information Security Officer (CISO). However, AOC's incumbent CISO has made progress in improving its overall security program over the past few months. Progress includes the following:

- Initiating a plan for improvement; actions currently in progress include:
 - Identification of threats, analysis of impacts, determination of risks, recommendation of controls
 - Reviews of past risk assessment results, certification and accreditation (C&A) documentation, and third-party control assessments (SAS 70)
- Revising AOC's Information Security Program Policy and related procedures
- Improving controls over the modification of application software
- Developing an Interconnection Security Agreement with third-party service providers
- Initiating a Security Awareness Training plan
- Developing a C&A completion action plan and timeline.

While these efforts are important to reducing risk associated with identified deficiencies, they do not substantially change the information technology (IT) control environment.

Having noted improvements, AOC still has areas of weakness that need to be addressed. Some of the salient findings from that report appear below. Findings are reported under the following general categories:

- Entity-wide Security Program (SP)
- Access Control (AC)
- Service Continuity (SC).

Entity-wide-Security Program

This category provides a framework and continuing cycle of activity for managing risk, developing security policies, assigning responsibilities, and monitoring the adequacy of the entity's computer-related controls. We noted weaknesses in the following areas relating to AOC's entity-wide SP:

- Risk assessments for financial and core operational components
- Information Systems Security Plans (ISSP) are not fully implemented
- Incident response procedures
- Detailed hiring procedures
- Security awareness and technical security training
- Effectiveness of corrective action process.

Access Control

Controls within this category limit or detect access to computer resources (i.e., data, programs, equipment and facilities), thereby protecting these resources against unauthorized modification, loss, and disclosure. We noted weaknesses in the following areas relating to the AOC's AC:

- Defining and documenting user profiles
- De-provisioning and reassessing user accounts and assigned privileges
- Administration of special access privileges and the control of emergency and temporary authorizations
- Implementing tools and formalizing procedures for the handling of security violations.

Service Continuity

The controls in this category prevent loss of the capability to process, retrieve, and protect information maintained electronically. In prior years, we noted weaknesses related to the comprehensive Continuity of Operations Plan (COOP) and/or Disaster Recovery Plan (DRP). For the current year, we noted that AOC made improvements in this area by developing procedures for restoring IT services, backing up data, and performing testing of failover procedures. However, AOC needs to define continuity planning for major applications to ensure business-related activities can resume in a timely manner.

Recommendation - We recommend that AOC perform the following:

- Conduct a comprehensive risk assessment using NIST SP 800-30 methodology to identify risks and implement appropriate mitigating controls to address the vulnerabilities including those identified in SAS 70 audit reports
- Complete the implementation of the security plans
- Revise customer help desk incident response procedures to include responsibilities for security incident response
- Define IT division (ITD) positions, including level of sensitivity
- Require all AOC employees to receive annual security awareness training as well as require IT security staff to receive specialized training for assigned job duties and maintain evidence of such training
- Develop a formal process to address observations from security reviews, which should include independent evaluation of the corrective action
- Document user profiles and include them in the system security plans

- Develop and implement user account management procedures to ensure timely removal or modification of user accounts and assigned privileges
- Implement monitoring procedures in accordance with NTST SP 800-92, to ensure network management is compliant with ITD policies and procedures
- Implement network management tools and procedures to enhance control
- Continue to develop a comprehensive COOP/DRP, perform tests of the plans, and make necessary changes based on results.

2. Time Recordation, Processing, and Approval Procedures (Repeat Condition)

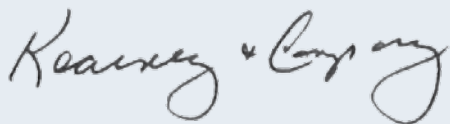
We identified the following instances in which AOC time recordation and payroll was not properly authorized:

- Out of a sample of seventy-eight, thirty employees were either missing an overtime approval form, did not have the required authorizing signature, or did not obtain approval before the overtime was taken
- Out of a sample of seventy-eight, twelve leave request forms were not approved prior to the leave being taken.

Recommendation - We recommend that AOC ensure that policies concerning the approval and entering of time are strictly enforced.

We also identified other, less significant matters that will be reported to AOC's management in a separate letter.

This report is intended solely for the information and use of the Office of Inspector General of AOC, AOC management, GAO, and the U.S. Congress, and is not intended to be, and should not be used by anyone other than these specified parties.



January 16, 2008
Alexandria, Virginia

Independent Auditor's Report on Compliance

To the Architect of the Capitol

We have audited the financial statements of the Architect of the Capitol (AOC) as of and for the year ended September 30, 2007, and have issued our report dated January 16, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*. The management of the AOC is responsible for compliance with laws and regulations.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with laws and regulations including laws governing the use of budgetary authority, laws, regulations, and government-wide policies identified in Appendix E of OMB Bulletin No. 07-04 and other laws, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. We limited our tests of compliance to these provisions and did not test compliance with all laws and regulations applicable to AOC. However, providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit, and, accordingly, we do not express such an opinion.

The results of our tests disclosed two instances of noncompliance, described below, with laws and regulations or other matters that are required to be reported upon under *Government Auditing Standards* and OMB Bulletin No. 07-04.

- AOC was not compliant with the Congressional Accountability Act (CAA) of 1995. In the CAA, Congress made its facilities and employees subject to the same safety laws that apply outside of the Legislative Branch. In 1997, other provisions of the CAA applied fire safety standards to Congressional buildings, including the buildings of AOC. The Office of Compliance has conducted ongoing safety investigations since the inception of the Act, which have identified numerous safety hazards in several of AOC's buildings.
- AOC is responsible for maintenance of the utility tunnels which run from the Capitol Power Plant to the House and Senate office buildings, United States Capitol, and other surrounding buildings. In January 2006, the Office of Compliance issued citations resulting from its July 2005 investigation, which alleged violations of the Occupational Health and Safety Act. These citations addressed the following:
 - Employee exposure to heat stress conditions

- Monitoring of employees potentially exposed to airborne concentrations of asbestos
- Notifying employees about the presence and location of materials containing asbestos
- Labeling of materials containing asbestos
- Maintaining surfaces free of asbestos waste, debris, and dust.

This report is intended solely for the information and use of the AOC Office of Inspector General, AOC management, OMB, Government Accountability Office, and Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.



January 16, 2008
Alexandria, Virginia

Financial Statements

OVERVIEW OF FINANCIAL STATEMENTS

The AOC's financial statements and accompanying notes begin on page 90. The balance sheets ended September 30, 2007 and 2006 were audited by Kearney & Company, along with the accompanying statements of Net Cost, Changes in Net Position, and Budgetary Resources, with a clean opinion issued for all statements.

The AOC's established internal control over financial reporting is broadly defined as a process that effects both the organization's management and its personnel. It is management's assessment that our internal control system is designed and implemented to provide reasonable assurance regarding the achievement of certain objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

Reasonable assurance, while not absolute, is nonetheless a high level of assurance. It includes the understanding that there is a remote likelihood that material misstatements, due to inherent limitations, will not be prevented or detected on a timely basis.

GUIDE TO THE FINANCIAL STATEMENTS

During the early 1990's, several congressional acts were enacted which mandated the Executive Branch provide better accountability to the American people, adopt uniform federal accounting and reporting standards, as well as provide tools to better manage their financial resources. The AOC is a Legislative Branch organization and has voluntarily adopted many of the best business practices implemented by the Executive Branch. In 2002, the AOC produced its first set of financial statements. The full set of financial statements includes a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources. The AOC's statements are compiled using Office of Management and Budget (OMB) guidance (Bulletin No. 01-09 and Circular A-136), and the Financial Accounting Standards Advisory Board (FASAB) standards, concepts, and interpretations as the measuring criteria.

The AOC prepares all principal annual financial statements as required by the Chief Financial Officer's Act of 1990, as amended by the Government Management Reporting Act (GMRA) of 1994. The financial statements summarize the financial position and activity of the organization. During 2003 and 2004, the AOC produced audited balance sheets that received unqualified (clean) opinions. For 2005 and 2006, the full financial statement package was audited for the first time, also resulting

in clean opinions. The AOC once again received an unqualified (clean) audit opinion for its 2007 financial statements.

PURPOSE OF THE FINANCIAL STATEMENTS

Balance Sheet

The balance sheet displays amounts of future economic benefits owned or managed by the reporting entity (Assets), amounts owed by the entity (Liabilities), and amounts which comprise the difference (Net Position) as of a specific date. This statement provides a snapshot of the entity's financial position since inception. In order for the balance sheet to balance, the top of the balance sheet (Total Assets) must equal the bottom (Total Liabilities plus Net Position).

Statement of Net Cost

The statement of net cost is designed to display, in clear terms, the net cost of the reporting entity's operations for the period. Net cost includes total costs less all revenues attributed to a program and permitted to be offset against those program costs. At the present time, the AOC presents net costs by jurisdiction; in the future, it may present net costs by program. A program might be generally defined as a major activity or operation within a department and agency, which could be associated with one or more appropriations.

The AOC's main revenues are for providing steam and chilled water to entities within the Capitol complex, and for rent received from the Administrative Office of the U.S. Courts for the Thurgood Marshall Federal Judiciary Building.

Statement of Changes in Net Position

The statement of changes in net position identifies all financing sources available to, or used by, the AOC to support its net cost of operations and also identifies the net effect or change in its financial position. Net position has two components: Cumulative Results of Operations and Unexpended Appropriations. The statement is designed to display each component separately to enable the user to better understand the nature of changes to net position as a whole. The primary difference between the two components is that Cumulative Results of Operations reflects activity that has already occurred and Unexpended

Appropriations is that portion of appropriations still to be used.

Both components of net position are also reflected as line items on the balance sheet. Certain other line items are also presented on the statement of budgetary resources. The Net Cost of Operations line ties directly to the statement of net cost.

Statement of Budgetary Resources

The statement of budgetary resources provides data on how the AOC obtained its budgetary resources and the status of these resources at the end of the reporting period. On this statement, the first thing to notice is that the line "Total Budgetary Resources" equals the line "Total Status of Budgetary Resources." This is a key budgetary equation and provides information on the status of congressional spending authority.



ARCHITECT OF THE CAPITOL
Balance Sheets

As of September 30, 2007 and 2006
(\$ in Thousands)

	Fiscal Year 2007	Fiscal Year 2006
ASSETS		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	\$571,932	\$632,235
Investments (Note 3)	150	1,392
Accounts Receivable (Note 4)	1,659	1,461
Total Intragovernmental Assets	<u>573,741</u>	<u>635,088</u>
Investments (Note 3)	34,635	33,202
Accounts Receivable (Note 4)	126	139
Property and Equipment, Net (Note 5)	1,812,518	1,615,800
Other Assets (Note 6)	4	16
AOC Heritage Collections (Notes 1J and 16)	-	-
TOTAL ASSETS	<u>\$2,421,024</u>	<u>\$2,284,245</u>
LIABILITIES		
Intragovernmental Liabilities:		
Accounts Payable (Note 7)	\$222	\$363
Accrued Unfunded Workers' Compensation (Notes 7 and 8)	8,499	8,560
Other Liabilities (Note 7)	1,670	58
Total Intragovernmental Liabilities	<u>10,391</u>	<u>8,981</u>
Accounts Payable (Note 7)	3,085	9,951
Debt Held by the Public (Note 9)	152,305	156,167
Actuarial Unfunded Workers' Compensation (Note 8)	44,435	46,938
Contingent and Environmental Liabilities (Note 10)	98,800	38,694
Accrued Annual Leave and Other (Note 8)	14,680	13,689
Capital Lease Liability (Note 12)	32,052	47,753
Contract Holdbacks (Note 13)	18,117	20,468
Other Accrued Liabilities (Note 13)	47,887	38,793
Advances from Others (Note 13)	13,198	5,381
TOTAL LIABILITIES	<u>\$ 434,950</u>	<u>\$ 386,815</u>
NET POSITION		
Unexpended Appropriations	\$ 455,635	\$ 457,254
Cumulative Results of Operations	1,530,439	1,440,176
TOTAL NET POSITION	<u>\$ 1,986,074</u>	<u>\$ 1,897,430</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$2,421,024</u>	<u>\$2,284,245</u>

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

ARCHITECT OF THE CAPITOL
Statements of Net Cost

For the years ended September 30, 2007 and 2006
(\$ in Thousands)

	Fiscal Year 2007	Fiscal Year 2006
Program Costs:		
General and Administrative		
Gross Costs	\$88,354	\$94,330
Less Earned Revenue	(125)	0
Net Program Costs	88,229	94,330
Capitol Building		
Gross Costs	39,428	37,557
Less Earned Revenue	(1,549)	(1,548)
Net Program Costs	37,879	36,009
Senate Office Buildings		
Gross Costs	71,372	69,025
Less Earned Revenue	(2,787)	(4,184)
Net Program Costs	68,585	64,841
House Office Buildings		
Gross Costs	51,391	47,541
Less Earned Revenue	(155)	(33)
Net Program Costs	51,236	47,508
Capitol Power Plant		
Gross Costs	118,512	66,872
Less Earned Revenue	(8,967)	(6,247)
Net Program Costs	109,545	60,625
Library of Congress		
Gross Costs	34,383	29,144
Less Earned Revenue	0	(38)
Net Program Costs	34,383	29,106
Capitol Police		
Gross Costs	12,353	10,685
Less Earned Revenue	0	0
Net Program Costs	12,353	10,685
Botanic Garden		
Gross Costs	8,576	6,541
Less Earned Revenue	0	0
Net Program Costs	8,576	6,541
Judiciary Buildings		
Gross Costs	35,465	34,519
Less Earned Revenue	(30,184)	(28,507)
Net Program Costs	5,281	6,012
Net Cost of Operations	\$416,067	\$355,657

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

ARCHITECT OF THE CAPITOL
Statements of Changes in Net Position

For the years ended September 2007 and 2006
(\$ in Thousands)

	Fiscal Year 2007	Fiscal Year 2006
CUMULATIVE RESULTS OF OPERATIONS		
Beginning Balances	\$1,440,176	\$1,262,526
Budgetary Financing Sources:		
Appropriations Used	458,513	506,527
Non-Exchange Revenue	52	193
Transfers In/Out Without Reimbursement	800	-
Other Financing Sources:		
Donations and Forfeitures of Property (Note 5)	28,951	-
Transfers In/Out Without Reimbursement	(2,432)	-
Imputed Financing From Costs Absorbed by Others (Note 11)	20,446	26,587
Total Financing Sources	<u>506,330</u>	<u>533,307</u>
Net Cost of Operations	(416,067)	(355,657)
Net Change	<u>90,263</u>	<u>177,650</u>
CUMULATIVE RESULTS OF OPERATIONS	<u>\$1,530,439</u>	<u>\$1,440,176</u>
UNEXPENDED APPROPRIATIONS		
Beginning Balances	\$457,254	\$511,819
Budgetary Financing Sources:		
Appropriations Received	455,545	461,702
Appropriations Transferred-In/Out	13,686	(850)
Other Adjustments (Rescissions, etc)	(12,337)	(8,890)
Appropriations Used	(458,513)	(506,527)
Total Budgetary Financing Sources	<u>(1,619)</u>	<u>(54,565)</u>
TOTAL UNEXPENDED APPROPRIATIONS	<u>\$455,635</u>	<u>\$457,254</u>
NET POSITION	<u>\$1,986,074</u>	<u>\$1,897,430</u>

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

ARCHITECT OF THE CAPITOL

Statements of Budgetary Resources

For the years ended September 30, 2007 and 2006
(\$ in Thousands)

