

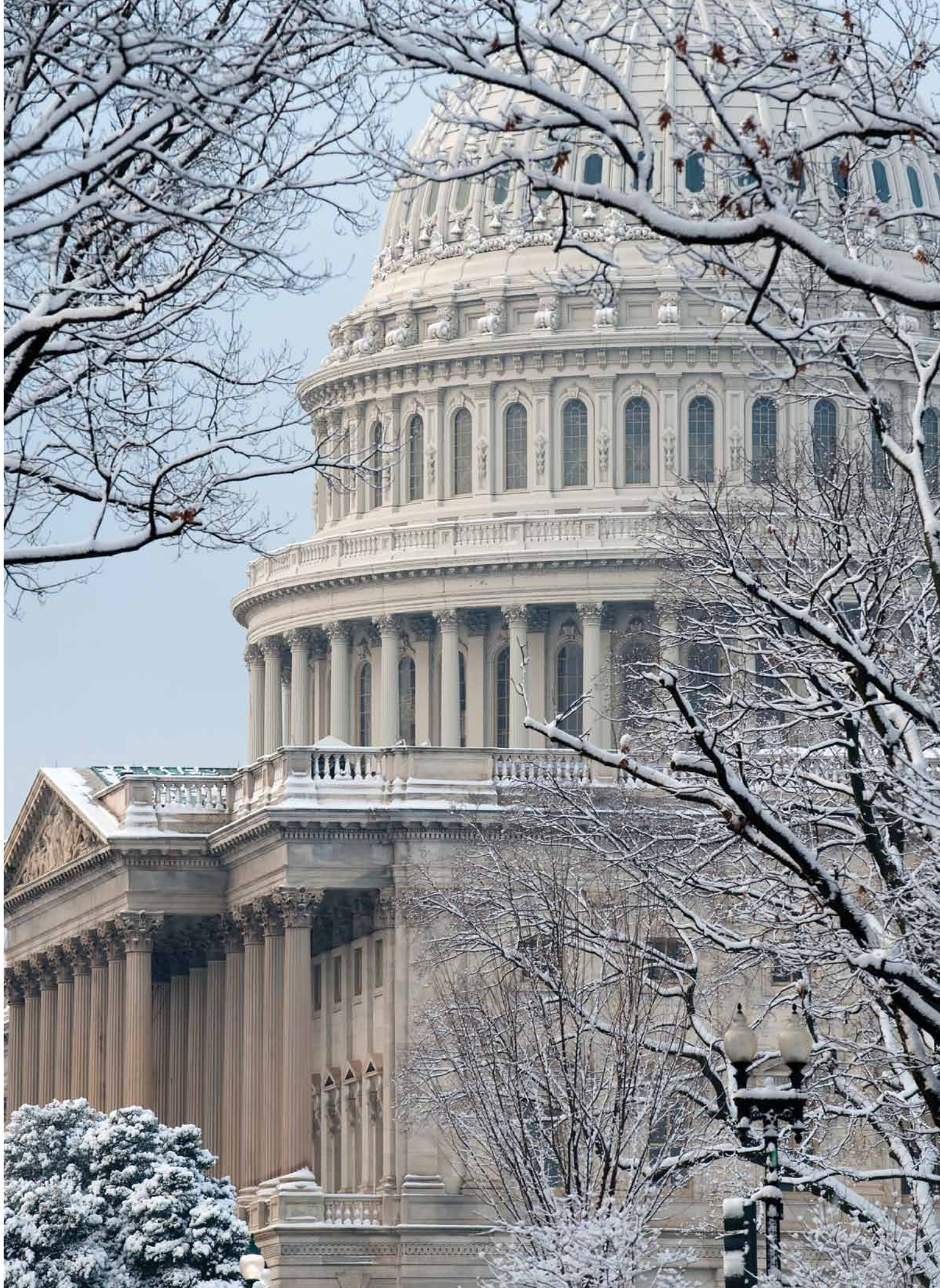
2010
Architect of the Capitol



Performance and Accountability Report

SERVING, PRESERVING, AND SUSTAINING THE CAPITOL





2010

PERFORMANCE AND ACCOUNTABILITY REPORT

SERVING, PRESERVING, AND SUSTAINING THE CAPITOL

ABOUT THIS REPORT

This *Performance and Accountability Report* (PAR) provides the results of the Architect of the Capitol's (AOC) program and financial performance for Fiscal Year (FY) 2010. It demonstrates the AOC's commitment to the accomplishment of its mission and accountability for its financial resources to the Congress, Supreme Court, public and other stakeholders. The AOC is a Legislative Branch Office and, as such, is not subject to the laws and regulations that establish the financial management and reporting requirements for the Executive Branch. As a result, the AOC has not adopted policies implementing these laws. The AOC, however, is committed to ensuring that the information included in this report complies with the spirit of transparency and accountability. Therefore, the AOC references Executive Branch legislation as a general guide for its financial management best practices. Such legislation includes:

- Federal Managers' Financial Integrity Act of 1982;
- Chief Financial Officers (CFO) Act of 1990;
- Government Performance and Results Act of 1993;
- Government Management Reform Act of 1994;
- Reports Consolidation Act of 2000;
- Accountability of Tax Dollars Act of 2002; and
- Improper Payments Information Act of 2002.

