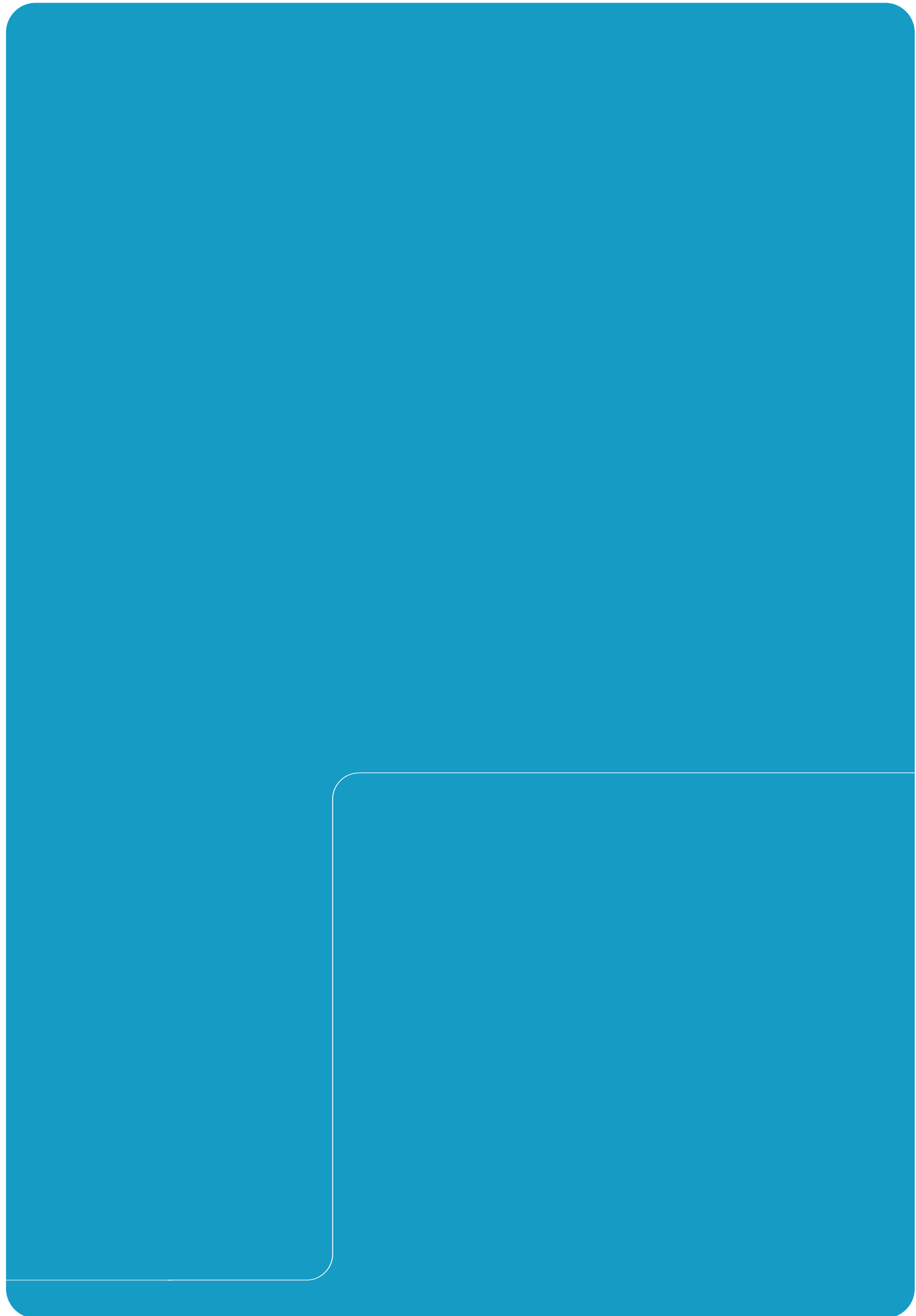




PRESERVATION OF THE PAST

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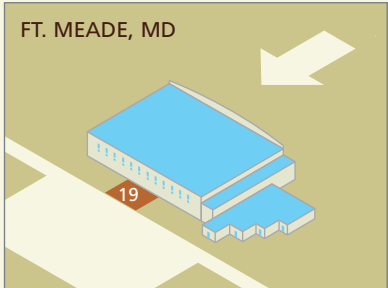
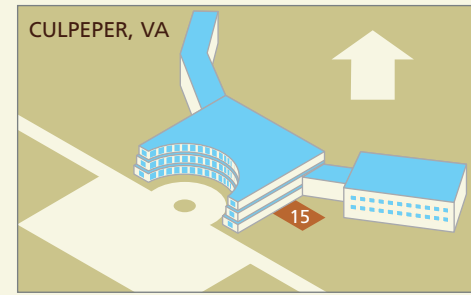
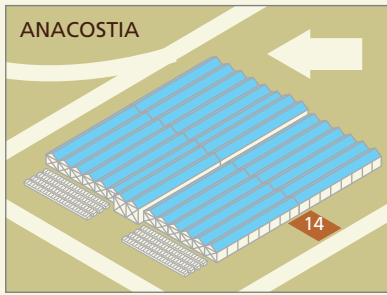


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HOURS AT THE ARCHITECT OF THE CAPITOL

*As proud stewards of the treasures entrusted to our care,  
we work tirelessly around the clock to fulfill our responsibilities.*

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LEGEND

- 1 U.S. Capitol
- 2 Russell Senate Office Building
- 3 Dirksen Senate Office Building
- 4 Hart Senate Office Building
- 5 Webster Hall
- 6 Cannon House Office Building
- 7 Longworth House Office Building
- 8 Rayburn House Office Building
- 9 Ford House Office Building
- 10 House Page Dorm
- 11 Botanic Garden Conservatory
- 12 Botanic Garden Administration Building
- 13 National Garden at the U.S. Botanic Garden
- 14 Botanic Garden Production Facility and Various Support Facilities
- 15 LOC National A/V Conservation Center
- 16 Jefferson Building
- 17 Adams Building
- 18 Madison Building
- 19 Ft. Meade Buildings
- 20 Special Facilities Center
- 21 Supreme Court Building
- 22 Thurgood Marshall Federal Judiciary Building
- 23 Capitol Power Plant Complex
- 24 Eney, Chestnut, Gibson Memorial Building

FACILITIES NOT SHOWN

- Childcare Center (Senate)
- Alternate 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)

## CONTENTS

### OUR MISSION

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

We will be an innovative and efficient team dedicated to service excellence and to preserving, maintaining, and enhancing the national treasures entrusted to our care.

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## A MESSAGE FROM THE ARCHITECT OF THE CAPITOL

On behalf of the employees of the Office of the Architect of the Capitol (AOC), I am pleased to present our 2005 Performance and Accountability Report. This report was created to provide Congress and the public with a transparent look at our work and operations with a more in-depth look at the AOC than before. We have included a full set of audited financial statements, as well as performance metrics from our Strategic and Performance Plans.

This year was one of continued growth, along with continued enhancement and strengthening of the internal and external services we provide. In our role as stewards, we are responsible for over 15 million square feet of buildings, in addition to more than 370 acres of land that includes maintenance of the utility tunnels that run from the Capitol Power Plant to the Capitol Building and 23 surrounding facilities.

Our four largest projects—the Capitol Visitor Center, the Supreme Court modernization, the West Refrigeration Plant expansion, and the Perimeter Security program—made significant progress. We administered an additional 56 projects that were under construction. We were also honored to plan and prepare for the 2005 Presidential Inauguration. In addition to these high-profile efforts, we continue to meet the managerial and

operational needs of the historic buildings and vital support facilities in our care.

In January 2006, the Office of Compliance issued two citations resulting from their July 2005 investigation that alleged violations of the Occupational Health and Safety Act, and in February 2006, issued a complaint that alleged certain unsafe work practices and conditions existed in the utility tunnels. We are actively seeking solutions to these issues and, in several cases, have received emergency supplemental funds in order to comply with Environmental Protection Agency guidelines.

To best manage our growing workload, we have continued to make progress in our transformation into a more strategic organization. During the past year

- we made further progress in developing safety policies and establishing a safety-training

**Alan M. Hantman**, FAIA, *Architect of the Capitol*



curriculum, resulting in an all-time-low Injury and Illness rate of 5.65 per 100 employees, the fifth consecutive year of rate reduction;

- we implemented a variety of short- and long-term recommendations as a result of employee focus group sessions conducted during September 2004. These important initiatives included increased levels of communication, semiannual Town Hall meetings, simplifying a variety of policies and procedures, and establishing guidelines;
- we took important initial steps to address the management and structure needed to establish a sound information technology investment management process;
- we completed assessments of nearly all the facilities under our care, for use in developing a comprehensive facility maintenance and building renewal plan;
- we created a clearly defined, well-documented, and transparent process for evaluating and prioritizing projects, using it in our budget preparation process and;
- we met or exceeded 75% of our performance measure targets and have taken action to improve in those areas where we fell short.

It was another momentous year for us in the area of financial management. All our financial statements were audited for the first time. The audit resulted in an unqualified or “clean” opinion—the best possible outcome. The auditors have identified four material weaknesses. We have summarized how we are addressing these issues in the Management’s Response to Auditor’s Report section beginning on

page 98. I attest that the financial and performance data presented in this report are complete and reliable.

In 2006, we will continue our efforts to develop a data-driven management culture by expanding our Management Operations Reporting initiative across the AOC. We have focused much of our efforts thus far on defining a taxonomy and implementing the use of work activity codes. This is a multiyear effort that, in the end, will enable us to link our daily activities to our Strategic Plan, Performance Plan, and budget. Further, we anticipate completing our Capital Improvements Plan by creating a line item construction program. The line item program will not only give us the tools to better classify and define scoring criteria for potential projects, it will assist us in creating clearer budgetary justifications.

The AOC team is committed to continuing to fulfill its responsibilities and achieving even higher levels of safety, security, preservation, and cleanliness expected across the Capitol complex. We have been entrusted with many of America’s national treasures, and we will continue to be good stewards and preserve them for generations to come. We appreciate and value the confidence Congress continues to place in our organization to carry out our mission.

Sincerely,



**Alan M. Hantman, FAIA**

*Architect of the Capitol*

December 1, 2006

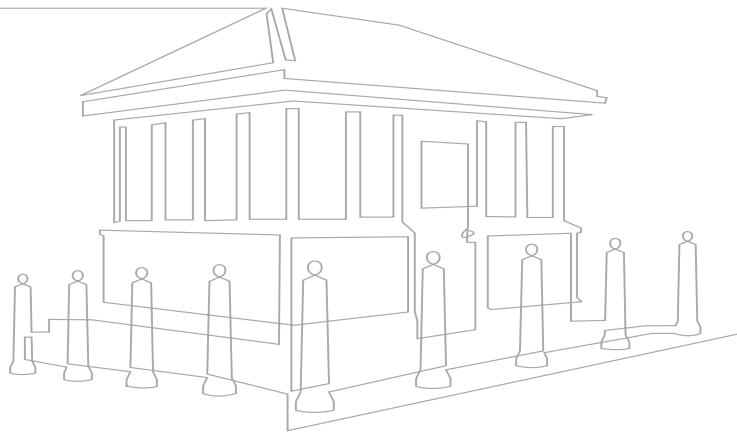
A close-up photograph of a construction worker's hands using a red spirit level against a vertical wooden post. The scene is illuminated by artificial night lights, with a blurred background showing construction materials and equipment. The overall mood is one of diligent, late-night work.

# 12:00midnight

Our day never ends. We secure  
the Capitol campus...

MANAGEMENT'S DISCUSSION  
AND ANALYSIS





## PAR Purpose and Components

This is the first year we have published a Performance and Accountability Report (PAR). As a legislative entity, we are not required to publish a PAR, which executive branch agencies are required to do. Nevertheless, we are committed to being a responsible, accountable, and transparent organization. We publish the PAR as a “best practice” initiative to provide Congress and our fellow citizens with an inside look at our organization and its operations. Below we describe the purpose behind our PAR and what it contains.

Prior to the PAR’s inception, government entities were already responsible for reporting much of the same information that is now found in the PAR: financial and performance data. The CFO (Chief Financial Officer) Act of 1990 requires financial reporting, and the Government Performance and Results Act (GPRA) requires performance reporting. Under the Reports Consolidation Act of 2000, the PAR was created as a singular vehicle for government entities to combine financial and performance information. This allows taxpayers and oversight bodies “one-stop shopping” when looking for an overarching picture of agency operations.

The PAR covers one fiscal year. The fiscal year, for the federal government, begins on October 1st and ends on September 30th of the following calendar year. Therefore, whenever we make reference to a year (e.g., 2005), we are referring to the fiscal year. For example, “2005” in this report covers the period October 1, 2004, through September 30, 2005.

On page 2, we began our PAR with a letter from the Architect, Alan M. Hantman, FAIA. The remainder of the report comprises three main sections and concludes with a supplementary report.

**Management’s Discussion and Analysis (MD&A)** is the first section and includes

- a description of our agency, including our history, our responsibilities, and our organizational chart;
- a review of our accomplishments for the year, discussed in a manner that reflects our organizational structure—by jurisdictions and divisions; and
- highlights from our Performance and Financial Information sections. While both subjects are covered in detail in their own sections, the MD&A provides an overview of the material that will be covered.

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**Performance Information** is the second section. Here we provide a comparison between our target goals and our actual performance statistics. We also include a look at the coming year and our plans for improvement.

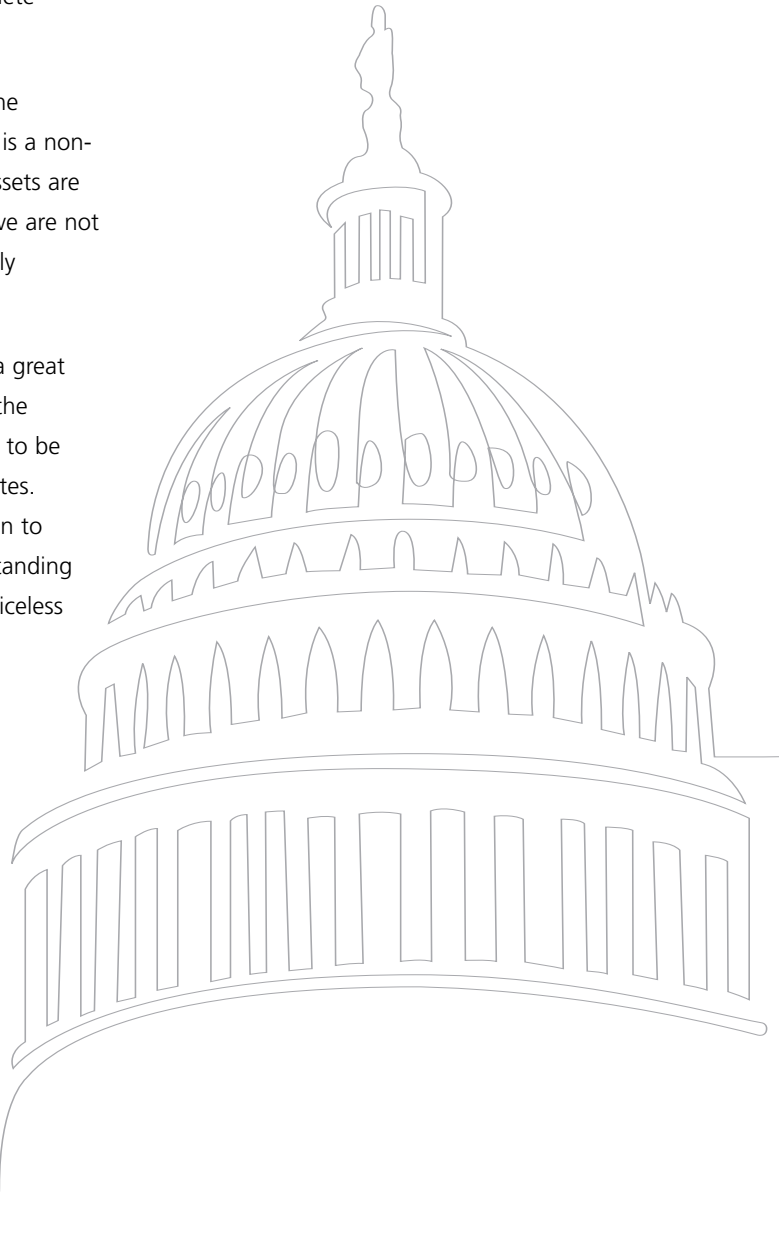
**Financial Information** is the third section and has several components.

- A message from the Office of the Chief Financial Officer
- Our financial statements and accompanying notes
- Our independent auditor's report, and management's response to the auditor's report

All this information serves to provide a complete assessment of our financial status.

Finally, we present a supplementary report: the Stewardship Report. The Stewardship Report is a non-financial look at our heritage assets. These assets are not included in our balance sheets because we are not required by accounting standards to financially account for them in the traditional manner.

We have the honor of being entrusted with a great number of national treasures that fall under the stewardship mission. They are acknowledged to be among the most significant in the United States. The Stewardship Report groups these assets in to broad categories. It also gives you an understanding of how much effort goes into maintaining priceless parts of our national heritage.



## HISTORY OF THE OFFICE OF THE ARCHITECT OF THE CAPITOL

Sitting at the center of Capitol Hill, the Capitol stands 88 feet above the level of the Potomac River. This grand structure is recognized not only throughout the nation but around the world as a symbol of freedom. The origins of the Capitol and the surrounding complex date back to 1793 when Dr. William Thornton submitted to President George Washington his ideas for the young country's legislative home.

Three years before Dr. Thornton put forward his plans, Congress passed the "Residence Act" in July 1790 by a vote of 14 to 2 in the Senate and 31 to 29 in the House. The bill stipulated that the federal government would reside in a permanent location within 10 years, and that a building to house the Congress would be constructed. Then Secretary of State Thomas Jefferson conceived of the idea for a contest to determine the Capitol's design. Eighteen individuals submitted plans, but it was Dr. Thornton's design of a two-winged structure, connected by a grand dome, that was approved by President Washington in April 1793. Later that year the cornerstone was laid by the first president. However, due to financial issues, struggles to procure materials, and British troops burning the partially completed building in August 1814, construction of the original design would take 33 years.

The next major stage of Capitol construction began in 1851. By then the number of states in the Union had more than doubled through the addition of 16 states, bringing the nation's total to 31. This tremendous growth necessitated larger legislative branch accommodations. Construction began on a 16-year project to build new wings, creating the House and Senate chambers in use today. The additions tripled the size of the original building. It was a very busy period in the building's history, and during the expansion, a second project was undertaken. In 1855, work began on an 11-year construction project to create the fireproof, 174-foot cast-iron dome that adorns the Capitol today.

It was during the completion of the House and Senate extensions that Congress placed the oversight of the Capitol and Capitol grounds under the care of the Office of the Architect, headed by Edward Clark. Since 1791 these responsibilities had fallen under the charge of the Commissioner (or board of commissioners) of Public Buildings. Previously, an Architect of the Capitol had been employed only when the Capitol was being constructed. More specifically, an Act of Congress passed in March 1867 deemed that the Architect was now responsible for "the mechanical and structural maintenance of the building, the upkeep and improvement of the Capitol grounds, and the arrangement of inaugural ceremonies and other events and ceremonies held in the building or on the grounds."

Our organization, like America, has continued to evolve. Today our responsibilities cover more than 15 million square feet of space and 370 acres of land. Here is a breakdown of each construction phase the Capitol has undergone, from the laying of the first cornerstone more than 200 years ago through the work on the Capitol Visitor Center today.

- The cornerstone is laid in 1793
- Construction of the North (Senate) wing, 1793–1800
- Construction of the South (House) wing, 1793–1807
- Construction of the center section, Rotunda, and first dome, 1818–1826
- Present-day House and Senate wings and connecting corridors, 1851–1867
- Construction of the present-day cast-iron dome, 1855–1866
- West Terrace construction, 1884–1892
- East Front Extension, 1958–1962
- West Front Courtyard Infill Rooms, 1991–1993
- Capitol Visitor Center, 2000–ongoing

**Note:**

The years in each bullet point denote the construction period.

We are responsible for much more than just the Capitol itself. We are responsible for many of the country's greatest national icons, the facilities that support the Capitol complex, and several off-site supplementary buildings. Legislation defines our responsibilities and, while the specific services we provide vary by jurisdiction, they are for the most part the same. Our primary charges across each jurisdiction are

- maintenance, preservation, and structural and mechanical care of the buildings and grounds; and
- general administration, such as central office functions, and the management and operations of the activities, programs, and projects that affect each jurisdiction.

All told, millions of people visit the buildings and grounds under our care each year. In addition to the Capitol, we are responsible for the following:

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

The **Senate Office Building** jurisdiction has eight structures:

- Russell Senate Office Building, 1904–1909  
1st Street wing was added in 1933
- Dirksen Senate Office Building, 1954–1958
- Hart Senate Office Building, 1975–1982
- Russell underground garage, 1935
- Childcare Center, 1999
- Monocle building, purchased in 1975
- Webster Hall page dorm, purchased in 1993
- Senate underground garage

We are also responsible for the operation and maintenance of the Senate subways and for managing the Senate restaurants.

The **House Office Building** jurisdiction has seven structures:

- Cannon House Office Building, 1904–1908
- Longworth House Office Building, 1930–1933
- Rayburn House Office Building, 1962–1965
- Ford House Office Building, transferred from GSA in 1974
- East and West underground garages, 1965
- Page dorm, transferred from the General Services Administration in 1986

We are also responsible for the operation and maintenance of the House subways.

It was not until 1935 that the **Supreme Court** moved into its own building. From 1801 through 1935, the Justices met in the Capitol. The Court occupied two chambers on the Senate side for most of this time, but over their 134-year stay in the Capitol, cases were heard in six different locations. The Supreme Court building was constructed across the street from the Capitol's East Front between 1932 and 1935. The building is undergoing a major modernization project that began in 2003 and is expected to be completed in 2008.





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The Supreme Court jurisdiction is different from our other jurisdictions in that funding to care for the Supreme Court is appropriated to the Judiciary, not directly to us.

We oversaw the construction of the Thurgood Marshall Federal Judiciary Building (1990–1992), which was built to meet the growing needs of the federal judiciary. The building is adjacent to Union Station, approximately two blocks from the Capitol. We provide services such as maintenance and repair at the request of the judicial branch.

Like the Supreme Court, the **Library of Congress (LOC)** 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 Library of Congress Buildings and Grounds jurisdiction is composed of a growing number of buildings.

- Jefferson Building, 1886–1897
- Adams Building, 1930–1938
- Madison Building, 1965–1980
- Special Facilities Center, purchased in 1991
- Book storage modules and other facilities in Fort Meade, Maryland. A 100-acre parcel of land at Fort Meade was transferred to us in 1994.
- National Audiovisual Conservation Center, Culpeper, Virginia. Construction began in 2003. When completed it will encompass 393,200 square feet of space.

Since 1974 we have cared for and maintained the **Capitol Police** buildings and grounds. Today the Capitol Police Buildings and Grounds jurisdiction total seven facilities.

- Eney, Chestnut, Gibson Memorial Building (Headquarters), 1974
- Training facility, 1996
- Off-site delivery center (leased), 1998
- Maintenance facility (leased), 2001
- Fairchild Building (leased), 2004
- Canine Facility and Canine Training Facility, 2005
- Storage/Logistics Warehouse, 2005



We have administered the **Botanic Garden** since 1934. Established by Congress in 1820, the garden was located to the west of the Capitol grounds and later moved to a greenhouse behind the old Patent Office Building in 1842. Since 1933 the Garden has stood one block southwest of the Capitol. The Garden is composed of a conservatory, 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. The support facility has 36 greenhouse bays as well as storage and maintenance shops.

The National Garden, which is currently under construction, will fall within the Botanic Garden's jurisdiction upon opening. The garden project is funded with private donations. Ground was broken in 2004 on the site, which is adjacent to the Botanic Garden Conservatory. The garden is expected to open in fall 2006.

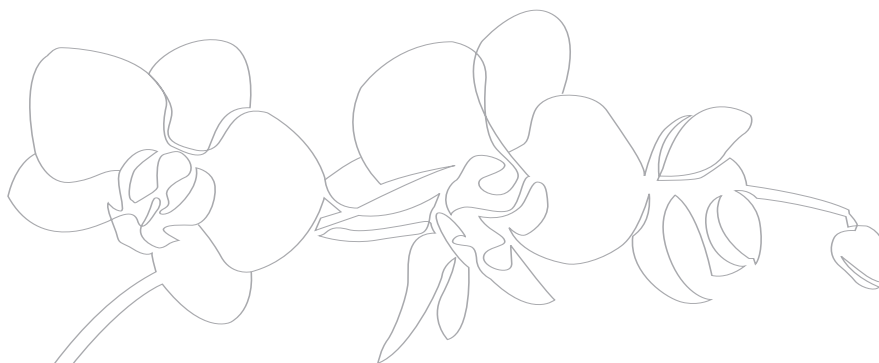
Four blocks from the Capitol is the **Capitol Power Plant**, which also falls under our charge. The main plant was originally built in 1909, but ceased producing electrical power in 1951. It now generates steam to heat and chilled water to cool 24 facilities in the Capitol complex. In addition to the main plant, the property also contains the West Refrigeration Plant (built in 1978), an operations building (built in 1978), and a coal yard (transferred from GSA in 1987). An expansion of the West Refrigeration Plant—a 16,500-square-foot addition—will allow the power plant to independently meet the Capitol complex cooling demand through 2025 as well as enhance total plant efficiency (see the Four Largest Projects section for more information).

In June 2000 the ceremonial ground breaking of the Capitol's single largest incremental addition took place. When completed, the Capitol Visitor Center (CVC) will be a 580,000-square-foot structure residing completely underground on the East Front of the Capitol. The CVC will provide a secure, accessible, and convenient educational environment for the millions of visitors who visit the Capitol each year. It is designed to enhance each visitor's experience and highlight the Capitol's historic environment. The CVC will also allow for better accessibility between the Capitol and the Library of Congress and provide modern facilities for support services such as truck loading and deliveries.

In addition to these national monuments and buildings, we care for the 222 acres that comprise the **Capitol grounds**. The "grounds" refers to the land within the Capitol complex on which a building has not been constructed. The original Capitol grounds encompassed a 31-acre parcel. The 1851 Capitol extension, which added both the present-day House and Senate wings, brought the building's walls very close to the grounds' north and south boundaries. Because of this, a debate to enlarge the grounds began. However, when the Civil War broke out, the proposal to appropriate monies for land acquisition was tabled. Once the war concluded, the debate on enlarging the grounds resumed. Congress considered numerous options. Opposition ranged from continued funding concerns to the belief that the capital city would inevitably move west. One member even remarked that it was pointless to purchase land around the Capitol when enormous amounts of acreage were available for the day when the capital would relocate to the Mississippi River valley.

It was not until 1872 that Congress decided to purchase two square city blocks, one adjacent to the north and one adjacent to the south of the Capitol grounds. Nearly two years later, Frederick Law Olmsted, considered the preeminent landscape architect of his time, was hired to design grounds that would appropriately reflect the Capitol's grandeur. Over the next two decades, Olmsted constructed a landscape whose primary purpose was to center attention on the Capitol. He accomplished this by re-grading massive amounts of land and installing new plants, creating numerous pathways and clear sightlines to the building from nearly every approach.

We fulfill our duties with the utmost consideration for the historical, national, cultural, educational, and architectural value enjoyed by the millions of visitors who come to the Capitol each year and the thousands of public servants who work here every day. This is a responsibility that our office first embraced many years ago, and it continues without interruption today.



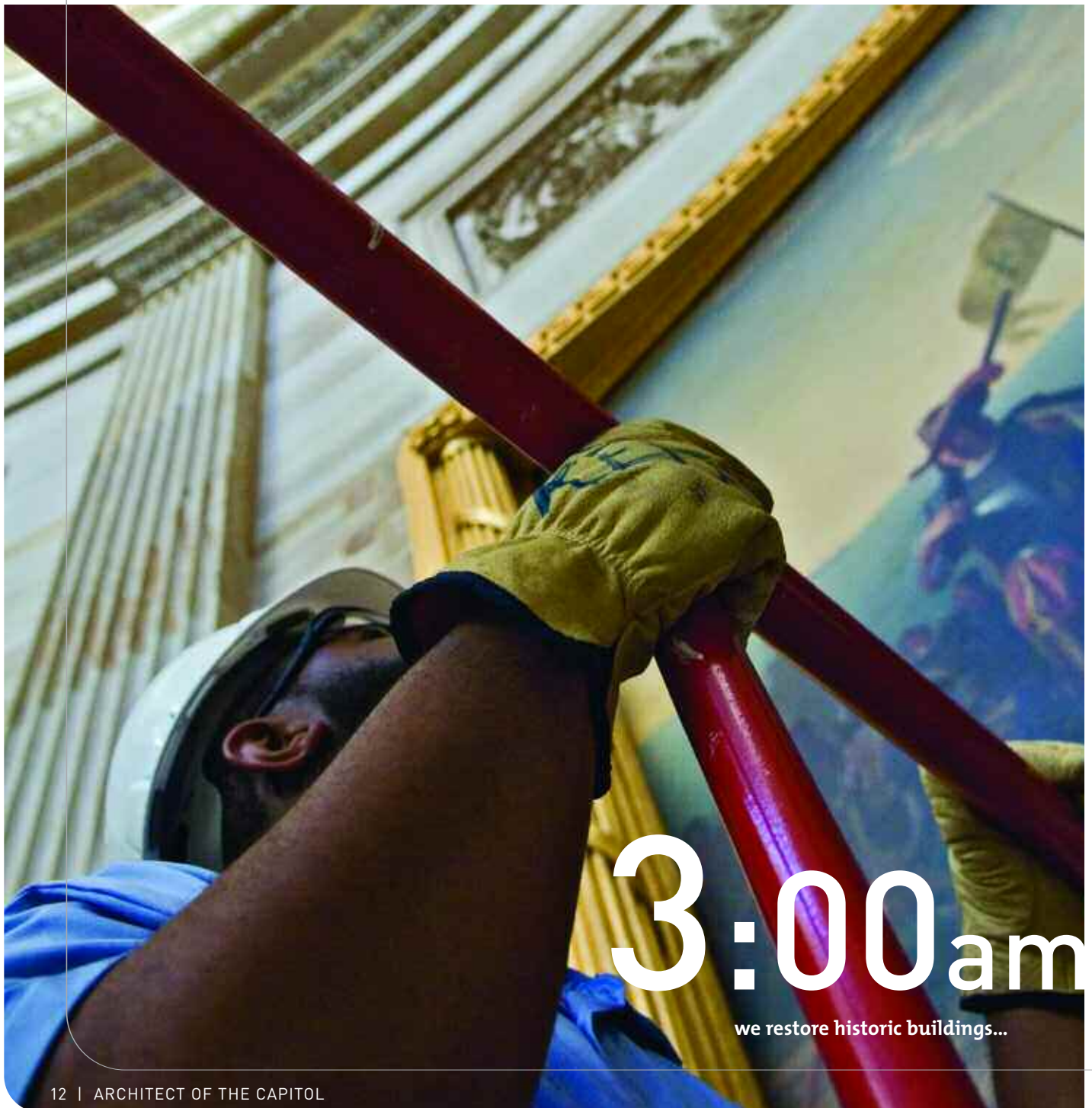
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## ORGANIZATION AND ORGANIZATIONAL CHART

The historic nature and high-profile use of the buildings under our care create the complex environment in which we work. All of our employees work to meet the needs of multiple stakeholders, including members of Congress, committees, congressional leadership and staff, the visiting public, and other clients.