	Fiscal Year 2007	Fiscal Year 2006
Budgetary Resources		
Unobligated Balance, Brought Forward, October 1	\$273,382	\$282,773
Recoveries of Prior Year Unpaid Obligations	9,142	14,331
Budget Authority:		
Appropriation	455,597	461,895
Borrowing Authority	13,419	13,730
Spending Authority from Offsetting Collections		
Earned:		
Collected	43,408	44,900
Change in Receivables from Federal Sources	(1,413)	1,413
Change in Unfilled Orders:		
Advance Received	7,817	(315)
Expenditure Transfers from Trust Funds	800	-
Subtotal Budget Authority	<u>519,629</u>	<u>521,623</u>
Nonexpenditure Transfers, net, anticipated and actual	13,687	(850)
Permanently not Available	(29,567)	(26,120)
Total Budgetary Resources	<u>\$786,273</u>	<u>\$791,757</u>
Status Of Budgetary Resources		
Obligations Incurred:		
Direct	\$444,692	\$481,475
Reimbursable	39,063	36,900
Subtotal	<u>483,755</u>	<u>518,375</u>
Unobligated Balances:		
Exempt from Apportionment	278,089	243,454
Unobligated Balances - Not Available	24,429	29,928
Total Status Of Budgetary Resources	<u>\$786,273</u>	<u>\$791,757</u>
Change In Obligated Balances		
Obligated Balances, net:		
Unpaid Obligations, Brought Forward, October 1	\$361,658	\$396,953
Less: Uncollected Customer Payments From Federal Sources, Brought Forward	(1,413)	(20,000)
Total Unpaid Obligated Balance, Net	<u>360,245</u>	<u>376,953</u>
Obligations Incurred, net	483,755	518,375
Less: Gross Outlays	(566,706)	(539,339)
Less: Recoveries of Prior-Year Unpaid Obligations, Actual	(9,142)	(14,331)
Change in Uncollected Customer Payments from Federal Sources	1,413	18,587
Total, Obligated Balances, Net	<u>\$269,565</u>	<u>\$360,245</u>
Obligated Balance, Net, End of Period		
Unpaid Obligations	\$269,565	\$361,658
Less: Uncollected Customer Payments from Federal Sources	-	(1,413)
Total, Unpaid Obligated Balance, Net, End of Period	<u>\$269,565</u>	<u>\$360,245</u>
Net Outlays		
Gross Outlays	\$566,706	\$539,340
Less: Offsetting Collections	(52,026)	(64,585)
Total Net Outlays	<u>\$514,680</u>	<u>\$474,755</u>

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

Notes to the Financial Statements

INDEX

NOTE 1:	Summary of Significant Accounting Policies.....	95
	A. Reporting Entity	95
	B. Basis of Accounting and Presentation	95
	C. Fund Balance with Treasury	95
	D. Accounts Receivable	95
	E. Investments	95
	F. Trust and Revolving Funds	96
	G. Recognition of Financing Sources	96
	H. Operating Materials and Supplies	96
	I. Property and Equipment	96
	J. AOC Heritage Collections	96
	K. Liabilities	97
	L. Personnel Compensation and Benefits	97
	M. Contingencies	97
	N. Statement of Net Cost	97
NOTE 2:	Fund Balance with Treasury	98
NOTE 3:	Investments	98
NOTE 4:	Accounts Receivable	99
NOTE 5:	Property and Equipment	99
NOTE 6:	Other Assets	100
NOTE 7:	Liabilities Not Covered by Budgetary Resources	100
NOTE 8:	Payroll and Liabilities	100
NOTE 9:	Debt Held by the Public	101
NOTE 10:	Contingent and Environmental Liabilities	101
NOTE 11:	Imputed Financing	102
NOTE 12:	Leases	102
NOTE 13:	Other Liabilities	103
NOTE 14:	Net Cost of Operations	103
NOTE 15:	Reconciliation of Net Cost of Operations to Budget	103
NOTE 16:	Stewardship Assets	104

NOTE 1:**Summary of Significant Accounting Policies****A. Reporting Entity**

The Architect of the Capitol (AOC) is an office within the Legislative Branch of the federal government. Initially authorized by Congress to provide “suitable buildings and accommodations for the Congress of the United States,” our role has evolved to include responsibility for the maintenance, operation, development, and preservation of the Capitol Building, Senate Office Buildings, House Office Buildings, Library of Congress Buildings and Grounds, Capitol Power Plant, U.S. Botanic Garden, Capitol Police Buildings and Grounds, Supreme Court Building and Grounds, and all of the grounds encompassing the Capitol campus.

We are also responsible for:

- providing facilities management services for the Senate Restaurants,
- construction of the Capitol Visitor Center,
- arrangements for the presidential inaugural and other ceremonies held on the Capitol Grounds, and
- providing steam and chilled water to the Supreme Court and Thurgood Marshall Federal Judiciary Buildings, Union Station, and the Folger Library, as well as steam only to the Government Printing Office and the Postal Square building.

Non-entity activities include:

- a portion of steam and chilled water,
- flag-flying fees, and
- provision of palm trees for rent.

Upon receipt, funds for these activities are not available for our use. The only non-entity asset is in accounts receivable.

B. Basis of Accounting and Presentation

Our Balance Sheet has been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as promulgated by the Federal Accounting Standards Advisory Board (FASAB). The American Institute of Certified Public Accountants (AICPA) recognizes FASAB standards as GAAP for federal reporting entities. These principles differ from budgetary reporting principles. The differences relate primarily to the capitalization and depreciation of property and equipment as well as the recognition of other long-term assets and liabilities.

GAAP require us to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities (including contingent liabilities), and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from our estimates.

For financial reporting purposes, we have issued AOC Order No. 32-02 which adopts GAAP for financial reporting and internal controls in a manner consistent for a legislative office. As a legislative branch office, we are not required to follow the accounting principles established by the Comptroller General under 31 U.S.C. 3511 or the standards promulgated by FASAB.

We have not adopted the Federal Managers Financial Integrity Act, the Federal Financial Management Improvement Act of 1996, or the Government Performance and Results Act, as these standards apply only to Executive Branch agencies. We are committed to using these Acts as “best practices” and are incorporating them into our financial management practices as appropriate.

C. Fund Balance with Treasury

We maintain all cash accounts, with the exception of investments described in Note 3, with the U.S. Department of Treasury (Treasury). The Fund Balance with Treasury account represents the unexpended balances of appropriation accounts, trust accounts, and revolving funds. Cash receipts and disbursements are processed by Treasury, and our records are reconciled with those accounts on a regular basis.

D. Accounts Receivable

Accounts Receivable includes reimbursement for supplying entities on Capitol Hill with steam and chilled water to heat and cool their facilities (*see Note 4*). Per annual appropriation, we provide steam and chilled water to the Folger Library, Union Station, Supreme Court and Thurgood Marshall Federal Judiciary Buildings, as well as steam only to the Government Printing Office and the Postal Square building. We are legislatively provided the ability to collect a pre-determined amount to recover the cost of supplying these services and record these amounts as offsetting collections. Any amount collected over the pre-determined amount is credited to the Treasury’s Miscellaneous Receipt Fund and is a non-entity asset.

E. Investments

As a result of financing the construction of the Thurgood Marshall Federal Judiciary Building, we have funds invested by a trustee (*see Note 3*). These investments are recorded at current market value.

F. Trust and Revolving Funds

We have stewardship responsibility for three revolving funds that are included in the balance sheet. The revolving funds consist of the House of Representatives Wellness Center Fund, the Senate Health and Fitness Facility Fund, and the Judiciary Office Building Development and Operations Fund. Preservation and maintenance of the House of Representatives Wellness Center are paid by members' dues. Proceeds from the Senate recycling program are used to pay for the preservation and maintenance of the Senate Health and Fitness Facility. The Judiciary Office Building Development and Operations Fund is used to record transactions related to the Thurgood Marshall Federal Judiciary Building (TMFJB) (see Note 3).

We also administer the National Garden Trust Fund, subject to the direction of the Joint Committee on the Library (of Congress). We are authorized to accept gifts or bequests of money, plant material, and other property on behalf of the Botanic Garden. Gifts of money are deposited into the National Garden Trust Fund. We can also dispose of, utilize, obligate, expend, disburse, and administer such gifts for the benefit of the Botanic Garden, including, among other things, the carrying out of any programs, duties, or functions of the Botanic Garden, and for constructing, equipping, and maintaining the National Garden (see Note 3).

G. Recognition of Financing Sources

We receive funding to support our programs through appropriations authorized by Congress. Funding for our operating and capital expenditures is received as annual, multi-year, and no-year appropriations. The appropriations we receive are:

- Botanic Garden,
- Capitol Building,
- Capitol Grounds,
- Capitol Police Buildings and Grounds,
- Capitol Power Plant,
- Capitol Visitor Center,
- Congressional Cemetery,
- General Administration,
- House Office Buildings,
- Library Buildings and Grounds, and
- Senate Office Buildings.

H. Operating Materials and Supplies

Our materials and supplies consist of tangible personal property consumed during normal operations. Per Statement of Federal Financial Accounting Standard (SFFAS) No. 3, "Inventory and Related Property," operating materials and supplies are recorded using the

purchases method. The purchases method provides that operating materials and supplies be expensed when purchased.

Operating materials and supplies are purchased using funds specifically appropriated to our ten jurisdictions*; therefore, the related usage of those materials and supplies is restricted to those specific appropriations making the purchases.

I. Property and Equipment

We record property and equipment at cost. We depreciate buildings and equipment over their estimated useful lives, which range from 2 to 40 years, using the straight-line method. All AOC property and equipment is in our possession. None is held by others (see Note 5).

The following table presents our capitalization thresholds and related useful lives.

Property Type	Useful Life (years)	Capitalization Threshold
Real Property	40	\$200,000
Improvements	20	\$200,000
Equipment and Vehicles	2-15	\$25,000
Assets under Capital Lease	Shorter of Lease Term or Useful Life of Property Type	See related Property Type
Intellectual Property	3	\$1,000,000

The Capitol Building, the Supreme Court Building, and the Senate and House Office Buildings, as well as the Library of Congress' Jefferson Building, are considered multi-use heritage assets and are included in the balance sheet.

J. AOC Heritage Collections

Stewardship Property, Plant & Equipment (PP&E) consist of assets whose physical properties resemble those of General PP&E that are traditionally capitalized in the financial statements. Due to the nature of these assets, however, determining a monetary value would be difficult, and matching costs with specific periods may not be possible or meaningful. Heritage assets are Stewardship PP&E that are unique and are generally expected to be preserved indefinitely. Heritage assets have historical or natural significance; are of cultural, educational, or artistic importance; or have significant architectural characteristics. These assets are reported in terms of physical units rather than cost or other monetary values per SFFAS No. 29. There are two

*Note: General Administrative is included as a jurisdiction for Financial Statement purposes.

types of heritage assets: collection, which are objects gathered and maintained for exhibition, such as museum and art collections; and non-collection, which are parks, memorials, monuments, and buildings. AOC's collections contain both types of heritage assets.

K. Liabilities

Liabilities represent the amounts we owe to others for goods or services received, and amounts owed for progress in contract performance. Because no liability can be paid without an enacted appropriation, some liabilities are funded while others are unfunded. For accrued unfunded annual leave and workers' compensation, appropriations may be enacted to fund these activities. The Balance Sheet presents the following types of liabilities:

- Unfunded actual and actuarial workers' compensation,
- Accounts payable,
- Debt held by the public,
- Annual leave, and
- Capital lease liability.

L. Personnel Compensation and Benefits

Federal Employee Benefits -The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The FECA program is administered by the U.S. Department of Labor (DOL), which initially pays valid claims and subsequently seeks reimbursement from the federal agencies employing the claimants. The DOL determines the actuarial liability for claims outstanding at the end of each fiscal year. This liability includes the estimated future costs of death benefits, workers' compensation, and medical and miscellaneous costs for approved compensation cases (see Note 8).

We recognize our share of the cost of providing future pension benefits to eligible employees over the period that they render the related services. This amount is considered imputed financing to us (see Note 11).

We also recognize a current-period expense for the future cost of post-retirement health benefits and life insurance for our employees while they are actively employed. This amount is also considered imputed financing to us (see Note 11).

Annual and Other Leave - Annual leave is recognized as an expense and a liability as it is earned. The liability is reduced as leave is

taken. The accrued leave liability is principally long-term in nature. Other types of leave are expensed when taken and no future liability is recognized for these amounts (see Note 8).

M. Contingencies

We account for contingencies in accordance with SFFAS No. 5, "Accounting for Liabilities of the Federal Government." It defines a contingency as an existing condition, situation, or set of circumstances involving uncertainty as to the possible gain or loss to an entity that will ultimately be resolved when one or more future events occur or fail to occur. We recognize a contingent liability when a past transaction or event has occurred, a future outflow or other sacrifice of resources is probable, and the related future outflow is measurable. We have recorded provisions for losses in relation to the definition of contingent liabilities documented above (see Note 10).

N. Statement of Net Cost

The Statement of Net Cost (SONC) is presented in accordance with SFFAS No. 4, by responsibility segment/jurisdiction. Costs not otherwise assigned to responsibility segment/jurisdictions are presented as General Administrative. We have a number of initiatives (cost accounting, performance-based budgeting, etc.) in process that will assist us with gathering data in a manner to provide even more information to our stakeholders. While these initiatives are in various stages of progress, we believe the responsibility segment/jurisdiction approach provides information to our stakeholders in a direct and succinct manner. As our financial reporting processes mature, we plan to enhance our SONC by linking it to our strategic plan following best practices seen at other agencies.

The responsibility segments are aggregates of the following funds:

- General Administrative
 - General Administrative
 - American Disabilities Act
 - Congressional Cemetery
- Capitol Buildings and Capitol Grounds
 - Capitol Buildings
 - Capitol Grounds
 - Capitol Visitor Center
 - West Central Front
- Senate Office Building
 - Senate Office Building
 - Senate Health and Fitness
- House Office Building
 - House Office Building
 - House Wellness Center
- Capitol Power Plant

Library of Congress and Grounds
 Capitol Police and Grounds
 Botanic Garden
 Botanic Garden
 National Garden
 Judiciary Buildings and Grounds
 Supreme Court
 Thurgood Marshall

Revenues are calculated on a direct cost recovery basis.

NOTE 2:

Fund Balance with Treasury

Our funds with Treasury primarily consist of appropriated funds. We also have stewardship responsibility for three revolving funds and administer one trust fund. The balance of these funds as of September 30, 2007 and 2006 is as follows:

A. Fund Balances

\$ in Thousands

Fund Type	2007	2006
Appropriated Funds	\$557,396	\$630,109
Trust Funds	43	10
Revolving Funds	14,493	2,116
Total	\$571,932	\$632,235

B. Status of Fund Balance with Treasury

We classify our funds with Treasury as obligated, unobligated available, or unobligated unavailable. Unobligated available balances represent unexpired appropriations available for incurring new obligations. Unobligated unavailable balances are expired appropriations no longer available to incur new obligations. Obligated balances not yet disbursed include undelivered orders or orders received but not yet paid.

Status of Fund Balance with Treasury as of September 30, 2007 and 2006, consist of the following:

\$ in Thousands

Balance Type	2007	2006
Unobligated Balance		
Available	\$274,805	\$235,600
Unavailable	27,562	34,977
Obligated Balance not yet Disbursed	269,565	361,658
Total	\$571,932	\$632,235

NOTE 3:

Investments

A. Investments with Treasury

The National Garden at the U.S. Botanic Garden was funded privately via The National Fund for the U.S. Botanic Garden (USBG), a not-for-profit corporation assisting the Architect of the Capitol in raising private funds pursuant to Public Law 102-229. This is the first project, authorized by Congress for construction by the Architect of the Capitol, which was financed with privately donated funds. Funds were raised by private citizens, corporations, and garden clubs from across the nation. We invest the donated funds in government account securities through the Bureau of Public Debt using their Web-based application, FedInvest. By law, the interest earned is credited to the National Garden fund.

The balances at year September 30, 2007 and 2006 are as follows:

\$ in Thousands

Investments Held With Treasury	2007	2006
Invested	\$1,392	\$7,084
Interest	52	192
Less: Expended	(1,294)	(5,884)
Total	\$ 150	\$1,392

B. Investments held Outside Treasury

In 1989, we entered into a contractual agreement with Boston Properties for the construction of the Thurgood Marshall Federal Judiciary Building. To finance the construction of the building, Shearson Lehman Hutton, Inc., and Kidder, Peabody, & Co., Inc., issued 30-year Serial Zero Coupon Certificates of Participation.

The proceeds were received by a trustee, The U.S. Trust Company of NY (now The Bank of New York), and deposited into two funds, the Project Fund and the Operating Reserve Fund. The funds are held outside the U.S. Treasury by the trustee and, at our direction, are invested or disbursed.

After construction, the remaining amounts were left in trust in the Project Fund. During 2007, the Project Fund balance was transferred to the Operating Reserve Fund. The Operating Reserve Fund is held in reserve for future needs (e.g., roof replacement, major renovation). The market values of these funds are listed below:

\$ in Thousands

Investments Held Outside Treasury		
Fund Type	2007	2006
Operating Reserve	\$34,635	\$31,932
Project	–	1,270
Total	\$34,635	\$33,202

NOTE 4:

Accounts Receivable

The breakdown of consolidated gross accounts receivable at September 30, 2007 and 2006 is as follows:

\$ in Thousands

Accounts Receivable		
Receivable Type	2007	2006
Entity:		
Intragovernmental	\$ -	\$1,413
With the Public	115	129
Total Entity	115	1,542
Non-Entity:		
Intragovernmental	1,659	48
With the Public	11	10
Total	\$1,785	\$1,600

Based upon a year-end review, all receivables are deemed collectible.