This report and prior years' PARs are available electronically on the AOC's Website at <http://www.aoc.gov>. All feedback on the form and content of this report is welcome and may be submitted to: Architect of the Capitol; Ford House Office Building, H2-205; 2nd & D Street, SW; Washington, D.C. 20515 (ATTN: Accounting Division—PAR).



ABOVE: The current Architect of the Capitol Stephen T. Ayers, AIA, LEED AP, is joined by his two predecessors for this photograph. Included with Mr. Ayers are George M. White, FAIA (center) who served from 1971 to 1995 and Alan M. Hantman, FAIA (right) who served from 1997 to 2007. **LEFT:** The AOC serves as the builder, caretaker, and curator of many of the Nation's most iconic buildings. These include the U.S. Capitol, Senate and House Office Buildings, Supreme Court, Library of Congress, and the U.S. Botanic Garden.

ABOUT THE COVER

The cover of this report displays the U.S. Capitol after a heavy snowfall. During the winter of FY 2010, the Washington, DC area received multiple record-setting snowstorms that required the AOC to clear snow and maintain eight miles of roads, 11 miles of sidewalks, and 19 acres of parking lots across the Capitol. These behind-the-scenes efforts kept the Capitol's roads and walkways clear and allowed the Capitol to remain accessible while the majority of the Federal government was shut down.



THE AOC AT-A-GLANCE

A Fiscal Year 2010 Performance and Financial Summary Report to the U.S. Congress and the Citizens of the United States

WHO WE ARE

Architect of the Capitol

What We Do: The Architect of the Capitol (AOC) is a nonpartisan, professional services office with oversight of 16.5 million square feet of facilities and

460 acres of grounds on Capitol Hill and the surrounding area. The AOC is comprised of 10 jurisdictions and several central administrative offices.



Branch of Government: Legislative

Established: The AOC traces its origins to 1793 and was formally established by Congressional legislation in 1876.

Mission: Provide Congress and the public a wide range of professional expertise and services to preserve and enhance the Capitol complex and related facilities.

Number of Full-Time Equivalents (FTEs): The AOC had 2,490 FTEs as of September 30, 2010.

Leadership: The Honorable Stephen T. Ayers, AIA, LEED AP, Architect of the Capitol.

Budget Authority: The FY 2010 budget authority was approximately \$602 million.



Did You Know?

- President George Washington laid the cornerstone for the United States Capitol in 1793.
- Dr. William Thornton, whose design for the Capitol was selected by President Washington, is honored as the first Architect of the Capitol.
- The AOC has served as the builder, caretaker, and curator of many of the Nation's most iconic buildings. These include the U.S. Capitol, three Senate Office Buildings, four House Office Buildings, the Supreme Court, three Library of Congress buildings, and the U.S. Botanic Garden Conservatory.
- The Architect of the Capitol is appointed for a 10-year term by the President following the recommendation of a bipartisan, bicameral, Congressional panel and the confirmation of the U.S. Senate.
- The AOC is responsible for advancing the Capitol Complex Master Plan which provides a comprehensive framework for long-term planning initiatives and development.
- The AOC serves as curator for many works of art located throughout the Capitol. These heritage assets range from bronze and marble statues to oil portraits and fresco murals.
- The December 2008 opening of the 580,000 square foot Capitol Visitor Center marked the largest expansion of the U.S. Capitol in its history.
- The AOC protects the environment and saves taxpayer dollars through its commitment to energy efficiency and conservation across the Capitol.

THE YEAR AT A GLANCE

Fiscal Year 2010 Performance Highlights

Fiscal Year 2010 Accomplishments: Serving, Preserving, and Sustaining the Capitol

Serving the Congress, the Supreme Court, and the Public

The AOC continues to demonstrate its ability and dedication to serving its customers: Congress, the Supreme Court, the American public, and visitors to the Capitol.

- The Capitol Visitor Center welcomed its four millionth visitor within just 20 months of opening for operations.
- During the 2010 snowstorm emergencies, while the rest of the Federal Government was shut down, 444 AOC employees logged over 34,000 hours to keep the Capitol accessible.
- For the sixth consecutive year, the AOC received a clean audit opinion on its financial statements from its independent auditors, demonstrating AOC's commitment to strong fiscal stewardship.