During the year we implemented a new organizational structure to clarify the lines of authority, communications, and reporting relationships. The new structure allows us to make the best use of the time, energy, and resources needed to deliver services to our customers and stakeholders.

Ours is a flexible and professional organization that can, and does, successfully react to unanticipated changes and frequently changing priorities.

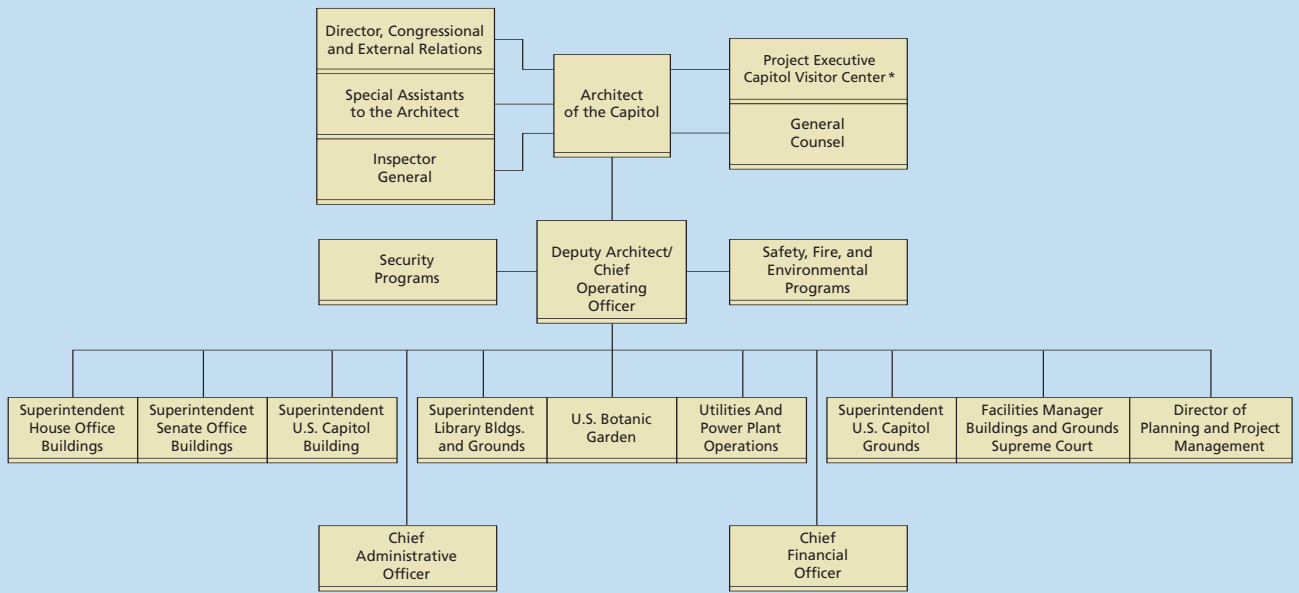


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we restore historic buildings...



AOC ORGANIZATIONAL CHART



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Our staff of 2,025 full-time equivalents (FTEs) are responsible for the day-to-day operations throughout the Capitol complex. These operations include the mechanical, electrical, structural, and maintenance needs of the buildings and grounds, as well as any necessary improvements. We also support inaugural ceremonies, state funerals, and other events and ceremonies held in the building or on the grounds. We have a host of electricians, plumbers, upholsterers, carpenters, painters, masons, and other skilled craftspeople who repair, maintain, and preserve the historic buildings and furnishings under our care. Our architecture, engineering, and construction groups work to design and complete projects on time and within budget, and ensure that they are of the highest quality, while our facilities maintenance staff provides the building maintenance services required throughout the Capitol complex.

**OFFICE OF THE ARCHITECT OF THE CAPITOL**

The Architect of the Capitol is appointed by the president for a term of 10 years. A congressional commission recommends three candidates to the president, who with the advice and consent of the Senate, selects an appointee. Upon confirmation by the Senate, the Architect becomes an official of the legislative branch as an officer and agent of Congress and is eligible for reappointment after completion of the term.

Architect of the Capitol Alan M. Hantman, FAIA (Fellow of the American Institute of Architects), was the first Architect of the Capitol to be appointed under this process, in 1997. Previously, the position was an appointment for an indefinite term. Mr. Hantman holds a bachelor’s degree in architecture from the City College of New York and a master’s degree in urban planning from the City University of New York Graduate Center. Prior to his appointment, Mr. Hantman was Vice President of Facilities Planning and Architecture for the Rockefeller Center Management Corporation of New York City for 10 years, after which he served as a consultant to several corporations. Mr. Hantman has also been a development consultant, assistant chief architect, and project manager at major architectural and real estate services firms.

The Architect serves as a member of several governing or advisory bodies: 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 an ex officio member of the United States Capitol Preservation Commission and the National Building Museum.

## MAJOR FUNCTIONS OF THE OFFICE OF THE ARCHITECT OF THE CAPITOL

We perform two major functions: project delivery, and operations and maintenance. In last year's report we reviewed the work we did—our accomplishments—under the subsections "Capital Improvements" and "Operations and Maintenance." This year we have organized our accomplishments according to how our agency is organized—by jurisdiction and division.

We define a jurisdiction as an entity that is responsible for upholding and preserving a certain physical area based in the Capitol complex. We report on the accomplishments of the following jurisdictions:

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

After reviewing the jurisdictions' accomplishments, we will review the four largest projects currently under our purview. They are the following:

- Capitol Visitor Center
- Perimeter Security Program
- Supreme Court Modernization
- Capitol Power Plant West Refrigeration Plant Expansion

Following the Four Largest Projects section, we will recount the accomplishments of our divisions. We define a division as an entity that has a specific program-related responsibility that supports the jurisdictions and the overall operations of the Agency. The following divisions are covered in this report:

- Facilities Planning and Programming
- Construction Management
- Design Services
- Project Management
- Procurement
- Safety, Fire, and Environmental Programs
- Budget
- Accounting
- Financial Management Systems
- Human Resources Management
- Workforce Planning and Management
- Information Technology
- Curator

Last, we discuss the role we play in the production of the presidential inauguration.

### Guide to the "Building Services Customer Satisfaction Survey" Charts

Below we provide a guide to the "Building Services Customer Satisfaction Survey" charts that are included in the accomplishment sections of our four largest jurisdictions: the Capitol, House, Senate, and Library. Eight categories make up the Building Services Customer Satisfaction Survey and vary according to jurisdiction:

**Relationship with Superintendent's Office** frequency of contact and communication, responsiveness, ability to anticipate and resolve issues before they become problems, and courtesy and respect

**Customer Service Center** courtesy by those who respond to work requests, timeliness of response, follow-up and communication during intervention, overall quality of work, general satisfaction, and handling of complaints



**Cleanliness** of office suites, restrooms, windows, committee hearing rooms, and public areas

**Equipment** heating, cooling, air quality, elevators, subways, and book conveyors

**Maintenance** general repairs, maintenance, exterior building appearance, lighting, and electrical systems

**Shops** carpentry, masonry, paint, plumbing, furniture (Senate only), upholstery, sheet metal, and garage attendants

**Jurisdiction Services** office moves, construction, reconfiguration, design, decoration, lock requests, and special events coordination

**AOC Services** landscaping, sidewalk cleanliness and maintenance, way-finding and exit signs, engineering and architecture services, construction and renovation projects, flag office, and electronic engineering systems

## JURISDICTIONS

### Capitol Building

We serve Congress, its legislative operations, support staff, and visitors. Our daily operations, while expansive, can be summarized into the following categories: total building maintenance, occupational health and safety oversight, project management (e.g., renovations and restoration), and special events coordination and support.

Some of our larger achievements through the year were

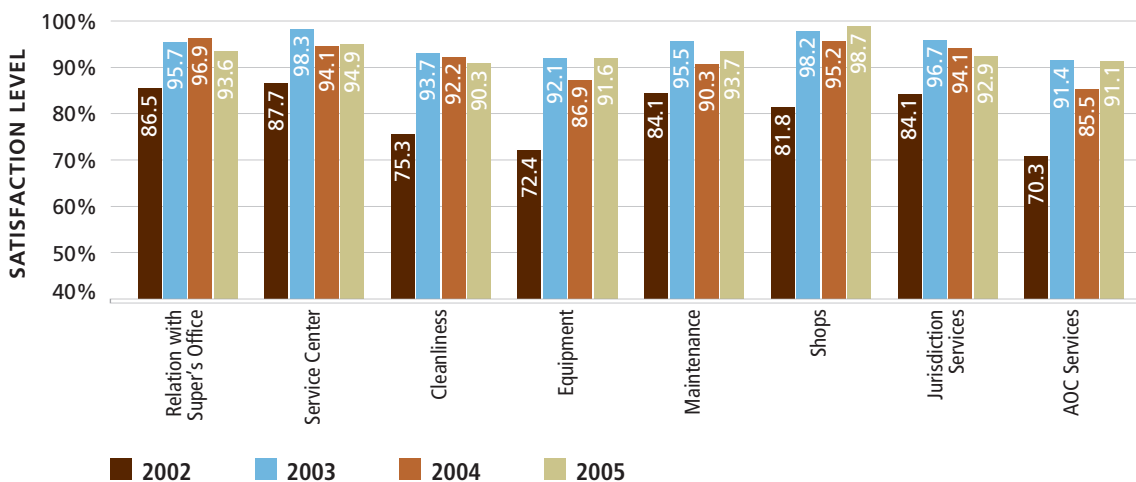
- completing the installation of Americans with Disabilities Act (ADA) strobe devices throughout public spaces,
- working with the Facilities Planning and Programming Division on the complex-wide facility condition assessment,
- completing the elevator modernization project, and
- correcting deficiencies identified during our biennial inspection by the Office of Compliance.

We provided critical support to the production of the presidential inauguration ceremony. (See the Presidential Inauguration section beginning on page 50 for more information.) We also started a number of projects that, due to the size or the time of year initiated, were not completed in 2005. Work will continue on the following in 2006: installation of emergency signage and lighting, equipping the Capitol with Capitol Police public address speakers, exterior stone preservation, installation of wireless communication infrastructure, and plaster restoration of the grand stairwells.

On the administrative front, we implemented procedures concerning safety and maintenance services. We have a new out-of-service fire protection device notification process and created a new fire protection system false alarm tracking and investigation process. We take false fire alarms seriously and will continue to work to eliminate them. We also conducted a review of our emergency preparedness and evacuation plans and updated them to create clearer directions and procedures for responding to an emergency.

Our maintenance service process improvement concentrates on faster work-order response time.

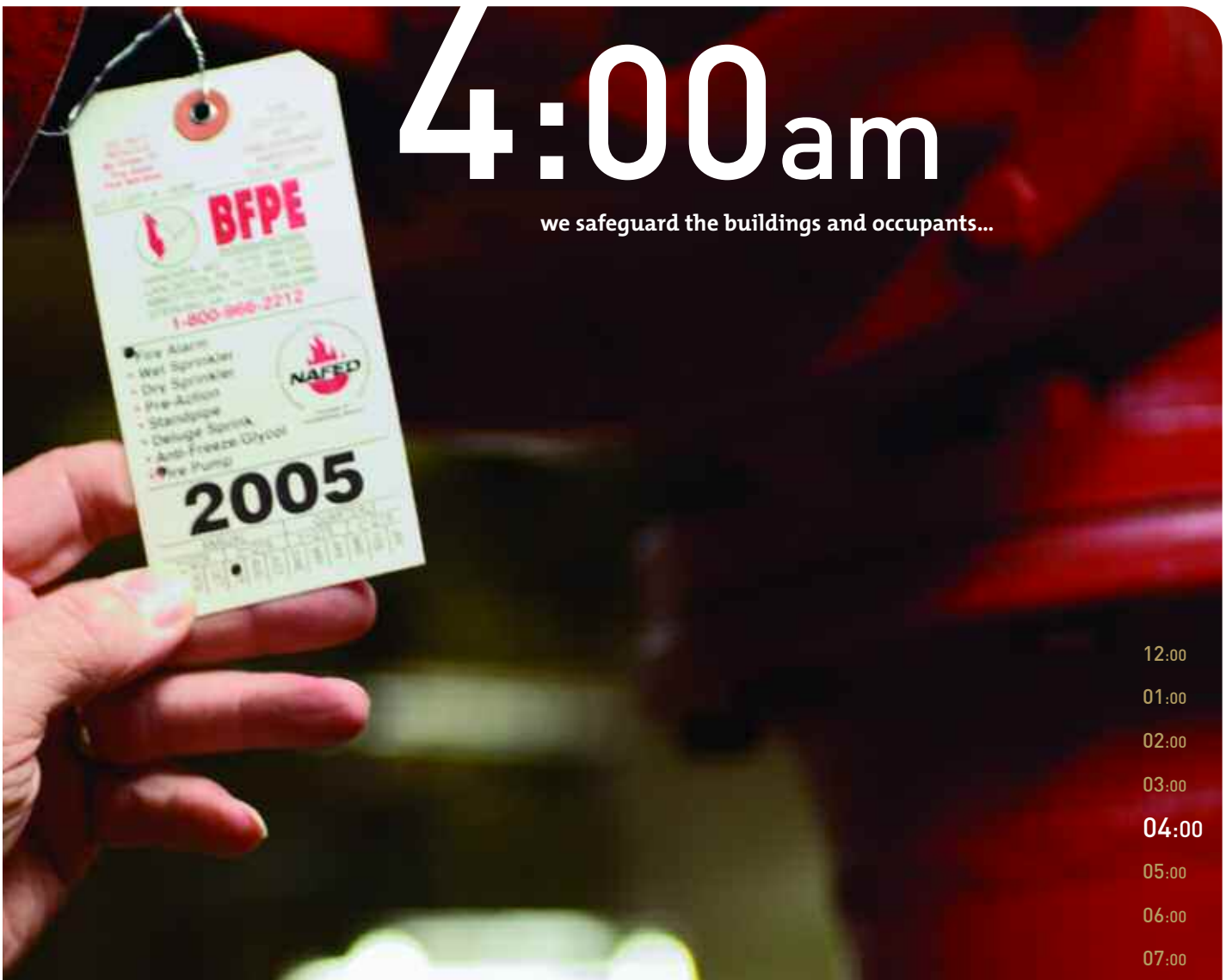
### BUILDING SERVICES CUSTOMER SATISFACTION SURVEY | CAPITOL BUILDING



Our Capitol Building customers gave us a satisfaction rating of more than 90% in all eight service categories.

# 4:00am

we safeguard the buildings and occupants...



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We completed an assessment of the existing work management software to determine the most appropriate software to handle our facility management and support operations. We improved our process for tracking and responding to customer calls that relate to problems with room temperature control. This is one of the more common types of work orders we deal with, and our efforts to improve the process will pay great dividends to our stakeholders.

Each year we perform a series of satisfaction surveys, asking our customers to rate us in eight categories. Our ratings improved in five of the categories, and we are particularly proud that each category had a satisfaction rating of more than 90%. We continually analyze opportunities for further improvement.

This coming year we are planning and scheduling several significant projects. They include the installation of ADA-compliant manual fire alarm pull stations, installation of interior way-finding signage, replacement of the East Front air-conditioning system, waterproofing the East Front exterior center steps, and restoration of the East Front bronze doors.

In addition, planning is under way for the installation of emergency power capabilities for legislative operations and installation of a new legislative call system, which is the series of lights and bells that alert members to voting in their respective chambers.

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## Capitol Grounds

We are focused on the preservation, upkeep, and beauty of the approximately 222 acres of land and roads within the Capitol complex. We take particular care to maintain the historical landscape design of the original Capitol grounds—the 58.8-acre square that surrounds the Capitol, designed by famed landscape architect Frederick Law Olmsted in the 1870s. (More information on the Olmsted design is available in the History section and the Stewardship Report.) In addition to our general care and maintenance tasks during 2005, it was also a watershed year for policy changes within our jurisdiction.

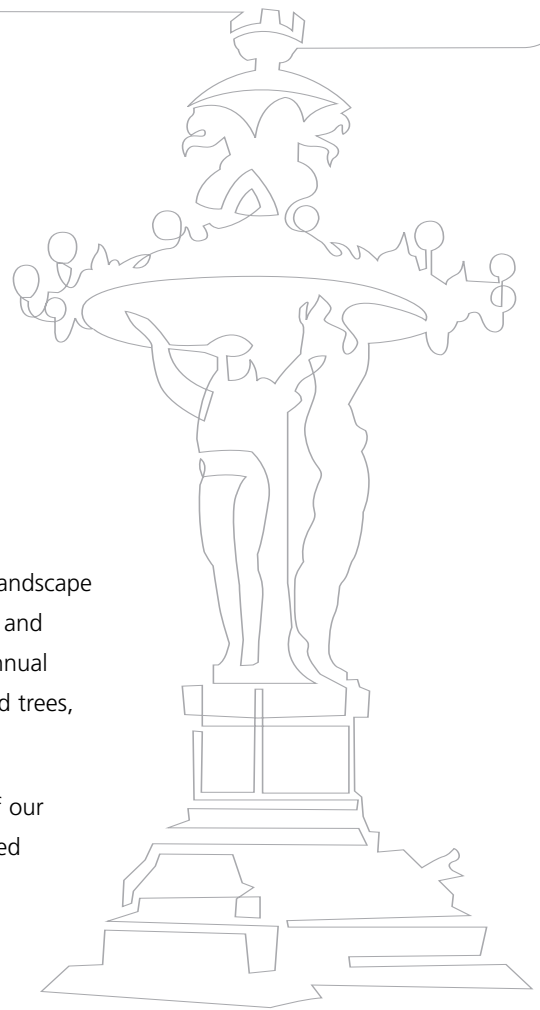
Each season we devote great attention and care to create a landscape that complements and enhances the grandeur of the Capitol and surrounding buildings. Most of our work follows the same annual patterns, such as changing seasonal plantings, replacing failed trees, and maintaining the year-round landscape.

We would like to draw special attention to the completion of our backflow project. This was a complicated task that has enabled us to provide an even safer drinking water system for the Capitol complex. The backflow project involved the installation of a series of valves in the ground around the complex to prevent the possibility of groundwater entering the drinking water system.

On the management end, we developed a system to fully document work orders and track maintenance requests to bring us up to par with other AOC jurisdictions. Starting in 2006, we will have the ability to track work orders and analyze trends. This will allow us to anticipate resource needs, properly allocate them, and respond to orders more quickly.

We experienced a great deal of change in 2005, as we introduced policies to bring our operating procedures in line with those of the other jurisdictions. These changes covered everything from interoffice communication procedures to starting our first full year of performance evaluation. We also adjusted our administrative processes, such as procurement, to match the policies that are already in place in other areas of the Agency.

In 2006 we will continue replacing deteriorated sidewalks and address the condition of roads that fall under the AOC's jurisdiction. Furthermore, we will begin a study to look at how the walls Olmsted built were placed within the Hill's topography. This work will institutionalize knowledge of the walls' construction for future AOC employees.



## House Office Buildings

We are responsible for the day-to-day structural, mechanical, and domestic care of the House office buildings (HOB). Our client base includes members of the House of Representatives, their personal and committee staffs, House officers (e.g., the Clerk and Chief Administrative Officer), as well as support staff (such as the AOC).

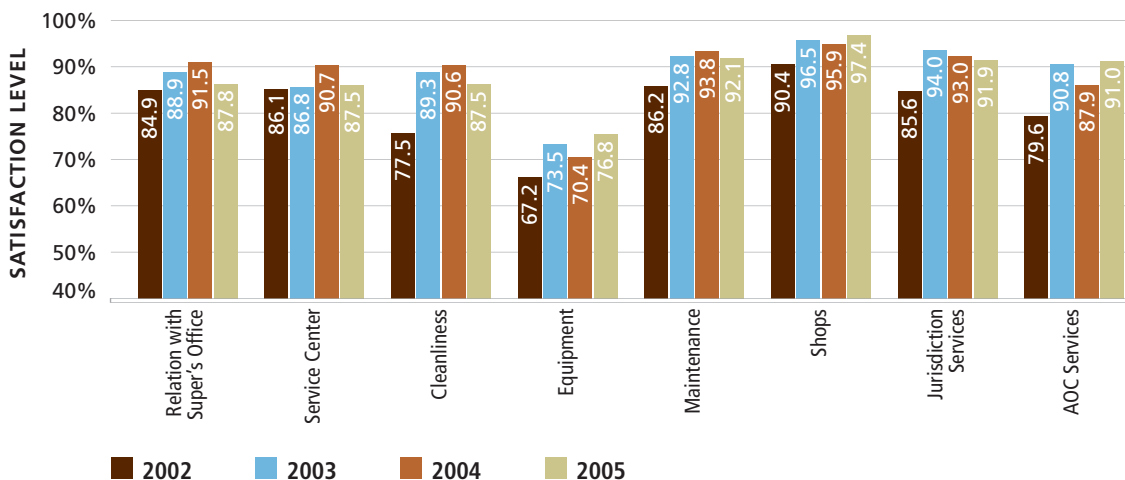
At the core of our operations is the daily care of the HOB complex. Some of the larger efforts that we undertook this year include

- completing renovations in 26 offices, with another 19 office renovations in progress. Each renovation is a custom project that meets the specific needs of the work-space occupants. These renovations are performed for member, committee, administrative, and support offices;
- construction of a staff fitness center, the first time a fitness center for House staff has been constructed;
- replacement of the Ford Building roof; and
- creation of the HOB Facilities Master Plan. This complements the Capitol Complex Master Plan, laying out a long-term strategy for maintaining and updating the House office buildings.

Our administrative advancements emphasized greater efficiency, creating services that were even more client friendly, and improving safety. These advancements include

- enhancing our work-order system so that clients have the ability to monitor the status of their work orders;
- improving maintenance response time by the Elevator Shop, as well as performing unannounced quarterly mock elevator rescue drills, to ensure that those who are responsible for such rescues have plenty of training opportunities;
- developing metrics to monitor the execution of funds; and
- ensuring responses within 24 hours to temperature equipment malfunctions.

## BUILDING SERVICES CUSTOMER SATISFACTION SURVEY | HOUSE



Our House office building customers gave us a satisfaction rating of 87.5% or better in seven of eight service categories.

As in our other jurisdictions, we constantly strive to improve safety, both for our colleagues and for those who work in and visit the complex. We developed a "lessons learned" program, which is a routine of investigating, documenting, and reviewing each "near miss" that could have resulted in an employee injury. This program develops proactive measures to help prevent future injuries.

Beyond these safety measures, we modified our mechanism for conducting emergency evacuations. These plans also include options to deal with air contamination events. Our fire protection engineer has completed the implementation of a process to track and report testing routines, inspection, and maintenance requirements of the fire protection system.

Each year we execute a series of satisfaction surveys, asking our clients to rate us in eight categories. Three of the categories saw improvements this year. Of the remaining categories, each rated a satisfaction rating of 87.5% or better. We will continue to work with our clients in 2006 to develop new, improved methods to better serve them.

Our plans for 2006 include refurbishing and remodeling several service areas; preparing for replacement of the Ford Building windows to meet safety regulations; beginning the installation of emergency lighting upgrades in the Longworth, Rayburn, and Ford Buildings; continued committee hearing room audio improvements; commencement of the installation of cabinets for public access to automatic external defibrillators; starting the extension of the sprinkler system in the Longworth Building; and increasing security with the introduction of card readers at various points throughout the HOB.

### **Senate Office Buildings**

We provide a variety of services to the Senate community, which includes senators, their staff, and those who work to support the Senate. Under the direction of the Senate Committee on Rules and Administration, the AOC is also responsible for managing the Senate restaurants. Although noted here, operation of the restaurants does not fall under the jurisdiction of the Senate Office Buildings.

Our work in this jurisdiction can be categorized in two ways: daily work, and nonrecurring projects and initiatives. The systems we are responsible for, which support the above activities, cover nearly 2.7 million square feet.

Our daily work breaks down into two sets of services. The first set of daily services is aimed at long-term care, maintenance, and preservation of the buildings. These services include

- life-safety system inspection and testing to ensure code compliance,
- air-conditioning and refrigeration maintenance and repair,
- high- and low-voltage electrical building system distribution and maintenance, and
- subway, elevator, and architectural surface maintenance and repair.

The purpose of our second set of daily services is to facilitate the business of the Senate, as follows:

- nightly building cleaning as well as furniture supply and delivery,
- ensuring ADA and Occupational Safety and Health Administration (OSHA) compliance,
- air quality assurance, and
- installation of building security and emergency systems.



We completed several projects this year; those discussed in this report represent our larger efforts. First was the election year moves. This biennial work now uses a new program that provides a set of standard moving procedures for new senator room assignments. This resulted in increased client satisfaction and the fastest move cycle ever.

Another major project was using the Senate Superintendent’s Office Web site to integrate major project work with daily operational work. Now all employees can access a calendar that schedules project work with daily demand work orders. Supervisors can prioritize and schedule work and execute projects in an order that achieves higher client satisfaction. Other major projects completed this year include

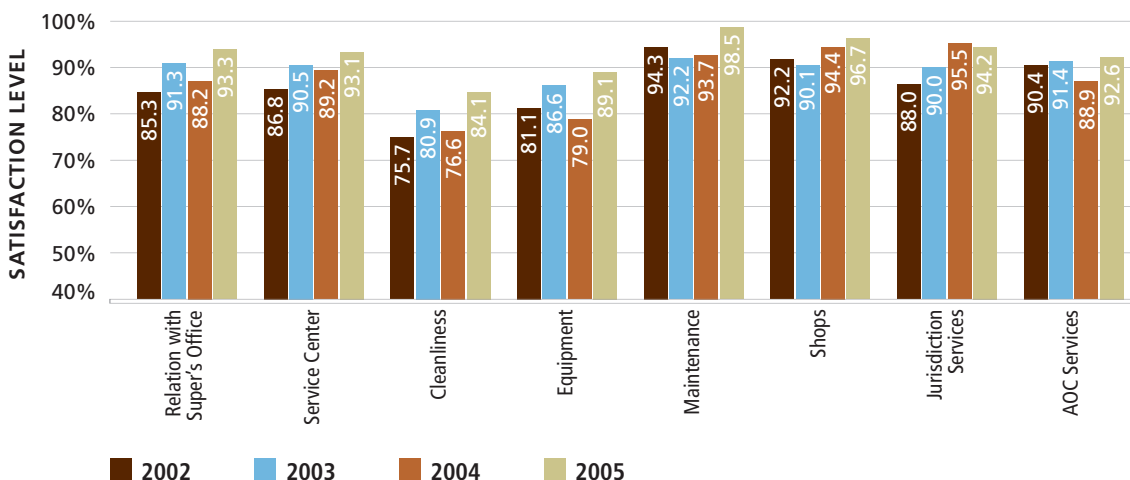
- a new employee orientation program,
- a new Senate office decorating module. This is an internal online system that allows clients to design their own office layouts, and
- implementation of a program to care for historic floors.

Fourteen major projects are currently ongoing and will continue into 2006. These projects demonstrate the range of complex challenges we face: maintaining the historical integrity of the buildings, helping to meet the needs of a 21st century workplace, and supporting building infrastructure for high-volume use. These projects range from repairing marble floors to restroom renovation, from installing life-safety systems to upgrading the audiovisual capabilities of committee rooms.

We are committed to providing a safe working environment, as evidenced by the fact that the Senate office building employee injury rate dropped from 4.5% to 3.0%, a 33% reduction. Additionally, we reduced the number of false fire alarms from nine to two. We are also committed to operating an eco-friendly workplace, as evidenced by the 33% increase in the amount of materials we recycle. This highlights another important part of our work, our commitment to not only doing our job, but ensuring that others have the ability to do their work as well.

Each year we perform a series of satisfaction surveys, asking our clients to rate us in eight categories. With the exception of Jurisdictional Services, every category received a higher satisfaction rating than in 2004. Six of the eight categories received a satisfaction rate greater than 90%, and the remaining two both made marked increases and registered a satisfaction rate better than 84%.

### BUILDING SERVICES CUSTOMER SATISFACTION SURVEY | SENATE



Our Senate office building customers gave us a satisfaction rating of greater than 92% in six of eight service categories.



In 2006 we will continue to improve our client satisfaction ratings with a specific focus on building cleaning services and furniture operations. We will strengthen our communication with our oversight committees to develop common expectations. At the same time, we will integrate new technologies into the historic infrastructure and fabric of the Senate office buildings. While these are challenging goals, we are committed to achieving them and confident in our opportunity for success.

### **Supreme Court**

We are responsible for the structural and mechanical care of the United States Supreme Court Building and surrounding grounds, including maintenance, repair, design, alterations, and minor construction of new and existing facilities. In addition, we are responsible for the structural and mechanical care of the Thurgood Marshall Federal Judiciary Building.

The most visible work around the Supreme Court is the modernization project, which began in 2003. The purpose is to bring the mechanical, electrical, and plumbing systems within the building up to date. These systems have not been modernized since original construction in 1935. This project requires a significant level of our management and maintenance shop effort and due diligence to ensure that the historical and architectural treasures are properly protected and maintained. Details of this large project are contained in the section "Four Largest Projects."