NOTE 5:

Property and Equipment

We differentiate our property and equipment by distinct categories. The following represents those categories in further detail.

\$ in Thousands

Property and Equipment - 2007			
Class of Property and Equipment	Acquisition Value	Accumulated Depreciation	Net Book Value
Buildings	\$785,513	\$445,547	\$339,966
Building			
Improvements	860,934	440,955	419,979
Land	162,947	–	162,947
Land Improvements	138,543	23,023	115,520
Capital Leases:			
Real Property	39,541	11,086	28,455
Personal Property	–	–	–
Leasehold			
Improvements	22,934	4,921	18,013
Equipment,			
Computers,			
Hardware and			
Other	34,139	23,069	11,070
Construction Work-			
in-Progress	716,568	–	716,568
Total	\$2,761,119	\$948,601	\$1,812,518

\$ in Thousands

Property and Equipment - 2006			
Class of Property and Equipment	Acquisition Value	Accumulated Depreciation	Net Book Value
Buildings	\$740,615	\$431,339	\$309,276
Building			
Improvements	729,105	410,564	318,541
Land	154,823	–	154,823
Land Improvements	101,796	17,241	84,555
Capital Leases:			
Real Property	62,603	18,445	44,158
Personal Property	91	91	–
Leasehold			
Improvements	22,387	2,593	19,794
Equipment,			
Computers,			
Hardware and			
Other	19,741	12,903	6,838
Construction Work-			
in-Progress	677,815	–	677,815
Total	\$2,508,976	\$893,176	\$1,615,800

The educational, artistic, architectural, and historical significance of the Capitol, Senate, House, Supreme Court, and Jefferson buildings meets the FASAB criteria for heritage assets. Because these buildings are currently used for day-to-day business, they are further classified as multi-use heritage assets. This means we depreciate them in the same manner as if they were general purpose assets.

In 2007, we recorded the acquisition of property in Culpeper, Va. The property, acquired via donation from the Packard Humanities Institute and a transfer of matching funds of \$16.5 million, is to be used as the Library of Congress' National Audio Visual Conservation Center. In accordance with SFFAS 6, we recorded the acquisition at the fair market value of \$45 million.

We are responsible for reviewing and authorizing all changes to the buildings and grounds prior to any change occurring.

NOTE 6:

Other Assets

\$ in Thousands		
	2007	2006
Advances to Others	\$4	\$16

In 2007, Advances to Others consisted of travel advances. In 2006, Advances to Others also included a prepaid TMFJB investment fund fee.

NOTE 7:

Liabilities Not Covered by Budgetary Resources

The liabilities on our Balance Sheets as of September 30, 2007 and 2006 include liabilities not covered by current budgetary resources. These liabilities require Congressional action prior to budgetary resources being provided. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities. Liabilities not covered by budgetary resources generally include accrued annual and compensatory leave, workers' compensation, debt held by the public, and capital lease liability. Liabilities not covered by budgetary resources for 2007 and 2006 are as follows:

\$ in Thousands		
Liabilities	2007	2006
Intragovernmental:		
Liabilities covered by budgetary resources	\$222	\$363
Liabilities not covered by budgetary resources	10,169	8,618
Total		
Intragovernmental	\$10,391	\$8,981

Liabilities covered by budgetary resources	\$137,184	\$86,184
Liabilities not covered by budgetary resources	297,766	300,631
Total	\$434,950	\$386,815

NOTE 8:

Payroll and Liabilities

The liability for Accrued Annual Leave and Other is comprised of three accounts: Funded Accrued Payroll (payrolls that have been earned but not paid), Unfunded Accrued Annual Leave (employee leave that has been earned but not taken) and Unemployment Compensation.

\$ in Thousands		
Accrued Annual Leave and Other		
Accrual Type	2007	2006
Funded Accrued Payroll	\$6,705	\$6,317
Unfunded Accrued		
Annual Leave	7,975	7,343
Unemployment Compensation	–	29
Total	\$14,680	\$13,689

Workers' Compensation is reported as required by the Federal Employees' Compensation Act (FECA). The liability is presented in two parts: an annual accrued liability for billed costs (current portion) and a long-term, actuarial-based unfunded liability (*see Note 1L*).

The actuarial workers' compensation liability for 2007 and 2006 was calculated using a formula provided by the DOL.

\$ in Thousands		
Workers' Compensation		
Type	2007	2006
Unfunded Annual (current)	\$8,499	\$8,560
Actuarial Unfunded (long-term)	\$44,435	\$46,938

Estimated future costs have been actuarially determined, and they are regarded as a liability to the public because neither the costs nor reimbursement have been recognized by DOL. Workers' Compensation is included in Liabilities not covered by Budgetary Resources, as described in Note 7.

NOTE 9:**Debt Held by the Public**

As of September 30, 2007 and 2006, Debt Held by the Public consists of the financing obtained for the construction of the Thurgood Marshall Federal Judiciary Building. The debt consists of 30-year Serial Zero Coupon Certificates of Participation issued in 1988 worth \$125,391,621 with a maturity value of \$525,515,000. The certificates are amortized using the effective interest rate of 8.72%. The balance of Debt Held by the Public is as follows:

\$ in Thousands

Debt Held by the Public		
	2007	2006
Securities	\$292,910	\$310,140
Interest Payable	1,080	1,158
Subtotal	293,990	311,298
Discount on Securities	(400,123)	(400,123)
Less: Amortization of		
Discount	258,438	244,992
Subtotal	(141,685)	(155,131)
Total	\$152,305	\$156,167

Various judiciary offices and personnel occupy the Thurgood Marshall Federal Judiciary Building under an Interagency Agreement between the AOC and the Administrative Office of the U.S. Courts. Base rent will not change over the initial 30 years and is set at the amount necessary to retire the debt at \$17,230,000 annually. Payment of the certificates will end in August 2024.

Per the language in the certificate agreement, "This Certificate is not subject to prepayment or acceleration under any circumstance."

NOTE 10:**Contingent and Environmental Liabilities**

We conducted a review of contingent liabilities for financial statement purposes for 2007 and 2006. Based on this review, we recorded a contingent liability for claims we think it probable we will lose and for which we can reasonably estimate the amount of an unfavorable outcome. Our review covered claims arising from contracts, environmental issues, labor and equal employment opportunity issues, and personal and property damage. Additionally, management and General Counsel evaluated the materiality of cases determined to have a reasonably possible chance of an adverse outcome. None of these cases were determined to meet our materiality threshold.

Fort Meade, Maryland

Our review concluded that we are not responsible for the clean-up and remediation of previous environmental contamination on the approximately 100 acres of land at Fort George G. Meade, Maryland (FGGM), which the U.S. Army transferred to us. The Army is responsible for the environmental clean-up of any previous contamination under the Comprehensive and Environmental Response Compensation and Liability Act (CERCLA). We understand that the Army is actively monitoring existing contamination on the entire FGGM site, including the 100 acres transferred to us, and is pursuing appropriate remediation of this contamination.

Capitol Power Plant

The Office of Compliance issued a complaint in February 2006, alleging that certain unsafe work practices and conditions exist at the Capitol Power Plant (CPP) utility tunnels. The alleged unsafe work practices and conditions cited in the complaint pertain to the structural integrity of concrete in the utility tunnels and tunnel egress and communication systems.

In addition, in January 2006, the Office of Compliance issued Citations 59 and 60. These citations are not part of the complaint and formal enforcement action but also address other alleged unsafe work practices and conditions at the CPP utility tunnels. The unsafe work practices and conditions alleged by the Office of Compliance in Citation 59 are that employees working in the utility tunnels are exposed to heat stress conditions. Citation 60 is discussed below under Environmental Cleanup Cost Liability.

We are actively seeking solutions to the issues identified by the Office of Compliance. We intend to pursue settlement discussions with the goal of coming to a resolution of the issues in the complaint conditioned upon our budget authority, and logistical, technical and other limitations outside of our control.

Because the review of estimates is required in the preparation of our financial statement, our balance sheets reflect a liability of approximately \$53 million in 2007 and \$34 million in 2006. Management and General Counsel believe that we have made adequate provision for the amounts that may become due under the suits, claims, and proceedings we have discussed here.

Environmental Cleanup Cost Liability

In January of fiscal year 2006, the Office of Compliance issued Citation 60, addressing certain alleged unsafe work practices and conditions at the Capitol Power Plant utility tunnels. Since these conditions

existed at the end of 2005 and some of these tunnels have been in place and functioning since the early 1900s, we booked a liability and a related prior period adjustment as required by SFFAS 6, par. 105 on our 2005 financial statements. In Citation 60, the Office of Compliance alleges that the AOC has not adequately monitored Capitol Power Plant employees for asbestos exposure, provided required information to employees regarding the presence and location of asbestos in the tunnels, provided the required notification to employees regarding asbestos-containing materials, or adequately maintained the tunnels so they were as free as practicable from asbestos, and asbestos waste, debris, and dust. Funding was requested and funds were appropriated by Congress to address the tunnel issues which is an amount adequate in management's opinion to comply with the Environmental Protection Agency's guidelines.

NOTE 11:

Imputed Financing

In accordance with SFFAS No. 4, "Managerial Cost Accounting," imputed financing results when an entity receives un-reimbursed services from other government entities.

Our imputed financing consists of future pension benefits for our employees that are paid on our behalf by the Office of Personnel Management, printing services provided by the GPO, and design elements paid for by the Army Corps of Engineers to improve building infrastructure campus-wide.

With certain exceptions, employees participate in one of three defined benefit retirement programs based upon the starting date of their employment with us: employee and employer contributions are made to the Civil Service Retirement and Disability Fund (CSRDF), the Civil Service Retirement Offset, or the Federal Employee Retirement System, all of which are administered by the Office of Personnel Management. Employees may also participate in the Thrift Savings Plan, which is a defined contribution retirement savings and investment plan. Our employees are authorized to participate in the Thrift Savings Plan by the Federal Employees Retirement System Act of 1986. The Federal Retirement Thrift Investment Board administers the Plan.

Civil Service Retirement System (CSRS)

According to PL 99-335, all employees hired prior to January 1, 1987, could elect CSRS or CSRS Offset. The CSRS provides a basic annuity and Medicare coverage. The CSRS fund covers most employees hired prior to January 1, 1984. The AOC and the employee contribute to Medicare at the rate prescribed by law. We do not match contributions to the Thrift Savings Plan for employees who participate in the CSRS.

Civil Service Retirement System Offset

CSRS Offset generally covers those employees who have had a break in their CSRS service of more than one year and less than five years by the end of 1986. The AOC and the employee contribute to Social Security and Medicare at the rates prescribed by law. We do not match contributions to the Thrift Savings Plan for employees who participate in the CSRS Offset.

Federal Employee Retirement System (FERS)

According to PL 99-335, employees with less than five years of creditable civilian service as of December 31, 1986, were automatically converted to FERS. In addition, during certain periods in 1987, 1988, and 1998, employees hired before January 1, 1984, could choose to participate in FERS. This system consists of Social Security, a basic annuity plan, and the Thrift Savings Plan.

The AOC and the employee contribute to Social Security and Medicare at rates prescribed by law. In addition, we are required to contribute to the Thrift Savings Plan a minimum of 1% per year of the basic pay of employees covered by this system. We also match a voluntary employee contribution up to 3% dollar-for-dollar, and another 2% is matched 50 cents on the dollar.

Imputed Financing consists of the following:

\$ in Thousands

Imputed Financing		
Benefit Type	2007	2006
CSRS	\$7,963	\$8,439
CSRS Offset	639	699
FERS	16,313	14,758
Less: Contributions	(19,494)	(18,389)
Subtotal Pensions	5,421	5,507
Health	9,415	8,519
Life Insurance	25	23
Total Employee Benefits	\$14,861	\$14,049
GPO	872	-
Corps Building Improvements	4,713	12,538
Total	\$20,446	\$26,587

NOTE 12:

Leases

As of September 30, 2007, we were committed to various non-cancelable leases primarily covering administrative office space and storage facilities, motor vehicles, and office equipment. Many of

these leases contain escalation clauses tied to inflationary and tax increases, and renewal options.

In 2006, we had three real property capital leases. During 2007, we purchased one of these buildings and thus, we currently have two real property leases.

The following is a schedule of the present value of the future minimum lease payments required by those leases identified as capital leases, which have initial or remaining noncancelable lease terms in excess of one year.

Capital Leases

\$ in Thousands

Capital Leases			
Fiscal Year	Real Property	Personal Property	Total
2008	\$4,437		\$4,437
2009	4,463	-	4,463
2010	4,491	-	4,491
2011	4,518	-	4,518
2012	4,691	-	4,691
Thereafter	17,609	-	17,609
Total Future Lease Payments			40,209
Less: Imputed Interest			8,157
Net Capital Lease Liability			\$32,052

Operating Leases

We currently have leases with the General Services Administration (GSA) and commercial vendors for office and storage space, plus rentals of equipment and vehicles.

The aggregate of our future payments due under noncancelable operating leases and our estimated real property payments to GSA for fiscal year 2008 through fiscal year 2012 is as follows:

\$ in Thousands

Operating Leases			
Fiscal Year	Real Property	Personal Property	Total
2008	\$6,559	\$56	\$6,615
2009	5,650	54	5,704
2010	4,989	54	5,043
2011	4,741	42	4,783
2012	4,242	41	4,283
Thereafter	40,648	483	41,131
Total Future Lease Payments			\$67,559

NOTE 13:

Other Liabilities

During fiscal year 2007, other liabilities consists of accrued accounts payable and miscellaneous receipts that are to be forwarded to Treasury (custodial liabilities). These receipts included, but were not limited to, flag-flying fees, rent for the Monocle restaurant, and steam and chilled water. These liabilities are current.

NOTE 14:

Net Cost of Operations

Expenses for salaries and related benefits for 2007 and 2006 amounted to \$165 and \$150 million, which was about 36% and 38% of our annual cost of operations for both years. Included in the net cost of operations are imputed federal employee benefit costs of \$15 and \$14 million paid by OPM.

Exchange revenue with the public consists of revenues received for services provided, such as access to the Senate Health and Fitness Facility, House Wellness Center, steam and chilled water to governmental and private entities, work performed on reimbursable projects, and rent, interest and reimbursement for projects performed related to the Thurgood Marshall Building.

NOTE 15:

Reconciliation of Net Cost of Operations (Proprietary) to Budget (Formerly the Statement of Financing)

FASAB requires a reconciliation of proprietary and budgetary information in a way that helps users relate the two. The objective of this information is to provide an explanation of the differences between budgetary and financial (proprietary) accounting. This is accomplished by means of a reconciliation of budgetary obligations and non-budgetary resources available to the reporting entity with its net cost of operations. In previous years this reconciliation was accomplished by presenting the Statement of Financing as a Basic Financial Statement. Effective for fiscal year 2007, OMB decided that this reconciliation would be better placed and understood as a note rather than as a basic statement.

Most entity transactions are recorded in both budgetary and proprietary accounts. However, because different accounting bases are used for budgetary and proprietary accounting, some transactions may appear in only one set of accounts (e.g., accrual of workers'

compensation liabilities which are recorded only in the proprietary records). Furthermore, not all obligations or offsetting collections may result in expenses or exchange revenue (e.g., purchase of a building is capitalized on the balance sheet in the proprietary accounts but obligated and outlaid in the budgetary accounts).

The Resources Used to Finance Activities section reflects the budgetary resources obligated and other resources used to finance the activities of the agency. The obligations of budgetary resources are net of offsetting collections, recoveries and offsetting receipts. The other resources are financing sources that increase net position but are not budgetary resources such as donated property and imputed costs.

Resources Used to Finance Items Not Part of the Net Cost of Operations includes resources used to finance the activities of the entity to account for items that were included in net obligations and other resources but were not part of the net cost of operations. This item includes undelivered orders reflected in net obligations but not part of current period net cost of operations. It also includes budgetary resources and obligations recognized in the current period that do not affect the net cost of operations (e.g., the acquisition of assets reflected in net obligations but not in net cost of operations for the period).

Components Requiring or Generating Resources in Future Periods identifies items that are recognized as a component of the net cost of operations for the current period but the budgetary resources (and related obligation) will not be provided (or incurred) until a subsequent period. Costs such as contingent liabilities and workers' compensation are not always funded in the period the costs are incurred and are included in this item.