Preserving the Capitol Facilities and Grounds

The AOC preserves the historic Capitol facilities and grounds while providing Congress with safe, comfortable, efficient, and modern office environments.

- The AOC began applying a fresh coat of paint to the U.S. Capitol Dome to protect its cast-iron exterior and ensure its integrity for future generations.
- The AOC maintained and updated Capitol facilities, keeping historic architectural features intact, while upgrading the infrastructure to improve energy efficiency, safety, and accessibility.
- The AOC completed numerous facility condition assessments of the Capitol buildings and grounds—a step towards the AOC's implementation of the 20-year Capitol Complex Master Plan.

Sustaining the Capitol

The AOC continues to implement a long-term strategy to sustain operations in an environmentally safe and progressive manner while reducing resource consumption.

- The AOC's utilization of Energy Savings Performance Contracts will provide \$93 million in facility infrastructure upgrades that will help the AOC realize a significant reduction in total energy consumption.
- Cross-cutting initiatives, such as performing energy audits of all the AOC-maintained facilities, will continue to help identify additional energy savings opportunities.
- Sustainable design practices, such as the use of low-impact materials, energy-efficient equipment, and the promotion of a culture of reuse and recycling is helping to save energy at the AOC's buildings and offices.

To help meet its Congressionally-established energy reduction targets, the AOC is upgrading the heating, ventilation and air conditioning (HVAC) control systems to modern Direct Digital Controls, replacing air handling units and ductwork for improved ventilation, and, retrofitting existing lighting fixtures with energy efficient systems in various facilities throughout the Capitol.



OUR STRATEGIC FOCUS

GOAL 1

Congressional and Supreme Court Operations Support

GOAL 2

Heritage Asset Stewardship

GOAL 3

Leadership and Administrative Support

Figure 1: Summary of FY 2010 Strategic Goal Performance Results

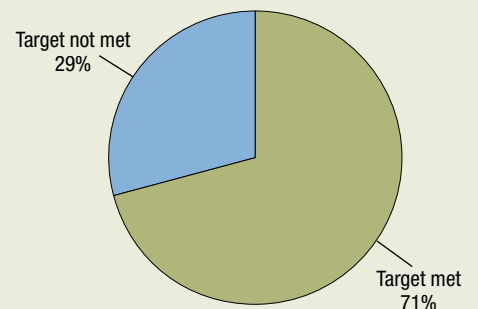


Figure 2: Source of Funds in FY 2010

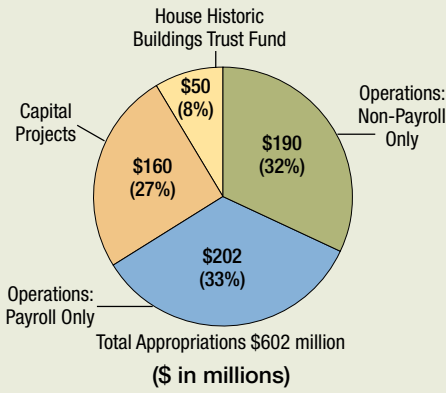


Figure 3: Use of Funds in FY 2010 by Strategic Goal

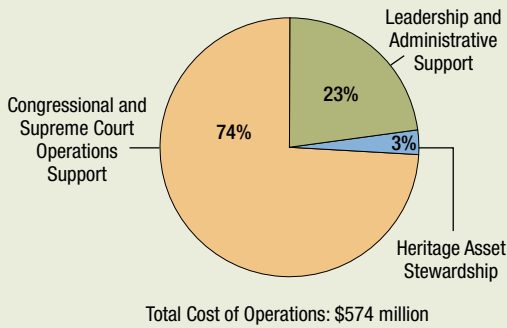


Figure 4: Summary of Total Assets at September 30, 2010

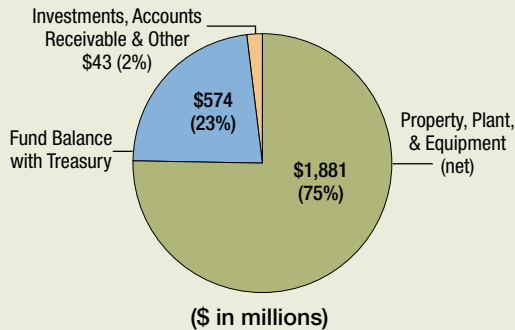
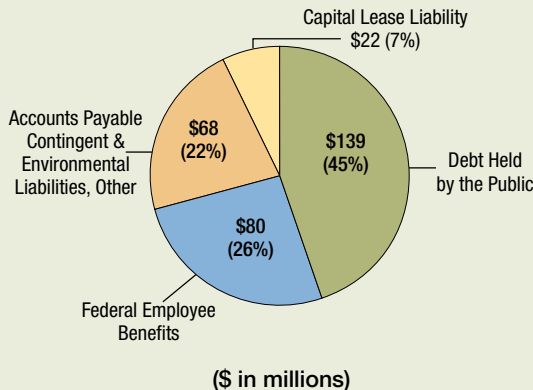