Significant work accomplished in 2005 includes

- consolidation and reduction of shop inventories by approximately 10% over 2004 levels;
- completion of the design for additional fall protection to provide safe access for roof area repair work;
- finalization of preliminary design to survey and identify critical issues and repairs to the entire tiled roof, flat roofs, gutters, and promenades for accomplishment in 2007;
- completion of the East Pediment stone sculptures survey; and
- execution of inventory surveys.

Our maintenance staff made significant safety improvements in 2005 in the following areas:

- Established code-compliant hazardous materials staging to collect and temporarily store used fluorescent tubes, batteries, and oil for eventual removal and proper disposal
- Conducted water sampling of Supreme Court and Thurgood Marshall Building faucets with satisfactory results
- Sampled air quality for lead and asbestos biweekly for the entire year, with no results exceeding established OSHA permissible exposure limits

We would also like to note that, as of September 30, 2005, our staff had worked 118 days without a lost-time accident.

### Library of Congress

We provide long-term care, maintenance, and planning, as well as daily facility management operations in support of the Library of Congress (LOC) buildings and grounds.

We made two major strides at our complex in Fort Meade, Maryland, during the year. We completed construction of Book Storage Module 2, with 11 more storage modules planned. Measuring approximately 12,000 square feet, Module 2 houses material at 50 degrees Fahrenheit and 30% relative humidity. This environment increases the life span of printed material stored there by 200 years. All storage modules have or will have similar dimensions. We also finished construction on a 500,000-gallon water tank with fire pump to support the book storage modules and other facilities at Fort Meade.

When completed, the Capitol Visitor Center will have a tunnel that stretches under First Street into the Jefferson Building. While this will be convenient for our visitors, the Jefferson Building requires a great deal of preparation before it can be connected to the tunnel. We had to renovate the area where the tunnel will actually connect to the building, move the occupants who worked in this area, and relocate the Library gift



shop. Other major accomplishments in the Jefferson Building (the main and historic Library building visited by tourists) included

- restoration of two large arches and progress on a third in the Main Reading Room,
- continuation of inspections of historic murals in conjunction with the Curator's Division (as a preparation for treatment renovations), and
- continuation of corridor decorative mural restoration.

Work on the other Library buildings included

- installing fall-protection systems on the roofs of each Library building,
- conducting a comprehensive asbestos survey and installing new wooden wall panels throughout public corridors in the Madison Building, and
- awarding the design contract for the replacement of the roof and gutter system on the Adams Building.

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Construction is under way at the National Audiovisual Conservation Center in Culpeper, Virginia. The center will eventually house 1.1 million film and video items and more than 3 million sound recordings. At the end of 2005, Phase I was nearly complete, the major portions of which were

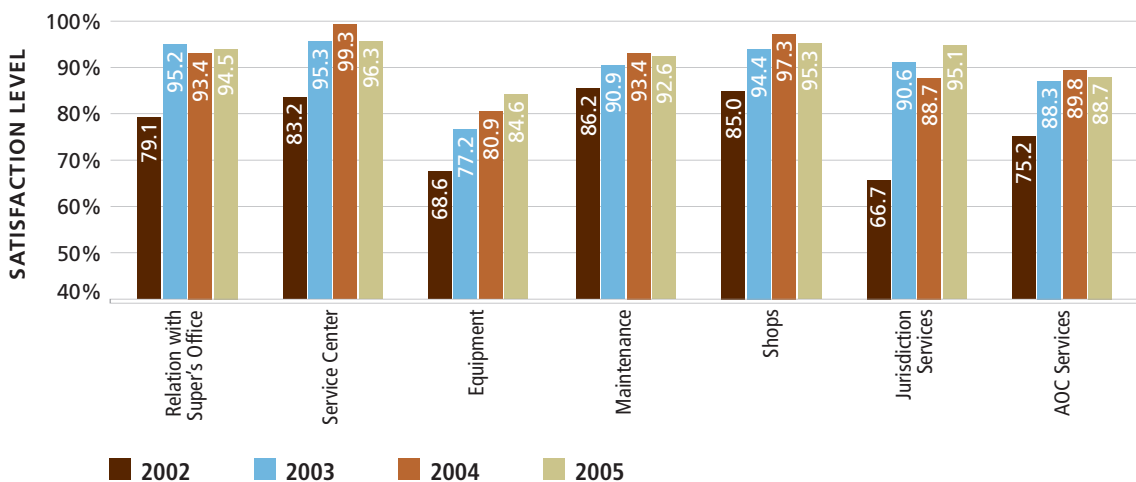
- renovation of the old 137,819-square-foot underground Federal Reserve Building, which will house motion picture, broadcast, and recorded sound collections;
- construction of a new 31,936-square-foot central utilities plant;
- construction of a new 1,890-square-foot emergency generator building; and
- renovation of the existing 3,258-square-foot fuel storage building.

Several major initiatives resulted in new policies and procedures. We completed the Emergency Preparedness Procedure Manual, which dictates operations in the event of an emergency or during unforeseen events. We also reorganized our management structure, creating smaller trade-specific shop categories that we believe will allow us to develop better cost estimates and work-load guidelines, and produce more efficient work results. To improve inventory accuracy, we began performing unannounced inventory spot checks and reviews. After this effort was initiated, inventory accuracy increased 7 percentage points for the year, from 92% to 99%.

With the idea of improving communication and continuity of operations for all employees, our senior management established regular monthly meetings with second- and third-shift employees to ensure that they have the same open line of communication as those who work from nine to five.

In 2005 we conducted our fourth annual Customer Satisfaction Survey. We perform these surveys to gauge client satisfaction with our service levels. We are proud of the improvements our customers recognized in several categories. Those categories that did not see improvement will receive extra attention in 2006. However, it is important to note that, in the areas that need more work, not one saw a decline in satisfaction of more than 3%. See pages 14 and 15 for a description of what is included in each category.

### BUILDING SERVICES CUSTOMER SATISFACTION SURVEY | LIBRARY OF CONGRESS



Our Library customers gave us a satisfaction rating of greater than 92% in five of seven service categories.



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we nurture the plants...

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Construction of Book Storage Modules 3 and 4 will commence in 2006. We anticipate building an additional module every two years until we reach the Library's goal of 13 storage modules. Safety work that will take place in 2006 includes finishing the fire sprinkler systems in the Jefferson and Adams buildings, as well as bringing the Madison Building smoke detectors up to code. Work will continue at Culpeper, and we will begin using the cold-storage vaults to store motion picture and recorded sound materials.

**Botanic Garden**

The United States Botanic Garden (USBG) receives upward of 1,000,000 visitors each year. To make each visit even more fulfilling, we implemented a new state-of-the-art personal digital Audio Tour System in the Conservatory. This allows individual visitors to take in each exhibit and learn at their own pace, making it a more enjoyable and educational experience. Exhibits featured this year included the following:

- **Garden Court Interpretive Illustrations** This permanent display tells a visual story of such staples as corn, cocoa, citrus, cotton, tea, and rice grown on farms around the globe.
- **sLowlife** We partnered with the Chicago Botanic Garden, the American Society of Plant Biologists, Indiana University, and the National Science Foundation to present a unique traveling exhibit. Through science, art, and technology, the exhibit shows how a plant reacts, both short term and long term, to its inner and outer worlds.
- **Plants in Culture** This permanent exhibit offers many sensory experiences to demonstrate how plants play an important role in the development of therapy, ornamentation, music, ceremony, language, and many other expressions of culture.

Along with all these improvements and new opportunities for visitors, we remained active in public program engagements. In 2005 we provided the following learning and public interaction events:

- **Lectures** Presentations of popular or timely topics by authorities and guest speakers
- **Demonstrations** Cooking, painting, crafting, repotting, and others, by experts and our own staff

- **Conferences** Academic and professional events on the topics of environmental science, botany, horticulture, and art
- **School Programs** Field trips and classroom experiences, teacher workshops, Web programs
- **Internships** Training of interns, primarily in public programs
- **Community Gardening Programs**
- **Adult Continuing Education** Certificate programs, volunteer programs, and workshops
- **Children's programs** Hands-on workshops and walk-in activities in the Children's Garden and Sprouts! for the pre-K audience

On the administrative end, we began drafting our Five Year Business Plan. This initiative will guide us in executing our vision and managing growth expectations while channeling our financial resources in the most responsible and effective manner. One of our larger projects slated for 2006 is to investigate the creation of a USBG Science and Research division, which will be responsible for leading the USBG at the forefront of horticulture sustainability and conservation. We will also strive to expand our educational opportunities, specifically for schoolchildren.

### *The National Garden*

We were authorized by law to establish the National Fund for the United States Botanic Garden. Its purpose was to raise funds for a national garden. This project is funded solely by private donations and it is our first public-private partnership project.

The National Garden is under construction on a three-acre site adjacent to the USBG. Construction began in spring 2004. At the end of this year it was 60% complete, with an anticipated opening date of October 2006. Much of the underground infrastructure throughout the site has been installed and the basic above-ground structures are becoming evident. The National Garden will fall within the Botanic Garden's jurisdiction once construction is complete.

The National Garden is a symbol of America's appreciation of and respect for nature and our environment. It will be composed of several gardens, including the Rose and Butterfly Gardens, the Regional Garden, and the First Ladies' Water Garden. It will serve as a living laboratory for the study and understanding of the complexity of nature.



*Rendering of the National Garden*



### **Capitol Power Plant**

We operate the Capitol Power Plant (CPP), which generates the steam to heat and chilled water to cool the Capitol and 23 surrounding facilities that, together, encompass about 16 million square feet of space. In addition to our day-to-day work, we are expanding the West Refrigeration Plant to provide additional cooling capacity. For more information and a look at our accomplishments on this expansion project during the year, please refer to the “Four Largest Projects” section of this report.

This year we implemented a new fuel strategy. The plant is capable of operating on three fuels—coal, fuel oil, and natural gas. The strategy is to use combinations of all three that allow us to operate the plant as economically and efficiently as possible while meeting EPA emissions requirements. This fuel strategy resulted in savings of approximately \$1.3 million in 2005.

Several upgrades completed this year include

- increasing the capacity of both coal-burning boilers by replacing all 1,360 particulate filter bags in both boilers with new high-efficiency filter bags,
- repairing corroded flue gas ducts,
- replacing the soot-blowers with automated blowers, and
- replacing the ash conveying system with an automated one.

These actions not only add capacity, they also improve pollution control.

We completed the CPP Utility Master Plan, giving us a blueprint for operations in the years ahead, as well as providing a basis for recommending capital projects to the Architect. We worked with the Planning and Programming Division to complete a facility condition assessment (FCA) on all CPP buildings. (You can find details on the FCA in the Facilities Planning and Programming Division section.) We are also studying the concept of on-site power generation, known as cogeneration, where a single process is used simultaneously to create a second form of power. Completion of the concept is anticipated in 2006.

We are continuously focused on safety. We reduced our accident rate to 3.7%, the best rate since statistics have been kept for CPP. This record-low accident rate is the result of an intensive program composed of daily shop safety briefings, weekly plant-wide safety briefings, and several new policies. The policies cover areas such as procedures for working with plant and property equipment, respirator protection, rules regarding medical physical examinations, mandatory safety training, and an annual safety awards program.

In preparation for the completion of the West Refrigeration Plant expansion, we began an intensive training program that included a computer-based training module program as well as classroom instruction and field training. In conjunction with this training we also developed standard operating procedures for our operations. These new procedures will facilitate a smoother transition once the West Refrigeration Plant expansion is completed.

In 2006 we will continue to execute our economic fuel dispatch strategy to burn the most economical combination of fuel while meeting EPA requirements. We will also monitor fuel usage and costs weekly and revise operational strategies accordingly. To address disruptions of service, we plan to develop and implement an operational communications protocol to notify customer buildings and key personnel of plant status and important plant activities. Several plant upgrades will take place, including

- installation of two new plant air compressors to replace two inoperable compressors in the West Refrigeration Plant,
- replacement of the current condensate receiver with a newly designed condensate receiver, and
- completion of the installation of the new steam plant water treatment system.

We will also complete our standard operations training. Additionally, we will implement a peer recognition program and a quarterly goal-sharing program.



# 7:00am

we maintain the foundations...



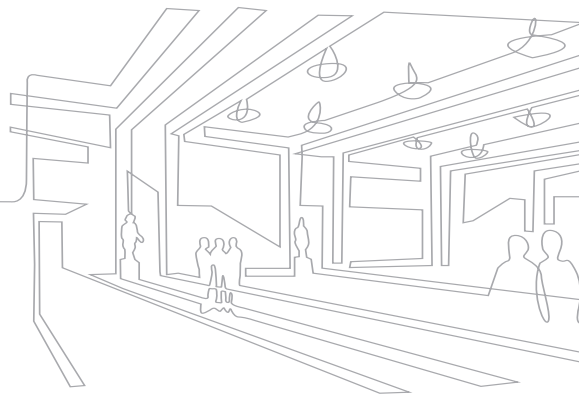
## FOUR LARGEST PROJECTS

This section reviews the four largest projects (in terms of funding) currently under construction: the Capitol Visitor Center, modernization of the Supreme Court, expansion of the West Refrigeration Plant, and the Perimeter Security Program.

### Capitol Visitor Center

The Capitol Visitor Center (CVC) will provide a secure, educational, accessible, and convenient facility for the millions of visitors who visit the Capitol each year. Located under the Capitol's East Front, this subterranean three-story structure will total 580,000 square feet when completed. It is designed to enhance each visitor's experience and complement and support the Capitol's historic environment.

CVC construction is divided into two project sequences, each of which is further divided into portions. Sequence One, which included all structure and foundation work, was completed in December 2004, with only punch-list items and follow-up maintenance remaining. The last major portion of Sequence One was the construction of a 1,000-linear-foot truck tunnel, which is now being used for Sequence Two material deliveries. With Sequence One completed, all CVC structural and foundation work is finished.



Sequence Two is now in progress. The first portion of Sequence Two to be finished was the Visitor Center roof deck, which was completed to a level sufficient to support presidential inaugural activities in January 2005. During this portion of the work, approximately 120,000 granite paving stones were installed on the East Front Plaza, grassy areas were reestablished near the face of the U.S. Capitol, four skylights were installed, and restoration of areas at the north and south ends of the Plaza were completed. The East Front accommodated the presidential motorcade and was the site for the President's traditional "review of the troops."

In January 2005, we began work on the primary utility tunnel for the CVC. We completed excavation of the tunnel in summer 2005 and placed the precast tunnel sections by August. In September, crews began installing 20-foot-long sections of chilled water and steam pipes. Although the crews encountered numerous obstacles during the excavation of the tunnel, they completed all major utility rerouting by September, with the exception of a single gas line. The tunnel is scheduled to become operational in 2006.

January 2005 also marked the beginning of the entire steel structure's fireproofing. Once this was completed, we began to install mechanical, electrical, plumbing, fire- and life-safety systems throughout the facility. We completed the bulk of the mechanical work by August and had installed nearly 750,000 masonry blocks by the end of September.

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With most of the block walls installed and mechanical and ductwork nearly complete, the installation of wall stone began in many areas. By September, we had completed the stonework in the food service area and had almost completed the north and south orientation theaters. We also completed three of four walls inside the Great Hall, as well as the stone on 8 of 16 columns inside the Great Hall.

Numerous structures had to be moved when the CVC site was originally excavated. Once the roof deck was complete, we reinstalled much of the stone that had been removed, including the historic Frederick Law Olmsted designed lanterns and fountains. We completed installing the stone on the wall along the north pedestrian ramp, and we began work on the south wall in August. Meanwhile, we continued to install 8-inch-square granite pavers across the plaza. By September, we had installed approximately 150,000 pavers.

We also made substantial strides on the CVC's internal project management front, addressing both schedule and budgetary challenges. In June, we completed our second cost-to-complete analysis and submitted a draft report for review in September. Around this time the Government Accountability Office (GAO) began a similar review. Both the AOC's and GAO's final assessments will be available in early 2006. We also had an independent firm conduct a risk assessment in August to identify potential risks and develop mitigation plans. Finally, we have also begun coordination of the CVC commissioning activities.

In addition to the commissioning activities, we are preparing for the operational aspects. The Exhibit Gallery content working group continued its efforts to refine the script for the CVC orientation film, the House and



# 8:00 am

we fly the flag over the Capitol...

Senate Theater orientation films, and the text for the exhibit reading rails and captions. Production contractors submitted filming and photography schedules for the films and interactive computer stations in August. Filming and photography started in October 2005.

This project is a massive undertaking and we look forward to its opening. The CVC will provide a safe, comfortable, and educational place for all who want to visit the "People's House" to witness democracy in action.

### **Supreme Court Modernization**

In July 2003, we began the five-year Supreme Court modernization project. This project will update the systems for the first time since the building opened more than seven decades ago.

The focus of work in 2005 was the interior renovation in what is identified as the Northwest Quadrant. This work included demolition, asbestos abatement, mechanical work, and electrical work. Most of those efforts to date have been located in the basement. Additional work was continuing on the other floors of the Northwest Quadrant in the visitor screening area, and the 4th-floor book stack storage area of the library.

For 2006, we will complete the Northwest Quadrant work, allowing the Court to resume occupancy of this area. Then we can begin similar work in the Northeast Quadrant. As part of our continuing efforts to improve efficiency, we will complete a "lessons learned" evaluation of our work in the Northwest Quadrant to improve our Northeast Quadrant efforts.

The end of the first half of 2006 will mark the planned midway point of the Supreme Court modernization project. The scheduled project completion is summer 2008. Once finished, the Supreme Court Building will better serve, house, and protect the Justices, court employees, and more than 1,000,000 visitors each year.

### **West Refrigeration Plant Expansion**

The main purpose of the West Refrigeration Plant expansion at the Capitol Power Plant (CPP) is to provide 16,200 additional tons of cooling capacity to the U.S. Capitol complex. The project will also convert the existing chilled water system to a primary/secondary pumping configuration and provide architectural and site improvements to the CPP grounds.

We made significant progress on this project in 2005. We completed the main body of the building's physical core and shell, as well as roughing in and fitting out all the major mechanical and electrical components. New 5,400-ton chiller units were set in place in January 2005. We substantially completed work on the chilled water trench and the large bore piping at the end of 2005. Between May and September we also erected three new cooling towers on the roof.

In 2006 we will complete the perimeter architectural facade, fire sprinkler and alarm systems, perimeter fencing, landscaping, and operation of the new chillers and secondary pumping systems. We will also complete the new distributed control system (DCS). This system will automate all of the plant operational functions.

### **Perimeter Security Program**

The Perimeter Security Program began in 2001. The purpose of this important program is the provision and installation of physical security elements as defined by the Perimeter Security Master Plan. Those elements include rated police shelters, decorative bollards, hydraulic vehicle barriers, and stone-clad concrete planters integrated with existing walls and other grounds features.

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During 2005, we continued implementing perimeter security elements at the Library of Congress jurisdiction and began work at the Supreme Court, Senate, and Capitol Power Plant jurisdictions. We also

- developed a retractable bollard system utilizing decorative bollards;
- developed an uninterruptible power system (UPS) for retractable bollards and barriers thus reducing the requirements for emergency generator power;
- developed touch-screen technology for rated vehicle barrier operations. The Library of Congress was the first to benefit from this technology; and
- devised a cost-saving design for the existing Taft Park wall, saving a substantial amount based on the original design.

Looking toward 2006 our plans include

- completion of work at the House jurisdiction and Capitol Square,
- continuation of progress at the Supreme Court and Senate jurisdictions, and
- completion of the program at the Capitol Power Plant and Library of Congress jurisdictions.

When complete, the Perimeter Security Program improvements will restore beauty and employ appropriate features in place of the temporary measures that have, in many cases, been in place since the mid-1980s. The improvements will enhance both security and the sense of openness and accessibility to the Capitol.

## DIVISIONS

### Facilities Planning and Programming Division

The Facilities Planning and Programming Division consists of three programs that work in concert to produce strategic short- and long-range planning for the Capitol complex: the Facility Condition Assessment, Capital Improvements Plan, and Capitol Complex Master Plan.

#### *Facility Condition Assessments*

The Facility Condition Assessments (FCAs) are used to create a baseline for building conditions, compare conditions among facilities, evaluate and plan funding requirements, set goals, and track facilities investment and management of the five-year Capital Improvements Plan. Our Strategic Plan has established guidance for conducting annual FCA updates for the facilities under our care.

FCAs provide the basis for determining which projects to include in the Capital Improvements Plan, as well as setting priorities for these projects. We evaluate each proposed project based on a scorecard of defined criteria in order to determine which fully designed projects we will include in our annual budget request. The scorecard provides a measurement of the current state of the facilities, as well as enables us to generate a proactive plan for facility maintenance and renewal. This plan assists us in the development of a complete list of prioritized projects along with the associated costs and timeliness. We can then create a justifiable budget request when all of this information becomes available.

During 2005, we conducted and completed FCAs for the Capitol, House office buildings, Senate office buildings, Botanic Garden, Capitol Police facilities, Capitol Power Plant buildings, and the Capitol grounds. We have requested funding to conduct the Library of Congress FCA. We intend to complete FCAs for the remaining jurisdictions in 2006.

### **Capital Improvements Plan**

The Capital Improvements Plan (CIP) covers a five-year period and is updated annually. Its role within the program planning process is to support the Capitol Complex Master Plan by evaluating all projects on the Master List of Facility Projects against established priorities. Predetermined criteria are used to evaluate and prioritize projects. These criteria are

- **Preservation** Preservation of historic or legacy buildings and accommodating the importance of the Architect's stewardship role
- **Safety** Fire and life-safety, and other code, regulatory, or statutory requirements
- **Impact on Mission** Building condition or impact of the project on the mission accommodating new technology, and accommodating a new or changed mission
- **Economics** Extent to which a project provides cost savings or results in cost avoidance
- **Security** Physical security

The third CIP was initiated in May of this year and is scheduled to be completed in March 2006. This version of the CIP will add improvements to the program development process. These improvements fall under four categories:

- Refinement of the Project Call and simplification of documentation required for submission
- Conditions for the completion of the Program of Requirements (POR) for potential FY 2008 Line-Item Construction Program (LICP) and subsequent year projects
- Development and use of a POR checklist
- Creation and use of separate program development checklists for each year

Much more significant than these four improvements are the revisions to the method we use to prioritize projects. While the first CIP had prioritized projects on the basis of their "importance," there was previously no way to address the "urgency" of a project or account for the type of project involved (e.g., deferred maintenance, capital renewal, capital improvement, or capital construction). Using a matrix to determine the level of urgency, a sequence for prioritization has been developed. With the implementation of this matrix (which we refer to as the Composite Rating Guide), the development of our project prioritization process is now complete.

### **Capitol Complex Master Plan**

The final element in our project planning and execution program is the creation of an overall Capitol Complex Master Plan (CCMP). The CCMP provides a framework for conducting intermediate project planning over the next 20 years to help us prepare for facility renewals and future growth. The CCMP will also assist us and Congress in making short-term capital improvement decisions that fit within the long-term vision for the Capitol complex. The creation of the CCMP is a significant step in our long-term planning process, given that the most recent CCMP was published in 1981.

The CCMP is the most comprehensive, long-range plan undertaken by the Planning and Programming Division. It will address the facility needs and future operating environments of the House, the Senate, the Capitol, the Supreme Court, the Library of Congress, the U.S. Botanic Garden, general services and security programs, the Capitol Power Plant, and the Capitol Grounds. The CCMP has three components: (1) the



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we care for the grounds...

Vision Statement; (2) the Framework/Concept Plan; and (3) the Jurisdiction Plans. The Vision Statement and the Concept Plan address the entire complex and establish the basis for organizing the Jurisdiction Plans into an integrated master plan.

We began preparing the CCMP in August 2004, and we will complete the final draft by January 2007. The CCMP will be presented for congressional review and approval in 2007. In 2005, we did extensive work on the draft Vision Statement, including workshops with the AOC-appointed Expert Advisory Panel, interviews and workshops with AOC managers, and consultations with key leadership groups across the Capitol complex. We have completed the draft Vision Statement.

The second component of the CCMP is the Framework/Concept Plan. The technical reports that support the draft Framework/Concept Plan are in their final draft form and we have completed a summary of the key issues that we identified. To prepare the Framework/Concept Plan, we met with key AOC and external stakeholders. We are writing the Framework/Concept Plan summary, and we will use it in 2006 as the structure for assembling the Jurisdiction Plans into a comprehensive planning document for the Capitol complex.

The final component of the CCMP is the Jurisdiction Plans. The Jurisdiction Plans describe the facilities occupied by each jurisdiction, detail the current use of space, and identify any space needs over the next 20 years. If needs exist, we use the Jurisdiction Plans as a starting point for developing potential solutions. Interviews, workshops, and focus group sessions in almost every jurisdiction have provided baseline information for the Jurisdiction Plans. We continue to consult with each group, and our goal is to have draft Jurisdiction Plans completed in spring 2006. As we write each Jurisdiction Plan, we integrate the findings of the FCAs and CIPs with the long-range plans for each jurisdiction. This is an important step in synchronizing the long-range plans with the current short-range planning.

The draft CCMP (including the Vision Statement, Framework Plan, and eight of the nine Jurisdiction Plan summaries) will be ready for distribution and discussion in fall 2006. Once the CCMP is finalized, it will be a tremendous tool to guide us as to how we can best meet Congress's needs going forward.

### Project Delivery

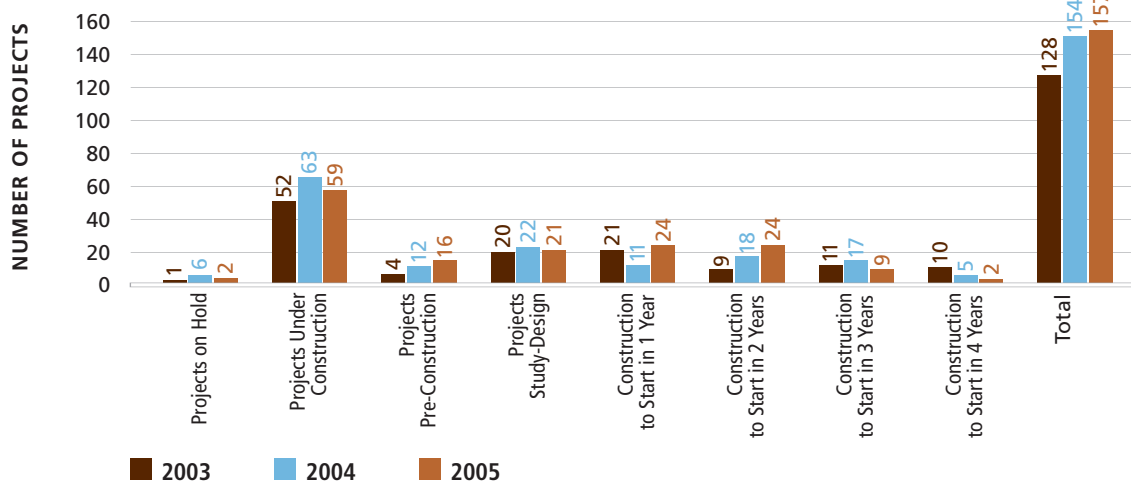
Successful project delivery is accomplished through the combined efforts of the following divisions:

- Construction Division, which works with the jurisdictions to execute the projects
- Design Services Division, which ensures that project designs meet Agency standards and stewardship requirements
- Project Management Division, which has overall responsibility for delivering each project on time, within budget, and to a high level of quality
- Procurement Division, which guides the contracting process and oversees contract modifications

During 2005 we capitalized 41 projects. Examples of these projects are

- Book Storage Module 2 at Fort Meade,
- restroom renovations in the Hart and Dirksen Buildings,
- modernization of 12 elevators in the Hart Building,
- leasehold improvements to interim space and a canine facility for the Capitol Police,
- construction of the Supreme Court annex,
- roof replacement, elevator modernization, and expansion of the computer center at the Ford Building,
- emergency egress, and computer telecommunication and electrical upgrades in the Capitol Building, and
- installation of perimeter security for Capitol Square, House, Senate, and Library.

### PROJECTS IN PROGRESS



Projects in the **Construction to Start in 1–4 Years** categories experienced the most growth during 2005.

### Description of Projects in Progress

**On Hold:** No work currently being done on the project. Delay could be for any reason.

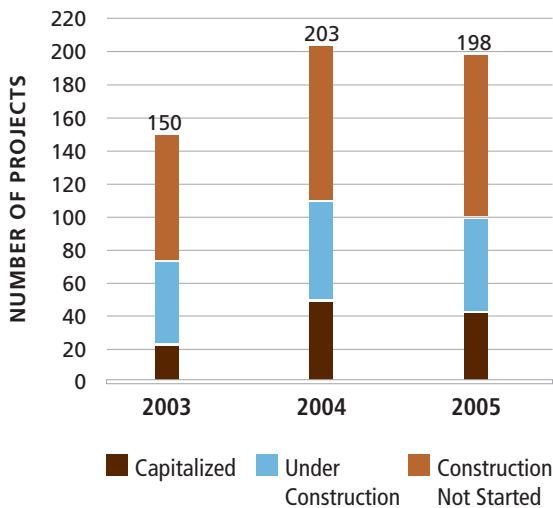
**Under Construction:** We have started construction.

**Pre-Construction:** We have received full funding, but have not begun construction.

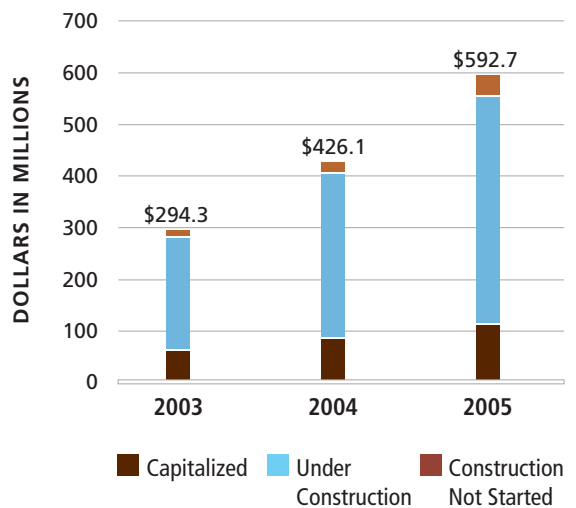
**Study-Design:** We have received funding to either study or design the project, and we are actively working on it.

**Construction to Start in 1–4 Years:** Construction is scheduled to begin within the noted time frame, dependent on funding.