Components Not Requiring or Generating Resources includes items that are recognized as part of the net cost of operations for the period but will not generate or require the use of resources, such as depreciation and amortization.

Reconciliation of Net Cost of Operations to Budget

\$ in Thousands

	2007	2006
Resources used to finance activities:		
Budgetary resources obligated	\$424,000	\$458,046
Other resources	46,966	26,587
Total resources		
used to finance activities	470,966	484,633

Less: resources used to finance items not part of the net cost of operations	169,092	183,029
Total resources used to finance the net cost of operations	301,874	301,604
Components of the net cost of operations requiring or generating resources in future periods	58,145	(150)
Components of net cost of operations not requiring or generating resources in future periods	56,048	54,203
Total components of net cost not requiring or generating resources in the current period	114,193	54,053
Net Cost of Operations	\$416,067	\$355,657

NOTE 16: Stewardship Assets

Effective 2007, AOC adopted the Financial Accounting Standards Board (FASAB) Statements of Federal Financial Accounting Standards (SFFAS) No. 29, Heritage Assets and Stewardship Land. This standard requires Federal agencies to reclassify all heritage assets and stewardship land information as basic and to include a note in the balance sheet. Information on the condition of such assets is considered required supplementary information (RSI).

Federal agencies are not required to show amounts on the balance sheet for heritage assets, except for multi-use heritage assets, which are assets whose predominant use is in general government operations. For example, a historical building used as an office building would be considered a multi-use heritage asset. In addition, costs are capitalized and depreciated for multi-use assets as general PP&E. The Capitol Building, Senate and House Office Buildings, the Supreme Court, and the Thomas Jefferson Building of the Library of Congress are all multi-use heritage assets.

Our heritage assets are directly related to our mission to preserve and enhance the Capitol complex and related facilities. The Architect of the Capitol is charged with operating and maintaining the buildings of the Capitol complex, as authorized by Congress. Permanent authority for the care and maintenance of the Capitol was established by the act of August 15, 1876 (40 U.S.C. 162, 163). The Architect's duties

include the mechanical and structural maintenance of the Capitol, the conservation and care of works of art in the buildings under the Architect's jurisdiction, the upkeep and improvement of the Capitol Grounds, and the arrangement of inaugural and other ceremonies held in the building or on the grounds.

AOC is responsible for the stewardship of heritage assets throughout the Capitol complex. These include those in or attached to the Capitol Building and on the Capitol Grounds. We are also responsible for the care of other works of architectural fine art in the different Jurisdictions throughout the Capitol complex, primarily in the Library of Congress' Thomas Jefferson Building. Fine art is considered to be work that is created by a known artist and is unique; that is, it is not repeated as part of a decorative scheme. Our revised Strategic Plan describes our plans to update and refine our heritage asset inventories, which include the inventory of architectural and decorative features throughout the Capitol complex.

Our curatorial and archival functions are managed by the Curator for the Architect. Until the last decades of the twentieth century, the Architect of the Capitol advised the Joint Committee on the Library on the acceptance and placement of works of art and cared for all of the art in the United States Capitol. The Curator maintains a file on each work of art and artist, as well as computerized inventories of heritage assets. The collection was catalogued and published as a whole in 1978 in *Art of the United States Capitol*. Since the creation of the positions of Senate Curator in 1968 and House Curator in 2002, responsibilities for some of our heritage assets have been shared or overlap. However, the jurisdictional lines have never been clearly drawn or agreed upon and can shift at times. The Curator for the Architect communicates regularly with the Senate and House Curators to share information and coordinate projects.

Attention to the conservation and preservation of heritage assets, such as architectural and engineering drawings and photographs, using professional standards established by the American Institute for Conservation and the National Archives and Records Administration began in the late 1970s. We follow modern conservation standards, which require that work be fully documented in writing and with photographs, and the Curator maintains a library of conservation reports. We store historic architectural and engineering drawings and textual records on-site, and some vital records, such as microfilm and photographic negatives, are stored off-site in optimum conditions.

The Curator for the Architect works with the superintendents and other facility managers to assist in the management of contracts to conserve certain heritage assets and to advise on preservation

issues. The Curator supervises the Photography Branch, which is responsible for documenting heritage assets and conservation projects. The Records Management Branch inventories and preserves documents such as textual records and architectural and engineering drawings and makes them available to support projects. We made much progress this year to make available to staff and contractors the drawing and photograph databases to support current projects and historical research.

In addition, the Architectural Historian in the Architecture Division plays an essential role in historic preservation efforts and research on buildings in the Capitol Complex. The historian works closely with the Curator's office in providing scholarly building documentation and advice to support projects, and in developing the Agency's a preservation policy. The historian researches and writes historic structure reports and creates historically appropriate designs for restorations and other improvement projects.

The Architect of the Capitol has served as Acting Director of the United States Botanic Garden since 1934. Under the direction of the Joint Committee on the Library, which is charged by law with control over of the Garden, the Architect is responsible for the maintenance and operation of the Garden and for any construction, changes, or improvements made. In support of its mission, the U.S. Botanic Garden (USBG) maintains an orderly, documented, labeled collection of living plants. The USBG Plant Collection includes all the plants that are used to fulfill the mission of the institution with the exception of those foliage and crop plants that are grown for the express purpose of leaving our premises (and care) for permanent or indefinite display elsewhere. Ideally, for every plant in the collection a programmatic purpose has been designated for which the plant is needed, and which justifies the investment of staff and material resources necessary for its acquisition and maintenance. It is expected that as programmatic needs change, the composition of the plant collection will reflect that evolution. The Garden's noteworthy collections include economic plants, medicinal plants, orchids, cacti and succulents, bromeliads, cycads, and ferns. The staff maintains extensive computerized records of the plants in the Garden's collections. The RSI section of our Performance and Accountability Report provides additional information about our heritage assets.

Independent Auditor's Report

To the Architect of the Capitol

We have audited the accompanying base building, Senate shell space, and House of Representatives shell space financial schedules of the Capitol Visitor Center (CVC) for the period October 21, 1998 through September 30, 2007. These financial schedules are the responsibility of the Architect of the Capitol's (AOC) management. Our responsibility is to express an opinion on these financial schedules based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Notes 1 and 2, the schedules were prepared pursuant to the AOC's accounting policies as they relate to the CVC Project, which are substantially equivalent to budgetary accounting and represent a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the accompanying base building, Senate shell space, and House of Representatives shell space financial schedules of the CVC for the period October 21, 1998 through September 30, 2007, present fairly, in all material respects, amounts approved for obligation and related reallocation, obligations incurred, and expenditures paid for the period beginning October 21, 1998 and ending September 30, 2007, of AOC for the CVC base building, Senate shell space, and House of Representatives shell space on the basis of accounting described in Notes 1 and 2.



January 15, 2008
Alexandria, Virginia

Capitol Visitor Center Base Project
Obligation/Expenditure Report
For Period Beginning October 21, 1998 and Ending September 30, 2007

(\$ in Thousands)

Project Components	BUDGET				Commitments/ Obligations To Date	Expenditures To Date	Available Balance
	Total	Re-allocations and Transfers	Current 9/30/07	Current Obligation Authority			
AOC Administration	\$7,662	\$2,031	\$9,693	\$9,693	\$9,116	\$8,724	\$577
Design and Construction							
Administration	20,838	1,862	22,700	22,700	22,140	21,553	560
Other Costs	-	950	950	950	854	606	96
Sub-total	20,838	2,812	23,650	23,650	22,994	22,159	656
Construction Management							
Fees	11,550	10,985	22,535	22,535	21,990	20,733	545
Ongoing Pre-construction Work							
Temporary Visitor Screening Facility	1,700	150	1,850	1,850	1,576	1,568	274
Tree Protection	2,900	(770)	2,130	1,942	1,942	1,818	188
Utility Work	13,000	(1,850)	11,150	11,150	11,150	11,148	0
Historic Preservation General Conditions and Site Preparation	2,500	100	2,600	2,600	2,401	2,244	199
Telecommunications	5,000	922	5,922	5,922	5,626	5,435	296
Testing, Monitoring, Inspecting	-	1,850	1,850	1,850	1,732	1,732	118
-	-	2,320	2,320	2,320	2,287	2,287	33
Sub-total	25,100	2,722	27,822	27,822	26,714	26,232	1,108
Sequence I Construction							
Excavation, Foundation, and Structure	93,000	15,490	108,490	108,490	108,490	108,485	-
Library of Congress Tunnel	6,000	(2,450)	3,550	3,550	3,550	3,550	-
Improved House Connection	4,000	(888)	3,112	3,112	3,112	3,036	-
Award Fee Budget	-	978	978	978	978	978	-
Sub-total	103,000	13,130	116,130	116,130	116,130	116,049	-
Sequence II Construction							
Building Systems and Architectural Fit-out	90,000	69,358	159,358	159,358	136,612	130,166	22,746
Library of Congress Tunnel Enhanced Perimeter Security	4,000	(2,475)	1,525	1,525	1,368	1,160	157
Award Fee Budget	2,000	-	2,000	2,000	1,646	1,592	354
-	-	1,200	1,200	1,200	1,200	751	-
Sub-total	96,000	68,083	164,083	164,083	140,826	133,669	23,257
Jefferson Building (LOC)	-	4,800	4,800	4,800	4,345	4,055	455
East Front Interface							
Structural, MEP, and Related Construction	-	10,800	10,800	10,800	10,800	10,793	-
Extend Existing East Front Elevators	4,000	-	4,000	4,000	4,000	3,999	-
Sub-total	4,000	10,800	14,800	14,800	14,800	14,792	-
Equipment Purchases (AV, Kitchen)	-	5,000	5,000	5,000	4,552	1,983	448
Exhibit and Film Elements	18,000	3,700	21,700	21,700	20,747	18,516	953
Security (Note 3)							
Construction Site Security Technical Security Design and Construction	3,000	(3,000)	-	-	-	-	-
-	14,350	(13,088)	1,262	1,262	1,230	980	32
Additional Items	-	1,250	1,250	1,250	392	247	858
Additional funding	131,313	(125,313)	6,000	-	-	-	-
TOTALS	\$434,813	\$(16,088)	\$418,725	\$412,725	\$383,836	\$368,139	\$28,889

The accompanying notes are an integral part of this schedule.

NOTE 1:

Summary of Significant Accounting Policies

Reporting Entity

On October 21, 1998, Congress appropriated \$100 million (CVC appropriation) without fiscal year (FY) limitation to the Architect of the Capitol (AOC) as part of the Omnibus Consolidated and Emergency Supplemental Appropriations Act (P.L. 105-277) (the Act) to provide funding for expenses necessary for the planning, design, engineering, and construction of the Capitol Visitor Center (CVC). As such, the AOC has primary responsibility for managing the CVC construction project, including hiring staff and engaging various contractors to assist in the planning, engineering, design, and construction of the CVC. In the Act, Congress expressed its desire that the CVC “provide both greater security for all persons working in or visiting the United States Capitol and a more convenient place in which to learn of the work of Congress.”

On September 18, 2001, an additional \$138.5 million from the Emergency Response Fund (P.L. 107-38) was assigned to the AOC to fund the shortfall in the original CVC project budget and provide funding for additional scope items as directed by the Capitol Preservation Commission (CPC). The Capitol Preservation Fund (CPF) would provide the remaining \$65 million. At that time, the AOC had estimated that total project costs would be \$303.5 million.

On October 1, 2003, Congress appropriated an additional \$35.8 million to the AOC for the CVC project as part of the FY 2004 Legislative Branch Appropriations Act (P.L. 108-83). In addition, \$12 million was transferred to the CVC from the amounts made available to the Capitol Police Buildings and Grounds in chapter 8 of title I of the Emergency Wartime Supplemental Appropriations Act, 2003 (P.L. 108-11; 117 Stat. 586). On January 23, 2004, as part of P.L. 108-199, a rescission of .59 percent of the FY 2004 appropriation resulted in a decrease of \$211,220. At the time, the AOC had estimated that total project costs would be about \$351.3 million.

During FY 2005, the Committee on Appropriations of the House of Representatives and Senate approved a transfer of \$26.3 million from the Emergency Response Fund (P.L. 107-38) unobligated balances to incrementally fund the CVC, of which \$16 million was provided for the CVC base project.

On August 2, 2005, Congress appropriated an additional \$41.9 million to the AOC for the CVC project as part of the FY 2006 Legislative Branch Appropriations Act (P.L. 109-55); of which \$5 million is allocated to the House and Senate shell space. In addition, \$2.3 million

was appropriated for the CVC operation costs. On December 30, 2005, as part of P.L. 109-148, a government-wide rescission of one percent of the FY 2006 appropriation act resulted in a decrease of \$419,000 of budget authority for the CVC project, of which \$50,000 is allocated to the House and Senate shell space, and \$23,000 of budget authority for CVC operation costs. At the time, the AOC had estimated that total project costs would be about \$399 million.

On, February 15, 2007, Congress appropriated an additional \$43.758 million to the AOC for the CVC as part of the FY 2007 Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5). P.L. 110-5 provided funding for the CVC at levels established in the FY 2006 Appropriations Act. The \$43.758 includes the \$41.9 million for the CVC project and the \$2.3 million for CVC operation costs, less the government-wide rescission of one percent. P.L. 110-5 stated “notwithstanding section 101, amounts made available under such section for projects and activities described under the heading ‘Architect of the Capitol, Capitol Visitor Center’ in the Legislative Branch Appropriations Act, 2006 may be transferred among the accounts and purposes specified in such heading, upon the approval of the Committees on Appropriations of the House of Representatives and Senate.” AOC allocated \$31.193 million to the CVC project. The remaining amount was allocated for CVC operation costs. The current estimate to complete the CVC base project is \$496 million.

In addition, on November 12, 2001, Congress appropriated \$70 million to the AOC as part of the FY 2002 Legislative Branch Appropriations (P.L. 107-68) to be used for the development of the unassigned space within the CVC project for the House and Senate.

The CVC Base Project Obligation / Expenditure Report (the Schedule) reflects the activities and related transactions and balances determined to be directly related to the planning, design, engineering, and construction of the CVC pursuant to the policies of the AOC as summarized in this note and funded by the CVC appropriation and the \$65 million provided by the CPF. The Schedule does not include any amounts expended for the CVC prior to October 21, 1998, nor does it include subsequent activities and transactions related to the CVC not funded through the CVC appropriation, except as noted above. The CVC appropriation for the House and Senate unassigned space is included in separate schedules specifically for those spaces. Note 2 describes the principal categories of activities and transactions related to the CVC but not included in the Schedule.

Basis of Presentation

The Schedule has been prepared to report on the total budget,

outstanding commitments, obligations incurred-to-date, expenditures approved-to-date, and the status of funds approved for obligation in accordance with obligation plans for the period beginning October 21, 1998 and ending September 30, 2007. These obligation plans represent the mechanism by which the AOC seeks the House and Senate Committees on Appropriations' approval to obligate funds for each major project milestone, in accordance with the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13). P.L. 109-13 amended Legislative Branch Appropriations Act of 2000 (P.L. 107-68) by striking "chair and ranking minority member". P.L. 107-68 had amended Legislative Branch Appropriations Act of 2000 (P.L. 106-57) by substituting the chair and ranking minority member of the Committee on Appropriations of the House of Representatives and the Senate for the CPC as having the authority to approve obligation plans.

On September 29, 2000, the AOC agreed to inform the Chairmen of the Senate and House Subcommittees on Legislative Branch Appropriations in the event that the AOC plans to either spend funds for an expense category not delineated in an obligation plan or to exceed an expense category by the greater of ten percent or \$100,000. On April 14, 2003, the Chairmen of the House of Representatives Committee on Appropriations directed the AOC to submit to the Committee a reprogramming request for any deviation from the existing obligation plans in the excess of the lesser of ten percent or \$500,000. On April 22, 2003, the Chairmen of the Senate Committee on Appropriations directed the AOC to seek Committee approval for any reprogramming between approved funding categories in excess of ten percent or \$250,000. Such amounts are presented in the Schedule under the column titled "Re-allocations and Transfers."

Basis of Accounting

The Schedule was prepared pursuant to AOC's accounting policies as they relate to the CVC project which are substantially equivalent to budgetary accounting and represent an other comprehensive basis of accounting (OCBOA) than generally accepted accounting principles for federal entities (GAAP). Specifically, (1) commitments represent an informal reservation of funds in the anticipation of a future obligation, (2) obligations to date represent the cumulative amount of orders placed, contracts awarded, services received, and similar transactions that have required or will require payments in future periods, (3) expenditures include disbursements in transit and outlays, that is, the issuance of checks, disbursement of cash, or electronic transfer of funds to liquidate an obligation and amounts retained on contracts as described below, and (4) available balance is the amount of current obligation authority that is not a commitment or obligation. At September 30, 2007,

approximately \$4.1 million of commitments are included in the column "Commitments / Obligations To Date."