Figure 5: Summary of Total Liabilities at September 30, 2010



Fiscal Year 2010 Financial Highlights

Financial Highlights

TABLE 1: Selective Financial Data for FY 2009 and 2010

Selected Financial Data	September 30, 2010	September 30, 2009 (As Restated)
Total Assets	\$2,498 mil	\$2,437 mil
Total Liabilities	\$309 mil	\$330 mil
Net Position	\$2,189 mil	\$2,107 mil
Annual Net Position Change	4%	6%
Inventory Turnover (Cost of Goods Sold/End Inventory)	1.28	1.19
Days Inventory (365 days/Turnover)	285 days	307 days
Ratio of Debt to Net Position	1:7.09	1:6.38
Revenues	\$48 mil	\$53 mil
Net Cost of Operations	\$574 mil	\$474 mil
Actual FTEs at Fiscal Year-End	2,490	2,469

Independent Audit Results

An independent audit of the AOC's financial statements resulted in a clean audit opinion in FY 2010.

TABLE 2: Summary of Independent Auditor's Internal Control Findings

Category	FY 2010 Audit Finding
Material Weaknesses	Internal Control Assessment Financial Statement Restatement
Significant Deficiencies	Information System General Controls Information Systems Application Controls

WHAT'S NEXT?

Future Challenges and Priorities

Management Challenges

- **Facility Requirements Exceed Available Funding Resources**—The AOC is responsible for the preservation of irreplaceable cultural and historic assets for which there are sizable deferred maintenance and capital renewal obligations. Long-term maintenance, if unaddressed, could require costly redesign and place the facilities and heritage assets at risk. Meeting future deferred maintenance and capital renewal requirements, estimated to exceed \$1.5 billion over the next 10 years, will need Congress' continued support for sustained and increased funding.
- **Reducing Energy Consumption**—The AOC recognizes the environmental importance and cost-saving benefits of making the Capitol more energy efficient. The AOC is implementing a number of initiatives, including, Energy Savings Performance Contracts, carbon emissions reduction, daylight harvesting, and Direct Digital Controls. The AOC continues to utilize the most cost-efficient and effective options to fulfill its energy reduction mandates.
- **Improving Performance and Business Processes**—The AOC is looking to develop technology tools and adopt best practices to facilitate high operational performance. Computer Aided Facilities Management tools are in use to assist in the day-to-day management of projects. The Executive Information System will provide operational and performance information that is critical to effectively manage operations and Building Information Modeling Technology tools may eventually assist in the day-to-day management of operations and maintenance tasks. These tools, combined with a strong internal control structure, cost accounting, and performance-based budget system, will provide the controls necessary to achieve effective operations management.

Priorities for the Future

- **Accomplishment of Energy Saving Initiatives**—Continue work on the energy saving program by completing energy audits, developing a prioritized project list, and articulating the short- and long-range funding needs to Congress to implement the program.
- **Expand Sustainability Practices**—Continue use of low-impact materials, installation of energy-efficient equipment, and the promotion of a culture of reuse and recycling to further the AOC's sustainability practices.
- **Execute a Deferred Maintenance and Renewal Program**—Use the Capitol Complex Master Plan to prioritize and efficiently manage projects to meet Congressional needs. To reduce the backlog of deferred maintenance, the AOC will need Congress' continued sustained support for increased funding.
- **Preserve and Maximize Public Access to the Capitol**—Provide pilot educational programs and new informational material to improve the experience for Capitol visitors and expand educational and informational outreach programs to prepare visitors for their experience at the Capitol.

For more information about The Architect of the Capitol, visit our website at: <http://www.aoc.gov/>.