### TOTAL NUMBER OF PROJECTS



### TOTAL EXPENDED ON PROJECTS (Not Adjusted for Inflation)



Although the number of projects decreased slightly from 2004, the size of our projects (measured in dollars) increased nearly 39%, and has more than doubled since 2003.

### Construction Division

Much of what the Construction Division (CD) does can be defined as “dynamic construction,” with our ability to quickly shift direction in support of changes requested by Congress as unfolding needs and unpredictable events drive our schedule. We work on all types of projects for the Agency and currently employ workers in 18 trades, from carpenters to steamfitters to stonemasons.

We contributed to 141 projects this year, spanning every jurisdiction. Of these projects, 61 were completed in 2005. More than one-third of the completed projects were in the House Office Building jurisdiction.

Within the House, we

- installed infrastructure for the upgrade of audiovisual systems in five committee rooms,
- put in new fire systems in the underground garages, and
- upgraded corridors throughout the jurisdiction.

Large projects completed in other jurisdictions include

- hazardous material abatement at the Supreme Court,
- refinished historic wood doors in the Senate Office Buildings,
- modified lobbies at the Library of Congress due to security requirements, and
- installed electrical vaults and panels for the care of the West Lawn of the Capitol.

We classify our other 80 projects as “works in progress.” There are multiple reasons for a project to carry over from one year to the next, such as start dates late in the year or projects that span several years. It does not mean that these projects were slated for completion and failed to hit their mark. Two of our higher visibility projects are retrofitting a portion of the Rayburn garage for use as a staff fitness center and work



on a multiphased project to upgrade the House Information Resources Center in the Ford Building—both of which are works in progress. Some of our other larger projects that are works in progress include

- planning efforts for the next phase of switchgear improvements in the Dirksen Senate Office Building,
- electrical system upgrades in the Russell Senate Office Building,
- rebuilding an existing steam tunnel and piping during the repair of steam lines, and
- installing fire alarm/smoke detection systems throughout the Capitol.

We also developed policies to support the Agency’s ongoing effort to maximize efficiency and effectiveness. A schedule system was drafted to track hours for work forecasted and work in progress. Production standards were developed to assist in planning for production risks of future cost, schedule, and risk assessment activities related to planning and programming work. Similar to all jurisdictions and divisions, we implemented new safety measures, including policies for situations involving blood-borne pathogens, and keeping licenses and certifications current.

### **Design Services Division**

It was a year of transition for this division. The Engineering and Architecture Division was split in two: Design Services and Project Management. Design Services is composed almost entirely of the former Engineering and Architecture staff. Project Management is designed to focus solely on the professional management of medium and large projects. This new division is composed almost entirely of project managers culled from both the former Engineering and Architecture Division and the Construction Division. It is featured in the next section of this report.

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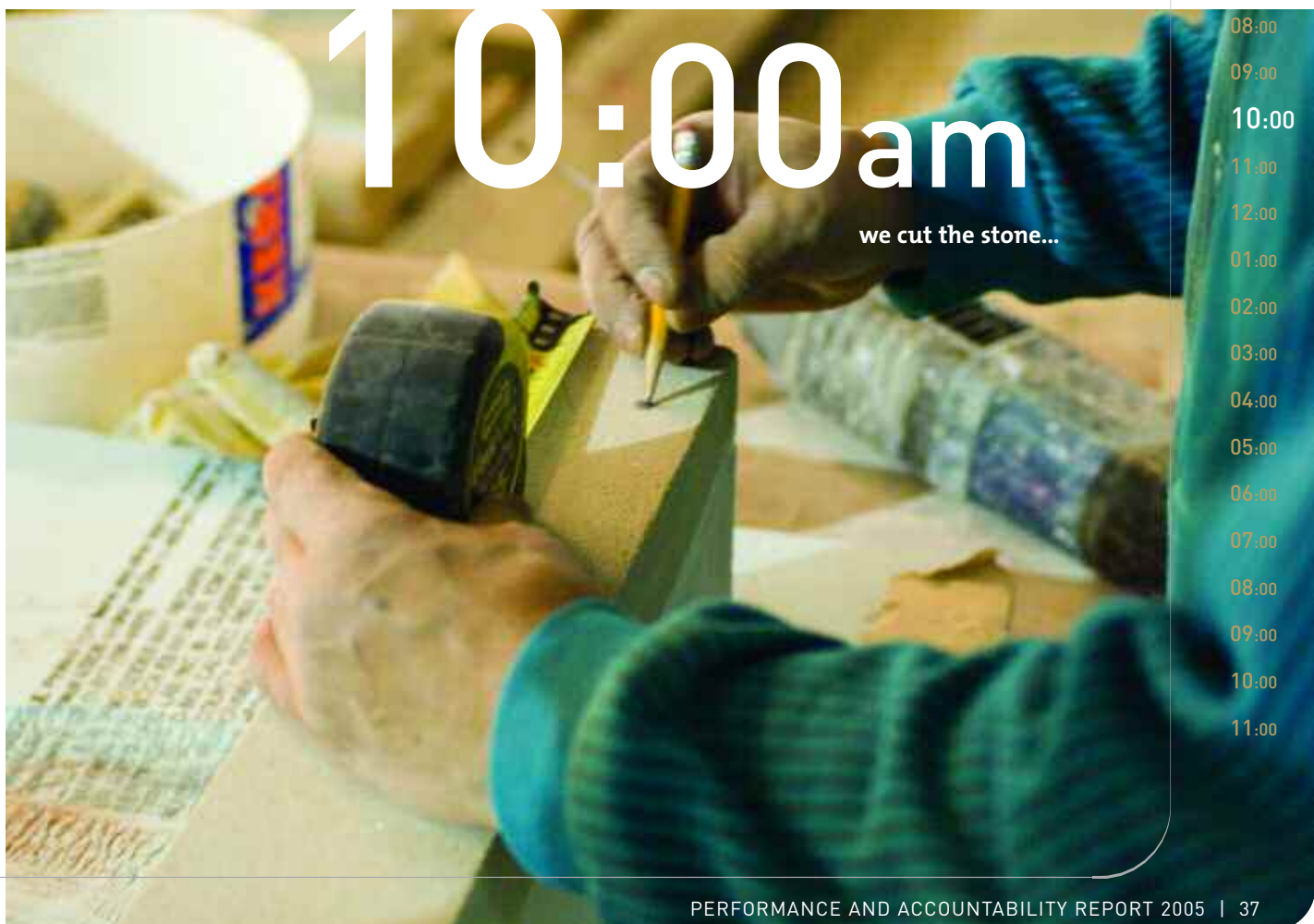
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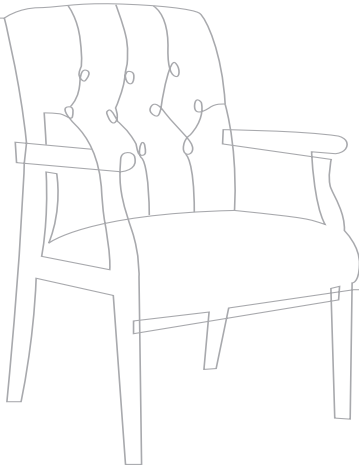
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The Design Services Division is responsible primarily for technical design, oversight, and project management services for studies and execution of projects. Other duties include expert structural, mechanical, electrical, and fire protection engineering consultation to the jurisdictions; support for the Planning and Programming Division; liaison to city agencies and utility companies; as well as interior design services and space planning for members of Congress, their staffs, and other support offices.

Even with a smaller scope and workforce due to the spin-off of the new Project Management Division, we had a busy year. Specific examples of our work are found throughout the Capitol complex.

- Within the House office buildings, we provided support and design expertise for the new Homeland Security Committee rooms in the Longworth and Ford Buildings.
- We worked directly with the Senate Superintendent's Office to implement the new "decorator module," a user-friendly Intranet-based system for client interface with interior design projects.
- At the Capitol, we developed the architectural design of the various inaugural stands and contributed structural engineering technical assistance during construction. For the first time, the stands were ADA-compliant.
- For the Library of Congress, we provided support for the construction of Book Storage Module 2, resolving complex mechanical and fire protection issues, as well as overseeing security upgrade designs for various Library buildings.

Our individual projects are not limited to one jurisdiction at a time. Examples of multi-jurisdictional work done this year include

- managing the development of the new network that will replace the aging energy management control system across the Capitol complex,
- designing security-based air filtration units for four sites in the complex,
- directing the installation of the new Legislative Call System, and
- assisting the jurisdictions with the coordination of the design and placement of the U.S. Capitol Police annunciator system.

We were active in many of the jurisdictions' efforts to improve safety. We established a database to catalog fire protection deficiencies, completed the design for the upgrade of the Hart Senate Office Building fire alarm system, and developed an in-house fire protection engineering program to address code issues throughout the complex. We also worked on the design of emergency lighting systems in the Adams and Madison Buildings.

### **Project Management Division**

The Project Management Division (PMD) was created as a pilot program in 2005. At the beginning of 2006, PMD will be recognized as a permanent division. The projects this year dealt with the overall security, safety,

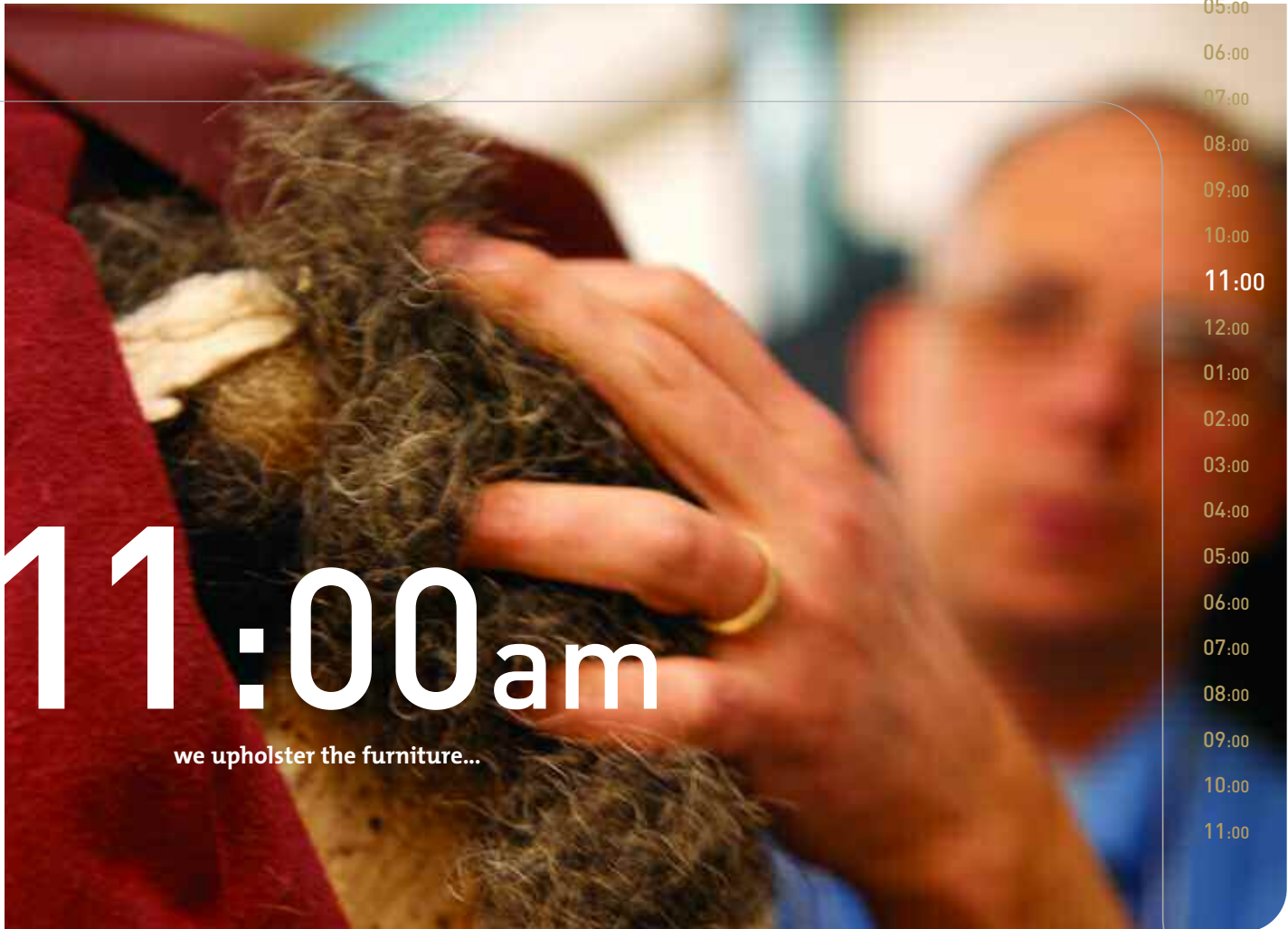
and operational capability of the buildings under our care. Our work focused on the implementation of the complex-wide perimeter security program as well as bringing the complex's building code and life-safety systems up to current standards.

Security continues to be improved through the Hill-wide Perimeter Security Program. Substantial progress on the project was achieved on Capitol Square, around the Senate office buildings, and around the Library of Congress buildings. Work began during the year on improvements around the Power Plant and the Supreme Court Building.

Life-safety systems were upgraded and building codes were improved through our work with fire safety, elevator modernization, and ADA compliance. Building fire alarm systems were enhanced by installing additional smoke detectors and more sprinkler systems throughout the complex. Emergency egress was made more accessible with the addition of emergency exit signage and lighting to assist occupants during an emergency. Emergency power generation and distribution systems were improved as well.

The complex-wide elevator modernization program continued in the Capitol, the Senate and House office buildings, and the Library of Congress buildings. Besides replacing worn out hoists and refurbishing the cabs, the elevators were upgraded to meet ADA requirements. Additionally, fireman's recall service capabilities were added to the elevators.

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Work on the Library buildings included security improvements in the Madison, Jefferson, and Adams Buildings' entrance lobbies. These projects involved providing Library Police with secure yet architecturally sensitive kiosks at all public entrances and new code-compliant entry doors that meet security standards. A new ADA-compliant ramp was built at the southwest corner of the Madison Building. This entrance is directly opposite the Capitol South Metro station, and is the major Metro-accessible public entrance to the building, thereby providing patrons with disabilities convenient access to the Library's resources.

PMD was strengthened through an aggressive and comprehensive training program created to ensure that the entire team's core competencies are kept current. A new Construction Progress Report format was developed with input from external stakeholders, the Superintendents, and the Government Accountability Office.

### **Procurement Division**

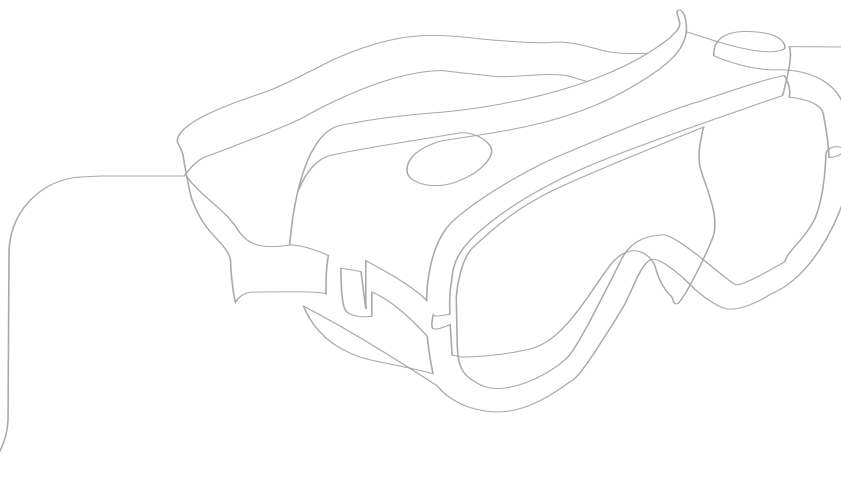
Our Procurement Division supports our mission by providing quality procurement solutions to the Agency. This division is responsible for or involved in the full range of procurement activities throughout the Agency: soliciting, awarding, and administering almost every procurement contract undertaken. It also develops procurement guidance and policies, and works directly with the vendor community to facilitate the procurement process. In 2005 the division expanded its role. Since March 2004, it has been involved in the administration of all construction contracts.

With the added responsibility of construction contract administration, three new policy documents were developed. These policies establish standard contract administration practices for the Agency in dealing with such issues as contract pricing, contract administration, and contract modifications. In addition, two other policy documents were created that established a framework for ratifying unauthorized procurements to reduce their occurrence and to provide further controls and guidance on the use of the government purchase card.

The division reorganized in 2005 to improve procurement services. This realignment is providing greater consistency and responsiveness to the needs of the jurisdictions and divisions.

We also began posting solicitations on the AOC Web site. This allows vendors to download the solicitation the day it becomes available, rather than waiting for mail delivery. Additionally, the division's Intranet site is used as a central repository for procurement forms, information letters on procurement topics, and other procurement-related documents and guidance.

We are in the process of developing and deploying a procurement overview portal application to track and manage the division's workload. This management application will also benefit COTRs—Contracting Officer's



Technical Representatives—and other Agency personnel by giving them new capabilities and greater access to procurement information. We will also be offering COTR refresher training courses and training for those who develop statements of work.

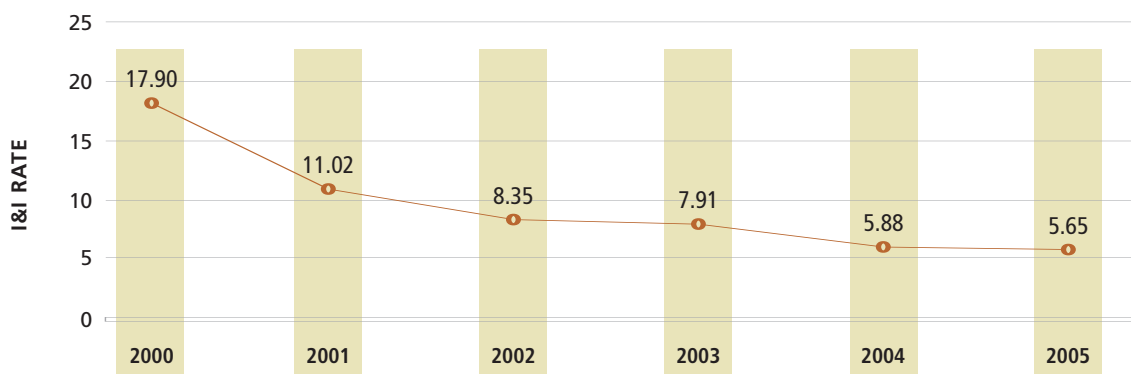
In 2006, we will work with PMD on establishing an Acquisition Strategy Board (ASB). The first phase of establishing the ASB involves reviewing “over the transom” projects. The second phase is to expand the ASB and review capital improvement projects that have a budget of \$250,000 or more. We expect to kick off the ASB in the third quarter of 2006.

### Safety, Fire, and Environmental Programs Division

We develop and implement Agency-wide policies for safety, fire, and environmental programs through the Safety, Fire, and Environmental Programs (SFEP) Division.

For the fifth year in a row, the AOC’s injury and illness (I&I) rate decreased. This year the rate was 5.65 per 100 employees, a 4% reduction from the previous year. We were able to reduce this rate despite a heavy workload that included post election office moves and a presidential inauguration. From a high of 17.9 cases per 100 employees in 2000, we have dropped to 5.65 cases per 100 employees just five years later. To put these statistics in perspective, had the decrease from the 2000 rate never occurred, there would have been 1,100 additional injuries and occupational illnesses over the past five years.

#### ILLNESS AND INJURY RATE



Number of injuries and occupational illnesses per 100 employees.

Our Agency-wide safety program has resulted in a decline in our I&I rate for the fifth year in a row.

A safer AOC has not been the result of any single person or policy but rather a common commitment to safety aided by numerous tools. A new tool added this year is the Incident Analysis Module. This is a software system for managing and analyzing information collected during an incident. We also developed and launched the SFEP Intranet Web page this year. The Web page provides access to contact information, technical information, policy requirements, data management systems, newsletters, safety talks, and on-line training videos.

We worked to implement Agency-wide safety policies in cooperation with each jurisdiction and administrative office. We completed the introduction of policies for communications about hazards and respiratory protection during the year. We also continued to implement our confined space policy. Other new policies we began included scaffolding, hotwork, lockout/tagout, and trenching.

In our environmental work, we concentrated on the Capitol complex's drinking water and environmental surveys. An aggressive drinking water testing program was conducted in response to concerns regarding the possibility of lead in the water. We also completed environmental surveys and inspections in the complex, including wastewater discharges, backflow preventers, air emissions, and hazardous waste management. These surveys were used to identify possible improvements to facilities and operations to minimize any impact on the environment.

We performed biennial safety inspections in conjunction with the Office of Compliance in 2005. Throughout these inspections, fire or safety professionals, and in some instances both, accompanied the compliance inspectors to ensure deficiencies were clearly communicated and quickly abated. Most inspections also included rapid response "tiger teams" of AOC shop personnel who were able to abate over 90% of the identified deficiencies while the inspection was under way.

Significant review and oversight was provided to CVC construction management on fire prevention and protection issues. We conducted routine inspections of the areas surrounding all construction sites to identify potential hazards to employees and the public, after which prompt corrective actions were recommended.

In the coming year we plan to improve our information technology processes, better communicate our policies to our colleagues, create a method for independent evaluation of our safety policy implementation, as well as improve data analysis and indicator metrics. We will also develop an electronic data transfer system of inspection records between the Office of Compliance and the AOC. Safety and environmental manuals will be created to better communicate AOC requirements to employees, supervisors, and managers.

### **Budget Division**

The Budget Division made significant improvements this year by streamlining our financial management and budget processes so our jurisdiction and project managers can efficiently and economically execute the funding within their authority. We began developing our budget requests using a more integrated planning approach. Our complex-wide master planning system integrates life-safety issues, preservation of historic elements, economics, physical security for large capital project requests, and increased demands on operations and maintenance. This integrated planning approach provides a comprehensive view of the project requirements five years into the future. Initial efforts to integrate the complex-wide master plan with the budget formulation process resulted in our 2006 budget request receiving accolades from both the Senate and House Appropriations Committees as being the best in the legislative branch.

The funding environment continued to be austere, with fewer resources available to fund a multitude of needs. To meet the challenge of balancing operational needs and maintaining the facilities to recognized national standards, we conducted mid-year and end-of-year program reviews. These reviews identified funding shortfalls and potential internal funding sources to remedy those shortfalls. With Congress's permission, we identified and reprogrammed funds to meet immediate perimeter security requirements without jeopardizing other operational needs.

For 2006, we will continue to strive for a more integrated budget formulation and execution approach, ensuring that a long-term capital project program strategy will identify and fortify current and future resource requirements. We have recently embarked on a year-long effort to revise our Strategic Plan to make it results-based—linking budget to performance. Our focus is to follow the spirit and intent of the Government Performance and Results Act, which encourages greater efficiency, effectiveness, and accountability in government spending. Our plan will outline a set of goals complete with performance indicators and metrics



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to articulate how our resources are used. This initiative will also help us develop a performance budget for 2009—a first in the history of the AOC.

In addition, we will explore budget software to assist us in the performance budget process. This includes evaluating the capability of various products to automate the budget formulation process, conduct performance-based budgeting, forecast salaries and benefits, automate budget reporting, and further facilitate the planning and budgeting life cycle.

## Accounting Division

We focus on the Agency's financial matters by providing direction, planning, and oversight for financial policy, procedures, financial reporting, and accounting operations.

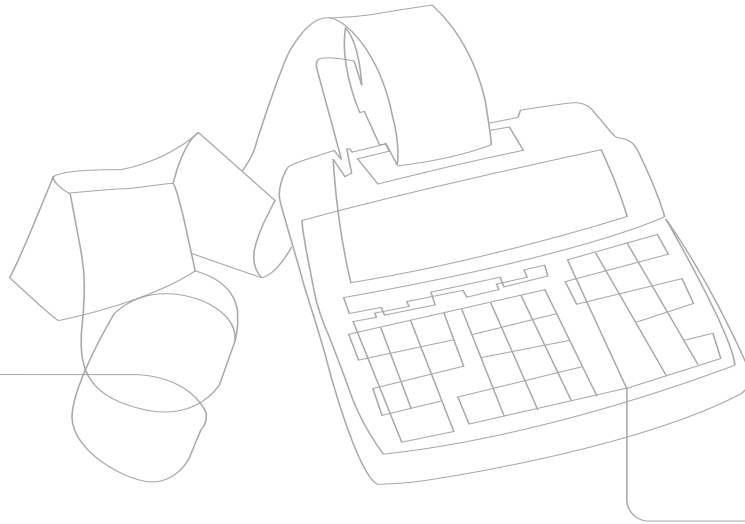
The independent auditing firm Kearney & Company, PC, has given our financial statements a clean opinion. This is the first year that all our financial statements underwent audit and represents the third consecutive year that our balance sheet received a clean opinion.

The auditors noted one new material weakness, three repeated material weaknesses, and one repeated reportable condition in their Independent Auditor's Report on Internal Control. For complete information regarding the audit results, please consult the auditor's documented findings and recommendations posted on our Web site at [www.aoc.gov/aoc/cfo/index.cfm](http://www.aoc.gov/aoc/cfo/index.cfm). Our summary of the auditor's material weakness findings, and our response and plan to address these weaknesses, can be found beginning on page 98.

Kearney & Company also performed the audit on the Capitol Visitor Center Obligation/Expenditure Reports. For the fifth consecutive year, these reports received a clean opinion.

We continued to expand our use of technology to help us meet our responsibilities in a more economical and efficient manner. New technology we implemented during the year includes

- FedInvest, an automated Web-based system maintained by the Bureau of the Public Debt. We use FedInvest to fulfill our fiduciary responsibility to invest the donations made to the National Garden Fund;



- The Bank of New York's Internet-based information delivery and transaction processing system. We are responsible for the management of invested funds that represent the balance of the initial proceeds from the construction of the Thurgood Marshall Federal Judiciary Building. These funds are intended to prevent the need for appropriated funds for major repair or alteration of the base building over its lifetime and are held in trust by The Bank of New York; and
- Secure Payment System (SPS), the successor to the Electronic Certification System (ECS).

We completed the setup of our new inventory management system this year, which will go live in 2006. This project was a large, multi-divisional effort. We worked with our Financial Management Systems and Procurement Divisions, as well as the jurisdictions, to complete this project. The inventory management system is designed to record and process inventory and accountable property information on a real-time basis. This new system will provide us with audit trails supporting cost accounting and financial reporting, and will support operating cost reductions.

We kicked off a cost accounting pilot project—Management Operations Reporting (MOR)—this year, which will provide our jurisdictions with a tool to assist them in managing their operational costs. MOR is being deployed in several phases. The first phase allows us to capture payroll expenses by jurisdiction-defined activities. This functionality was piloted in one jurisdiction in 2005 and will be rolled out to all jurisdictions. The second phase involves deploying the ability to record direct expenses other than payroll to activities. We expect the functionality of these phases will be substantially complete early in 2007. Further phases consist of refinements to be made during 2007 to include functionality to allocate overhead to activities, allowing us to employ the full cost methodology (including allocated overhead).

Significant progress was made in creating an internal controls framework. The framework will initially focus on three business processes: procure to pay, payroll, and project management. We developed an analysis of each process's current internal controls, laid out how we thought the internal controls should function, and identified ways to close the gap.

In the coming year, we will continue to implement new technology with a program that offers virtual (or paperless) fax service. We have identified the accounts payable function as a potential user of this service, and we will conduct a two-month pilot program. The objective will be to evaluate whether the process has the capability of reducing not only processing time but all the costs associated with accounts payable.

We will also continue to implement MOR throughout the AOC, and we look forward to reaping the benefits of an Agency-wide cost accounting system. Another objective in 2006 is the rollout of the internal controls structure.





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Building on the work done in 2005, we will begin training courses, establish a feedback process for all users, and implement monitoring functions that will give us the tools to track the internal controls' execution.

Finally, we will be going on-line with our new inventory management system. It will, for the first time, give us real-time access to inventory and allow us to enter information through bar code scanners instead of by manual input, thus reducing errors and saving time.

### **Financial Management Systems Division**

The Financial Management Systems Division is responsible for the implementation, maintenance, and support of our financial management system (FMS) and the integration of other systems with the financial system. Our work in 2005 is divided into two categories: daily operations and maintenance, and system upgrades and enhancements.

Normal financial system operations and maintenance are vital to our operations. More than 350 users depend on our support to perform their daily tasks using FMS. We keep our financial systems up and running seven days a week, providing fixes when problems arise.

Our other operations include

- generating reports for system users,
- recording payroll data on a weekly basis from the National Finance Center (NFC) into FMS,
- resolving issues with our system used to track inventory and accountable property (system planned for replacement in 2006),

- performing the annual closing of the financial records, and
- providing quarterly training sessions.

Two other large projects we worked on this year consist of the implementation of an acquisition module and continued progress toward implementing our asset management system. Our work related to the Agency's asset management system focused on evaluating inventory and accountable property tracking tools to meet our needs. We will implement hand-held technology in the coming year, and we will fully integrate the system with FMS to allow our coworkers greater flexibility in getting their jobs done.

We have numerous projects planned for 2006 and beyond. We will be completing the asset management system integration, with initial users scheduled to go live in January 2006 and the full rollout to all offices occurring between February and May. We will be part of the team that implements the cost accounting system. This will not be stand-alone work; in order to support this system, we will revise other processes, such as the payroll interface. Other work includes a major FMS upgrade slated for 2007, with work on this project beginning in the coming year. Finally, we will be integrating the asset management system with a new work order system.

### **Human Resources Management Division**

The mission of the Human Resources Management Division (HRMD) is to enable the Agency to acquire, nurture, and retain the high-caliber and diverse workforce needed to support and accomplish our mission. We serve as the principal advisor to the Architect and the Chief Operating Officer on policy and federal regulations governing human resources.

We worked with the Workforce Planning and Management Division, developing and implementing an Agency organizational structure that clearly outlines reporting relationships and aligns organizational responsibilities. Implementation of this structure provides the underlying framework for our Web-based human capital systems.