At September 30, 2007, the ten percent of invoiced amounts the AOC retains pursuant to the terms of certain contracts, which is usually paid only after the AOC is satisfied with the contractor's performance in fulfilling the terms of the contract, known as "retainage", is included in expenditures. On the Schedule, the value of goods and services received but not yet authorized for payment are not included in expenditures with the exception of retainage.

Budgetary accounting comprises a definite set of criteria and is used by many federal agencies as it facilitates compliance with legal constraints and controls over the use of federal funds.

Recognition of Obligations and Expenditures

Decisions as to which activities to charge to the CVC appropriation and on the timing of these charges are made in accordance with AOC policies for the CVC project. The following represent the principal categories of obligations and expenditures relating to the CVC base project that are funded through the CVC appropriation and, therefore, are included in the Schedule:

- Those activities and transactions considered necessary to meet the scope of the CVC project as defined by the Revalidation Study as approved by the CPC, or as subsequently modified by the CPC either through directive or through approval of modifications to the project scope as described in obligation plans submitted by the AOC.
- All AOC contracts with a value of \$100,000 or more that directly benefit the CVC and would not have been entered into if the CVC were not being designed and constructed.
- All transfers of CVC project funds to other agencies to provide needed support for the CVC project.
- Salaries and benefits of AOC employees specifically hired to manage the CVC project, unless otherwise mandated by Congress or the CPC.
- Travel expenses incurred by the CVC project staff and other AOC staff in support of this project, regardless of value.

NOTE 2:

Activities relating to the CVC but not included in the Schedule

The following represent the principal categories of obligations and expenditures relating to the CVC that are not funded through the CVC

appropriation and, therefore, are not included in the Schedule:

- Any amounts expended prior to October 21, 1998.
- Indirect costs, overhead allocations, and the salary and benefit costs of AOC personnel who, as part of their normal duties, perform work in support of the CVC Project.
- Direct expenses borne by other agencies in support of the design and construction of the CVC.
- Amounts expended by the Capitol Preservation Fund (CPF) for the CVC ceremonial groundbreaking activities or design studies on a tunnel linking the CVC to the Library of Congress.
- Office supplies and other incidental items that are typically kept in the AOC's stores or otherwise supplied by the AOC's Office Services Division.
- Furniture, moving, phone and data equipment and connections or other items that would otherwise be considered "tenant" costs for newly constructed space.
- Cost of relocating offices or facilities that are temporarily or permanently displaced by CVC construction.
- Amounts approved and expended for the CVC operational costs.

NOTE 3:

Transfer of funds from CVC appropriation

Chapter 9 in Division B of the Fiscal Year 2002 Defense Appropriations Act (P.L. 107-117), states, "...any Legislative Branch entity receiving funds pursuant to the Emergency Response Fund... may transfer any funds provided to the entity to any other Legislative Branch account in an amount equal to that required to provide support for security enhancements, subject to the approval of the Committees on Appropriations of the House of Representatives and Senate." Per P.L. 107-38, the CVC received \$138.5 million from the

Emergency Response Fund. On March 22, 2002, with prior approval of the Committees on Appropriations of the House of Representatives and Senate, the CVC transferred \$3 million to the United States Capitol Police Board. The Capitol Police will use these funds to support the construction site security and temporary visitors screening operations related to the CVC. These funds were included in the Construction Phase Obligation Plan approved on March 7, 2002.

On August 7, 2003, with prior approval of the Committees on Appropriations of the House of Representatives and Senate, the CVC transferred an additional \$9 million to the United States Capitol Police Board. The Capitol Police will use these funds for the design, installation, and procurement of security systems for the CVC.

On May 9, 2005, with prior approval of the Committees on Appropriations of the House of Representatives and Senate, the CVC transferred an additional \$4.088 million to the United States Capitol Police Board. The Capitol Police will use these funds for the procurement of security systems for the CVC. These transfers effectively reduced the obligation authority to \$412.725 million.

NOTE 4:

Subsequent Events

An obligation plan was submitted to the Senate Committees on Appropriations on November 26, 2007, and the House of Representatives Committee on Appropriations on November 30, 2007, requesting obligation authority of \$6 million from the FY 2007 undistributed balance, and obligation authority of \$4 million from the FY 2008 Continuing Resolution. The Chairman of the House of Representatives Committee on Appropriations approved the obligation plan as requested on December 2, 2007, and the Chairman of the Senate Committee on Appropriations approved the obligation plan as requested on December 4, 2007.

Capitol Visitor Center — Senate Shell Space
Obligation/Expenditure Report
For Period Beginning November 12, 2001 and Ending September 30, 2007
(\$ in Thousands)

Project Components	BUDGET				Commitments/ Obligations To Date	Expenditures To Date	Available Balance
	Total	Re-allocations and Transfers	Current 9/30/07	Current Obligation Authority			
Design, Planning, and Administrative costs	\$7,500	\$(7,500)	\$-	\$-	\$-	\$-	\$-
AOC Administration and Miscellaneous Soft Costs	-	1,205	1,205	1,205	1,049	1,025	156
Design and Construction Administration	-	3,050	3,050	3,050	2,913	2,880	137
Construction Management Fees	-	2,000	2,000	2,000	2,000	2,000	-
Subtotal	7,500	(1,245)	6,255	6,255	5,962	5,905	293
Construction Costs	27,500	(27,500)	-	-	-	-	-
Sequence 1: Foundation and Structure	-	1,750	1,750	1,750	1,750	1,750	-
Sequence 2: Building Fit-out	-	11,000	11,000	11,000	10,822	10,492	178
Remaining Shell Space Fit-out Costs	-	23,070	23,070	23,070	20,206	17,867	2,864
Total Construction Costs	27,500	8,320	35,820	35,820	32,778	30,109	3,042
Additional Funding	2,475	(2,475)	-	-	-	-	-
TOTALS	\$37,475	\$4,600	\$42,075	\$42,075	\$38,740	\$36,014	\$3,335

The accompanying notes are an integral part of this schedule.

NOTE 1:

Summary of Significant Accounting Policies

Reporting Entity

On October 21, 1998, Congress appropriated \$100 million (CVC appropriation) without fiscal year (FY) limitation to the Architect of the Capitol (AOC) as part of the Omnibus Consolidated and Emergency Supplemental Appropriations Act (P.L. 105-277) (the Act) to provide funding for expenses necessary for the planning, design, engineering, and construction of the Capitol Visitor Center (CVC). As such, the AOC has primary responsibility for managing the CVC construction project, including hiring staff and engaging various contractors to assist in the planning, engineering, design, and construction of the CVC. In the Act, Congress expressed its desire that the CVC “provide both greater security for all persons working in or visiting the United States Capitol and a more convenient place in which to learn of the work of Congress.”

On November 12, 2001, Congress appropriated \$70 million in the FY 2002 Legislative Branch Appropriations (P.L. 107-68) to the AOC to be used for the development of the unassigned space within the CVC project for the House and Senate.

During FY 2005, the Committee on Appropriations of the House of Representatives and Senate approved a transfer of \$26.3 million from the Emergency Response Fund (P.L. 107-38) unobligated balances to incrementally fund the CVC, of which \$4.6 million was provided for the Senate shell space.

On August 2, 2005, Congress appropriated an additional \$41.9 million in the FY 2006 Legislative Branch Appropriations Act (P.L. 109-55) for the CVC; of which \$2.5 million is allocated to the Senate shell space. On December 30, 2005, as part of P.L. 109-148, a government-wide rescission of one percent of the FY 2006 appropriation act resulted in a total decrease of \$419,000 of budget authority, of which \$25,000 is allocated to the Senate shell space. At the time, the AOC had estimated that total project costs would be about \$42.1 million for the Senate shell space.

The CVC Senate Shell Space Obligation / Expenditure Report (the Schedule) reflects the activities and related transactions and balances determined to be directly related to the planning, design, engineering, and construction of the Senate shell space build-out pursuant to the policies of the AOC as summarized in this note and funded by the CVC appropriation for the Senate shell space. The Schedule does not include any amounts that were included in the CVC Base Project for the construction of the shell space structure. The \$42.1

million provided is for subsequent changes to the structure and for the build-out of the space. The current estimate to complete the Senate shell space is \$43.2 million. Note 2 describes the principal categories of activities and transactions related to the CVC Senate Shell Space but not included in the Schedule.

Basis of Presentation

The Schedule has been prepared to report on the total budget, outstanding commitments, obligations incurred-to-date, expenditures approved-to-date, and the status of funds approved for obligation in accordance with obligation plans for the period beginning November 12, 2001 and ending September 30, 2007. These obligation plans represent the mechanism by which the AOC seeks the Senate Committee on Appropriations’ approval to obligate funds for the project, in accordance with the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13). P.L. 109-13 amended Legislative Branch Appropriations Act of 2000 (P.L. 107-68) by striking “chair and ranking minority member.”

On April 22, 2003, the Chairmen of the Senate Committee on Appropriations directed the AOC to seek Committee approval for any reprogramming between approved funding categories in excess of ten percent or \$250,000. Such amounts are presented in the Schedule under the column titled “Re-allocations and Transfers.”

Basis of Accounting

The Schedule was prepared pursuant to AOC’s accounting policies as they relate to the CVC project which are substantially equivalent to budgetary accounting and represent an other comprehensive basis of accounting (OCBOA) than generally accepted accounting principles for federal entities (GAAP). Specifically, (1) commitments represent an informal reservation of funds in the anticipation of a future obligation, (2) obligations to date represent the cumulative amount of orders placed, contracts awarded, services received, and similar transactions that have required or will require payments in future periods, (3) expenditures include disbursements in transit and outlays, that is, the issuance of checks, disbursement of cash, or electronic transfer of funds to liquidate an obligation and amounts retained on construction contracts as described below, and (4) available balance is the amount of current obligation authority that is not a commitment or obligation. At September 30, 2007, approximately \$1.3 million of commitments is included in the column “Commitments / Obligations To Date.”

At September 30, 2007, the ten percent of invoiced amounts the AOC retains pursuant to the terms of certain contracts, which is usually

paid only after the AOC is satisfied with the contractor's performance in fulfilling the terms of the contract, known as "retainage", is included in expenditures. On the Schedule, the value of goods and services received but not yet paid for are not included in expenditures with the exception of retainage.

Budgetary accounting comprises a definite set of criteria and is used by many federal agencies as it facilitates compliance with legal constraints and controls over the use of federal funds.

Recognition of Obligations and Expenditures

Decisions as to which activities to charge to the CVC Senate Shell Space appropriation and on the timing of these charges are made in accordance with AOC policies for the CVC project. The following represent the principal categories of obligations and expenditures relating to the CVC project that are funded through the CVC appropriation and, therefore, are included in the Schedule:

- Those activities and transactions considered necessary to meet the scope of the CVC Senate shell space project as defined and approved by the Senate, or as subsequently modified by the Senate either through directive or through approval of modifications to the project scope as described in obligation plans submitted by the AOC.
- Salaries and benefits of AOC employees specifically hired to manage the CVC project, unless otherwise mandated by Congress or the Capitol Preservation Commission (CPC). Expenditures of salaries and benefits are allocated from the CVC base project to the shell space based on percentage of project funding.

- Travel expenses incurred by the CVC project staff and other AOC staff in support of this project, regardless of value.

NOTE 2:

Activities relating to the CVC but not included in the Schedule

The following represent the principal categories of obligations and expenditures relating to the CVC that are not funded through the CVC Senate Shell Space appropriation and, therefore, are not included in the Schedule:

- Indirect costs, overhead allocations, and the salary and benefit costs of AOC personnel who, as part of their normal duties, perform work in support of the CVC Project.
- Direct expenses borne by other agencies in support of the design and construction of the CVC.
- Office supplies and other incidental items that are typically kept in the AOC's stores or otherwise supplied by the AOC's Office Services Division.
- Furniture, moving, phone, and data equipment and connections, or other items that would otherwise be considered "tenant" costs for newly constructed space.
- Cost of relocating offices or facilities that are temporarily or permanently displaced by CVC construction.
- Amounts approved and expended for the CVC operational costs.

Capitol Visitor Center—House of Representatives Shell Space
Obligation/Expenditure Report
For Period Beginning November 12, 2001 and Ending September 30, 2007
(\$ in Thousands)

Project Components	BUDGET				Commitments/ Obligations To Date	Expenditures To Date	Available Balance
	Total	Re-allocations and Transfers	Current 9/30/07	Current Obligation Authority			
Design, Planning, and Administrative costs							
AOC Administration and Miscellaneous Soft Costs	\$1,750	\$(525)	\$1,225	\$1,225	\$1,072	\$1,048	\$153
Design and Construction Administration							
Design and Construction Documents	2,250	250	2,500	2,500	2,398	2,361	102
Construction Administration	1,000	(500)	500	500	492	478	8
Construction Management Fees							
Design/Procurement Phase	1,500	-	1,500	1,500	1,500	1,500	-
Construction Phase	1,000	(500)	500	500	500	500	-
Subtotal	7,500	(1,275)	6,225	6,225	5,962	5,887	263
Construction Costs	27,500	(27,500)	-	-	-	-	-
Sequence 1: Foundation and Structure	-	3,453	3,453	3,453	3,453	3,453	-
Sequence 2: Building Fit-out	-	11,000	11,000	11,000	10,915	10,501	85
Remaining Shell Space Fit-out Costs	-	22,497	22,497	22,497	20,279	17,673	2,218
Total Construction Costs	27,500	9,450	36,950	36,950	34,647	31,627	2,303
Additional Funding	2,475	(2,475)	-	-	-	-	-
TOTALS	\$37,475	\$5,700	\$43,175	\$43,175	\$40,609	\$37,514	\$2,566

The accompanying notes are an integral part of this schedule.

NOTE 1:**Summary of Significant Accounting Policies****Reporting Entity**

On October 21, 1998, Congress appropriated \$100 million (CVC appropriation) without fiscal year (FY) limitation to the Architect of the Capitol (AOC) as part of the Omnibus Consolidated and Emergency Supplemental Appropriations Act (P.L. 105-277) (the Act) to provide funding for expenses necessary for the planning, design, engineering, and construction of the Capitol Visitor Center (CVC). As such, the AOC has primary responsibility for managing the CVC construction project, including hiring staff and engaging various contractors to assist in the planning, engineering, design, and construction of the CVC. In the Act, Congress expressed its desire that the CVC “provide both greater security for all persons working in or visiting the United States Capitol and a more convenient place in which to learn of the work of Congress.”

On November 12, 2001, Congress appropriated \$70 million in the FY 2002 Legislative Branch Appropriations Act (P.L. 107-68) to the AOC to be used for the development of the unassigned space within the CVC project for the House and Senate.

During FY 2005, the Committee on Appropriations of the House of Representatives and Senate approved a transfer of \$26.3 million from the Emergency Response Fund (P.L. 107-38) unobligated balances to incrementally fund the CVC, of which \$5.7 million was provided for the CVC House shell space.

On August 2, 2005, Congress appropriated an additional \$41.9 million in the FY 2006 Legislative Branch Appropriations Act (P.L. 109-55) for the CVC; of which \$2.5 million is allocated to the House shell space. On December 30, 2005, as part of P.L. 109-148, a government-wide rescission of one percent of the FY 2006 appropriation act resulted in a total decrease of \$419,000 of budget authority, of which \$25,000 is allocated to the House shell space. At the time, the AOC had estimated that total project costs would be about \$43.2 million for the House shell space.

The CVC House Shell Space Obligation / Expenditure Report (the Schedule) reflects the activities and related transactions and balances determined to be directly related to the planning, design, engineering, and construction of the CVC House shell space build-out pursuant to the policies of the AOC as summarized in this note and funded by the CVC appropriation for the House shell space. The Schedule does not include any amounts that were included in the CVC Base Project for the construction of the shell space struc-

ture. The \$43.2 million provided is for subsequent changes to the structure and for the build-out of the space. The current estimate to complete the House shell space is \$44.9 million. Note 2 describes the principal categories of activities and transactions related to the CVC House shell space but not included in the Schedule.