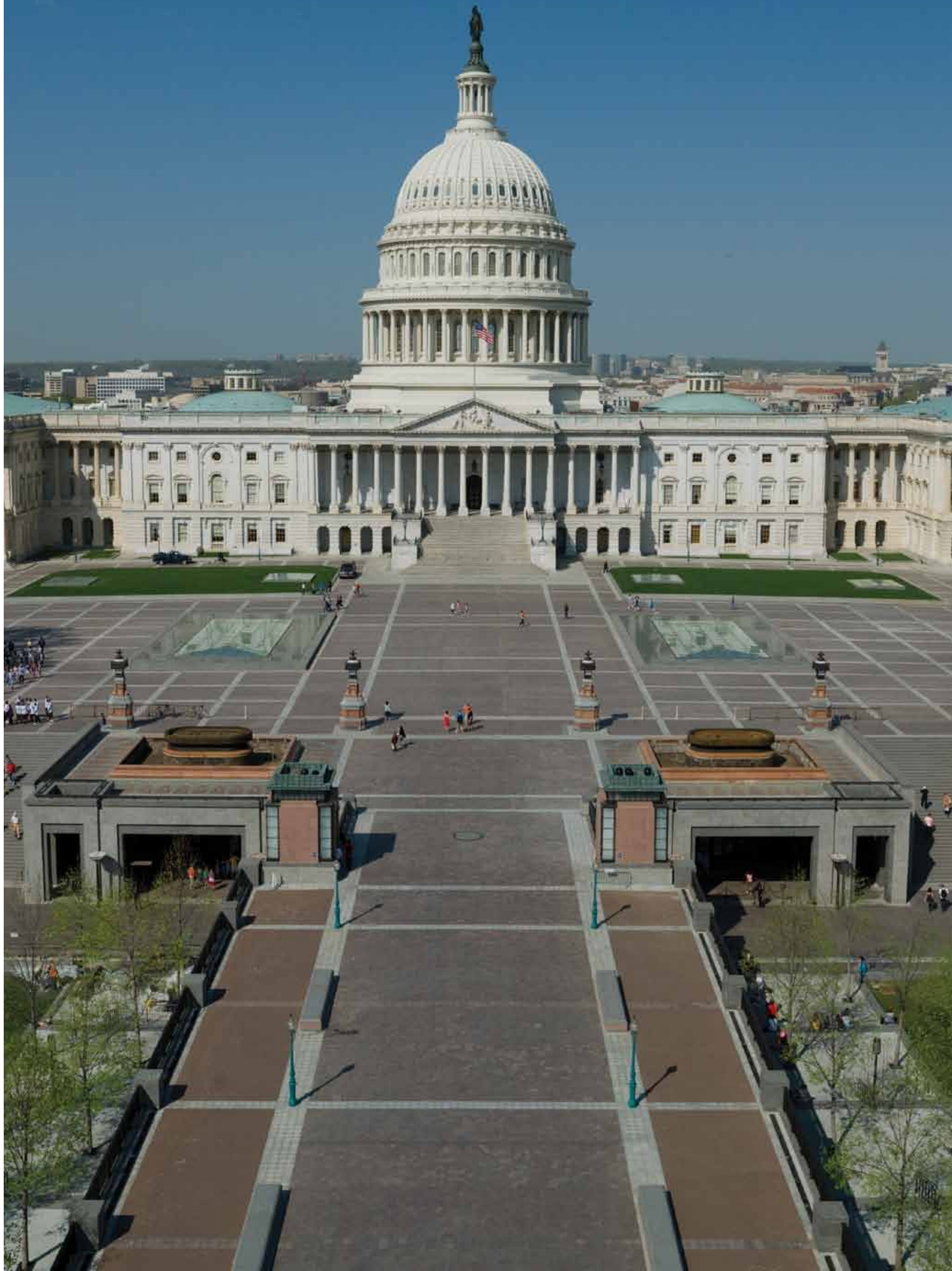


TABLE OF CONTENTS

2010 PERFORMANCE AND ACCOUNTABILITY REPORT	I
About this Report	i
About the Cover	i
THE AOC AT-A-GLANCE	ii
Independent Audit Results	iv
TABLE OF CONTENTS	vi
INTRODUCTION	1
How this Report is Organized	1
A Message from the Architect of the Capitol	2
SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS	5
Our History	5
<i>Stephen T. Ayers Confirmed, the 11th Architect of the Capitol</i>	<i>7</i>
Our Mission and Organization	8
Who We Serve	8
Our Mission	8
Our Vision	8
Our Values	8
<i>The AOC Shows Community Involvement</i>	<i>9</i>
Our Organization	10
General Administrative and Central Management Functions	12
AOC Chief Operating Officer	12
AOC Chief Financial Officer	13
AOC Chief Administrative Officer	13
AOC Planning and Project Management	13
<i>Audit Committee Changes Improves Oversight at the AOC</i>	<i>13</i>
AOC Safety, Fire, and Environmental Programs	14
AOC General Counsel	14
AOC Congressional and External Relations	14
Attending Physician	14
AOC Inspector General	14
Jurisdictions and Mission Areas	17
Botanic Garden	18
<i>USBG Hosts Popular Orchids Exhibit</i>	<i>19</i>
Capitol Building	20
<i>Capitol Dome Rehabilitation</i>	<i>21</i>
Capitol Grounds	22
<i>Crews Respond to 2010 Blizzards</i>	<i>23</i>
Capitol Police Buildings, Grounds, and Security	24
<i>U.S. Capitol Police Radio Modernization</i>	<i>25</i>
Capitol Power Plant	26
<i>Utility Tunnel Improvements</i>	<i>27</i>
Capitol Visitor Center	28
<i>Visitor Center Marks First Anniversary</i>	<i>29</i>
House Office Buildings	30
<i>Cannon House Office Building Renewal</i>	<i>31</i>
Library Buildings and Grounds	32
<i>Residential Scholars Center</i>	<i>33</i>
Senate Office Buildings	34
<i>Senate Office Buildings Awarded Energy Savings Contract</i>	<i>35</i>
Supreme Court and Judiciary Office Building	36
<i>U.S. Supreme Court Roof System Replacement, Phases II and III</i>	<i>37</i>
Performance Highlights	38
Strategic Plan Performance Framework	38
Performance Results Summary for Select Key Measures	39
Jurisdiction Priorities and Performance Highlights	42
Looking Toward the Future: Our Performance-Based Budget	45
Management Challenges and Looking Ahead	46
Facility Requirements Exceed Available Funding Resources	46
Reducing Energy Consumption	47
<i>Legislative Background on Energy Reduction at the Capitol</i>	<i>48</i>
Improving Performance and Business Processes	49
Other Management Challenges	52
Management Assurances	53
Implementation of the Federal Managers' Financial Integrity Act (FMFIA) at the AOC	53
Summary of Material Weaknesses and Significant Deficiencies	54
Architect's FMFIA Statement	55

Financial Highlights	56
Results of Operations	58
Resources Used to Achieve Strategic Goals	59
Overview of Net Position	60
Overview on Use of Budgetary Resources	60
Limitation of Financial Statements	61
SECTION II: PERFORMANCE INFORMATION	63