Starting with employees who are new to the Agency, we support and execute continuous learning. We conduct a comprehensive orientation program that includes presentations from a variety of Agency offices to acquaint employees with the Agency mission, policies, employee responsibilities, and employee benefits. As new policies are implemented, we educate management and employees on the new requirements. This year, specifically, we covered the new Career Staffing Plan, which provides maximum flexibilities for management to meet hiring needs and reinforces the merit principles of hiring, and continued to provide training on the performance evaluation system.

Employees are offered the opportunity for technical training related to their specific occupation. Throughout the year, we scheduled and coordinated 363 occupational health and safety-related classes offered at AOC or through an interagency agreement with the U.S. Public Health Service, Federal Occupational Health.

In addition, we manage a number of employee development programs designed to retain critical institutional knowledge. The Architect's Mobility Program selects candidates through a competitive application process and is offered to employees without career progression tracks. In an effort to develop more effective supervisors and managers, we implemented the Leadership Development Program. It focuses on supervisors, managers, and executives with the aim to ensure they have the competencies required to lead the organization.

We have led the Agency's effort to develop and implement an integrated Web-based system to meet the full range of the AOC's human capital needs and support contingency operations. Examples of some of our accomplishments this year using technology include

- development and implementation of a performance management system that links position-based employee performance plans to AOC strategic goals, providing a direct line of sight to employees as to how they support and further the AOC's strategic direction, and
- creation of a digital personnel action request system and related training—both of which will be fully implemented in 2006.

### **Workforce Planning and Management Division**

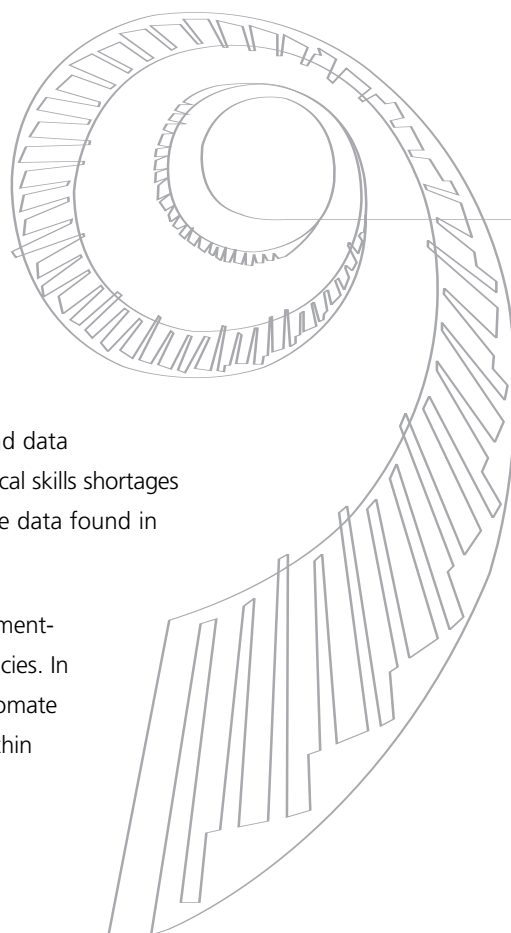
Our Workforce Planning and Management Division (WFPM) was established to address workforce and succession planning, as well as full-time equivalent (FTE) management and reporting. More specifically, this division is responsible for conducting research and analysis to evaluate and determine the feasibility of implementing major workforce changes.

WFPM's signature 2005 effort was the creation and publication of our first Workforce Profile Report. This report describes many aspects of our workforce, including how the workforce supports our third strategic goal of having the human capital to support our mission. Particular attention was paid to our employees' demographic, occupational, and education data, as well as supervisor-to-employee ratios for each office. This information allows us to compare ourselves with similar federal agencies as we continue to refine and build the most effective workforce possible.

The information in the Workforce Profile Report also allows us to better anticipate and plan for changes in our workforce due to turnover and retirement. For example, approximately 17% of our workforce is eligible to retire in 2005. Of those who are eligible, about 19% are likely to take advantage of this eligibility. Trend data suggest that, on average, employees will defer retirement for four years after they become eligible. Generally, we have shown stability in our workforce in terms of the length of time people are employed here.

To further analyze and plan for retirements within our workforce, WFPM created and published the AOC Retirement Forecasting Summary. This report provides a detailed account of all future and forecasted retirements for years 2005–2009. Statistics provided in the report are broken down to get an exact idea of which employee grades and occupational codes face a potential shortfall of labor. Trend data for actual and expected retirements allow us to identify and address critical skills shortages anticipated at all levels in order to adjust hiring in accordance with the data found in the report.

Even with all of the focus on the coming wave of retirement and retirement-eligible employees, we continue to stay focused on filling current vacancies. In this effort, we worked with the Information Technology Division to automate our "On-Board Report" (a list of authorized positions and vacancies within



each jurisdiction). The On-Board Report is automatically updated with the data from the National Finance Center that is posted at the end of each pay period. Superintendents can easily view information on vacant positions.

In 2006, WFPM will team up with each jurisdiction to use the information culled from the Workforce Profile Report and continue the efforts to build and maintain a viable workforce. The data will also help us to better anticipate future attrition rates and trends. We will also work with HRMD to help create programs that will continue to meet our coworkers evolving work-life balance concerns.

### Information Technology Division

The Information Technology Division (ITD) mission is to identify and prioritize the AOC's information technology (IT) needs and allocate IT resources in alignment with Agency goals. We are tackling the 21st century challenges of infrastructure and application interoperability so that the hardware and software on multiple machines from multiple vendors work on desktops, the Web, and personal digital assistants.

We developed the AOC Enterprise Architecture Portal, which was launched in May 2005. This portal is a central location for the AOC to manage and view Enterprise Architecture (EA) documents, including the application matrix, which details AOC applications' capabilities. Throughout the year, we worked diligently to maintain the EA as a "living document," with 23 significant updates that reflect continuing refinement and evolution.

MS Project Server was deployed in December 2004. This technology helps us manage complex IT initiatives, while also providing a common interface for all project management systems. The MS Project Collaboration and Web Publishing features enable project information to be more readily available to Agency managers to aid decision making. We used MS Project Server to manage more than 50 ITD projects in 2005.

We also used our prior project management experiences to formalize our "proven practices" in the AOC Systems Development Life Cycle (SDLC), which we released in August. The SDLC provides a step-by-step methodology for requirements gathering; system design and acquisition; and system implementation, operation, and maintenance.

We established the Investment Review Board to provide a forum for AOC stakeholders to review and approve large IT projects and monitor their progress. It applies an investment management framework to the technology investment portfolio.

In July 2005, we experienced an IT system-wide outage resulting in AOC users not being able to access their e-mail and network files. This incident accelerated the implementation of plans to modernize the infrastructure. We will implement the extensive reconfiguration of the AOC network in phases over the next three years.



In the coming year, we will develop a more comprehensive approach for prioritizing, selecting, tracking, and managing our IT portfolio. We will focus on risk management, communication planning, and the implementation of performance metrics to measure and report investment compliance. We will also continue to consolidate a number of network servers to improve our ability to recover and back up data.

# 2:00 pm

we weld the metals...



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Finally, we will align our Enterprise Architecture with the Federal Enterprise Architecture. This major undertaking will allow us to share a common framework with the rest of the federal government. This, in turn, will facilitate opportunities to identify investment gaps and more effectively allocate our limited resources.

### Curator Division

The Curator Division oversees the museum, historical, documentary, records management, archival, and related educational functions of the Agency. This work includes care for many of the works of art that beautify the buildings and grounds of the Capitol complex. The division maintains detailed files on these objects and also maintains the historical and art information on our Web site.

The division's Photography Branch and Records Management Branch preserve and make accessible thousands of historical and project-related photographs, architectural and engineering drawings, and other records. This year, the Records Management Branch staff fulfilled nearly 1,000 reference requests, a new record. They accessioned more than 6,000 architectural drawings and nearly 304,000 textual records that were deemed permanent records. In addition, approximately 7,500 drawings were scanned and the images linked to the database.

The Photography Branch documents current construction projects and major ceremonies and events, including the inauguration. This year, nearly 11,000 images were added to the photo database. The Photography Branch is now fully converted to digital photography and works closely with ITD to ensure that images are preserved for the future.

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3:00pm

we survey the grounds...

### **Presidential Inauguration**

On January 20, 2005, President George W. Bush was sworn in for his second term. A presidential inauguration is an extraordinary event that marks the peaceful and orderly transfer of power from one democratically elected chief executive to the next.

The presidential inauguration is a quadrennial event viewed by millions in the United States and around the world. The public sees the awe-inspiring West Front of the Capitol, images from the President's first bill signing, and the inaugural luncheon in Statuary Hall. As with inaugurations past, we played an integral role in planning and producing this event.

The 2005 Inaugural planning cycle began in August 2002, one year earlier than the previous inauguration. We began by assessing our budgetary needs and submitted a request to Congress for funding in October 2003. This earlier start was due to plans that would completely overhaul and re-create almost all of the structures and to avoid the need for special emergency funding requests.

The biggest and most visible change was a new presidential platform, which we designed and built. Previous platforms did not offer optimal viewing of the presidential podium for those not in the first several rows and were not accessible to those with disabilities. The new platform's design is akin to stadium seating, with each row raised above the one before it. Furthermore, both wings of the platform were redesigned to give those on the ends of each row a view of the podium. The platform was created with the objective that each seat would have an unobstructed sight line to the podium and also provide ADA accessibility. This was an ambitious but important modification to previous platforms.

Besides designing and building the platform, we are responsible for most of the other outdoor structures. For the first time, we built the main television tower, which stands directly in front of the presidential podium, as well as the central press riser. In addition to seats for the 3,500 individuals on the presidential platform, 28,000 seats must be set up for official guests and the West grounds are transformed to accommodate more than 80,000 members of the public. In order to facilitate the movement of many people on and off the grounds with speed and efficiency, we created custom ramps and crosswalks over preexisting walls and staircases. These semi-permanent structures were fashioned in a manner that allows them to be disassembled and reassembled for each subsequent inauguration. Our office also provides those in attendance with the event's audio and video feeds. We erected large speakers around the grounds and two enormous screens on either side of the presidential platform.

After months of preparing the West Front, setting up the platform, chairs, ramps, lighting, and speakers, Mother Nature presented an issue for us to attend to—snow. The night preceding the inauguration, several inches of snow fell on the nation's capital. In a testament to our ability to adapt and overcome obstacles in short order, we cleared each seat and every walkway before crowds descended on the Capitol.

We were just as busy inside the Capitol Building. The Rotunda has to be ready as an alternate site for the inauguration in case of inclement weather. Each incoming administration will wait until the last possible moment before the ceremony is forced indoors. Therefore, on the morning of the event, the Rotunda is ready to stand in as the site. However, the Rotunda-related work does not end there. Once the final go-ahead for an outdoor inauguration is given, the Rotunda setup has to be removed in an extremely expeditious fashion to accommodate the people and events that move through there during the day.



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we preserve the furniture...

The interior of the Capitol Building is home to two events directly following the inaugural address. Once finished outside, the President moves to the Senate President's ceremonial office just off the Senate floor. It is here that the first executive orders are signed by the new president, after which the chief executive moves across to Statuary Hall for the inaugural luncheon.

As soon as we completed our efforts, after-action meetings took place for the 56th Presidential Inaugural. The congressional committee that oversees the Inauguration was very pleased with our effort. One change they requested concerned altering the front wall of the presidential platform to better reflect the Capitol's architecture. Other than this relatively minor modification, we will continue to use the same blueprint for success when the 44th president is sworn in on January 20, 2009.



## PERFORMANCE HIGHLIGHTS

This is our first year of publicly providing a performance report. Below, we itemize the 20 performance measures approved by the Agency. A full docket of performance measures is currently in development.

The performance measures detailed in the PAR are based on our four strategic goals:

- **Facilities Management** Maintain and preserve the national treasures entrusted to our care by providing timely and quality facilities management and related support services to our clients.
- **Project Management** Enhance the national treasures entrusted to our care by planning and delivering timely and quality projects.
- **Human Capital** Attract, develop, and retain diverse and highly motivated employees with the skills, talents, and knowledge necessary to support the Agency’s mission.
- **Organizational Excellence** Provide the highest quality services to our clients through improved business programs, processes, and systems.

Of the 20 performance measures listed, 16 had a set target to meet. Of these 16 targets, 12 were met or exceeded (75%). A full account of our performance measures, work done to achieve the targets, and a preview of improvements for 2006 can be found in the Performance Information section. This section, Performance Highlights, provides the performance tables:

### GOAL ONE FACILITIES MANAGEMENT

Measure	2005 Target Range			2005 Result	Target Achieved
	Below	Target	Above		
Total Preventative Maintenance Work Orders (PMWOs) completed		No target set		9,271	200.71% increase with respect to 2004 (4,619 PMWOs completed)
% of Demand Work Orders (DWOs) closed each month compared to the number of DWOs closeable that month	80%	80–90%	90%	83%	Met
% of Demand Work Orders closed in less than 30 days from creation	80%	80–90%	90%	94%	Exceeded
Demand Work Orders older than 30 days that remained open at the end of each month		No target set		431 (at the end of Sep 2005)	50.35% reduction with respect to end of 2004 (868 DWOs older than 30 days open at the end of Sep 2004)

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**GOAL TWO PROJECT MANAGEMENT**

Measure	2005 Target Range			2005 Result	Target Achieved
	Below	Target	Above		
Projects on schedule	80%	80–90%	90%	55%	Not met
Projects within budget	80%	80–90%	90%	99%	Exceeded
Satisfied customers (Design Services and Project Management)	60%	60–80%	80%	67%	Met

**GOAL THREE HUMAN CAPITAL**

Measure	2005 Target Range			2005 Result	Target Achieved
	Below	Target	Above		
Injury and Illness Rate	5.9%	5.29%	5.29%	5.65%	Not met
Average number of days to fill temporary positions	50	50–20	20	56.2	Not met
Average number of days to fill permanent positions	150	150–120	120	139.6	Met
Average number of days to fill all positions	100	100–70	70	94.9	Met

**GOAL FOUR ORGANIZATIONAL EXCELLENCE**

Measure	2005 Target Range			2005 Result	Target Achieved
	Below	Target	Above		
Avg # of days for awarded contracts >\$100K this month	210	210–160	160	55.5	Exceeded
Avg # of days for awarded purchase orders <\$100K this month	45	45–30	30	7.5	Exceeded
% of purchases <\$5,000 out of total small purchases (<\$100K)		No target set		57%	Indicator provides management information only
Year-to-date (YTD) obligations over YTD budget (budget execution)		Above 95%		97%	Met
YTD obligations over YTD obligation plan for multi-year (MY) funds Year 4–MY funds 2002–2006		Recommended cumulative spending rate: 90–95%		91%	Met
Year 3–MY funds 2003–2007		Recommended cumulative spending rate: 75–90%		88%	Met
Year 2–MY funds 2004–2008		Recommended cumulative spending rate: 55–75%		72%	Met
Year 1–MY funds 2005–2009		Recommended cumulative spending rate: 55%		19%	Not met
Year-to-date obligations		No target set		67%	Indicator provides management information only

## FINANCIAL HIGHLIGHTS

### Resources Used to Achieve Our 2005 Results

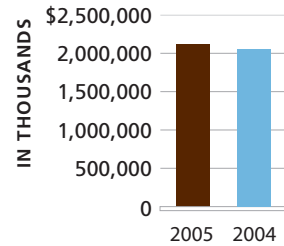
Our financial statements for 2005 received a clean opinion from the independent audit firm Kearney & Company. While this marks the third consecutive year that our balance sheet received a clean opinion, 2005 was the first year that we expanded the financial audit to encompass all five of our principal financial statements.

Kearney & Company also performed the audit on the Capitol Visitor Center Base Building, Senate Shell Space, and House of Representatives Shell Space Obligation/Expenditure Reports. For the fifth consecutive year, these reports received a clean opinion.

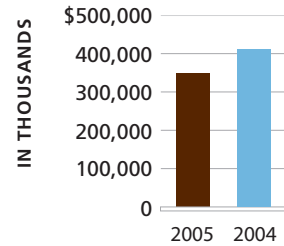
Our financial statements and their accompanying notes, along with the auditor's report, appear later in this report.

dollars in thousands	% CHANGE	2005	2004
<b>Condensed Balance Sheets</b> as of September 30, 2005 and 2004			
<b>Assets:</b>			
Property and Equipment, net	+22%	\$ 1,429,535	\$ 1,168,204
Fund balance with Treasury	-22%	652,639	840,904
Investments	+24%	38,947	31,522
Accounts receivable	+1223%	21,622	1,634
Other	+5791%	648	11
<b>TOTAL ASSETS</b>	<b>+5%</b>	<b>\$ 2,143,391</b>	<b>\$ 2,042,275</b>
<b>Liabilities:</b>			
Debt held by the public	-2%	\$ 159,729	\$ 162,835
Federal employee benefits	+6%	70,093	65,879
Capital lease liability	-50%	34,626	69,267
Accounts payable	-58%	2,617	6,232
Other	4%	101,981	98,255
<b>Total Liabilities</b>	<b>-8%</b>	<b>\$ 369,046</b>	<b>\$ 402,468</b>
<b>Net Position:</b>			
Unexpended appropriations	-30%	\$ 511,819	\$ 735,188
Cumulative results of operations	+40%	1,262,526	904,619
<b>Total Net Position</b>	<b>+8%</b>	<b>\$ 1,774,345</b>	<b>\$ 1,639,807</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>+5%</b>	<b>\$ 2,143,391</b>	<b>\$ 2,042,275</b>
<b>Condensed Statement of Net Cost:</b>			
<b>Total Net Cost of Operations</b>			
Total Gross Costs		\$ 369,436	-
Total Earned Revenue		(32,900)	-
<b>TOTAL NET COST OF OPERATIONS</b>		<b>\$ 336,536</b>	<b>-</b>

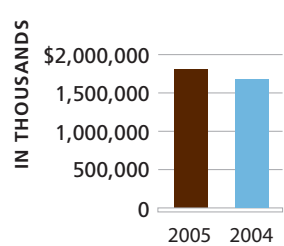
**TOTAL ASSETS**



**TOTAL LIABILITIES**



**TOTAL NET POSITION**





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we cultivate the gardens...

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**Audit Committee**

Assisting the Architect in overseeing the effectiveness of our financial operations is a five-member audit committee. The committee’s report for 2005 appears after our financial statements and accompanying notes. Members of the committee as of September 30, 2005, were

**Michael Lampley, CPA** Retired partner from Ernst & Young LLP.

**Michael J. Riley** Assistant Dean for Business and Management Studies in the School of Undergraduate Studies at the University of Maryland University College; former CFO of the U.S. Postal Service, Lee Enterprises, and United Airlines.

**John Webster, CPA, CGFM** Retired CFO of the Library of Congress.

**Gary Glovinsky** AOC Chief Financial Officer.

**Art McIntye** AOC Inspector General.

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The primary function of the Committee is to provide open avenues of communication among the Inspector General, the Independent Public Accountant, and the management of the AOC regarding the financial statement audit process. The Committee reviews and makes recommendations regarding all matters relating to the Independent Public Accountant who will perform our financial audit. The Committee must report its actions to our management and may make recommendations it considers appropriate to its function. More information on our Audit Committee is located on our Web site at [www.aoc.gov/aoc/cfo/committee/audit-charter.cfm](http://www.aoc.gov/aoc/cfo/committee/audit-charter.cfm).

## **Our Legal Compliance**

Although we are not required to do so, we have adopted laws, regulations, and standards to help us operate much as other federal agencies operate.

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

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, because these standards apply only to executive branch agencies. However, we are committed to using these Acts as guidance or “best practices” and are incorporating them into our financial management practices as appropriate.

In lieu of developing, implementing, and maintaining our own standards, we have chosen to adopt existing standards and conform to those principles insofar as it is practical for a legislative office. We embrace certain laws, regulations, standards, and other sources of accounting principles and view them as prudent management practices that will allow us to operate effectively and efficiently in a manner consistent with other federal agencies. We continue to follow and implement many of these best practices.

## **Limitation on Financial Statements**

Responsibility for the integrity and objectivity of the financial information presented in the financial statements in this report rests with our managers. The statements were prepared from our financial records in accordance with the formats prescribed in OMB Circular A-136, *Financial Reporting Requirements*, and using FASAB standards, concepts, and interpretations as the measuring criteria. These financial statements differ from the financial reports used to monitor and control our budgetary resources. However, both were prepared from the same financial records. Our financial statements should be read with the understanding that as an agency of a sovereign entity, the U.S. government, we cannot liquidate our liabilities (i.e., pay our bills) without legislation that provides resources to do so. Although future appropriations to fund these liabilities are likely and anticipated, they are not certain.

# PERFORMANCE INFORMATION

6:00pm

we shape the metal...





WE ARE PROUD TO PRESENT A NEW SECTION IN OUR ANNUAL REPORT THAT IS DEDICATED SOLELY TO MEASURING OUR WORK AGAINST OUR PERFORMANCE-BASED GOALS. HERE YOU CAN EXAMINE THE PROGRESS WE MADE DURING THE YEAR TOWARD MEETING OUR ANNUAL GOALS. THESE GOALS ARE DERIVED FROM OUR STRATEGIC PLAN, WHICH SERVES AS A HIGH-LEVEL TACTICAL BLUEPRINT FOR HOW WE CAN WORK TOWARD ACHIEVING OUR MISSION OVER A FIVE-YEAR PERIOD. OUR CURRENT STRATEGIC PLAN RUNS FROM 2004 THROUGH 2008.

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The foundation of our Strategic Plan is built on four goals:

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**FACILITIES MANAGEMENT** Maintain and preserve the national treasures entrusted to our care by providing timely and quality facilities management and related support services to our clients.

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**PROJECT MANAGEMENT** Enhance the national treasures entrusted to our care by planning and delivering timely and quality projects.

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**HUMAN CAPITAL** Attract, develop, and retain diverse and highly motivated employees with the skills, talents, and knowledge necessary to support the Agency's mission.

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**ORGANIZATIONAL EXCELLENCE** Provide the highest quality services to our clients through improved business programs, processes, and systems.

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Our Strategic Plan is the cornerstone of our performance management approach and is supplemented by our Performance Plan. The Performance Plan is an annual document, published before the beginning of each year, that makes each strategic goal actionable by outlining specific objectives and associated milestones, as well as providing performance measures for the coming year's work.

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The Strategic Plan we developed in 2004 focused on implementing our strategic planning framework and refining our processes for developing performance measurements. This year we are evolving from a focus on process to a focus on results. We are working toward a complete set of baseline measures and performance targets that will enable us to report on a full slate of metrics in future performance and accountability reports. Even though we do not yet have a full slate of performance metrics, we offer in this section the metrics we have developed thus far.

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The next part of this section reviews our work against the performance-based metrics we laid out in the beginning of 2005. First, we break down each strategic goal into concrete objectives. Then we list the performance achievements that are categorized by those objectives. Following these achievements is a table of performance measures for each strategic goal. The table compares actual performance to target performance. If we did not meet a target, we explain the factors that contributed to that result.

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## GOAL ONE FACILITIES MANAGEMENT

Goal: Maintain and preserve the national treasures entrusted to our care by providing timely and quality facilities management and related support services to our clients.

To achieve this goal, we focused on three objectives:

- 1.1 Develop a comprehensive understanding of the condition of the facilities under our purview
- 1.2 Address maintenance and care needs proactively
- 1.3 Preserve significant and historic heritage assets

### Performance Achievements

#### 1.1 Condition of facilities

- Facility Condition Assessments (FCAs) are on schedule for completion in 2006 for the Thurgood Marshall Federal Judiciary Building and the Taft Memorial/Senate underground garage.

#### 1.2 Maintenance and care

- Loaded initial preventative maintenance for electrical and plumbing systems into the current automated facilities management system for the Senate, House, and Capitol buildings
- Procured a new automated facilities management system for implementation in 2006

#### 1.3 Preservation of significant and historic heritage assets

- Further refined our approach, standards, and responsibilities for caring for heritage assets
- Continued to implement our plan for making heritage assets available using new technologies (e.g., Brumidi bicentennial exhibit)

### Performance Measures

We provide below the measures we tracked for Goal 1 and our 2005 performance results. While we closely monitor four measures, two of them do not have associated targets at this time. The other two measures met or exceeded their targets. As we advance on our journey toward organizational excellence, we plan to refine these performance measures.

Measure	2005 Target Range			2005 Result	Target Achieved
	Below	Target	Above		
Total Preventative Maintenance Work Orders (PMWOs) completed		No target set		9,271	200.71% increase with respect to 2004 (4,619 PMWOs completed)
% of Demand Work Orders (DWOs) closed each month compared to the number of DWOs closeable that month	80%	80–90%	90%	83%	Met
% of Demand Work Orders closed in less than 30 days from creation	80%	80–90%	90%	94%	Exceeded
Demand Work Orders older than 30 days that remained open at the end of each month		No target set		431 (at the end of Sep 2005)	50.35% reduction with respect to end of 2004 (868 DWOs older than 30 days open at the end of Sep 2004)

## GOAL TWO PROJECT MANAGEMENT

Goal: Enhance the national treasures entrusted to our care by planning and delivering timely and quality projects.

To achieve this goal, we focused on two objectives:

2.1 Improve long-range planning and program development processes

2.2 Deliver high-quality projects on schedule and within budget

### Performance Achievements

2.1 Long-range planning and program development

- Capitol Complex Master Plan work continued with the development of the Vision Statement and Preliminary Concept Plan
- Implemented the Capital Improvements Plan (CIP), including construction starts for 2005 Line-Item Construction Program (LICP) projects, design starts for 2007 LICP projects, and studies in support of LICP projects for 2008 and beyond
- Developed CIP for years 2006 through 2010
- Participated in the Facilities Planning Study being conducted for the House as a vehicle for determining our administrative space needs and how they can best be accommodated

2.2 High-quality project management

- Formalized our Project Management organizational structure to ensure “cradle-to-grave” management of projects
- Aligned resources to execute workload identified in the 2006 CIP
- Developed and implemented a Quarterly Construction Progress Report

### Performance Measures

We provide below the measures we tracked for Goal 2 and our 2005 performance results. We met or exceeded two of our three targets for Goal 2.

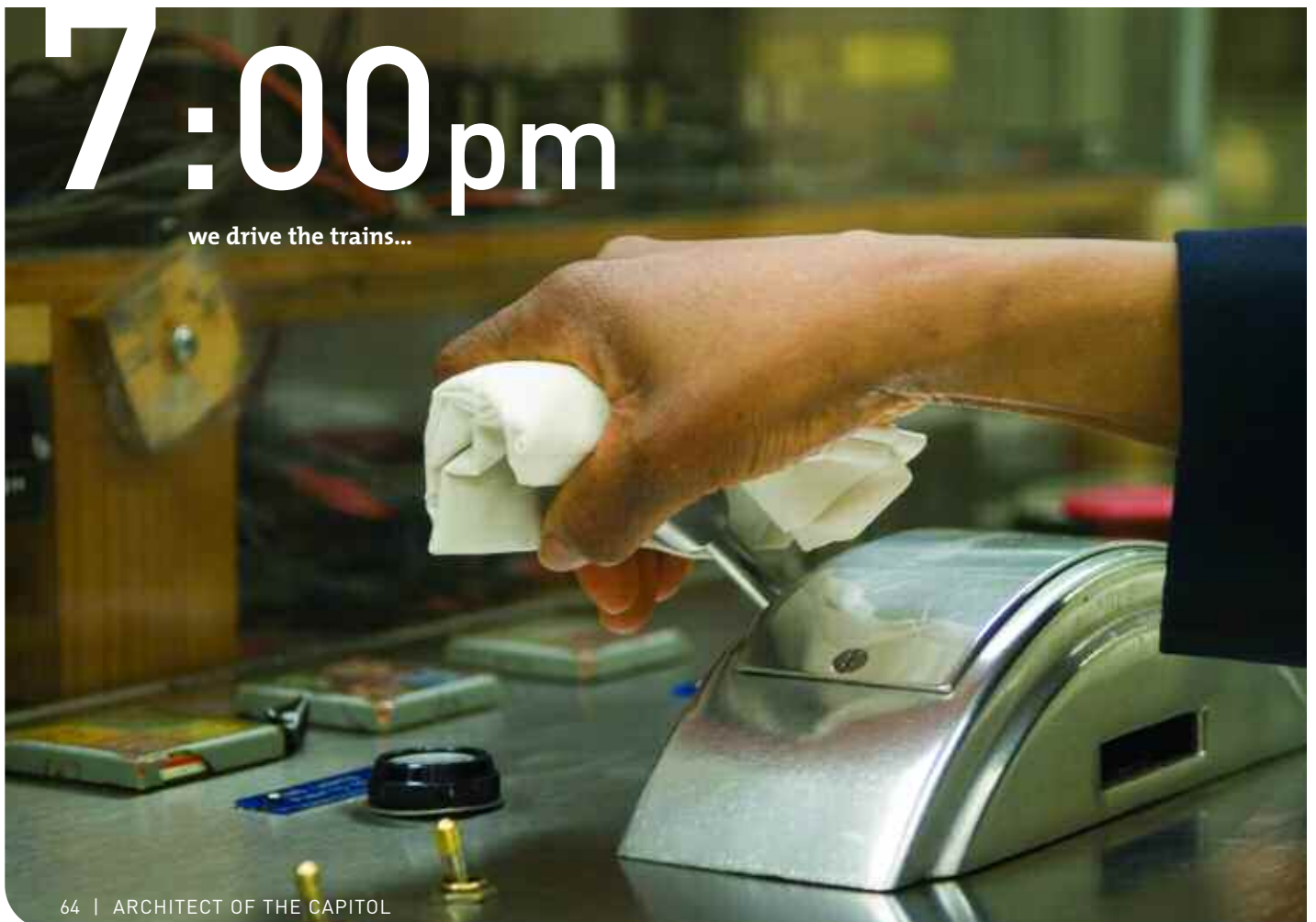
Measure	2005 Target Range			2005 Result	Target Achieved
	Below	Target	Above		
Projects on schedule	80%	80–90%	90%	55%	Not met
Projects within budget	80%	80–90%	90%	99%	Exceeded
Satisfied customers (Design Services and Project Management)	60%	60–80%	80%	67%	Met

We did not meet our target for completing projects on schedule. This was due in part to the application, when we began reporting project metrics, of a very literal interpretation of classifying a project as being “within schedule.” At that time, we considered a project behind schedule as soon as it became apparent that the contract completion date would be missed for any reason (e.g., weather delays, client delays, etc.). Through continuous dialogue with the Government Accountability Office (GAO), Appropriations Committees, and our clients, we have begun applying a modified standard for interpretation of a project’s schedule, which places greater reliance on the “beneficial occupancy” date promised to the client. This modified standard takes into consideration whether a proposed delay would affect the date that a facility or system is required to be operational.