Basis of Presentation

The Schedule has been prepared to report on the total budget, outstanding commitments, obligations incurred-to-date, expenditures approved-to-date, and the status of funds approved for obligation in accordance with obligation plans for the period beginning November 12, 2001 and ending September 30, 2007. These obligation plans represent the mechanism by which the AOC seeks the House Committee on Appropriations’ approval to obligate funds for the project, in accordance with the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13). P.L. 109-13 amended Legislative Branch Appropriations Act of 2000 (P.L. 107-68) by striking “chair and ranking minority member”.

On April 14, 2003, the Chairmen of the House of Representatives Committee on Appropriations directed the AOC to submit to the Committee a reprogramming request for any deviation from the existing obligation plans in the excess of the lesser of ten percent or \$500,000. Such amounts are presented in the Schedule under the column titled “Re-allocations and Transfers.”

Basis of Accounting

The Schedule was prepared pursuant to AOC’s accounting policies as they relate to the CVC project which are substantially equivalent to budgetary accounting and represent an other comprehensive basis of accounting (OCBOA) than generally accepted accounting principles for federal entities (GAAP). Specifically, (1) commitments represent an informal reservation of funds in the anticipation of a future obligation, (2) obligations to date represent the cumulative amount of orders placed, contracts awarded, services received, and similar transactions that have required or will require payments in future periods, (3) expenditures include disbursements in transit and outlays, that is, the issuance of checks, disbursement of cash, or electronic transfer of funds to liquidate an obligation and amounts retained on contracts as described below, and (4) available balance is the amount of current obligation authority that is not a commitment or obligation. At September 30, 2007, approximately \$1.5 million of commitments is included in the column “Commitments / Obligations To Date.”

At September 30, 2007, the ten percent of invoiced amounts the AOC retains pursuant to the terms of certain contracts, which is usually paid only after the AOC is satisfied with the contractor's performance in fulfilling the terms of the contract, known as "retainage", is included in expenditures. On the Schedule, the value of goods and services received but not yet authorized for payment are not included in expenditures with the exception of retainage.

Budgetary accounting comprises a definite set of criteria and is used by many federal agencies as it facilitates compliance with legal constraints and controls over the use of federal funds.

Recognition of Obligations and Expenditures

Decisions as to which activities to charge to the CVC House Shell Space appropriation and on the timing of these charges are made in accordance with AOC policies for the CVC project. The following represent the principal categories of obligations and expenditures relating to the CVC project that are funded through the CVC appropriation and, therefore, are included in the Schedule:

- Those activities and transactions considered necessary to meet the scope of the CVC House shell space project as defined and approved by the House of Representatives leadership staff, or as subsequently modified by the House either through directive or through approval of modifications to the project scope as described in obligation plans submitted by the AOC.
- Salaries and benefits of AOC employees specifically hired to manage the CVC project, unless otherwise mandated by Congress or the Capitol Preservation Commission (CPC). Expenditures of salaries and benefits are allocated from the

CVC base project to the shell space based on percentage of project funding.

- Travel expenses incurred by the CVC project staff and other AOC staff in support of this project, regardless of value.

NOTE 2:

Activities relating to the CVC House Shell Space but not included in the Schedule

The following represent the principal categories of obligations and expenditures relating to the CVC House Shell Space that are not funded through the CVC House Shell Space appropriation and, therefore, are not included in the Schedule:

- Indirect costs, overhead allocations, and the salary and benefit costs of AOC personnel who, as part of their normal duties, perform work in support of the CVC Project.
- Direct expenses borne by other agencies in support of the design and construction of the CVC.
- Office supplies and other incidental items that are typically kept in the AOC's stores or otherwise supplied by the AOC's Office Services Division.
- Furniture, moving, phone, and data equipment and connections, or other items that would otherwise be considered "tenant" costs for newly constructed space.
- Cost of relocating offices or facilities that are temporarily or permanently displaced by CVC construction.
- Amounts approved and expended for the CVC operational costs.



Required Supplementary Information

Stewardship Assets

The Architect of the Capitol is responsible for the stewardship of heritage assets throughout the Capitol complex. The heritage assets accounted for are those in, or attached to, the United States Capitol and on the Capitol Grounds, and other works of architectural fine art cared for by the Architect of the Capitol in the jurisdictions throughout the Capitol complex (primarily in the Library of Congress' Thomas Jefferson Building). Fine art is considered to be work that is created by a known artist and that is unique—that is, not repeated as part of a decorative scheme. Plans are being made as part of the AOC's revised strategic plan to update and refine its heritage asset inventories and to carry out inventories of architectural and decorative features throughout the Capitol complex.

Heritage assets for which the Architect of the Capitol is responsible are both collectible and non-collectible (i.e. architectural) in nature. In a large sense, the non-collectible assets include the structures themselves. Many of the assets listed herein are considered national treasures and caring for them is part of the stewardship mission of the organization.

The curatorial and archival functions of the Architect of the Capitol are managed by the Curator for the Architect. Until the last decades of the twentieth century, the Architect of the Capitol advised the Joint Committee on the Library on the acceptance and placement of works of art and cared for all of the art in the United States Capitol. The Curator for the Architect of the Capitol maintains records for these works of art, a file on each work of art and each artist, and computerized inventories of heritage assets. The collection was catalogued and published as a whole in *Art of the United States Capitol* (1978). Future plans are to continually increase the number of works of art available on the AOC's website.

Since the creation of the positions of Senate Curator in 1968 and House Curator in 2002, responsibilities for art have been shared or overlap. The Curator for the Architect communicates regularly with the Senate and House Curators to share information and coordinate projects.

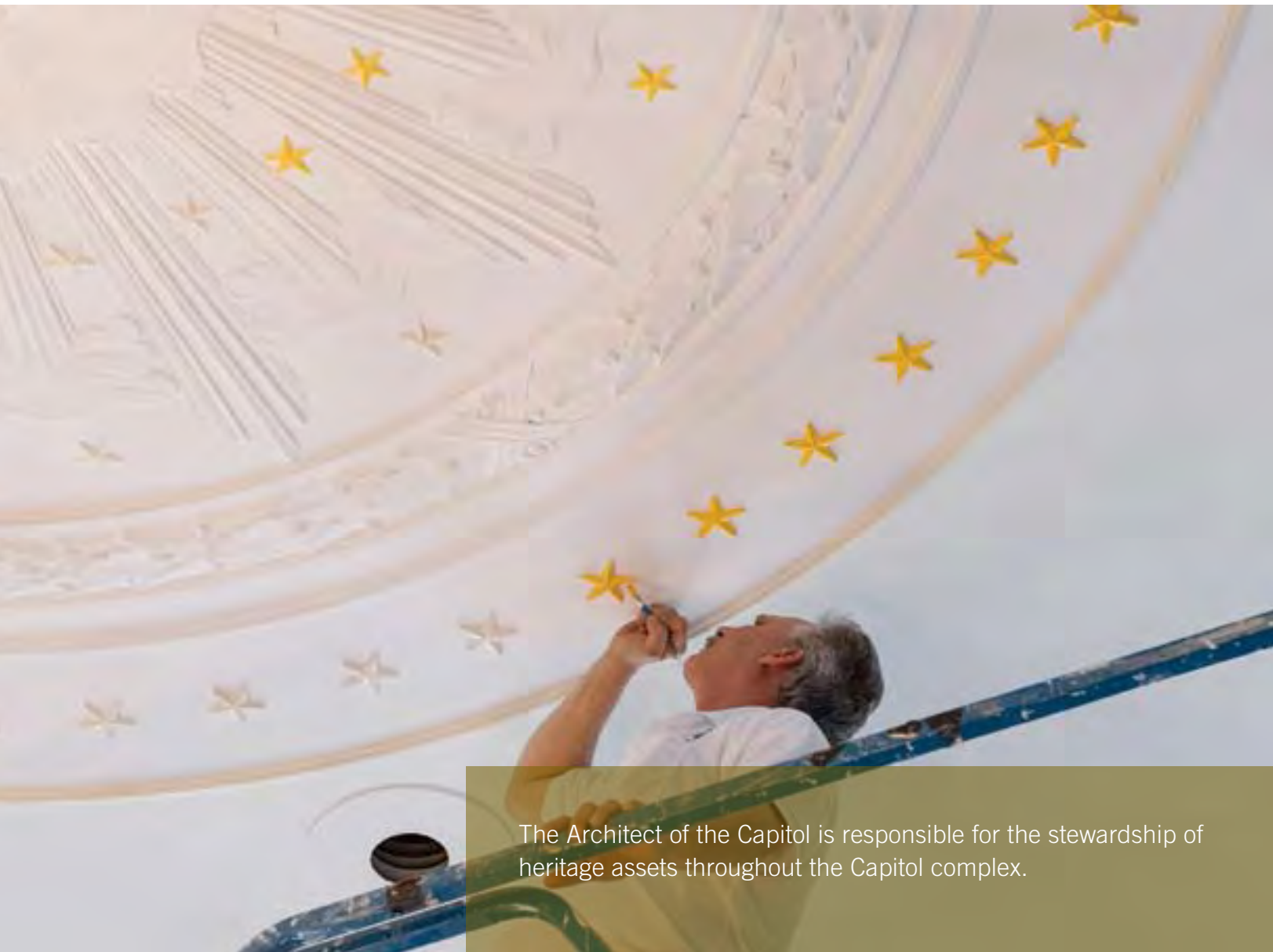
Attention to the conservation of works of art and preservation of other heritage assets (such as architectural and engineering drawings and photographs) using professional standards established by the American Institute for Conservation and the National Archives and Records Administration began in the late 1970s. Modern conservation standards require that work be fully documented in writing and with photographs. The Curator maintains a library of conservation reports. Historic architectural and engineering drawings and textual records are stored in the AOC archives and some vital records, including microfilm and photographic negatives, are stored off-site in optimum conditions. Condition surveys are periodically carried out and documented to ensure that heritage assets remain in good condition for future generations.

The Curator for the Architect works with the AOC's superintendents and facility managers to advise on contracts to conserve heritage assets and to assist with preservation issues. It is the responsibility of the Photography Branch, supervised by the Curator, to document heritage assets and conservation projects. The Records Management and Archives Branch inventories and preserves documents, such as textual records and architectural and engineering drawings, and makes them available to support projects. Progress has been made this fiscal year in making the drawing and photograph databases available to staff and contractors to support current projects and assist with historical research.

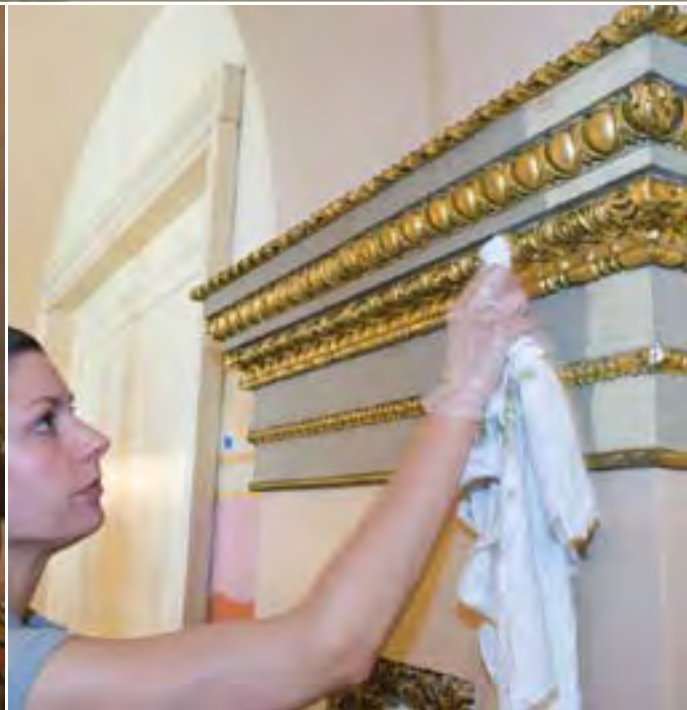
In addition, the Historic Preservation Officer (Architectural Historian) and the Preservation Architect in the Architecture Division work closely with the Curator's office in providing scholarly building documentation, supporting projects, and implementing preservation policy.

General Condition Standards

The condition standards were revised in 2007 to make them compatible with the current AOC strategic plan and accepted professional standards, such as those of the American Institute for Conservation and Heritage Preservation. Since last year, the rating of "excellent" has been added and defined. It is important to note that since the art in the Capitol complex is not in a museum setting, it is constantly subject to



The Architect of the Capitol is responsible for the stewardship of heritage assets throughout the Capitol complex.



damage from touching and impact, and the condition of even newly conserved art is subject to change. Therefore, follow-up inspections and maintenance are essential for keeping conserved heritage assets well preserved.

The tables that follow show a rating scale for general condition that ranges from “poor” to “excellent,” and indicate the aggregate condition of the collection as of September 2007. An asset in “poor” condition would be one that exhibits, or is in danger of, structural damage and requires steps such as major conservation or repair to make it intact and stable. It would have a high priority for conservation or preservation measures. One in “fair” condition is structurally sound, but major conservation is needed to improve its aesthetic integrity—it would be considered medium priority for conservation. “Good” is used to describe the condition of an object that is in sound structural condition, retains aesthetic integrity, does not require immediate conservation attention beyond routine maintenance such as dusting or minor surface cleaning, and would be judged low priority for conservation. “Excellent” describes works of art that are new or have been professionally conserved to as close to their original condition and appearance as possible and are not in need of conservation.

In applying the condition ratings to historic paper records, “poor” refers to records not yet brought into the AOC archives or whose preservation is endangered; “fair” indicates those that are secured in stable conditions in the AOC archives; “good” indicates those that are also accessioned and placed in acid-free containers; and “excellent” refers to records that are also fully processed and stored in archival folders, with major preservation problems attended to.

For photographic records, “poor” refers to film photographs not in secure storage or digital files not identified, not readable, or not backed up; “fair” indicates that the photographic record is in secure storage, the subject is identified, and the image is backed up; “good” refers to negatives properly housed and inventoried, digital files batch captioned and backed up in multiple locations; and “excellent” describes photo records with negatives stored off-site or in archival conditions or digital files fully captioned, with images backed up in multiple locations and routine data migration.

United States Capitol

1. Fine Art

This group includes works of art by a known artist, usually unique, that are not permanently attached to or designed for the structure, i.e. collectible. They are divided between works that are under the jurisdiction of the Joint Committee on the Library and currently cared for by the AOC and those that were originally accepted by the Joint Committee on the Library and are also joint in subject matter. These are counted as “possibly joint,” although they are located in the Senate and House wings and, in many cases, considered to be part of the Senate or House collections. Treatment on fine art is performed by professional fine arts conservators working under contract.

1.A. Interior Sculpture

The Capitol is filled with sculptures in bronze and marble. Many are part of the National Statuary Hall Collection, which consists of two statues donated by each state. The collection, established in 1864, was completed in 2005—though some states are in the process of replacing their statues.

Sculpture	As of 10/01/06	As of 9/30/07	Change	General Condition
National Statuary Hall Statues	100	100	-	Good ¹
Other Statues in Rotunda ²	6	6	-	Good
Possibly Joint Statues	5	5	-	Good
Busts	10	10	-	Good
Possibly Joint Busts	26	26	-	Good
Other (Maquettes, etc.)	8	8	-	Good

¹ Conservators conducted a condition assessment of the National Statuary Hall Collection in 2002, and the AOC has had many sculptures conserved since then. Conservation maintenance will be needed after statues are relocated for the opening of the Capitol Visitor Center.

² The Magna Carta display and Portrait Monument are included in this group.

1.B. Oil Paintings and Frames

The largest collection of oil paintings consists of the portraits of House of Representatives committee chairmen. They were catalogued and conserved by the Architect of the Capitol until the creation of a House Curator under the Clerk of the House in 2002, and are not included here.

Oil paintings cared for by the Architect of the Capitol include the collection of portraits of Architects of the Capitol and other paintings within the office of the Architect.

Paintings	As of 10/01/06	As of 9/30/07	Change	General Condition
Portraits	20	21	1 ³	Good
Possibly Joint Portraits	23	23	-	Good
Paintings Other Than Portraits	5	5	-	Good to Excellent
Possibly Joint Paintings	24	24	-	Good

³ Portrait of Architect Alan M. Hantman added in 2007.

1.C. Works on Paper (Watercolors, Drawings, Prints)

The major collection of prints featuring the U.S. Capitol, the Conable Collection, and other prints accepted by the House Fine Arts Board, are now being cared for by the House Curator. The AOC has a small number of works on paper primarily related to the U.S. Capitol which are used for research purposes.