Introduction	63
Data Validation	63
Strategic Goal 1: Congressional and Supreme Court Operations Support	65
<i>Sustainability, Energy Efficiency, and Energy Management</i>	69
<i>The AOC Customer Satisfaction Ratings Exceeds Targets</i>	72
<i>Shaping the Future: Capitol Complex Master Plan</i>	74
Strategic Goal 2: Heritage Asset Stewardship	75
<i>Interpreting the Past: Curatorial and Preservation Projects</i>	77
<i>Restoration of the Bartholdi Fountain</i>	79
Strategic Goal 3: Leadership and Administrative Support	80
<i>Workplace Improvements at the AOC</i>	83
<i>Safety and Emergency Preparedness</i>	90
<i>Internal Service Provider Surveys Measure Central Office Support</i>	91
Behind the Scenes: Capitol Grounds	92
SECTION III: FINANCIAL INFORMATION	97
A Message from the Chief Financial Officer	97
A Message from the Audit Committee	99
AOC Inspector General Transmittal	100
Independent Auditor's Report	101
Independent Auditor's Report on Internal Control	103
Independent Auditor's Report on Compliance and Other Matters	110

Financial Statements	112
Consolidated Balance Sheets	112
Consolidated Statements of Net Cost	113
Consolidated Statements of Changes in Net Position	114
Combined Statements of Budgetary Resources	115
Notes to Financial Statements	116
Required Supplementary Information	130
Stewardship of Heritage Assets	130
General Condition Standards	131
AOC Heritage Assets	131
Summary of Heritage Assets	138
Deferred Maintenance	140
SECTION IV: OTHER ACCOMPANYING INFORMATION	143
Summary of Financial Statement Audit and Management Assurances	143
Improper Payments Information Act	144
The AOC Inspector General's Statement of Management Opportunities and Performance Challenges	145
Financial Management System Summary	149
Financial Management System Framework	149
Financial Management System Strategies	150
Outstanding Financial Management System Issues or Problems	150
Small Business Program Accomplishments at the AOC	151
APPENDICES	153
List of Major AOC Facilities	153
Government Accountability Office General Management Review Recommendations	155
Websites of Interest	157
Acknowledgements	158
List of Abbreviations and Acronyms	159
MAP OF AOC FACILITIES	Inside Back Cover



INTRODUCTION

HOW THIS REPORT IS ORGANIZED

The 2010 Performance and Accountability Report (PAR) provides financial and performance information for the Fiscal Year (FY) beginning on October 1, 2009, and ending on September 30, 2010, for the Architect of the Capitol (AOC). The AOC publishes this report to demonstrate accountability to Congress and the American people and to provide a transparent snapshot of the AOC's operations, accomplishments and challenges. The 2010 PAR begins with an executive summary titled *The AOC-At-A-Glance* and a message from the Architect of the Capitol, Stephen T. Ayers, AIA, LEED AP. The report contains four main sections and appendices.