In addition, during 2005 the Project Management Division (PMD) operated under an informal “pilot” mode. During that time, the majority of staff formally reported to a supervisor outside of PMD. While the organization performed very well, challenges did arise under this transitional phase.

Before the establishment of this division, the Agency lacked a robust organization with staff dedicated to project delivery. During the pilot phase, we established formal policies that are designed to clarify and empower PMD staff to more effectively manage projects. In addition, the new division combines project managers and construction managers under the same roof to ensure that management continuity exists from cradle to grave.

The metrics for schedule compliance have improved significantly over the past six months. This is due to organizational changes as well as training that the staff has undergone. We believe this trend will continue as PMD is formalized and training and staff development continue.



## GOAL THREE HUMAN CAPITAL

Goal: Attract, develop, and retain diverse and highly motivated employees with the skills, talents, and knowledge necessary to support the Agency's mission.

To achieve this goal, we focused on four objectives:

- 3.1 Human capital programs, policies, and practices are aligned with organizational goals and equal employment opportunity
- 3.2 Individual work efforts contribute to strategic, business, and organizational goals and objectives
- 3.3 An environment that fosters open communication throughout the organization
- 3.4 Effective, regular, and consistent internal and external communications

### Performance Achievements

#### 3.1 Human capital plan alignment

- Established competencies within our automated human resources management system (AVUE) for all position descriptions 12:00
- Initiated development of an employee skills database to help identify skills gaps 01:00
- Issued annual exit interview findings and recommendations report 02:00
- Completed revision of a career staffing policy 03:00
- Developed and implemented Special Emphasis programs, including the first annual Asian-Pacific Islander Month celebration 04:00
- Developed concepts for Model Employer and Reasonable Accommodations for People with Disabilities pilot programs 05:00

#### 3.2 Contribution to goals and objectives

- Fully implemented an electronic performance management system that establishes performance elements based on position descriptions and links the performance elements to our strategic goals 06:00

#### 3.3 Open communication

- Developed a concept for pilot Mediation program 07:00
- Implemented the following improvements in response to the employee focus group findings: 12:00
  - Developed and published an Employee Feedback Manual 01:00
  - Deployed a slogan to help all employees relate to and understand our mission: “The AOC: Serving Congress with a Commitment to Excellence” 02:00
  - Developed standards for written communication to make it easier for all employees to read and understand Agency documents 03:00
  - Implemented HRMD service improvements 04:00
  - Revised the Performance and Communications Evaluation System (PCES) policy 05:00
  - Developed and published a Correspondence Manual and Style Guide 06:00
  - Established a requirement for regular staff meetings and provided training on how to conduct effective staff meetings 07:00
  - Established Town Hall meetings and conducted the first round 08:00

#### 3.4 Effective communication

- Established task forces and developed action plans to address the employee focus group findings 09:00
- Conducted annual building services customer satisfaction surveys and issued internal reports 10:00

## Performance Measures

We provide below the measures we tracked for Goal 3 and our 2005 performance results. We met two of our four targets for Goal 3.

Measure	2005 Target Range			2005 Result	Target Achieved
	Below	Target	Above		
Injury and Illness Rate	5.9%	5.29%	5.29%	5.65%	Not met
Average number of days to fill temporary positions	50	50–20	20	56.2	Not met
Average number of days to fill permanent positions	150	150–120	120	139.6	Met
Average number of days to fill all positions	100	100–70	70	94.9	Met

We fell short of our target for the Injury and Illness (I&I) rate, and while we did achieve a 4% reduction from the previous year, for a five-year cumulative reduction of 68%, we are not satisfied. To continue to reduce the number of injuries and illnesses, we are

- capturing more information when an incident does occur to help prevent recurrences,
- analyzing this improved I&I data to better identify commonalities and trends to focus prevention efforts, and
- working to improve communication channels with employees to ensure that hazards are recognized and reported so that they can be corrected.

These efforts are in addition to continuing the actions that helped lead to the reductions achieved thus far—employee education and training, job hazard analyses, inspections, incident investigations, eliminating hazards through engineering controls, establishing written policies and standard operating procedures, safety reviews of project designs, etc. Through a combination of efforts by in-house technical professionals, contractual assistance, management support, and employee involvement, we've made continual progress on reducing injuries and occupational illnesses.

We did not meet our target for average number of days to fill temporary positions, although we did meet our target for average number of days to fill all positions. In an effort to improve our “fill time” next year across the board, we are implementing the following:

- Electronic Personnel Action Request (PAR)
  - Speeds approval process of SF-52s (Request for Personnel Action)
  - Provides managers access to status of SF-52s without having to track down paper through the workflow process
  - Eliminates the manual record keeping of SF-52 status within HRMD and other organizations
  - Provides data on the length of time taken for each step of the process, thereby allowing us to target additional areas for improvement
  - Provides data for accountability

- Implementation of revised Career Staffing Policy
  - Decreases the time for a referral list from six months to three months
  - Offers increased flexibility to fill positions
  - HRMD is currently establishing classified position descriptions in AVUE for all positions. More than 75% complete for positions covered by PCES
  - HRMD will then follow the same process for positions not covered by PCES

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**GOAL FOUR ORGANIZATIONAL EXCELLENCE**

Goal: Provide the highest quality services to our clients through improved business programs, processes, and systems.

05:00

06:00

To accomplish this goal and thereby support our first three goals, we focused on seven objectives.

07:00

4.1 Make business decisions that are driven by strategic, business, and organizational goals and objectives.

08:00

4.2 Operate an effective safety and occupational health program that helps ensure the safe completion of our mission.

09:00

4.3 Adopt an Agency-wide approach to information technology management to effectively and efficiently manage resources, enable quantitative decision making, enhance reporting capabilities, and enable business process optimization.

10:00

11:00

12:00

4.4 Institutionalize financial management best practices to support the effective delivery of programs and services, enhance decision making, and provide financial accountability.

01:00

4.5 Be an environmentally responsible and compliant organization that is protective of human health and the environment.

02:00

03:00

4.6 Improve our performance by developing and applying a centralized process improvement capability and institutionalizing it throughout the organization.

04:00

4.7 Optimize procurement services to fully support the requirements of our customers.

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## Performance Achievements

### 4.1 Business decisions driven by strategic goals

- Initiated efforts to revise our Strategic Plan to focus on results and integrate it with a performance-based budget

### 4.2 Effective safety and occupational health program

- Implemented an Incident Reporting and Investigation policy
- Implemented an Inspection policy to proactively identify, control, and eliminate hazards

### 4.3 Effective and efficient information technology management

- Implemented Enterprise Architecture v2.0 initiatives, including Phase 1 of the Platform Consolidation effort, development of an Enterprise Architecture Portal, development of an Operational Data Store, and infrastructure upgrades, including Ziotec SAN expansion
- Issued first annual Federal Information Security Management Act (FISMA)-compliant report to AOC Inspector General
- Developed AOC/ITD Continuity of Operations framework as part of the Information Security Program

### 4.4 Financial management best practices

- Initiated work on cost accounting in an effort to provide effective financial management reports and move toward performance-based budgeting
- Developed a performance-based budget guide
- Issued a policy on creating an internal controls program
- Implemented inventory management and control procedures to provide accurate and useful information
- Issued a Funds Control Administration Order with full execution for delegation of authority required by program/business managers

### 4.5 Environmentally responsible and compliant organization

- Published the Environmental Program Plan
- Conducted a comprehensive backflow survey and air emission source survey
- Reviewed and updated Operations and Maintenance (O&M) plans for existing underground storage tanks

### 4.6 Process improvement capability

- Issued 2005 report on accomplishments in process improvement

### 4.7 Optimized procurement services

- Implemented the acquisition module of our Financial Management System (FMS)
- Established several new contractual vehicles: multi-year contracts (eight architect-engineer services, four design/build services for perimeter security, and five construction services \$1 million or more); multiple year indefinite-delivery contracts for elevator maintenance for the House and Senate; and a blanket purchase agreement for Senate modular furniture and four blanket purchase agreements for safety shoes
- Initiated the development of a Procurement Workflow Management Application for internal tracking and managing of workload and progress within the Procurement Division
- Implemented an Agency-wide small purchase training class
- Developed an Internet site for the posting of solicitations
- Improved the contract administration process with the issuance of three orders to address contract pricing, contract modifications, and contract administration



## Performance Measures

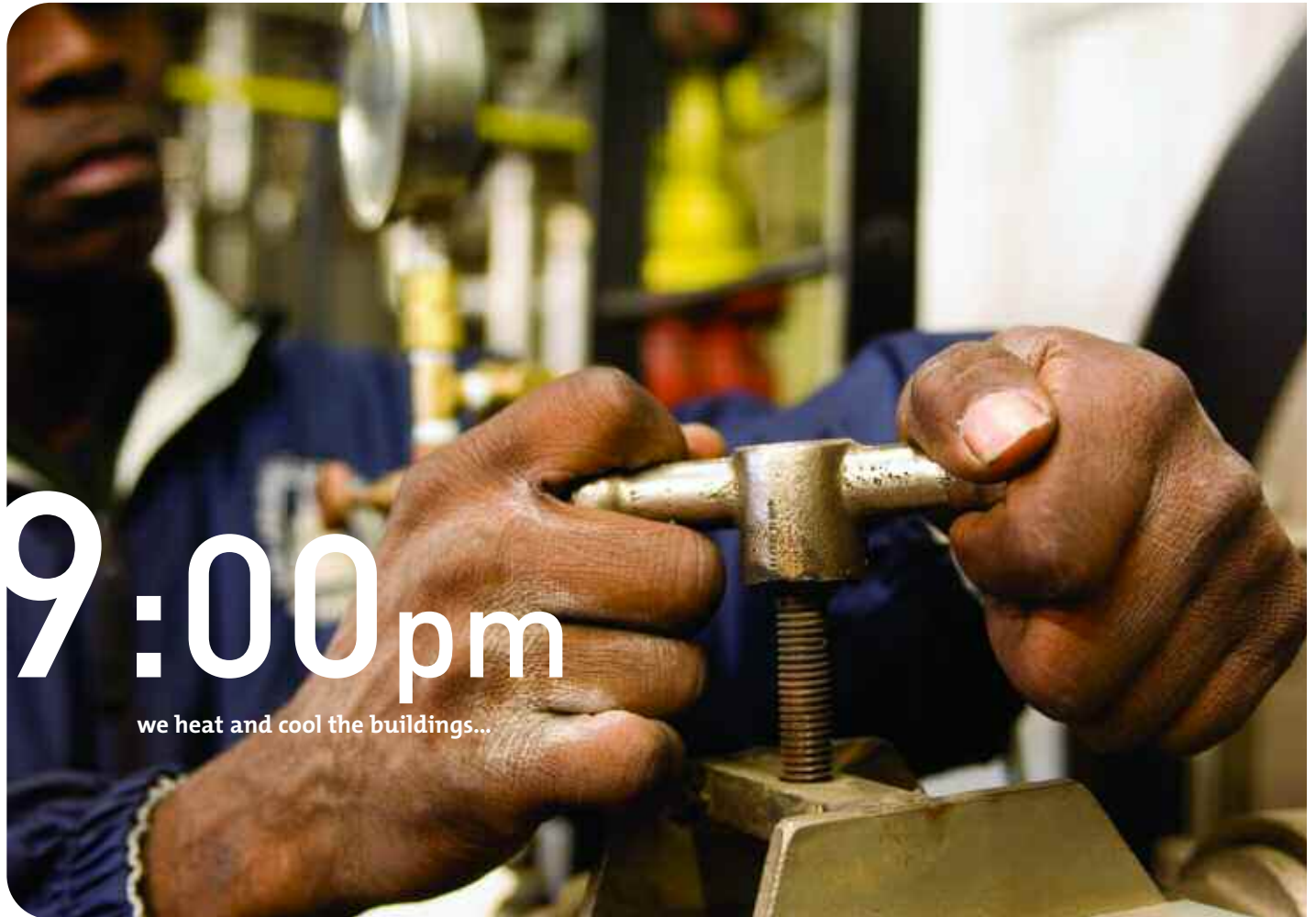
We provide the measures we tracked for Goal 4 below, and our 2005 performance results. Two indicators are for information only and have no target. We met or exceeded six of our seven targets for Goal 4.

Measure	2005 Target Range			2005 Result	Target Achieved
	Below	Target	Above		
Avg # of days for awarded contracts >\$100K this month	210	210–160	160	55.5	Exceeded
Avg # of days for awarded purchase orders <\$100K this month	45	45–30	30	7.5	Exceeded
% of Purchases <\$5,000 out of total small purchases (<\$100K)		No target set		57%	Indicator provides management information only
Year-to-date (YTD) obligations over YTD budget (budget execution)		Above 95%		97%	Met
YTD obligations over YTD obligation plan for multi-year (MY) funds Year 4–MY funds 2002–2006		Recommended cumulative spending rate: 90–95%		91%	Met
Year 3–MY funds 2003–2007		Recommended cumulative spending rate: 75–90%		88%	Met
Year 2–MY funds 2004–2008		Recommended cumulative spending rate: 55–75%		72%	Met
Year 1–MY funds 2005–2009		Recommended cumulative spending rate: 55%		19%	Not met
Year-to-date obligations		No target set		67%	Indicator provides management information only

We did not meet our target for obligations of Year 1 multi-year funds. In part this was due to a continuing resolution that extended through November 2004, during which new project starts could not be executed. In an effort to improve next year, we plan to work more closely with the jurisdiction account holders to monitor funds execution earlier in the fiscal year.

## 2006 and Beyond

In the 2006 Legislative Branch Appropriations Senate Report 109-89, the Committee reminded agencies of the importance of establishing performance measures to guide them toward greater efficiency and effectiveness and to increase accountability for federal spending. Following the “spirit and intent” of the Government Performance and Results Act (GPRA) allows us to achieve this overall goal. We have put in place several initiatives that coincide with GPRA and have plans to further improve our efforts in these areas in 2006 and beyond.



For example, one of our strategic initiatives is the development of a cost accounting system to accurately track expenditures against our strategic goals and objectives. We began this multi-year effort in March 2005 by developing a cost structure to link the jurisdictions’ activities to our strategic plan. By year end, we had deployed this initiative in one jurisdiction as a pilot, and plan to implement all jurisdictions during 2006. In addition, we developed a performance-based budgeting guide to help us create a budget that links resource requirements to strategic outcomes. Included in the performance-based budget will be a complete set of performance metrics that tie to our strategic goals and objectives. The critical link to integrating the performance budget and the cost accounting system is the creation of a results-based Strategic Plan. During 2006 we will embark on a year-long effort to develop and implement meaningful performance measures, describing how we will verify and validate such measures while linking performance measures to day-to-day activities and resource requirements.

During 2006 we will update our goals and objectives and assign measures to each area. We are assessing the current initiatives in our initial Strategic Plan as a starting point for developing the revised plan. We have identified draft revised performance-based strategic goals and will be consolidating current on-going initiatives into each of these goal areas. Our plans will focus on four primary goals:

- 1. Supporting legislative branch operations
- 2. Protecting our heritage assets
- 3. Providing services to citizens
- 4. Achieving goals 1–3 through high-quality, efficient, and effective administrative support services

We will constantly review and validate these goals as we progress to the second phase of the project—the development of strategic performance outcomes and measures. Once the revised plan is finalized, we will link the plan to resource requirements by creating a performance-based budget. This budget will include baseline measures and a series of five-year targets to coincide with our five-year Strategic Plan. Our goal is to use 2007 as the baseline year to track performance and to submit our 2008 budget both in a performance-based format and in the current budget format. For the 2009 budget, we plan a transition to a complete performance-based format. In concert with this task we will continue working on the cost accounting initiative.

To ensure that our Strategic Performance Initiative achieves a successful outcome, we established a steering committee composed of senior staff representatives from the Strategic Planning Office, Budget Division, Accounting Division, Information Technology Division, Jurisdictions, and Project Management Division. These individuals are committed to and involved in the oversight of the Strategic Performance Initiative. They will ensure that the project addresses our functional and operational needs and that meaningful performance measures are developed and implemented. These individuals will help steer the education process of our workforce and ensure the integration of this initiative with day-to-day business activities.

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# FINANCIAL INFORMATION



10:00pm

we keep the records....

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## A MESSAGE FROM THE OFFICE OF THE CHIEF FINANCIAL OFFICER

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Our 2005 Performance and Accountability Report summarizes our financial and performance management achievements during the past year. This report allows you, our stakeholder, to assess our performance in relation to our mission and the financial resources with which we are entrusted.

In 2005, we continued to strengthen our financial management by expanding the financial audit to encompass all five of our principal financial statements. The independent public accounting firm Kearney & Company issued an unqualified or “clean” opinion on our financial statements. While this marks the third consecutive year that our balance sheet received a clean opinion, 2005 was the first year that we subjected ourselves to a full audit. An unqualified opinion is the best possible outcome and is a remarkable achievement for any organization that has never before withstood a full audit.

We are actively working to resolve five outstanding audit material weaknesses from our prior two audits. The Independent Auditor's Report on Internal Control for 2005 contains one new material weakness and no new reportable conditions. We accept responsibility for addressing these issues and expect to implement corrective measures in the months ahead. We foresee no major impediments to correcting these weaknesses. Additional information regarding the material weaknesses and our plans for addressing them are found in the Summary of Audit Results section of this report.

To further improve our financial management, we conducted an Agency-wide review of the internal controls in several key processes. We made significant strides, and on March 9, 2005, we issued AOC Order

No. 4-10–Policies for Management's Internal Controls. This policy establishes our internal control framework. We documented existing controls and identified areas of improvement in three critical processes. We will further these efforts in 2006 by training our employees on internal controls, assigning control owners and contacts, and developing monitoring tools.

We also advanced in our efforts to develop a cost accounting system. This will enable us to align our activities, goals, and outputs, and transition us to a more data-driven organization. We began by analyzing our work activities in the jurisdictions and then developed a menu of cost accounting codes. The program was then piloted in our Botanic Garden jurisdiction. While further refinements will be necessary as we move forward, our plans include an Agency-wide deployment through early 2007. This will be followed by the development of a structure for allocating indirect costs. Both the internal control framework and cost accounting are essential to improving accountability across all our operations.

We plan to build on our accomplishments in 2005 to further refine our financial management systems and processes. We are committed to maximizing the effectiveness of our programs and their benefit to the American taxpayer.

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**Stephen T. Ayers, AIA**, Chief Operating Officer and Acting Chief Financial Officer



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## Overview of Financial Statements

Our financial statements and accompanying notes begin on page 79. This is the first year that we have submitted all our financial statements for audit.

Before 2005, we submitted only our balance sheets for audit. Our balance sheets for the years ended September 30, 2005 and 2004, and other financial statements for the year ended September 30, 2005, were audited by an independent auditor, Kearney & Company.

Kearney & Company rendered a clean opinion on our financial statements. In addition, they performed tests to determine whether our financial statements complied with certain provisions of laws and regulations. They reported two instances of noncompliance. In the opinion of the independent auditor, the financial statements are presented fairly in all material respects and are in conformity with generally accepted accounting principles.

## Financial Systems and Internal Controls

We recognize the importance of strong financial systems and internal controls to ensure our accountability, integrity, and reliability. We have not adopted the Federal Managers' Financial Integrity Act (FMFIA), the Federal Financial Management Improvement Act (FFMIA) of 1996, or the Government Performance and Results Act, since these standards apply only to executive branch agencies. However, we are committed to using these acts as "best practices" and are incorporating them into our financial management practices as appropriate.

We are following a long-term plan to improve our financial management system and our system for internal controls. On March 9, 2005, we issued a policy to assess and implement an Agency-wide internal controls framework. This framework is based on GAO's "Standards for Internal Control in the

Federal Government" and provides the underlying rationale for the policies and procedures related to our internal control program.

Our internal controls are designed to provide reasonable assurance that our obligations and costs are in compliance with applicable laws and regulations; funds, property, and other assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and revenues and expenditures applicable to our operations are properly recorded and accounted for so we can prepare reliable financial reports and maintain accountability for our assets.

In planning and performing the audit, our auditors considered our internal control over financial reporting by obtaining an understanding of our internal control, determining whether we had placed internal controls in operation, assessing our control of risk, and testing our controls in order to determine their auditing procedures for the purpose of expressing their opinion on our financial statements. They limited their internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 01-02. The objective of their audit was not to provide assurance on internal control, and, as such, they do not provide an opinion on internal control. However, they noted certain matters involving our internal control and its operations that they consider to be reportable conditions and material weaknesses. We discussed these matters with our Audit Committee, and have taken action to correct deficiencies as they are identified. We discuss them beginning on page 98.

We are committed to fulfilling the objectives of FFMIA. We believe that we have implemented and maintained financial systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the *United States Government Standard General Ledger* at the transaction

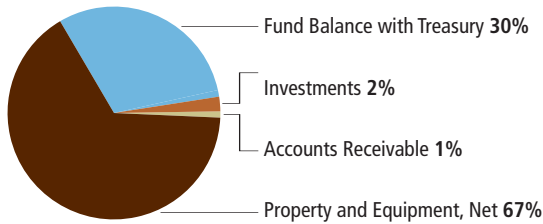
level as of September 30, 2005. We made this assessment based on criteria established under FFMIA and guidance issued by OMB. Also, our auditor reported that we had substantially complied with the applicable requirements of FFMIA as of September 30, 2005.

Our Audit Committee assists the Architect in overseeing the effectiveness of our financial reporting and audit processes, internal controls over financial operations, and processes to ensure compliance with laws and regulations relevant to our financial operations.

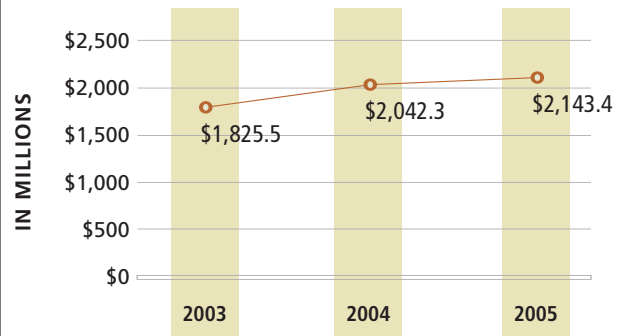
As of September 30, 2005, the committee consisted of Michael J. Riley (Chairman), Michael Lampley, John Webster, Gary Glovinsky, and Art McIntye, whose relevant experience is described on page 57 of this report. The committee's report and the report from our independent auditors are included after the financial statements and notes.



## ASSETS



## TRENDS IN TOTAL ASSETS



### Composition of Assets

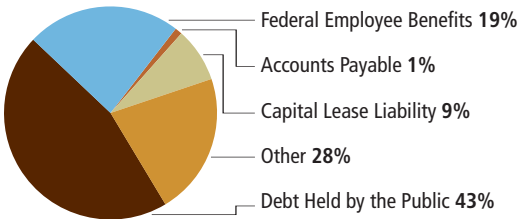
Total assets amounted to \$2.14 billion as of September 30, 2005. Property and Equipment (P&E), Net of Accumulated Depreciation, of \$1.43 billion includes \$531 million of Construction Work-in-Progress—primarily \$319 million for the CVC project and \$80 million for the West Refrigeration Plant expansion—\$863 million of facilities, land, and leasehold improvements, \$31 million of capital leases, and \$4 million of computers and hardware. Fund Balance with Treasury of \$653 million is the aggregate amount of funds available to make authorized expenditures and pay liabilities. Investments of \$39 million consist of the remaining amount of proceeds in the Operating Reserve and Project Funds used to construct the Thurgood Marshall Federal Judiciary Building, and the National Garden investment. Accounts Receivable of \$22 million primarily resulted from a transaction between the Capitol Preservation Fund for the CVC, reimbursable services, and payroll receivables.

### Trends in Assets

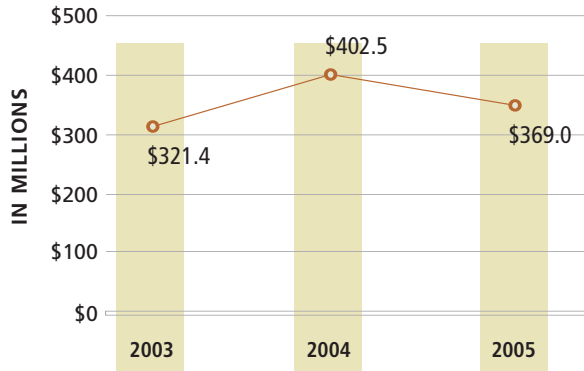
Total assets increased \$101 million, or 5% from \$2.04 billion at September 30, 2004, to \$2.14 billion at September 30, 2005. P&E increased \$261 million, or 22% from \$1.17 billion to \$1.43 billion, mainly due to an increase of \$171 million in our Construction Work-in-Progress, primarily for building expansion and modernization. Fund Balance with Treasury decreased by \$188 million, or 22% from \$841 million to \$653 million, which primarily resulted from an increase in payments for the CVC construction, the West Refrigeration Plant expansion, and the purchase of previously leased property. Investments increased \$7 million, or 24% from \$32 million to \$39 million, primarily due to investment of the National Garden funds in Government Account Securities. Accounts Receivable increased \$20 million, from \$2 million to \$22 million, for amounts due from the Capitol Preservation Fund for the CVC.



## LIABILITIES



## TRENDS IN TOTAL LIABILITIES



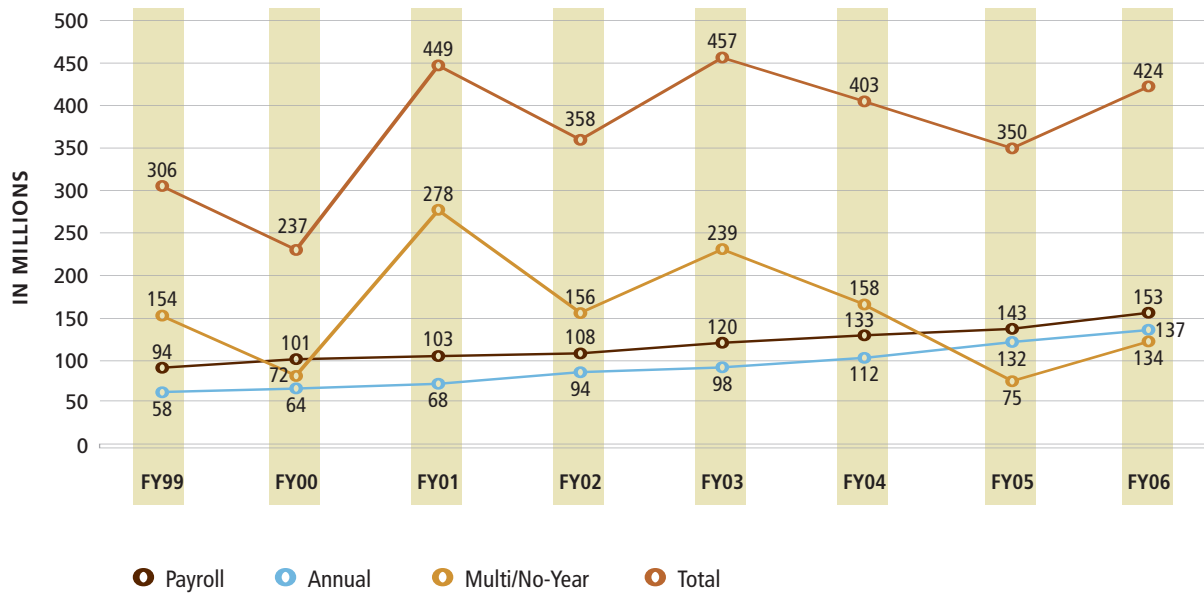
### Composition of Liabilities

Total liabilities amounted to \$369 million at September 30, 2005. Debt Held by the Public of \$160 million represents the value of bonds sold for the construction of the Thurgood Marshall Federal Judiciary Building. Unfunded workers' compensation of \$70 million is composed of the actuarial Federal Employees' Compensation Act (FECA) liability (\$57 million), which represents the liability for future workers' compensation benefits, and accrued payroll and annual leave of \$13 million, which includes salaries and wages earned by employees, but not disbursed as of September 30, 2005. Capital lease liability is \$35 million, which represents noncancelable operating leases primarily consisting of administrative office and storage space, motor vehicles, and office equipment. Accounts payable of \$3 million consists primarily of amounts owed for goods, services, or capitalized assets received; progress on contract performance by others; and other expenses due. Other liabilities of \$102 million includes accrued accounts payable (\$39 million), contract holdbacks (\$21 million), contingent and environmental liabilities (\$35 million), advances from others (\$6 million), and \$1 million in miscellaneous receipts to be forwarded to the Treasury.

### Trends in Liabilities

Total liabilities decreased by \$33 million, or 8% from \$402 million at September 30, 2004, to \$369 million at September 30, 2005. The primary cause of the decrease was a result of our capital lease liability decreasing by \$35 million, or 50% from \$69 million to \$34 million, due to the purchase of a building that had previously been leased.

## APPROPRIATION TRENDS



Multi-year and no-year 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.

### Cost of Operations

Our gross cost of operating during 2005 was approximately \$369 million. Expenses for salaries and related benefits accounted for 42% of our gross cost of operations. Below we display how our 2005 gross costs break down by category.

#### Percentage of Gross Costs

Salaries and Benefits	42%
Services and Supplies	32%
Depreciation	14%
Other	12%

#### Purpose of Each Financial Statement

- A balance sheet presents the combined amounts we had available to use (assets) versus the amounts we owed (liabilities) and the residual amounts after liabilities were subtracted from assets (net position).

- A statement of net cost presents the annual cost of operations. The gross cost less any offsetting revenue earned from our activities is used to arrive at the net cost of work performed in our nine operational areas. Currently, this statement arrays cost by jurisdiction. Our future plans include reporting our costs by program.
- A statement of changes in net position presents the accounting items that caused the net position section of the balance sheet to change from the beginning to the end of the year.
- A statement of budgetary resources presents how budgetary resources were made available to us during the year and the status of those resources at the end of the year.
- A statement of financing reconciles the resources available to us with the net cost of operating the Agency.