2. Decorative Art

These may range from objects of great craftsmanship and historical importance to more mass-produced objects. Often the name of the designer or maker is not known. Conservation treatment may be appropriate for the highest level of decorative art. The overmantel mirror frames, owing to their scale and the fact that many were designed for a particular location, could be considered in the category of architectural art.

Decorative Art	As of 10/01/06	As of 9/30/07	Change	General Condition
Gilded Overmantel Mirror Frames	approx. 80	approx. 80	-	Fair to Good
Historic Furniture	approx. 34	approx. 34	-	Fair to Excellent ⁴
Antique Clocks	16	16	-	Fair to Good
Textiles	2	2	-	Good

⁴ Multi-year funds were obligated in 2004 to conserve 16 benches as part of Improvements in the Rotunda. The work was completed in 2006 and follow-up maintenance work is in progress.

3. Architectural Fine Art

This is art that is part of the fabric of a structure, permanently attached to the structure or building systems, or designed as part of an architectural space.

Architectural Fine Art	As of 10/01/06	As of 9/30/07	Change	General Condition
Pediments	3	3	-	Poor to Fair ⁵
Statues	7	7	-	Good
Sculptured stair railings	4	4	-	Good
Architectural models on display	1	1	-	Good
Reliefs	38	38	-	Good
Bronze doors	4	4	-	Fair to Excellent ⁶
Plaques	28	28	-	Fair
Stained glass	15	15	-	Poor to Good ⁷
Rooms or spaces with Fine Art Murals ⁸	79	79	-	Fair to Excellent
Rotunda Paintings ⁹	8	8	-	Good to Excellent

⁵ A condition survey of the pediments has been made and the work is planned in conjunction with work on the architectural stonework of the building.

⁶ House and Senate bronze doors were conserved this year and the Rotunda door conservation of all three doors will take place in 2008 once CVC construction is completed.

⁷ A survey revealed that the four stained glass laylights in the Grand Stairways are in poor condition and a possible safety hazard; they were removed and placed in storage in 2007 and plans will be made for future restoration.

⁸ Each room or space may contain multiple sections of murals with individual mural scenes, figures, etc., so the total number of vaults, lunettes, and medallions painted on the walls of the Capitol would number in the hundreds. Most murals are in at least good condition.

⁹ Conservation of the historic gilded frames was completed, with the surface cleaning of the paintings planned for 2008.

4. Architectural Decorative Arts

These heritage assets are part of the fabric of a structure, permanently attached to the structure or building systems, or designed as part of an architectural space.

Architectural Decorative Art	As of 10/01/06	As of 9/30/07	Change	General Condition
Mantels	149	149	-	Good
Chandeliers ¹⁰	approx. 480	approx. 480	-	Good to Excellent
Sconces ¹¹	approx. 240	approx. 240	-	Good
Rooms or spaces with Decorative Murals ¹²	51	51	-	Good

^{10, 11} A minority, perhaps one-third, of these lighting fixtures would be considered historic. Many have been purchased since 1960. The Capitol superintendent has been systematically restoring the historic chandeliers over the past several years.

¹² There are about 35 rooms with recent decorative stenciling that are not counted among the heritage assets.

5. Architectural Features

Historic architectural features include woodwork, shutters, columns, capitals, brackets, historic floors (such as the Minton Tile floors in the Capitol), and special architectural surfaces (such as marble and scagliola). They are maintained by the Capitol superintendent (or Senate Sergeant at Arms). There is no count of these features available, although some may be included in condition surveys. The numbers are large—for example, there are at least 450 interior columns and pilasters with carved capitals. In recent years, attention has been paid to the restoration of the historic scagliola—an imitation marble installed in the 1850s.

Capitol Grounds

The Capitol Grounds are comprised of the approximately 234 acres on which the Capitol, Senate and House Office Buildings, and Capitol Power Plant reside. These historically significant grounds were designed by noted landscape architect Frederick Law Olmsted, who also designed New York’s Central Park, between 1874 through 1892. This living heritage asset includes lawns, parks, trees, landscaping, plazas, terraces, reflection pools, courtyards, roof gardens, child care center playgrounds, and atria. These areas are equipped with ornamental fountains, drinking fountains, outdoor seating, stone retaining walls, lighting, irrigation systems, streets, sidewalks, and parking areas.

Outdoor Sculpture	As of 10/01/06	As of 9/30/07	Change	General Condition
Monuments/Statues	3	3	-	Good
Fountains with Sculpture	2	2	-	Poor to Good
Landscape Features and Fixtures (Capitol Square)	As of 10/01/06	As of 9/30/07	Change	General Condition
Lighting Fixtures ¹³	approx. 166	approx. 166	-	Fair to Excellent
Urns ¹⁴	20	20	-	Excellent
Reliefs (in stone wall) ¹⁵	N/A	N/A	-	Poor to Fair

^{13, 14} The restored West Front urns and two light posts and two East Front fountain basins designed by Olmsted were reinstalled in 2006. Most of the restored East Front light fixtures, removed for the construction of the Capitol Visitor Center, were reinstalled in 2007.

¹⁵ The Olmsted walls were documented and their condition assessed in 2006. Testing and re-pointing took place in 2007.

The Grounds are also home to approximately 100 memorial trees, of which about 70 are located on the Capitol’s East Front. The memorial trees on the Capitol Grounds are living heritage assets that have been planted over the years to honor distinguished citizens, groups, and national events.

The general condition of the memorial trees as of September 30, 2007 has been denoted below:

Excellent	35
Good	45
Fair	15
Poor or Declining	5
Total	100

House Office Buildings

Architectural Fine Art	As of 10/01/06	As of 9/30/07	Change	General Condition
Pediments	1	1	-	Good
Sculpture	8	8	-	Fair
Plaster Models of Sculpture	27	27	-	Good
Architectural Models on Display	1	1	-	Good
Reliefs	1	1	-	Good
Murals	1	1	-	Good
Outdoor Sculpture	As of 10/01/06	As of 9/30/07	Change	General Condition
Monuments/Statues	2	2	-	Fair

Senate Office Buildings

Architectural Fine Art	As of 10/01/06	As of 9/30/07	Change	General Condition
Pediments	1	1	-	Fair
Sculpture	1	1	-	Fair
Plaster Models of Sculpture	7	7	-	Good
Architectural Models on Display	4	4	-	Good
Maquettes, etc.	1	1	-	Good
Plaques	approx. 4	approx. 4	-	Good
Murals	1	1	-	Excellent

Library of Congress Buildings and Grounds

The 1897 Thomas Jefferson Building is covered with decoration inside and out, including large areas of decorative painting, relief plaster, woodwork, stone work, and mosaic ceilings. The John Adams Building is embellished with much fine, Art Deco-style decorative metal and stone work. These are not counted here.

Architectural Fine Art	As of 10/01/06	As of 9/30/07	Change	General Condition
Statues	27	27	-	Good to Excellent
Sculptured Stair Railings	2	2	-	Good
Reliefs	74	74	-	Good
Bronze Doors (sets)	11	11	-	Fair to Good
Stained Glass/Mosaics ¹⁶	18	18	-	Good
Rooms or Spaces with Fine Art Murals ¹⁷	32	32	-	Good To Excellent ¹⁸
Outdoor Sculpture	As of 10/01/06	As of 9/30/07	Change	General Condition
Fountains with Sculpture	2	2	-	Fair to Good ¹⁹

¹⁶ Includes large areas with multiple stained glass panels.

¹⁷ Within these spaces are approximately 142 individual murals plus numerous related small panels.

¹⁸ The murals in the Adams Building and the Blasfield murals under the dome of the Jefferson Building are the only ones that have not been conserved. All others were conserved as part of the Jefferson Building restoration. They are inspected as part of the on-going maintenance program and any small problems are treated—keeping them in excellent condition.

¹⁹ The large Neptune Fountain has been conserved and is regularly maintained by washing and waxing. The Pan sculpture in the courtyard is in need of conservation.

Supreme Court

The Supreme Court Building is richly decorated with decorative carvings in marble and wood, decorative metal and plaster work, and decorative painting. The collectible fine art is cared for by the Curator of the Supreme Court.

Architectural Fine Art	As of 10/01/06	As of 9/30/07	Change	General Condition
Pediments	2	2	-	Poor to Fair
Sculpture	2	2	-	Fair
Reliefs	4	4	-	Good

Architectural Artifacts

Small architectural and engineering artifacts are inventoried and stored by the Curator for possible research or exhibition purposes. Large artifacts, such as pieces of stone removed from buildings or plaster models, have been inventoried and are stored in two locations at Ft. Meade, Maryland. Some of the stone has been saved for possible reuse for repairs.

Sculpture and stone removed from the East Front of the Capitol during its extension in 1958 are currently at a Smithsonian Institution storage area. They were re-created, protected, and inventoried.

Historic Records and Reference

The Records Management and Archives Branch acquires architectural drawings, engineering drawings, and textual records by approved records schedules developed by the branch, archival appraisals, and records surveys. This branch arranges drawings and textual records in accordance with archival principles to facilitate control, access, reference, research, and retrieval.

Architectural and engineering drawings and manuscripts require special archival storage and handling because of their diverse physical attributes. The Records Management Branch stores drawings flat in acid-free folders in horizontal drawing cases. Stable temperature and humidity conditions and high security are maintained for the records.

Microfilm of many drawings is stored off-site for back-up purposes. Digital scans of many drawings stored on the AOC network are also important backups for the images and information.

A. Architectural and Engineering Drawings

Beginning with plans for the construction of the Capitol in the early 1800s, and with primary holdings from the 1850s on, the architectural and engineering drawings contain a wide range of subjects and formats—from pencil renderings of architectural details, to finely detailed ink and watercolor working drawings, to polished presentation pieces, to blueprints, to modern computer-aided design drawings. The architectural and engineering drawings are vital for current construction and maintenance projects as well as for historical research. The specifications and files on previous projects aid in the planning and development of new projects.

Approximately 166,000 architectural and engineering drawings are stored in the AOC archives. Drawings are constantly being added. Approximately 50 percent of these drawings have been arranged, indexed, and assigned control numbers. Most of those remaining are properly stored in drawing cabinets arranged by building, waiting indexing and verification that they are not duplicates. Some drawings have been received in rolls and still require preservation work. Therefore, no exact total number of drawings can be provided.

Drawings are scanned, described, and computer indexed to facilitate retrieval. Microfilm is produced from the scanned images. To further enhance document retrieval, the scanned images are linked to the descriptive information in the electronic text data base. Textual records are described in accession records, finding aides, and guides. Boxes and folders are labeled and stored according to record groups. Basic preservation and conservation of drawings are performed by archival staff in the Records Management Branch. Specialized work on fragile and historic drawings may be performed under contract.

B. Construction and Administrative Textual Records

The Records Center maintains administrative and project records that document the history of the AOC as well as the construction history of the U.S. Capitol complex. These holdings date from the Capitol Extension project in the 1850s and continue through the present day. Of special value are the manuscript collection and the Architects' letter books, some of which date to the 1850s.

C. Photographs

The Photography Branch produces photographs relating to architectural design, construction, renovation, and restoration of the buildings and grounds under the AOC's care. The largest project this year was the ongoing construction of the Capitol Visitor Center. In addition, major ceremonial events are covered, along with documentation of works of art and conservation projects. This branch produces graphic slides, displays, and videotape for agency and congressional use. A major function of the branch is the preservation of a photographic archive dating back to the 1850s. For example, the collection includes approximately 4,000 glass plates, in addition to hundreds of thousands of images in negative, print, and digital format that document the construction of, and the changes to, the historic buildings and grounds under the Architect's authority. The number of images is growing rapidly since the conversion to digital format. Each unique image is given a control number (one image may exist in multiple formats). The majority of the glass and film negatives are stored off-site for their long-term preservation. Digital files are systematically backed-up and copied. Additional work was accomplished this year on a program to make the database accessible to a wider number of AOC staff.

D. Reference and Library Materials

The curatorial and archival functions of the AOC are managed by the Curator for the Architect. A major curatorial function is maintaining the inventory of, and files for, art and historical objects, which was established by Curator Charles Fairman in 1911. The Curator's Office has a file on each work of art, artist, and room in the Capitol, in addition to files on the buildings and architectural subjects. Records are kept on major ceremonies, such as joint sessions of Congress and inaugurations. Conservation reports and studies are growing in number and importance. These files are used to answer questions from Members of Congress and the public and to provide information for written fact sheets and publications. The United States Capitol Historical Society Fellowship, managed by the Curator, continually adds to the knowledge of the art and architecture of the Capitol complex.

Records	As of 10/01/06	As of 9/30/07	Change	General Condition
Architectural and Engineering Drawings	approx.165,000	approx.166,000	1,000	Good to Excellent
Manuscripts and other Textual Records	approx. 4800 boxes	approx. 5000 boxes	200	Fair to Good
Small Architectural Models ²⁰	Fewer than 20	Fewer than 20	-	Poor to Fair
Photographs ²¹	163,000	170,650	7,650	Good to Excellent
Reference and Library Materials	As of 10/01/06	As of 9/30/07	Change	General Condition
Art and Reference Files	108 drawers	108 drawers	-	Good
Art and Reference Library (published volumes)	1,360 vol.	1,375 vol.	15	Fair to Good
Conservation Reports (in notebooks)	189	204	15	Good

²⁰ There are fewer than 20 working architectural models in varying conditions in storage that need to be appraised and inventoried only if deemed worthy of permanent retention.

²¹ Unique images are assigned an AOC control number. The total number of records in the form of negatives, transparencies, prints, and digital files is several multiples of these numbers.

BOTANIC GARDEN

The U.S. Botanic Garden (USBG) maintains an orderly, documented, labeled collection of living plants. The USBG plant collection includes all the plants that are used to fulfill the mission of the institution. These plants are categorized as follows:

- Plants of historical significance or current institutional significance for the USBG (individuals or descendants from the Wilkes and Perry expedition, commemorative gifts from foreign governments, descendants of plants of American historical significance),
- Plants appearing on approved permanent landscape planting plans for the Conservatory, National Garden, Bartholdi Park, and the Production facility,
- Plants listed for rotation into permanent exhibits in the Conservatory, National Garden, or Bartholdi Park,
- Plants used in ongoing education programs,
- Plants needed to support future exhibits or programs and whose quality or relative unavailability in the commercial trade justifies inclusion in the permanent collection,
- Orchid species and selected orchid cultivars,
- Listed rare and endangered species received under the Convention on International Trade in Endangered Species (CITES) of Flora and Fauna repository agreement, through interagency transfer, or by other means,
- Medicinal plants whose quality or relative unavailability in the commercial trade justifies inclusion in the permanent collection, and
- Plants used for accent and horticultural propagation stock, including those obtained for trail for performance under local conditions.

Plants used for exhibition, study, and exchange with other institutions. The garden's noteworthy collections include economically significant plants, medicinal plants, orchids, cacti and succulents, bromeliads, and cycads.

In addition to providing a tranquil and beautiful environment for visitors, the Botanic Garden makes its gardens and living collections important resources for the study of threatened plants and their conservation. Our staff maintains extensive computerized records of the plants in the Garden's collections. The records track the location, condition, and provenance of each addition. Collections are continually reviewed for accuracy in identification as relevant to the Botanic Garden's mission.

The U.S. Botanic Garden received approximately 1,000 new accessions of plants during the fiscal year. These accessions represent almost 900 individual specimens. Of the total accessions, 272 were donations from individuals and other institutions.

By the end of 2007, the Botanic Garden had more than 36,000 individual plants in cultivation at the conservatory and the Blue Plains Production Facility. There were nearly 5,000 total orchids in the collections, by far the largest single collection of plants maintained. The USBG maintains approximately 7,500 unique taxa in its collections.

Botanic Garden (non-living Heritage Assets)

Outdoor Sculpture	As of 10/01/06	As of 9/30/07	Change	General Condition
Fountains with Sculpture	1	1	-	Poor to Fair ¹

¹ Restoration of the Bartholdi Fountain is expected to start in 2008. Structural problems noted during condition assessments are internal. Its 1986 protective coating now needs to be replaced.

Botanic Garden (living Heritage Assets)

Below is a table listing statistics on our entire collection of living heritage assets with a separate table that inventories our orchid collection. We provide plant inventories so the reader can compare 2007 with the previous five years.