Section I: Management's Discussion and Analysis

This section includes an overview of the AOC as well as a description of the organization's history, mission, vision, values, and organizational structure. It discusses the AOC's significant accomplishments and provides management's assessment of upcoming challenges. This section also contains the management's assurances on the AOC's internal controls and highlights the AOC's performance and financial results. The data included in this section was compiled based on submissions from each jurisdiction and from various offices within the AOC.

Section II: Performance Information

This section describes the AOC's strategic framework and process for assessing performance. It details the AOC's major performance measures, compares actual performance results to the AOC's strategic targets and goals, and describes plans for improvement.

Section III: Financial Information

This section begins with messages from the Chief Financial Officer and the AOC Audit Committee. The section also includes the independent auditor's reports and audited financial statements and footnotes. The Required Supplementary Information provides unaudited information on the AOC's heritage assets.



ABOVE: This year the AOC began interim painting of the U.S. Capitol Dome. The last significant exterior Dome renovation was performed in 1959-60 when the paint was stripped and the iron-work primed with a rust inhibitor. **LEFT:** The U.S. Capitol includes more than 460 acres of grounds and 16.5 million square feet of facility space that supports the U.S. Congress, thousands of public visitors, and approximately 2,600 AOC employees.

Section IV: Other Accompanying Information

This section contains the Inspector General's Statement on the AOC's management and performance challenges. This section also provides a table summarizing the AOC's financial statement audit results and a summary of management assurances.

Appendices

This section lists the major facilities for which the AOC is responsible, provides detail on additional performance goals and measures and summarizes the Government Accountability Office's General Management Review Recommendations for the AOC. It also identifies the individuals who contributed to this report and includes a list of abbreviations and acronyms used.

Inside Back Cover

The inside back cover contains a map of the major facilities and grounds for which the AOC has stewardship responsibility.

A MESSAGE FROM THE ARCHITECT OF THE CAPITOL



The Honorable Stephen T. Ayers, AIA, LEED AP,
Architect of the Capitol.

On behalf of the Architect of the Capitol (AOC), I am pleased to share our *Performance and Accountability Report* for Fiscal Year 2010. This annual report includes financial and performance information about the AOC and its unique mission—providing the Congress with a wide range of professional expertise and services that preserve and enhance the Capitol. The AOC is the builder and steward of America’s Capitol and is responsible for the maintenance, operation, development, and preservation of 16.5 million square feet of building space and more than 460 acres of Capitol Grounds. As steward of the U.S. Capitol, Senate and House office buildings, Library of Congress, Supreme Court, and many other facilities, our responsibilities include:

- Supporting the day-to-day activities of the Congress and the Supreme Court so that they may go about the legislative and judicial business of government without disruption;
- Serving as stewards of the heritage assets and national treasures entrusted to our care;
- Maintaining our facilities and tending to the historic Capitol Grounds; and,
- Supporting Congress during official events such as the annual State of the Union address.

The AOC is accountable and results-oriented. During FY 2010 we continued to build on our past operational and business achievements. Among our many accomplishments this past year, we recognized the first anniversary of operations at the Capitol Visitor Center and promptly cleared the Capitol Grounds after the record-setting blizzards of February 2010. I am proud to highlight the following key achievements through which we have continued to build a legacy of service, ingenuity, and professionalism. These achievements support the AOC’s key focus areas of serving, preserving, and sustaining the Capitol.

Serving

The AOC serves Congress and the Supreme Court from behind the scenes and receives excellent marks on our annual customer satisfaction surveys for anticipating and meeting our customers’ daily operational and facility needs. This year, the AOC achieved 90 percent satisfaction for all three main categories of service: interaction with the superintendent’s office, facilities’ physical appearance and environment, and service delivery. The AOC also received a clean opinion on our financial statements audit for the sixth consecutive year and appointed two new members to our Audit Committee. This demonstrates our commitment to strong financial stewardship that allows us to effectively and efficiently serve our customers by providing Congress and other decision makers with reliable information on program cost and performance. Strong fiscal management is critical in today’s constrained budget environment.

Preserving

The AOC preserves the Capitol facilities and grounds while providing Congress with safe, comfortable, efficient, and modern office environments. This year, we began repainting the U.S. Capitol Dome to help preserve and protect its exterior cast-iron surface in anticipation of a more comprehensive restoration in the future. In addition, we have made significant progress on the *Capitol Complex Master Plan* (CCMP). This Plan provides a 20-year strategy to line up our infrastructure priorities, investments, and projects. We are also responsible for the care, maintenance, and preservation of a number of heritage assets entrusted to the AOC. Curatorial preservation projects this fiscal year included the relocation and conservation of the Magna Carta display, the multi-phased restoration of the U.S. Botanic Garden’s Bartholdi Fountain, and the continued conservation of the Brumidi Murals in the Capitol.