## ARCHITECT OF THE CAPITOL BALANCE SHEETS

AS OF SEPTEMBER 30, 2005 AND 2004

dollars in thousands	2005	2004
<b>Assets</b>		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	\$ 652,639	\$ 840,904
Investments (Note 3)	7,084	–
Accounts Receivable (Note 4)	21,469	1,526
<b>Total Intragovernmental</b>	<b>\$ 681,192</b>	<b>\$ 842,430</b>
Investments (Note 3)	31,863	31,522
Accounts Receivable (Note 4)	153	108
Property and Equipment, Net (Note 5)	1,429,535	1,168,204
Other	648	11
AOC Heritage Collections (Note 1.J)	–	–
<b>TOTAL ASSETS</b>	<b>\$ 2,143,391</b>	<b>\$ 2,042,275</b>
<b>Liabilities</b>		
Intragovernmental:		
Accounts Payable (Note 6)	\$ 3	\$ 126
Accrued Unfunded Workers' Compensation (Note 7)	8,476	8,222
Other (Note 12)	1,312	1,525
<b>Total Intragovernmental</b>	<b>\$ 9,791</b>	<b>\$ 9,873</b>
Accounts Payable (Note 6)	2,614	6,106
Debt Held by the Public (Note 8)	159,729	162,835
Accrued Annual Leave and Other (Note 7)	13,440	11,820
Actuarial Unfunded Workers' Compensation (Note 7)	48,177	45,837
Capital Lease Liability (Note 11)	34,626	69,267
Other Liabilities with the Public (Note 9)	100,669	96,730
<b>TOTAL LIABILITIES</b>	<b>\$ 369,046</b>	<b>\$ 402,468</b>
<b>Net Position</b>		
Unexpended Appropriations	\$ 511,819	\$ 735,188
Cumulative Results of Operations	1,262,526	904,619
<b>TOTAL NET POSITION</b>	<b>1,774,345</b>	<b>1,639,807</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 2,143,391</b>	<b>\$ 2,042,275</b>

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

## ARCHITECT OF THE CAPITOL STATEMENT OF NET COST

FOR THE YEAR ENDED SEPTEMBER 30, 2005

dollars in thousands	2005						
	INTRAGOVERNMENTAL COST			COSTS WITH THE PUBLIC			Total Net Cost
Jurisdiction	Gross Costs	Earned Revenue	Intragovernmental Net Cost	Gross Costs	Earned Revenue	Net Cost with the Public	
Capitol Building and Grounds	\$ 290	\$ –	\$ 290	\$ 39,548	\$ –	\$ 39,548	\$ 39,838
House Office Buildings/House Wellness	241	–	241	49,678	(41)	49,637	49,878
Senate Office Buildings	6,589	–	6,589	57,606	(55)	57,551	64,140
Supreme Court/Judiciary Office Building	1,458	–	1,458	29,993	(26,488)	3,505	4,963
Library of Congress Buildings and Grounds	957	–	957	28,654	(316)	28,338	29,295
Botanic Garden	114	–	114	11,483	–	11,483	11,597
Capitol Power Plant	7,372	(3,619)	3,753	47,075	(2,381)	44,694	48,447
Capitol Police Buildings and Grounds	288	–	288	7,406	–	7,406	7,694
General and Administrative	19,185	–	19,185	61,499	–	61,499	80,684
<b>TOTAL</b>	<b>\$36,494</b>	<b>\$(3,619)</b>	<b>\$32,875</b>	<b>\$332,942</b>	<b>\$(29,281)</b>	<b>\$303,661</b>	<b>\$336,536</b>

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

**ARCHITECT OF THE CAPITOL  
STATEMENT OF CHANGES IN NET POSITION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

dollars in thousands	2005
<b>Unexpended Appropriations</b>	
Beginning Balances	\$ 735,188
Prior Period Adjustments	(7)
<b>Beginning Balances, as Adjusted</b>	<b>735,181</b>
Budgetary Financing Sources:	
Appropriations Received	385,518
Appropriations Transferred In/(Out)	(15,453)
Other Adjustments (Rescissions, etc.)	(12,143)
Appropriations Used	(581,284)
<b>Total Budgetary Financing Sources</b>	<b>(223,362)</b>
<b>ENDING BALANCE—UNEXPENDED APPROPRIATIONS</b>	<b>\$ 511,819</b>
<b>Cumulative Results of Operations</b>	
Beginning Balances	\$ 904,619
Changes in Accounting Principles	(4,800)
Prior Period Adjustments	22,777
<b>Beginning Balances, as Adjusted</b>	<b>922,596</b>
Budgetary Financing Sources:	
Appropriations Used	581,284
Nonexchange Revenue	148
Donations and Forfeitures of Cash and Cash Equivalents	1,965
Transfers In/(Out) without Reimbursement	65,000
Other Financing Sources:	
Transfers In/(Out) without Reimbursement	4,168
Imputed Financing from Costs Absorbed by Others	23,901
<b>Total Financing Sources</b>	<b>676,466</b>
<b>Net Cost of Operations</b>	<b>\$ (336,536)</b>
Cumulative Results of Operations	
<b>ENDING BALANCES—CUMULATIVE RESULTS OF OPERATIONS</b>	<b>\$ 1,262,526</b>
<b>TOTAL NET POSITION</b>	<b>\$ 1,774,345</b>

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

**ARCHITECT OF THE CAPITOL  
STATEMENT OF BUDGETARY RESOURCES**

<b>FOR THE YEAR ENDED SEPTEMBER 30, 2005</b>	
dollars in thousands	<b>2005</b>
<b>Budgetary Resources</b>	
Unobligated Balance, Brought Forward, October 1	\$ 431,527
Recoveries of Prior Year Unpaid Obligations	12,166
<b>Budget Authority</b>	
Appropriation	385,666
Borrowing Authority	14,018
Spending Authority from Offsetting Collections	
<b>Earned:</b>	
Collected	33,509
Change in Unfilled Orders	
Advance Received	5,328
Transfers from Trust Funds	65,000
<b>Subtotal Budget Authority</b>	<b>\$ 503,521</b>
Nonexpenditure Transfers, etc.	(15,453)
Permanently Not Available	(29,373)
<b>TOTAL BUDGETARY RESOURCES</b>	<b>\$ 902,388</b>
<b>Status of Budgetary Resources</b>	
<b>Obligations Incurred</b>	
Exempt from Apportionment	\$ 592,199
Reimbursable	27,415
<b>Subtotal</b>	<b>\$ 619,614</b>
<b>Unobligated Balances</b>	
Exempt from Apportionment	263,644
Unobligated Balances—Not Available	19,130
<b>TOTAL STATUS OF BUDGETARY RESOURCES</b>	<b>\$ 902,388</b>
<b>Change in Obligated Balances</b>	
<b>Obligated Balances, Net</b>	
Unpaid Obligations, Brought Forward, October 1	409,623
<b>TOTAL UNPAID OBLIGATED BALANCE, BROUGHT FORWARD, NET</b>	<b>\$ 409,623</b>
<b>Obligations Incurred</b>	
Gross Outlays	619,614
Recoveries of Prior-Year Unpaid Obligations, Actual	(620,117)
Change in Uncollected Customer Payments from Federal Sources	(12,167)
Change in Uncollected Customer Payments from Federal Sources	(20,000)
<b>TOTAL, OBLIGATED BALANCES, NET</b>	<b>\$ 376,953</b>
<b>Obligated Balance, Net, End of Period</b>	
Unpaid Obligations	396,953
Uncollected Customer Payments from Federal Sources	(20,000)
<b>TOTAL, UNPAID OBLIGATED BALANCE, NET, END OF PERIOD</b>	<b>\$ 376,953</b>
<b>Net Outlays</b>	
Gross Outlays	620,117
Offsetting Receipts	(83,836)
<b>TOTAL NET OUTLAYS</b>	<b>\$ 536,281</b>

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

**ARCHITECT OF THE CAPITOL  
STATEMENT OF FINANCING**

FOR THE YEAR ENDED SEPTEMBER 30, 2005

dollars in thousands	2005
<b>Resources Used to Finance Activities</b>	
Budgetary Resources Obligated	
Obligations Incurred	\$ 619,614
Less: Spending Authority from Offsetting Collections and Recoveries	(116,003)
<b>Net Obligations</b>	<b>\$ 503,611</b>
Other Resources	
Transfers In/(Out) without Reimbursement	4,168
Imputed Financing from Costs Absorbed by Others	23,901
Net Other Resources Used to Finance Activities	\$ 28,069
<b>Total Resources Used to Finance Activities</b>	<b>\$ 531,680</b>
<b>Resources Used to Finance Items Not Part of the Net Cost of Operations</b>	
Change in Budgetary Resources Obligated but Not Yet Provided	\$ (7,669)
Resources That Fund Expenses Recognized in Prior Periods	1,775
Budgetary Offsetting Collections and Receipts	(66,965)
Resources That Finance the Acquisition of Assets	326,507
Other Resources or Adjustments	4,800
<b>Total Resources Used to Finance Items Not Part of the Net Cost of Operations</b>	<b>\$ 258,448</b>
<b>TOTAL RESOURCES USED TO FINANCE THE NET COST OF OPERATIONS</b>	<b>\$ 273,232</b>
<b>Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period</b>	
Increase in Annual Leave Liability	\$ 724
Increase in Revenue Receivable	26
Increase in Environmental and Disposal Liability	4,800
Other	5,091
<b>Total Components of Net Cost of Operations That Will Require or Generate Resources in Future Periods</b>	<b>\$ 10,641</b>
<b>Components Not Requiring or Generating Resources</b>	
Depreciation and Amortization	\$ 52,860
Other	(197)
<b>Total Components of Net Cost of Operations That Will Not Require or Generate Resources</b>	<b>\$ 52,663</b>
<b>Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period</b>	<b>63,304</b>
<b>NET COST OF OPERATIONS</b>	<b>\$ 336,536</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

#### 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, since 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 the 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 predetermined amount to recover the cost of supplying these services and record these amounts as offsetting collections. Any amount collected in excess of the predetermined amount is credited to 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 sheets. 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 (see Note 3).

We also administer the National Garden Trust Fund, subject to the direction of the Joint Committee on the Library. 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.

### **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 10 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 3 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

The AOC’s collections are classified as “heritage assets.” Per SFFAS No. 6, their value is not presented on our balance sheets. Stewardship information covering the acquisition, use, and preservation of the collections is contained in the Stewardship Report beginning on page 100.

### 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
- 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. 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 7).

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 10).

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 10).

**Annual, Sick, 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. Sick leave and other types of leave are expensed when taken and no future liability is recognized for these amounts (see Note 7).

### 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 9).

**N. Statement of Net Cost**

The Statement of Net Cost (SONC) is presented by functional area as opposed to the required OMB Circular A-136 “program-based” approach. Additionally, we have not performed any cost allocations (such as G&A). To address these deficiencies, 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 present the SONC using a program-based approach. While these initiatives are in various stages of progress, we believe the jurisdiction approach provides information to our stakeholders in a direct and succinct manner. As our financial reporting processes mature, we plan to present our SONC on a program and a functional area basis as well as perform cost allocations.

The functional areas are aggregates of the following funds:

- General & Administrative
  - General & Administrative
  - Americans with Disabilities Act
  - Congressional Cemetery
- Capitol Buildings and Capitol Grounds
  - Capitol Building
  - 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 Buildings and Grounds
- Capitol Police Buildings 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, 2005 and 2004, is as follows:

**A. Fund Balances**

dollars in thousands

<b>FUND TYPE</b>	<b>2005</b>	<b>2004</b>
Appropriated Funds	\$ 650,861	\$ 830,406
Revolving Funds	2	1,350
Trust Funds	1,776	9,148
<b>TOTAL</b>	<b>\$ 652,639</b>	<b>\$ 840,904</b>

**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, 2005 and 2004, consist of the following:

dollars in thousands

<b>BALANCE TYPE</b>	<b>2005</b>	<b>2004</b>
Unobligated Balance		
Available	\$ 243,011	\$ 407,115
Unavailable	32,675	24,412
Obligated Balance	376,953	409,377
Not Yet Disbursed		
<b>TOTAL</b>	<b>\$ 652,639</b>	<b>\$ 840,904</b>

**C. Other information:**

As of September 30, 2005, we had the following differences due to transactions in transit (in both instances our balance is higher than that with Treasury):

1. \$149,000 was posted to our general ledger but the National Finance Center had not reported this to Treasury, and
2. \$1.1 million was posted to our general ledger but the Supreme Court had not reported this to Treasury.

**Note 3. Investments**

**A. Investments with Treasury**

The National Garden is being designed and constructed solely with donated funds received from the National Fund for the U.S. Botanic Garden. As of year end, we had invested \$10.9 million in donations, of which \$2.0 million was received during the year. We invest the donated funds in government account securities through the Bureau of the Public Debt using its Web-based application FedInvest. By law, the interest earned is credited to the National Garden fund.

dollars in thousands

	<b>2005</b>
Invested	\$ 10,192
Interest	148
Less: Expended	(3,256)
<b>TOTAL</b>	<b>\$ 7,084</b>

**B. Investments Held Outside Treasury**

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. The fund is used to finance major construction of improvements, additions, and changes or renovations. 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:

**Investments Held Outside Treasury**

dollars in thousands

<b>FUND TYPE</b>	<b>2005</b>	<b>2004</b>
Operating Reserve	\$ 30,630	\$ 30,316
Project	1,233	1,206
<b>TOTAL</b>	<b>\$ 31,863</b>	<b>\$ 31,522</b>

**Note 4. Accounts Receivable**

The breakdown of consolidated gross accounts receivable at September 30, 2005 and 2004, is as follows:

**Accounts Receivable**

dollars in thousands

<b>RECEIVABLE TYPE</b>	<b>2005</b>	<b>2004</b>
Entity:		
Intragovernmental	\$ 20,163	\$ -
With the Public	143	108
<b>Total Entity</b>	<b>20,306</b>	<b>108</b>
Non-Entity:		
Intragovernmental	1,306	1,526
With the Public	10	-
<b>TOTAL ACCOUNTS RECEIVABLE</b>	<b>\$ 21,622</b>	<b>\$ 1,634</b>

Based on a year-end review, all receivables are deemed 100% collectible.

## Note 5: Property and Equipment

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

### Property and Equipment: 2005

dollars in thousands

<b>CLASS OF PROPERTY AND EQUIPMENT</b>	<b>ACQUISITION VALUE</b>	<b>ACCUMULATED DEPRECIATION</b>	<b>NET BOOK VALUE</b>
Buildings	\$ 744,249	\$ 417,253	\$ 326,996
Building Improvements	690,425	383,205	307,220
Land	154,823	–	154,823
Land Improvements	78,445	12,959	65,486
Capital Leases			
Real Property	36,281	5,458	30,823
Personal Property	8,790	8,772	18
Leasehold Improvements	9,592	762	8,830
Equipment			
Computers, Hardware and Other	14,725	10,790	3,935
Construction Work-in-Progress	531,404	–	531,404
<b>TOTAL</b>	<b>\$ 2,268,734</b>	<b>\$ 839,199</b>	<b>\$ 1,429,535</b>

### Property and Equipment: 2004

dollars in thousands

<b>CLASS OF PROPERTY AND EQUIPMENT</b>	<b>ACQUISITION VALUE</b>	<b>ACCUMULATED DEPRECIATION</b>	<b>NET BOOK VALUE</b>
Buildings	\$ 671,617	\$ 402,647	\$ 268,970
Building Improvements	629,161	358,586	270,575
Land	134,791	–	134,791
Land Improvements	62,060	9,638	52,422
Capital Leases			
Real Property	72,112	9,558	62,554
Personal Property	8,790	8,753	37
Leasehold Improvements	13,583	693	12,890
Equipment			
Computers, Hardware and Other	13,922	8,185	5,737
Construction Work-in-Progress	360,228	–	360,228
<b>TOTAL</b>	<b>\$ 1,966,264</b>	<b>\$ 798,060</b>	<b>\$ 1,168,204</b>

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.

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

## Note 6: Liabilities Not Covered by Budgetary Resources

The liabilities on our Balance Sheets as of September 30, 2005 and 2004, 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 2005 and 2004 are as follows:

dollars in thousands

LIABILITIES	2005	2004
Intragovernmental:		
Accounts Payable	\$ 3	\$ 126
Accrued Unfunded Workers' Compensation	8,476	8,222
Other	1,312	1,525
<b>Total Intragovernmental</b>	<b>\$ 9,791</b>	<b>\$ 9,873</b>
Total Liabilities Not Covered by Budgetary Resources	\$ 288,923	\$ 345,373
Total Liabilities Covered by Budgetary Resources	80,123	57,095
<b>TOTAL</b>	<b>\$ 369,046</b>	<b>\$ 402,468</b>

## Note 7: Payroll and Liabilities

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

## Accrued Annual Leave and Other

dollars in thousands

ACCRUAL TYPE	2005	2004
Funded Accrued Payroll	\$ 6,169	\$ 5,272
Unfunded Accrued Annual Leave	7,271	6,548
<b>TOTAL</b>	<b>\$ 13,440</b>	<b>\$ 11,820</b>

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 1.L).

The actuarial workers' compensation liability for 2005 and 2004 was calculated using a formula provided by DOL.

## Workers' Compensation

dollars in thousands

TYPE	2005	2004
Unfunded Annual (current)	\$ 8,476	\$ 8,222
Actuarial Unfunded (long-term)	\$ 48,177	\$ 45,837

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 6.

## Note 8: Debt Held by the Public

As of September 30, 2005 and 2004, 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:

### Debt Held by the Public

dollars in thousands

	2005	2004
Securities	\$ 327,370	\$ 344,600
Interest Payable	1,246	1,162
<b>Subtotal</b>	<b>328,616</b>	<b>345,762</b>
Discount on Securities	(400,123)	(400,123)
Less: Amortization of Discount	231,236	217,196
<b>Subtotal</b>	<b>(168,887)</b>	<b>(182,927)</b>
<b>TOTAL</b>	<b>\$ 159,729</b>	<b>\$ 162,835</b>

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 9: Other Liabilities with the Public

Other Liabilities with the Public consists of accrued accounts payable, contract holdbacks, contingent and environmental liabilities, and advances from others.

### Other Liabilities with the Public

dollars in thousands

TYPE	2005	2004
Accrued Accounts Payable	\$ 39,026	\$ 45,750
Contingent and Environmental Liabilities	35,418	29,954
Contract Holdbacks	20,529	20,658
Advances from Others	5,696	368
<b>TOTAL</b>	<b>\$ 100,669</b>	<b>\$ 96,730</b>

We conducted a review of contingent liabilities for financial statement purposes for 2005 and 2004. Based on this review, we recorded a contingent liability for claims where 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 cleanup 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 on our budget authority, and logistical, technical, and other limitations outside our control.

Because the review of estimates is required in the preparation of our financial statement, our Balance Sheets reflect a liability of approximately \$31 million in 2005 and \$30 million in 2004. Management and General Counsel believe that we have made adequate provisions for the amounts that may become due under the suits, claims, and proceedings we have discussed here.

## Environmental Cleanup Cost Liability

In January 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 we have 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 EPA's guidelines.

## Note 10: Imputed Financing

In accordance with SFFAS No. 4, "Managerial Cost Accounting," imputed financing results when an entity receives unreimbursed 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, 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 on 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. 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 Employees' 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 and 1988, and again in 1998 and 1999, 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:

### Imputed Financing

dollars in thousands

BENEFIT TYPE	2005	2004
CSRS	\$ 8,350	\$ 8,544
CSRS Offset	685	706
FERS	11,983	10,925
Less: Contributions	(17,381)	(15,491)
<b>Subtotal</b>	<b>3,637</b>	<b>4,684</b>
Health	7,883	7,113
Life Insurance	17	18
<b>Total Employee Benefits</b>	<b>\$ 11,537</b>	<b>\$ 11,815</b>
Corps Building Improvements	12,364	14,007
<b>TOTAL IMPUTED FINANCING</b>	<b>\$ 23,901</b>	<b>\$ 25,822</b>

### Note 11: Leases

As of September 30, 2005 and 2004, we were committed to various noncancelable operating 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.

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

dollars in thousands

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	TOTAL
2005	\$	\$ 1	\$ 1
2006	5,465	12	5,477
2007	4,567	–	4,567
2008	4,601	–	4,601
2009	4,636	–	4,636
2010	4,671	–	4,671
Thereafter	17,022	–	17,022
<b>Total Future Lease Payments</b>			<b>\$ 40,975</b>
Less: Imputed Interest			(6,349)
<b>NET CAPITAL LEASE LIABILITY</b>			<b>\$ 34,626</b>

### 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 2006 through fiscal year 2010 are as follows:

### Operating Leases

dollars in thousands

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	TOTAL
2006	\$ 6,549	\$ 60	\$ 6,609
2007	480	51	531
2008	259	41	300
2009	266	41	307
2010	274	41	315
Thereafter	258	614	872
<b>Total Future Lease Payments</b>			<b>\$ 8,934</b>

### Note 12: Other Liabilities

During fiscal years 2005 and 2004, other liabilities consisted of miscellaneous receipts that are to be forwarded to Treasury. 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 13: Net Cost of Operations

Expenses for salaries and related benefits for 2005 amounted to \$155.6 million, which was about 42% of our annual net cost of operations. Included in the net cost of operations are imputed federal employee benefit costs of \$11.5 million paid by the Office of Personnel Management (OPM).

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

All revenues, except for a predetermined amount for steam and chilled water as stated in Note 1D, are forwarded to the Treasury's Miscellaneous Receipt Fund.

### Note 14: Explanation of the Relationship between Liabilities Not Covered by Budgetary Resources and the Change in Components Requiring or Generating Resources in Future Periods

Increases in workers' compensation, accrued annual leave, and other liabilities are reported in the Statement of Financing. These changes represent the decreases in Liabilities Not Covered by Budgetary Resources, as reported in Note 6.

dollars in thousands

	2005
Liabilities not covered by budgetary resources	\$ 288,923
Liabilities that are not components of net cost	
Less: Debt held by the public	159,729
Capital leases	34,626
Liabilities not covered by budgetary resources that are components of net cost	94,568
Less: Prior year liabilities that are not components of current year net costs	83,953
Increase in exchange revenue receivable from the public	26
<b>Change in Workers' Compensation, Accrued Annual Leave, and Other Liabilities, as reported on the Statement of Financing</b>	<b>\$ 10,641</b>

The components requiring resources in future periods include increases in certain liability accounts, such as accrued annual leave, that are also included in the category "Liabilities Not Covered by Budgetary Resources." In this instance, the expense is recorded for the period when the leave is earned and is included as a current period cost on the Statement of Net Cost.

The Balance Sheet uses proprietary accounts to present the balances for "Liabilities Not Covered by Budgetary Resources." An increase in the annual leave liability increases the unfunded liability on the Balance Sheet and the expenses on the Statement of Net Cost. The increase is not included in the Statement of Budgetary Resources since the liability will be paid from future resources. As a result, the Statement of Financing reports "Components Requiring Resources in Future Periods," which includes items such as accrued annual leave to reconcile budgetary resources to net cost.

## Note 15: Deferred Maintenance

Identifying needed deferred maintenance and capital renewal projects is a primary objective of facility condition assessments (FCAs). Included in the FCA analysis is a highly technical but objective determination of when a work element needs to be accomplished. For some systems and building components, the extent and quality of maintenance directly affect life expectancy.

We have completed FCAs on nearly all of our buildings. The data gathering for these assessments was performed using methodologies including the following:

- Physical surveys of the subject space
- Review of recent plans, reports, or studies
- Interviews with current facility managers and staff
- Review of existing data from project management tools

Standards are provided for evaluating facility condition. These standards include (but are not limited to) the following:

- Overview and summary condition descriptions for each facility
- Suggested project schedule for performance of deferred maintenance or capital renewal based on condition of systems and building components
- Initial facility cost assessment for deferred maintenance and capital renewal work
- Use of standardized project priority levels and project classifications

The results of these assessments have and will provide a basis for developing a comprehensive facility maintenance and capital improvements plan. They will also provide a reasonable and supportable estimate regarding the deferred maintenance and capital renewal work required for the buildings within the Capitol complex.

## MESSAGE FROM THE AUDIT COMMITTEE

The Audit Committee assists the Architect of the Capitol (Architect) in fulfilling his fiduciary responsibilities. The Architect created the Committee on April 4, 2003, to help facilitate the audit process and promote disclosure and transparency. The Committee was not mandated or established by statute.

As part of its responsibilities, the Committee meets with AOC's management and its internal and external auditors to review and discuss 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 the 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 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 Performance and Accountability Report, including the financial statements, and provides comments to AOC's management, which has primary responsibility for the report.

We met four times from December 2004 through December 2005 and discussed a number of items jointly with management, the AOC's Inspector General, and the external auditors, Kearney & Company. We also met independently with the Architect, Inspector General, Chief Financial Officer and Accounting Officer, and the external auditors.

Management proposed, and the Committee concurred, that the 2005 audit expand from the 2004 audit of the balance sheet only to a full financial statement audit. We also concurred with management's decision to defer a request for the external auditor to provide an opinion on internal control for the 2005 audit.

At the start of the 2005 audit, we discussed the overall scope of work and the audit plans of the external auditors and the AOC Inspector General. The Committee discussed the progress of the audit and ensured independence and objectivity in the audit process. We reviewed the AOC's Inspector General's audit plan and evaluated the status of prior year audit findings.

For an issue concerning improvements to the Thurgood Marshall Federal Judiciary Building, we discussed with the Architect potential outcomes and their impact on the 2004 audit and AOC's financial management progress. We suggested to the Architect ways to resolve the issue, including changes to language in the Management Representation Letter related to internal controls.

For payroll processes, we reviewed the auditor's findings and discussed with the Architect ways to strengthen controls and clarify responsibilities.

We also discussed with the Architect the importance of the Performance and Accountability Report in future fiscal years. We offered suggestions on the type and level of performance reporting.

On the basis of the procedures performed as outlined above, we recommend that AOC's audited financial statements and notes to the financial statements be included in its fiscal 2005 Performance and Accountability Report.



**Michael J. Riley**, *Chairman, Audit Committee*

## INDEPENDENT AUDITOR'S REPORT



*Certified Public Accountants  
and Consultants*

4501 Ford Avenue, Suite 1400, Alexandria, VA 22302  
PH: 703.931.5600, FX: 703.931.3655, www.kearney.com

### 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, 2005 and 2004, and the related Statement of Net Cost, Statement of Changes in Net Position, Statement of Financing, and Statement of Budgetary Resources for the year ended September 30, 2005. These financial statements are the responsibility of the AOC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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. 01-02, *Audit Requirements for Federal Financial Statements*, as amended. 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 an evaluation of the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Balance Sheets of the AOC, as of September 30, 2005 and 2004, and the related Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and Statement of Financing for the year ended September 30, 2005, present fairly, in all material respects, the financial position of the AOC as of September 30, 2005 and 2004, respectively, and its net cost, changes in net position, budgetary resources, and financing for the year ended September 30, 2005, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated August 16, 2006, on our consideration of the AOC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. Those 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.

A handwritten signature in blue ink that reads "Kearney &amp; Company". The signature is written in a cursive, flowing style.

August 16, 2006  
Alexandria, Virginia

## MANAGEMENT'S RESPONSE TO AUDITOR'S REPORT

The independent auditing firm Kearney & Company, PC, issued a clean opinion on our financial statements. While this marks the third consecutive year that our balance sheet received a clean opinion, 2005 was the first year that we subjected ourselves to a full audit.

The Independent Auditor's Report on Internal Control for 2005 contains one new material weakness, three repeat material weaknesses, and one repeat reportable condition. For complete information regarding the audit results, please consult the auditor's findings and recommendations in the report, posted on our Web site at [www.aoc.gov/cfo/index.cfm](http://www.aoc.gov/cfo/index.cfm).

Our summary of the auditor's material weakness findings, and our response and plan to address these findings are outlined below.

### 1. Internal Control Assessments (Repeat Condition)

Our auditor found that we did not have a formal and systematic process in place to assess and evaluate the design and operation of internal controls. In the absence of such an assessment, we can not determine if our current internal control design mitigates existing risk and effectively safeguards assets.

#### Management Response:

We agree with the finding. We conducted an Agency-wide review of internal controls in several key areas and are implementing a framework that will allow for the systematic documentation and assessment of our internal control structure. On March 9, 2005, we issued AOC Order No. 4-10-Policies for Management's Internal Controls. This policy establishes our internal control framework.

During 2005, we focused on the assessment, development, and documentation of controls to mitigate existing risk in four key areas: Procure to Pay, Payroll, Human Resources, and Project Management.

We will further these efforts in 2006 by training our employees on internal controls, assigning control owners and contacts, and developing monitoring tools. The completion of the four segments is expected by the fourth quarter of 2007.

### 2. Annual Leave (Repeat Condition)

Our auditor discovered that we did not have adequate annual leave processing controls. The auditor discovered leave balances in the payroll and time and attendance (T&A) systems did not always agree, maximum leave balances were exceeded, and leave earning rates were not consistent with years of service.

#### Management Response:

We agree with the finding. We have developed a process to correct leave error discrepancies between our payroll and T&A systems and we have formed a leave audit team who works with our timekeepers to ensure the systems remain in balance. In addition, we researched those employees who exceeded the 240-hour annual leave balance to determine if these balances were accurate. It was discovered that some employees who transferred from other government agencies with leave balances in excess of 240 hours were entitled to transfer that leave under the law. This will be documented for future audits.

### 3. Timekeeping, Processing, and Approval Procedures (Repeat Condition)

Our auditor noted that we did not have effective controls over time and attendance processing that required supervisors and employees to regularly sign and attest to the accuracy of timesheets and summaries; required proper approval of scheduled absences and overtime; and prevented timekeepers from entering their own time in the T&A system.

## MANAGEMENT'S RESPONSE TO AUDITOR'S REPORT

### Management Response:

We agree with the finding. Our auditor found instances where supervisors and employees did not sign timesheets as required by personnel policies and where documentation was not maintained to show supervisors approved annual leave, as well as overtime. A newly adopted overtime policy was distributed Agency-wide to ensure that all timekeepers were current with policies and practices. We are continuing to work with our timekeepers regarding proper recordation of overtime on timesheets. In addition, newly developed internal controls are in place to ensure that revised policies are being consistently administered across all areas. Our HRMD will work in coordination with the Office of the Inspector General to conduct periodic audits throughout the year to ensure that policies and the internal control structure are being followed.