All Holdings

Date	2002	2003	2004	2005	2006	2007
Names ²	24,746	25,231	25,716	26,254	26,900	27,601
Accessions ³	20,318	21,112	21,751	22,623	24,065	25,087
Plants ⁴	30,335	31,461	32,274	33,338	35,179	36,624
Deaccessions-YTD ⁵	2,524	2,199	1,483	806	744	1,346
Taxa (Alive) ⁶	6,603	6,471	6,514	6,833	7,360	7,527
Plants (Alive) ⁷	16,708	15,707	5,119	15,516	16,674	16,782
Number of Individuals ⁸	30,563	36,439	36,226	36,083	52,391	55,550
Plants Checked In ⁹	9,899	6,720	4,816	5,487	4,346	4,470
YTD Inv% ¹⁰	51.5	37.5	29.0	33.6	25.0	24.7

Orchid Collection

Date	2002	2003	2004	2005	2006	2007
Names ²	3,556	3,653	3,809	3,921	3,950	3,975
Accessions ³	6,884	7,019	7,236	7,393	7,450	7,502
Plants ⁴	9,102	9,302	9,589	9,847	9,977	10,170
Deaccessions-YTD ⁵	693	1,004	526	317	175	301
Taxa (Alive) ⁶	2,053	1,777	1,800	1,831	1,796	1,730
Plants (Alive) ⁷	5,925	5,142	4,990	5,045	5,020	4,942
Plants Checked In ⁹	4,637	3,207	2,718	3,084	1,776	1,971
YTD Inv% ¹⁰	77.4	52.2	49.3	57.5	34.2	37.6

² Number of taxonomic entries in BG-base regardless of whether they are associated with current holdings (cumulative).

³ Current number of accession, presumed to be genets (cumulative).

⁴ Total number of individuals in Plants table-living and dead (cumulative).

⁵ Deaccessions for the current year.

⁶ Number of unique taxa currently alive in holding.

⁷ Number of individuals in Plants table currently living.

⁸ Number of individuals living, including multiple ramets associated with a single accession number. (This number has a high degree of inaccuracy.)

⁹ Number of plants checked during the current year.

¹⁰ Percentage is number of plants checked in the current year (including deaccessions) divided by plants (alive) plus deaccessions YTD.

Note that this figure cannot include plants in collections that have never been inventoried.

Deferred Maintenance

The Architect of the Capitol (AOC) is responsible for the maintenance, operation, development, and preservation of the buildings, grounds and other national treasures of the Capitol complex. The AOC's mission is to preserve and enhance these assets to sustain Congressional operations now and into the future. The Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standard (SFFAS) No. 6 defines deferred maintenance as maintenance that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed for a future period.

SFFAS No. 6, "Accounting for Property, Plant, and Equipment," as amended by SFFAS No. 14, "Amendments to Deferred Maintenance Reporting," requires annual disclosure of the estimated cost to remedy accumulated deferred maintenance on AOC property, plant, and equipment (PP&E). In its Strategic and Performance Plan, the AOC has defined its acceptable level of condition of PP&E to be "good" to "excellent" based on the Facility Condition Index. PP&E of less than "good" condition are determined to require significantly more maintenance than facilities in better condition. The three major classes of assets for which maintenance was deferred in 2007 are: buildings and other structures; grounds; and heritage assets.

To evaluate the condition of buildings, other structures, and grounds, the AOC uses a combination of Facility Condition Assessments (FCAs) and the Capitol Complex Master Plan to identify deferred maintenance, capital renewal projects, capital improvements, and capital construction projects. The focus of this required supplementary information disclosure is solely deferred maintenance, as identified through the FCAs, and does not include capital renewal projects, capital improvements, and capital construction projects.

The AOC has completed initial FCAs on all the buildings and grounds under our purview except for the Library of Congress' Thomas Jefferson Building, James Madison Memorial Building, and Special Service Facilities Center; the West Refrigeration Plant Expansion; the Supreme Court building; pedestrian tunnels; mis-

cellaneous Capitol Police buildings; and equipment related to the Capitol Power Plant. As a result, estimates for these facilities have not been included in the 2007 figures below. The AOC continues to complete and update FCAs across the Capitol complex. As a result, FCAs for some of these facilities are underway or in the planning stage and are anticipated to be included in subsequent Performance and Accountability Reports.

The AOC's estimate of the amount of accumulated deferred maintenance that is required to improve its PP&E to an acceptable level is \$292,910,000. Figure 1 depicts the breakdown of costs by category.

Figure 1: 2007 Deferred Maintenance

(\$ in Thousands)

Category	Cost to return to acceptable condition
Buildings and Other Structures	\$288,482
Grounds	973
Heritage Assets	3,455
Grand Total	\$292,910¹

As previously mentioned, the AOC aims to maintain its assets in at least "good" condition. Asset condition is defined by the Facility Condition Index, which is calculated as the cost of deferred maintenance divided by the current replacement value. A ratio of less than 0.02 is considered "excellent;" a ratio of 0.02 to 0.05 is judged to be "good;" a ratio of 0.05 to 0.10 is deemed "fair;" and a ratio more than 0.10 is considered "poor." The AOC's goal is to attain a ratio of less than .05 (or "good" condition) for its assets. It is important to note that although an asset may be rated as being in overall acceptable condition, individual systems within that asset may require deferred maintenance in order to return the system to an acceptable operating condition.

Further information on deferred maintenance, capital renewal costs, capital improvements, capital construction, and ongoing operations and maintenance can be found in the *Looking Ahead* narrative section of Section I - MD&A.

¹The deferred maintenance figure for September 30, 2007 excludes the Library of Congress' Thomas Jefferson Building, James Madison Memorial Building, and Special Service Facilities Center; the West Refrigeration Plant Expansion; the Supreme Court building; pedestrian tunnels; miscellaneous Capitol Police buildings; and equipment related to the Capitol Power Plant.

List of Abbreviations and Acronyms

AAM	American Association of Museums	GAO	Government Accountability Office
ACF	Alternate Computer Facility	GMRA	Government Management Reporting
ADA	Americans with Disabilities Act	GPO	Government Printing Office
AFSCME	American Federation of State, County, and Municipal Employees	GSA	General Services Administration
AIA	The American Institute of Architects	GSS	General Support Systems
AICPA	American Institute of Certified Public Accountants	HAB	Historic American Building
AOC	Architect of the Capitol	HAZMAT	Hazardous Materials
BIM	Building Information Model	HOB	House Office Buildings
BOC	Budget Object Code	HR	Human Resources
CAA	Congressional Accountability Act	HRMD	Human Resource Management Division
CAD	Computer-Aided Design	HVAC	Heating, Ventilation, and Air-conditioning
CAO	The Office of the Chief Administrative Officer	IDP	Individual Development Plan
CAS	Computer Applications Specialists	I&I	Injury and Illness
CATV	Community Access Television	ISSP	Information Systems Security Program
CCMP	Capitol Complex Master Plan	IT	Information Technology
CERCLA	Comprehensive and Environmental Response Compensation and Liability Act	ITD	Information Technology Division
CFO	The Office of the Chief Financial Officer	LICP	Line-Item Construction Project
CIO	Chief Information Officer	LOC	Library of Congress
CIP	Capital improvement Plan	MBRS	Motion Picture, Broadcasting and Recorded Sound Division
CISO	Chief Information Security Officer	MD&A	Management's Discussion and Analysis
CMAA	Construction Management Association of America	MWH	Megawatt Hours
COOP	Continuity of Operations	MY	Multi-Year
COTR	Contracting Officer's Technical Representative	NAVCC	National Audio Visual Conservation Center
CPBG	Capitol Police Buildings and Grounds	NFC	National Finance Center
CPP	Capitol Power Plant	NFPA	National Fire Protection Association
CSRDF	Civil Service Retirement and Disability Fund	NGTF	National Garden Trust Fund
CSRS	Civil Service Retirement System	NIST	National Institute of Standards and Technology
CVC	Capitol Visitor Center	OAP	Office of Attending Physician
CVSWG	Capitol Vulnerability Study Working Group	OGC	Office of the General Counsel
CWIP	Construction Work in Process	OMB	Office of Management and Budget
DCS	Distributed Control System	OOC	Office of Compliance
DMS	Document Management System	OPM	Office of Personnel Management
DOL	Department of Labor	OSH	Occupational Safety and Health
DWO	Demand Work Order	OSP	Office of Security Programs
DWPD	Daniel Webster Page Dorm	PAR	Performance and Accountability Report
EA	Enterprise Architecture	PDA	Personal Digital Assistant
EAMMF	Enterprise Architecture Management Maturity Framework	PHI	Packard Humanities Institute
EEO/CP	Equal Employment Opportunity and Conciliation Programs Division	POP	Procurement Overview Portal
FASAB	Federal Accounting Standards Advisory Board	PP&E	Property, Plant, and Equipment
FBWT	Fund Balance with Treasury	PPM	Office of Planning and Program Management
FCA	Facility Condition Assessment	PPP	Public Private Partnership
FECA	Federal Employees' Compensation Act	SAS	Statement on Auditing Standards
FEGLI	Federal Employees Group Life Insurance	SAT	Senior Assessment Team
FEHB	Federal Employees Health Benefits	SECCC	Senate Employees Child Care Center
FERS	Federal Employee Retirement System	SFEP	Safety, Fire, and Environmental Programs Office
FGGM	Fort George G. Meade Army Base	SFFAS	Statement of Federal Financial Accounting Standard
FHOB	Ford House Office Building	SOB	Senate Office Buildings
FISCAM	Federal Information System Controls Audit Manual	SONC	Statement of Net Cost
FMS	Financial Management Systems	SSAA	Senate Sergeant at Arms
FTE	Full-Time Equivalent	T&A	Time and Attendance
FY	Fiscal Year	TMFJB	Thurgood Marshall Federal Judiciary Building
GAAP	Generally Accepted Accounting Principles	USBG	United States Botanic Garden
		USSGL	US Standard General Ledger
		WFPM	Workforce Planning and Management Division
		WRPE	West Refrigeration Plant Expansion
		YTD	Year-to-Date

Acknowledgments and Additional Resources

This 2007 Performance and Accountability Report was produced with the energies and talents of the staff of The Architect of the Capitol. To these dedicated individuals we offer our sincerest thanks and acknowledgment.

In particular, we would like to recognize the following AOC organizations and individuals for their contributions:

Acting Architect of the Capitol/Chief Operating Officer

Stephen T. Ayers, AIA

Chief Administrative Officer

David Ferguson
Daniel Cassil

Chief Financial Officer

Paula Lettice

Accounting Division

Timothy Macdonald
Dean Feehley
Nina Latterell
Joseph Peter

Botanic Garden

Holly Shimizu
Christine Flanagan

Budget Division

Lauri Smith
Wayne Pritcher
Debi Thomas

Capitol Building

Carlos Elias
Larry Brown

Capitol Grounds

Theodore Bechtol

Capitol Power Plant

Mark Weiss
Christopher Potter

Capitol Visitor Center

Terrie Rouse
Thomas Fontana

Congressional and External Relations

Michael Culver
Eva Malecki

Curator Division

Barbara Wolanin
Benjamin Myers

Equal Employment Opportunity/Conciliation Programs

Teresa Bailey

Financial Management Systems Division

Robin Moffatt
Chrissy Killillay

General Counsel

Peter Kushner

House Office Buildings

Frank Tiscione
Robert Gleich

Human Resources Management Division

Rebecca Tiscione

Information Technology Division

Brian Lisle

Library of Congress

Gregory Simmons
Lawrence Barr
Kimberly Coats
Mark Sciaratta

Procurement Division

Cynthia Bennett

Programming and Project Management Division

Anna Franz
William Allen
Terrel Emmons
Michael Fenn
Michelle Kayon
Paul McMahon
Stuart Pregnall
Nancy Skinkle
John Weber
William Weidemeyer

Quality Management Office

Marina Kittel

Safety, Fire, and Environmental Programs

Susan Adams
Scott Wilmoth

Security Programs

Kenneth Eads

Senate Office Buildings

Robin Morey
Takis Tzamaras

Strategic Planning Office

Christa Kuhl
Maryann Carr

Supreme Court

James Yellman
Joseph Metzler
Louis Scalfari

Workforce Management and Planning Division

Serena McIlwain
Brian Kohler

The photographs in this report are by Michael Dunn, AOC photographer. We would also like to acknowledge the contribution of Charles Badal.

The 2007 Report was designed by Corporate Visions, Inc.

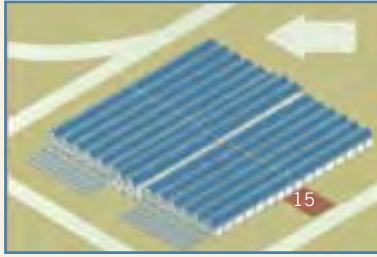
Thank you for your interest in The Architect of the Capitol's 2007 Performance and Accountability Report. An electronic version of this report is available online at:

<http://www.aoc.gov/aoc/cfo/index.cfm>

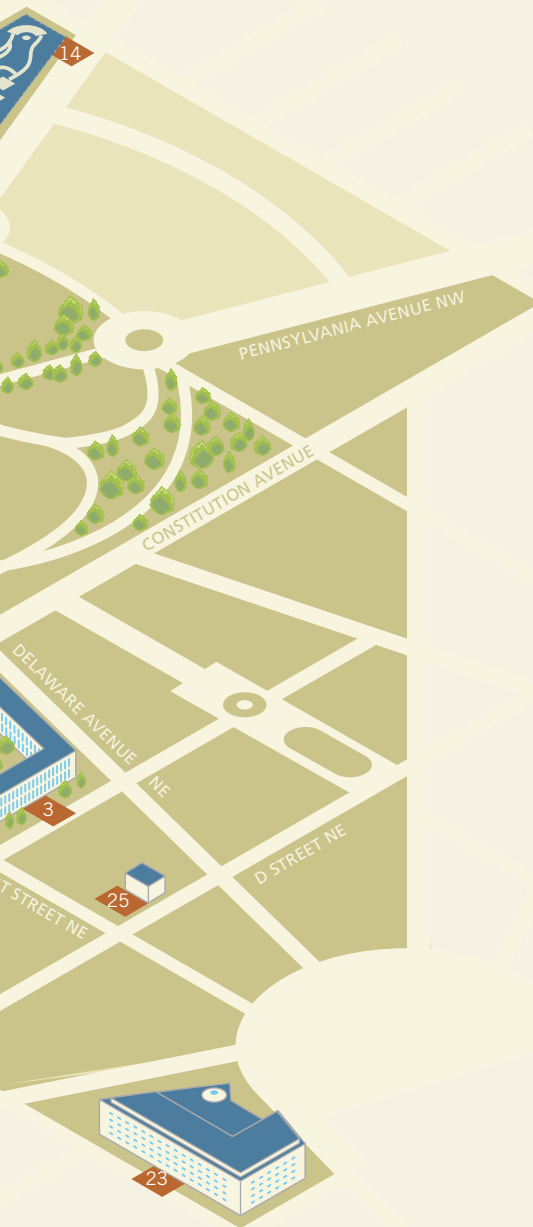
To learn more about The Architect of the Capitol and its mission, we encourage you to visit our website at:

<http://www.aoc.gov/>





LEGEND



- 1 U.S. Capitol
- 2 Capitol Visitor Center (underground)
- 3 Russell Senate Office Building
- 4 Dirksen Senate Office Building
- 5 Hart Senate Office Building
- 6 Webster Hall
- 7 Cannon House Office Building
- 8 Longworth House Office Building
- 9 Rayburn House Office Building
- 10 Ford House Office Building
- 11 House Page Dorm
- 12 Botanic Garden Conservatory
- 13 Botanic Garden Administration Building
- 14 National Garden Administration Building
- 15 Botanic Garden Production Facility and Various Support Facilities
- 16 LOC National A/V Conservation Center
- 17 Thomas Jefferson Building
- 18 John Adams Building
- 19 James Madison Building
- 20 Ft. Meade Building
- 21 Special Facilities Center
- 22 Supreme Court Building
- 23 Thurgood Marshall Federal Judiciary Building
- 24 Capitol Power Plant Complex
- 25 Eney, Chesnut, Gibson Memorial Building

FACILITIES NOT SHOWN:

- Childcare Center (Senate)
- Alternative Computer Facility
- Postal Square (leased)
- GPO Building (leased)
- U.S. Capitol Police Buildings
 - Training Facility
 - Dog Kennel and Training Facility
 - Maintenance Facility (leased)
 - Fairchild Building (leased)
 - Delivery Center (leased)
 - Storage/Logistics Warehouse (leased)

To request additional copies of this Performance and Accountability report, or to submit your comments, please contact the AOC's Accounting Division at:

The Architect of the Capitol
ATTN: Accounting Division - PAR
Ford House Office Building
2nd & D Street, SW
Washington, D.C. 20515

(202) 226-2552



Architect of the Capitol
United States Capitol
Washington, DC 20515