Additionally, we have instructed our timekeepers that they may not enter their own time in the time and attendance system. For those areas without backup timekeepers, a procedure was introduced whereby timekeepers fax their approved time and attendance to our Human Resources Management Division for entry and transmission to our payroll processor.

### 4. Responsibility for Procurement and Disbursement Policies and Procedures

Our auditor identified several areas in the components of our purchase and disbursement process that were not monitored and managed by a central process owner that resulted in internal control weaknesses in ownership of the process, vendor database accessibility, procurement card monitoring, and contract information.

### Management Response:

**Ownership of Process** We agree with the finding. As part of our internal control initiative, a "procure-to-pay" program will be implemented in 2006. New policies and procedures will be instituted to address the shortcomings regarding the ownership of process concern.

**Vendor Database** We agree with the finding. We will take action to reduce the number of individuals who have access to the vendor database. Furthermore, we will implement internal controls to ensure the integrity of the vendor database and develop tools to aid in the monitoring of monthly activity.

**Procurement Card Monitoring** We disagree with the finding. We feel there are adequate controls in place that safeguard our purchase card program. The review portion of the recommendation has been our standard practice for several years, and the requirement to review the authority of cardholders has been performed Agency-wide and is performed each time a card is requested. We feel there is adequate oversight within our procurement division by following AOC Order No. 34-13-02—Government Purchase Cards, approved March 22, 2005. As part of our internal control initiative, our "procure-to-pay" program mandates strict adherence. Furthermore, annual reviews are conducted on each cardholder's transactions in accordance with formal AOC policy, as well as monthly reconciliations on each cardholder's account.

**Contract Information** We agree with this finding. However, we feel that to collect all the information that deals with large construction contracts, such as requisitions, contracts, change orders, invoices, etc., in a central location would be extremely difficult. We maintain a repository in our procurement division of large construction contracts as well as a repository in our accounting division of invoices and payments. All other information is centrally available electronically within either our financial management system, our accounting division, or our procurement division.



11:00pm

and we restore the plaster fixtures.

STEWARDSHIP REPORT



We are responsible for the stewardship of heritage assets throughout the Capitol complex. These assets are detailed in the Stewardship Report. Heritage assets are defined by SFFAS No. 29 as property, plant, and equipment (PP&E) that are unique for one or more of the following reasons:

- Historical or natural significance
- Cultural, educational, or artistic (e.g., aesthetic) importance
- Significant architectural characteristics

Some of the heritage assets under our purview serve two purposes: a heritage function and general government operations. Heritage assets that are predominantly used for government operations are referred to as multi-use heritage assets. We care for numerous multi-use heritage assets, such as the Capitol Building and the Library of Congress Jefferson Building. Multi-use heritage assets are accounted for as general PP&E and, therefore, are not reported in the Stewardship Report.

Our stewardship responsibilities fall under three divisions or jurisdictions:

**CURATOR DIVISION** Advises and works with the various jurisdiction heads and superintendents to identify and care for heritage assets such as fine and decorative arts and historical records. The majority of the fine art under our care is found in the Capitol itself.

**CAPITOL GROUNDS** Responsible for many of the outdoor heritage assets. Almost all of these assets fall within the 58.8-acre Frederick Law Olmsted Capitol Square; Capitol Grounds shares responsibility for some assets with the Curator’s Office.

**BOTANIC GARDEN** Oversees the collection of living plants that are considered heritage items, which do not reside under the care of the Capitol Grounds jurisdiction.

This report explains how federal guidelines define “stewardship” items; then we review these assets and describe the work we did this year related to the heritage assets.

The stewardship objective of federal financial reporting requires each agency to report on its stewardship over the resources entrusted to it and the responsibilities assumed by it that cannot be measured in traditional financial reports. These resources and responsibilities do not meet the criteria for assets and liabilities that the Agency is required to report in the financial statements. However, these resources and responsibilities are important to understanding the operations and financial condition of the federal government at the date of the financial statements. Stewardship resources involve substantial investment by the federal government for the benefit of the nation.

Heritage assets consist of (1) collection-type heritage assets, such as objects gathered and maintained for exhibition (e.g., museum collections, art collections, and library collections); and (2) non collection-type heritage assets, such as parks, memorials, monuments, and buildings. Heritage assets are generally expected to be preserved indefinitely.

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## CURATOR

For the 2005 Stewardship Report, the heritage assets we account for are those in or attached to the Capitol Building, those on the Capitol grounds, and other works of architectural and fine art cared for by us in the different jurisdictions throughout the Capitol complex, primarily in the Library of Congress Jefferson Building. We consider fine art to be unique work; that is, not repeated as part of a decorative scheme, and usually created by a known artist.

Heritage assets for which we are responsible are both collectible and non-collectible (e.g., architectural) in nature. In a broad sense, the non-collectible assets include the structures themselves. Many of the assets listed in this report are considered national treasures, and caring for them is part of the stewardship mission of our organization.

The tables that follow for the Capitol, Capitol grounds (non-living assets), House office buildings, Senate office buildings, Botanic Garden (non-living assets), Supreme Court, and Library of Congress buildings and grounds use a rating scale for “general condition” that ranges from poor to good. The aggregate condition of each collection is shown as of the close of 2005. The definition of each rating is as follows:

**POOR CONDITION** Exhibits structural damage or problems that could cause loss of original material and require significant restoration to return it to its original condition

**FAIR CONDITION** Structurally sound, but aesthetic integrity could be improved through conservation

**GOOD CONDITION** Satisfactory structural condition, retains its aesthetic integrity, and does not require immediate attention beyond routine maintenance; this includes works of art that have been recently conserved.

The organization and definitions have been refined and expanded since our 2004 report, resulting in some differences in the categories and numbers listed.

### *Capitol Building*

#### **Fine Art**

Fine art includes works of art, usually unique, by a known artist 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 us, and those that were originally accepted by the Joint Committee on the Library and also joint in subject matter. These are counted as “possibly joint,” although 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.

### A. Interior Sculpture

The United States Capitol is filled with sculptures in bronze and marble. Many of them are part of the National Statuary Hall Collection, which consists of two statues donated by each state. The collection, established in 1864, was finally completed this year.

<b>Interior Sculpture</b>	<b>Number on 10/01/04</b>	<b>Number on 9/30/05</b>	<b>Change</b>	<b>General Condition</b>
National Statuary Hall Statues**	98	100	2*	fair to good
Other Statues in Rotunda***	6	6	-	fair to good
Possibly Joint Statues	5	5	-	good
Busts	10	10	-	good
Possibly Joint Busts	26	26	-	good
Other (maquettes, etc.)	8	8	-	good

\* The cost of the statue and delivering it to the Capitol are borne by the state that donates it.

\*\* Condition assessments of the National Statuary Hall Collection were made by conservators in 1991 and 2002. The sculpture collection is being conserved in increments and a maintenance program has been developed.

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

### B. Oil Paintings and Frames

The largest collection of oil paintings consists of the portraits of House committee chairmen. Prior to 2002 we catalogued and conserved them. They are now being cared for by the House Curator under the Clerk of the House.

Oil paintings that we care for include the eight large paintings in the Rotunda, the collection of portraits of Architects of the Capitol, and other paintings within the Office of the Architect.

<b>Oil Paintings and Frames</b>	<b>Number on 10/01/04</b>	<b>Number on 9/30/05</b>	<b>Change</b>	<b>General Condition</b>
Rotunda Paintings*	8	8	-	good
Portraits	20	20	-	good
Possibly Joint Portraits	23	23	-	good
Paintings other than Portraits	5	5	-	good
Possibly Joint Paintings	24	24	-	good

\* Rotunda frames conservation is in progress and will be completed in 2006.

### C. Works on Paper (prints, watercolors, and drawings)

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. We have a small number of works on paper primarily related to the U.S. Capitol that are used for research purposes.

### Decorative Art

Decorative art 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. The overmantel mirror frames, because of their scale and the fact that many were designed for a particular location, could be considered in the category of architectural art.

Decorative Art	Number on 10/01/04	Number on 9/30/05	Change	General Condition
Gilded Overmantel Mirror Frames	approx. 80	approx. 80	-	fair to good
Historic Furniture	approx. 35	approx. 34	(1)*	fair to good
Antique Clocks	15	15	-	fair to good
Textiles	2	2	-	fair

\* An 1819 House desk made by Thomas Constantine was transferred to the House Fine Arts Board and the care of the House Curator this year.

### Architectural Fine Art

Architectural fine art 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	Number on 10/01/04	Number on 9/30/05	Change	General Condition
Pediments	3	3	-	poor to fair*
Statues	7	7	-	good
Sculptured Stair Railings	4	4	-	good
Architectural Models on Display	5	1	(4)	good
Reliefs	38	38	-	fair to good
Bronze doors	4	4	-	fair**
Plaques	28	28	-	fair
Stained Glass /Mosaics	15	15	-	good
Rooms or Spaces with Fine Art Murals***	78	78	-	fair to good

\* We have made a condition survey of the pediments, and the conservation work is planned in conjunction with work on the stonework.

\*\* Bronze doors are in need of mechanical work and of surface cleaning and conservation.

\*\*\* Each room or space may contain multiple sections of murals with individual mural scenes, figures, etc., so that the total number of vaults, lunettes, medallions, etc., painted on the walls of the Capitol would number in the hundreds.

## Architectural Decorative Arts

Architectural decorative art objects 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	Number on 10/01/04	Number on 9/30/05	Change	General Condition
Mantels	149	149	-	good
Chandeliers	approx. 480*	approx. 480	-	fair to good
Sconces	approx. 240*	approx. 240	-	fair to good
Rooms or Spaces with Decorative Murals**	51	51	-	fair to good

\* A minority, perhaps a third, of these lighting fixtures would be considered historic. Many have been purchased since 1960.

\*\* In addition, there are approximately 30 rooms with recent decorative stenciling, etc., that are not counted among the heritage assets.

## 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 of them may be included in various condition surveys. The numbers are large. For example, there are at least 450 interior columns and pilasters with carved capitals. We have focused in recent years on the restoration of the historic scagliola and faux marble installed in the 1850s.

## Capitol Grounds

Outdoor Sculpture	Number on 10/01/04	Number on 9/30/05	Change	General Condition
Monuments/Statues	3	3	-	good
Fountains with Sculpture	2	2*	-	poor to fair

\* Two of the fountains listed in the 2004 report have been counted under other jurisdictions.

Landscape Features/Fixtures (Capitol Square)	Number on 10/01/04	Number on 9/30/05	Change	General Condition
Lighting Fixtures*	approx. 166	approx. 166	-	fair
Urns**	20	20	-	good
Reliefs (in stone wall)	N/A	N/A	-	poor to fair

\* The light fixtures from the East Front are being restored as part of the Capitol Visitor Center construction.

\*\* The West Front urns and two light posts were removed for restoration in 2005 and will be replaced in 2006, as well as the two large planter urns being restored on the East Front.

*House Office Buildings*

<b>Architectural Fine Art</b>	<b>Number on 10/01/04</b>	<b>Number on 9/30/05</b>	<b>Change</b>	<b>General Condition</b>
Pediments	1	1	-	fair
Sculpture	8	8	-	fair
Plaster Models of Sculpture	27	27	-	fair to good
Architectural Models on Display	1	1	-	good
Reliefs	1	1	-	good
Murals	1	1	-	good

<b>Outdoor Sculpture</b>	<b>Number on 10/01/04</b>	<b>Number on 9/30/05</b>	<b>Change</b>	<b>General Condition</b>
Monuments/Statues	2	2	-	fair

*Senate Office Buildings*

<b>Architectural Fine Art</b>	<b>Number on 10/01/04</b>	<b>Number on 9/30/05</b>	<b>Change</b>	<b>General Condition</b>
Pediments	1	1	-	fair
Sculpture	1	1	-	fair
Plaster Models of Sculpture	7	7	-	fair
Architectural Models on Display	4	4	-	good
Maquettes, etc.	1	1	-	good
Plaques	approx. 4	approx. 4	-	fair
Murals	1	1	-	good

*Library of Congress Buildings and Grounds*

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

<b>Architectural Fine Art</b>	<b>Number on 10/01/04</b>	<b>Number on 9/30/05</b>	<b>Change</b>	<b>General Condition</b>
Statues	27	27	-	good
Sculptured Stair Railings	2	2	-	good
Reliefs	74	74	-	fair to good
Bronze Doors (sets)	11	11	-	fair to good
Stained Glass/Mosaics*	18	18	-	good
Rooms or Spaces with Fine Art Murals**	32	32	-	good***

\* Includes large areas with multiple stained glass panels.  
 \*\* Within these spaces there are approximately 142 individual murals, plus numerous related small panels.  
 \*\*\* The murals in the Adams Building and the Blashfield murals under the dome of the Jefferson Building are the only ones that have not been conserved.

<b>Outdoor Sculpture</b>	<b>Number on 10/01/04</b>	<b>Number on 9/30/05</b>	<b>Change</b>	<b>General Condition</b>
Fountains with Sculpture	2	2	-	fair to good*

\*The large Neptune fountain has been conserved but must be regularly maintained by washing and waxing.

### *Botanic Garden*

<b>Outdoor Sculpture</b>	<b>Number on 10/01/04</b>	<b>Number on 9/30/05</b>	<b>Change</b>	<b>General Condition</b>
Fountains with Sculpture	1	1	-	poor to fair

### *Supreme Court*

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

<b>Architectural Fine Art</b>	<b>Number on 10/01/04</b>	<b>Number on 9/30/05</b>	<b>Change</b>	<b>General Condition</b>
Pediments	2	2	-	poor to fair
Sculpture	2	2	-	fair
Reliefs	4	4	-	fair

### **Architectural Artifacts**

The Curator inventories and stores the small architectural and engineering artifacts for possible research or exhibition purposes.

Large artifacts, such as pieces of stone removed from buildings, plaster models, etc., have been inventoried and are stored in two locations at Fort 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 storage area.

## **Archives, Other Records, and Library Materials**

Our Records Management Branch acquires architectural drawings, engineering drawings, and textual records following approved records schedules developed by the branch, identifying permanent records through records surveys and appraisals. Branch personnel arrange drawings and textual records according to 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. Drawings are stored flat in horizontal drawing cases in acid-free folders. The necessary security is provided, as are stable temperature and humidity conditions to preserve the records indefinitely. Additionally, we create and maintain microfilm and digital scans of many of the drawings.

### ***A. Architectural and Engineering Drawings***

Beginning with plans for the construction of the Capitol in the early 1800s, 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 (CAD) 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 100,000 to 150,000 architectural and engineering drawings are stored in our Records Center and Archives. Approximately 50% of these drawings have been arranged, indexed, and assigned control numbers. Most of the remainder are properly stored in drawing cabinets arranged by building, awaiting indexing and verification that they are not duplicates. Some drawings have been received in rolls and still require preservation work. During 2005, a total of 10,487 drawings was transferred to the Records Center and Archives for archival storage, given control numbers, and placed in drawers.

Drawings are scanned, described, and computer-indexed to facilitate the retrieval of documents. Microfilm is produced from the scanned images. To further enhance document retrieval, the scanned images are linked to the descriptive information in an electronic text database. Textual records are described in accession records, finding aids, and guides. Boxes and folders are labeled and stored according to record groups. During 2005, 4,302 documents were computer-indexed and 7,460 documents were scanned and linked to the text information in the drawing database. Basic preservation and conservation of drawings is 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 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 to the present day. Of special value are the manuscript collection and the Architects’ letter books, some of which date to the 1850s. As of 2005, the Records Center maintained approximately 4,600 boxes of records.



### C. Photographs

Our Photography Branch is responsible for producing photographs for architectural design, construction, and restoration of the buildings and grounds under our care. The largest project this year was the ongoing construction of the Capitol Visitor Center. Major ceremonial events covered this year included the inauguration of President Bush, statue dedications, and the Brumidi bicentennial tribute.

The branch documents works of art and conservation projects in addition to producing graphic slides, displays, and videotape for Agency and congressional use. A major function is the preservation of a photographic archive dating to the 1850s. The collection includes approximately 4,000 glass plates. The collection contains 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 our jurisdiction. The number of images is growing rapidly since the conversion to digital format. Each unique image is given a control number, and the number in the table below is the number of unique images. One image may exist in multiple formats. The majority of the negatives are now stored off-site for their long-term preservation. The photography database is well developed, including images, and work was accomplished this year on the program that will make the database accessible to a wider number of Agency staff.

### D. Art and Reference Files and Reference Library

The curatorial and archival functions are managed by our Curator Division. The major function of this division is to maintain the inventory and files for art and historical objects that was established by Curator Charles Fairman in 1911. We have a file on each work of art, artist, and room in the Capitol, in addition to files on the buildings and architectural subjects. We keep records on major ceremonies, such as joint sessions of Congress and inaugurations. Conservation reports and studies are growing in number and importance. The files are the historical records used to answer questions from members of Congress and the public and also provide information for fact sheets and publications. The United States Capitol Historical Society Fellowship, managed by our Curator, adds each year to the knowledge of the art and architecture of the Capitol complex.

<b>Records</b>	<b>Number on 10/01/04</b>	<b>Number on 9/30/05</b>	<b>Change</b>	<b>General Condition</b>
Architectural and Engineering Drawings	approx. 150,000	approx. 150,000*	-	fair
Manuscripts and Other Textual Records	approx. 4,235 boxes	approx. 4,600 boxes	365**	fair
Small Architectural Models ***	Fewer than 20	Fewer than 20	-	poor to fair
Photographs****	136,522	147,716	11,194	good
Art and Reference Files	108 drawers	108 drawers	-	fair
Art and Reference Library (published volumes)	approx. 2,000 vol.	approx. 2,000 vol.	-	fair
Conservation Reports (in notebooks)	170	178	8	good

\* Approximately 10,000 drawings were found to be duplicates and were destroyed, balancing out the 10,487 new drawings accessioned this year. We identify the drawings of permanent value as we process them. To date, information on approximately 58,000 drawings has been entered into a database.

\*\* These records have been accessioned on a box level but not yet processed. The duplicates and non-permanent records will be identified, with some designated for microfilming, leaving a reduced number of boxes to be preserved.

\*\*\* There are fewer than 20 architectural models in varying conditions in storage that need to be appraised and inventoried to determine if they are worthy of permanent retention.

\*\*\*\* In addition, there were approximately 35,000 additional photographs produced this year by remote construction cameras that are not in the database. These will be culled to select the most significant for permanent retention once the projects are completed. The film negatives and transparencies are properly stored in archival sleeves and the majority of them are now stored off-site in secured and stable conditions, along with microfilm of architectural and engineering drawings and textual records.

Aside from the extensive condition surveys, the Curator Division conducted 12 major conservation projects during the year:

- The work on the historic gilded frames in the Rotunda continued, with five of the frames conserved at the end of this period. The conservators have been successful in retaining historic gilding and matching the newly gilded areas through toning. Each frame has presented different conditions and problems. The work was interrupted for congressional events and ceremonies in the Rotunda.
- The conservation of the historic Rotunda benches has been ongoing. The conservator spent much time and effort searching for and investigating the original coatings and colors for the cast iron and wood. The wood portions of half of the benches were conserved and the cast-iron sections cleaned and reinforced, and a mock-up of the proposed finish was prepared.
- Mural conservation in the Senate Appropriations hearing room, S-127, continued with further study and testing of the lunettes above the conserved maiden panels. The delicate tempera in which the lunettes were painted in the 1850s is cracking and lifting in many areas, especially those that were later overpainted. The study made recommendations for the next phase of conservation and restoration efforts.
- Conservation was completed on the flaking murals of the ceilings and lunettes in the corridor by room S-138. The murals were cleaned of grime and darkened overpaint, and the first intact paint layer was consolidated and restored.
- Mural conservation was begun during the August recess on the 1901 murals designed by Elmer Garnsey in the Speaker's Office, H-228. The murals had already been scheduled for conservation, but a leak made the work essential. The conservators removed overpaint from the gilded background of the ceiling mural and the classical decoration, and they began work by laying down cracked paint and removing overpaint from the lunettes. The remaining work was scheduled for a future recess.
- Restoration of a historic mural in a Senate leadership office, S-324, was completed. Exploratory tests showed that much of the ceiling had been replastered. The most intact corner of the original mural was conserved and the rest of the murals on the four vaults were replicated on canvas and applied to the ceiling.
- Restoration of the scagliola, the faux marble panels installed in the 1850s, continued in the Hall of Columns and the House carriageway entry. New panels needed to be made to replace some large areas where the original surface had been removed.
- Conservation work on the bronze and marble statues of the National Statuary Hall Collection continued on 23 statues in various areas.
- Research and paint analysis on historic colors were performed in the four grand staircases, the third-floor House Corridors, and the Senate North Entry.
- Examination and assessments were made by a sculptor and conservator on the Portrait Monument.
- Two bronze plaques on the Capitol grounds were cleaned and waxed.
- A historic leather-covered fly door, one of only two remaining in the Capitol, was conserved and reinstalled.

## CAPITOL GROUNDS

The Capitol Grounds jurisdiction is responsible for many of our outdoor heritage assets and shares duties with the Curator Division for some assets. We classify the heritage assets as either living or non-living. The Capitol Grounds' heritage assets are contained primarily within the Frederick Law Olmsted–designed Capitol Square. It is important to note that the Square itself is also considered a heritage asset. The Olmsted design for the Capitol Square consists of approximately 58.8 acres around the Capitol Building, which have been deemed historic and fall under the heritage asset category.

The living stewardship assets require constant maintenance. These efforts are performed by experts in numerous disciplines to preserve that which visitors have enjoyed for over a century. Some 150 trees are considered heritage assets due to their historic nature, and an additional 165 trees are heritage assets because of their status as memorial or commemorative trees. Almost all of these heritage trees are located within the Capitol Square.

The non-living heritage asset structures for which the Capitol Grounds cares are

- summerhouse and grotto (1890),
- Olmsted walls and stone walls with relief, drinking fountain (1890),
- two trolley stands (1900),
- West Front terraces and fountain (1890),
- bronze urns, planters, statues, plaques, and lighting fixtures,
- Senate fountains (1930),
- Taft Memorial (1959).

The stone walls and other historic stone features are maintained by in-house staff, but in general a large amount of maintenance has been deferred. Examples of historic stone features include garden structures such as the summerhouse with its grotto, original Olmsted walls with sandstone reliefs, the Robert Taft Memorial, and the Senate and House fountains. Many of the stone structures suffer from deteriorated mortar joints as well as chipped and damaged stone from equipment and vehicle impacts related to special events activities.

Our heritage work on non-living assets concentrated on maintaining bronze monuments and placards across the Capitol campus. During the year, 18 bronze urns located on the West Terrace of the Capitol, along with two original light posts from the lower terrace, were sent out for restoration. The urns had not been restored since they were placed on the walls of the Capitol in the 1800s. The restoration of the urns to their original color was done while leaving the signs of aging in place. The two light posts also needed rehabilitation to bring back the bronze color they had lost and to protect the metal from further deterioration. A program will be established to periodically review the condition of the urns and light posts in an effort to maintain the color that has been restored.

## 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 education 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
- Plants used for accent and horticultural propagation stock, including those obtained for trial for performance under local conditions

Plants are 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 830 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 2005, the Botanic Garden had more than 35,000 individual plants in cultivation at the conservatory and the Blue Plains Production Facility. There were 5,965 total orchids in the collections, by far the largest single collection of plants maintained. The USBG maintains approximately 6,500 unique taxa in its collections.

Below is a table listing statistics on our entire collection with a separate table that inventories our orchid collection. We provide plant inventories so the reader can compare 2005 with the previous five years.

### Summary of USBG Plant Records

#### All Holdings

DATE	2000	2001	2002	2003	2004	2005
NAMES <sup>1</sup>	22,922	24,212	24,746	25,231	25,716	26,254
ACCESSIONS <sup>2</sup>	17,336	19,336	20,318	21,112	21,751	22,623
PLANTS <sup>3</sup>	24,759	28,405	30,335	31,461	32,274	33,338
DEACCESSIONS–MO <sup>4</sup>	–	–	76	516	295	136
DEACCESSIONS–YTD <sup>5</sup>	–	–	2,524	2,199	1,483	806
TAXA (ALIVE) <sup>6</sup>	–	–	6,603	6,471	6,514	6,833
PLANTS (ALIVE) <sup>7</sup>	–	–	16,708	15,707	15,119	15,516
NUMBER OF INDIVIDUALS <sup>8</sup>	–	–	30,563	36,439	36,226	36,083
YTD INV/ (%) <sup>9</sup>	–	–	9,899 (51.5)	6,720 (37.5)	4,816 (29.0)	5,487 (33.6)

#### Orchid Collection

DATE	2000	2001	2002	2003	2004	2005
NAMES <sup>1</sup>	2,997	3,436	3,556	3,653	3,809	3,921
ACCESSIONS <sup>2</sup>	5,718	6,533	6,884	7,019	7,236	7,393
PLANTS <sup>3</sup>	6,751	8,403	9,102	9,302	9,589	9,847
DEACCESSIONS–YTD <sup>5</sup>	–	–	693	1004	526	317
TAXA (ALIVE) <sup>6</sup>	1,296	1,543	2,053	1,777	1,800	1,831
PLANTS (ALIVE) <sup>7</sup>	–	4,252	5,925	5,142	4,990	5,045
YTD INV/ (%) <sup>9</sup>	–	–	4,637 (77.4)	3,207 (52.2)	2,718 (49.3)	3,084 (57.5)

1. Number of taxonomic entries in BG-base regardless of whether they are associated with current holdings (cumulative).
2. Current number of accession, presumed to be genets (cumulative).
3. Total number of individuals in Plants table–living and dead (cumulative).
4. Deaccessions for the current month.
5. Deaccessions for the current year.
6. Number of unique taxa currently alive in holdings.
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. 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.

## GLOSSARY

ADA	Americans with Disabilities Act	HOB	House Office Buildings
AICPA	American Institute of Certified Public Accountants	HRMD	Human Resources Management Division
AOC	Architect of the Capitol	HVAC	Heating, Ventilation, and Air-conditioning
ASB	Acquisition Strategy Board	I&I	Injury and Illness
AVUE	Automated Human Resources Management System	IT	Information Technology
		ITD	Information Technology Division
CAD	Computer-Aided Design	LICP	Line-Item Construction Program
CAS	Computer Applications Specialists	LOC	Library of Congress
CCMP	Capitol Complex Master Plan	MD&A	Management's Discussion and Analysis
CD	Construction Division	MOR	Management Operations Reporting
CERCLA	Comprehensive and Environmental Response Compensation and Liability Act	MY	Multi-year
CFO	Chief Financial Officer	NFC	National Finance Center
CGFM	Certified Government Financial Manager	O&M	Operations and Maintenance
CIP	Capital Improvements Plan	OMB	Office of Management and Budget
CITES	Convention on International Trade in Endangered Species of Flora and Fauna	OPM	Office of Personnel Management
COTR	Contracting Officer's Technical Representative	OSHA	Occupational Safety and Health Administration
CPA	Certified Public Accountant	PAR	Performance and Accountability Report
CPP	Capitol Power Plant	PAR	Personnel Action Request
CSRDF	Civil Service Retirement and Disability Fund	PCES	Performance and Communications Evaluation System
CSRS	Civil Service Retirement System	PEL	Permissible Exposure Limit
CVC	Capitol Visitor Center	PL	Public Law
DCS	Distributed Control System	PM	Preventative Maintenance
DOL	Department of Labor	PMD	Project Management Division
DWO	Demand Work Order	PMWO	Preventative Maintenance Work Order
EA	Enterprise Architecture	POR	Program of Requirements
ECS	Electronic Certification System	P&E	Property and Equipment
EPA	Environmental Protection Agency	PP&E	Property, Plant, and Equipment
FAIA	Fellow of the American Institute of Architects	SDLC	Systems Development Life Cycle
FASAB	Federal Accounting Standards Advisory Board	SFEP	Safety, Fire, and Environmental Programs
FCA	Facility Condition Assessment	SFFAS	Statement of Federal Financial Accounting Standard
FECA	Federal Employees' Compensation Act	SOB	Senate Office Buildings
FERS	Federal Employees' Retirement System	SONC	Statement of Net Cost
FGGM	Fort George G. Meade Army Base	SPS	Secure Payment System
FFMIA	Federal Financial Management Improvement Act	T&A	Time and Attendance
FISMA	Federal Information Security Management Act	UPS	Uninterruptible Power System
FMFIA	Federal Managers' Financial Integrity Act	USBG	United States Botanic Garden
FMS	Financial Management System	WFPM	Workforce Planning and Management
FTEs	Full-Time Equivalents	YTD	Year to date
FY	Fiscal Year		
G&A	General and Administrative		
GAAP	Generally Accepted Accounting Principles		
GAO	Government Accountability Office		
GPO	Government Printing Office		
GPRA	Government Performance and Results Act		
GSA	General Services Administration		

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## ADDITIONAL RESOURCES

### Public Inquires and Requests for Additional Copies

We welcome your comments on this report.  
You may contact us at (202) 228-1793.

### Mailing Address

Office of the Architect of the Capitol  
U.S. Capitol  
Washington, DC 20515

### AOC on the Internet

To learn more about the Architect of the Capitol,  
visit our Web site at [www.aoc.gov](http://www.aoc.gov). An online  
version of this publication is located at  
[www.aoc.gov/aoc/cfo/index.cfm](http://www.aoc.gov/aoc/cfo/index.cfm).

### To learn more about the Capitol campus, visit the following AOC Web sites:

Architect of the Capitol: [www.aoc.gov](http://www.aoc.gov)  
Botanic Garden: [www.usbg.gov](http://www.usbg.gov)  
Capitol Flags: [www.capitolflags.gov](http://www.capitolflags.gov)

### Capitol Campus Web Sites

Library of Congress: [www.loc.gov](http://www.loc.gov)  
U.S. House of Representatives: [www.house.gov](http://www.house.gov)  
U.S. Senate: [www.senate.gov](http://www.senate.gov)  
Supreme Court of the United States:  
[www.supremecourtus.gov](http://www.supremecourtus.gov)

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**ON THE FRONT COVER:** A conservator applies gold leaf to a frame in the Capitol Rotunda. She represents one of the many skilled craftspeople employed at the Architect of the Capitol.







SERVING CONGRESS WITH A COMMITMENT TO EXCELLENCE