Sustaining

The AOC works to sustain the Capitol through long-term planning and the thoughtful use of resources. To that end, we have implemented a number of programs and projects designed to conserve energy. The AOC has recently completed a *Strategic Long-Term Energy Plan* that will help determine our future energy planning. The AOC also entered into Energy Savings Performance Contracts for the Capitol and the Senate during FY 2010. These projects will include infrastructure upgrades that will provide an annual fiscal savings of \$3.9 million. We have also adopted sustainable design practices, such as the use of low-impact materials and the installation of energy-efficient equipment. For the AOC, sustainability is simply a smart way of doing business which saves taxpayer dollars and improves service.

Management Opportunities and Challenges

In order to meet future challenges, we must protect and preserve the past. One of our most important challenges is the significant backlog of deferred maintenance and capital renewal projects totaling over \$1.5 billion over the next 10 years. We realize that not all projects can be funded in these fiscally challenging times. As a result, we have prioritized projects based on assessments of the facilities' conditions and the level of maintenance required to ensure they remain functional working environments. This process uses tools such as the Five-Year Capital Improvements Plan, Jurisdiction Plans, and the CCMP. Additionally, we have looked to innovative funding options, such as public-private partnerships, to allow the AOC to do more with less.

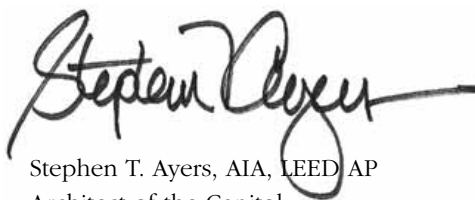
The AOC continues to take steps to improve its financial management. In our most recent financial statement audit, we received an unqualified audit opinion and cleared one material weakness. Despite these accomplishments, we recognize that a material weakness remains in the area of internal controls. Also, our independent audit resulted in a new material weakness related to imputed financing costs incurred on the AOC's behalf. We are working diligently to resolve these material weaknesses and we have a workplan in place to document our internal controls and review our control structure under the guidance of our established Senior Assessment Team. In addition, procedures will be implemented to disclose all imputed financing costs.

The AOC has also taken steps to address management and performance challenges identified by our Inspector General. In doing so, we have worked to foster open communication and transparency with Congress, our clients, and our colleagues. We pledge to continue to plan and adapt to meet these long-term challenges while providing a transparent review of our operations.

We are beginning to update our *Strategic and Performance Plan* to set new goals and priorities that will drive the AOC for the five years starting with FY 2012. By setting clear goals, based on industry benchmarks, we may continue adapting our organization to address modern facility management, security, safety, and energy challenges. Through such tools as our Strategic Plan, we strive to meet our mission to serve Congress, sustain the Capitol as a functional working facility, and preserve the historic buildings that are entrusted to our care.

It is with pride that we note the AOC's annual results described in this report. I provide my assurance that the AOC financial and performance data presented herein are complete, reliable, and accurate. It is a wonderful honor and privilege to have been confirmed to serve as the 11th Architect of the Capitol. I truly appreciate the trust that Congress and the President have placed in me and look forward to continued accomplishments as the AOC continues to transform to meet the challenges of being an excellent steward and provider of exceptional service.

Sincerely,



Stephen T. Ayers, AIA, LEED AP
Architect of the Capitol
January 12, 2011



SECTION I

MANAGEMENT'S DISCUSSION AND ANALYSIS

OUR HISTORY

The Architect of the Capitol was established over many years through a long series of legislative steps. Its origins may be traced to the *Residence Act of 1790*, which authorized the president to appoint a Board of Commissioners to design a federal city and “provide suitable buildings for the accommodation of Congress.” In its most significant action, the Board of Commissioners conducted a national competition for the design of the Capitol. The winning design from amateur architect Dr. William Thornton depicted a grand, three-story structure topped by a neoclassical dome. President George Washington laid the building’s cornerstone to celebrate the start of construction in 1793.¹ By 1800, the Federal government moved to the new city from Philadelphia and Congress took up residence in the Capitol’s north wing.

In 1802, Congress transferred the duties of the Board of Commissioners to a single Superintendent. In 1803, Congress appropriated funds to make repairs to the Capitol’s north wing and to begin work on the south wing, which was completed in 1807. Following the War of 1812, Congress authorized the borrowing of funds to repair the damaged public buildings and began repairs to the Capitol in 1815.

Due to the growth of Congress and the national needs, the Capitol has been enlarged from time to time. In 1850, Congress authorized the first major enlargement of the Capitol. Thomas U. Walter was named Architect of the Capitol Extension and served during most of this expansion. In 1865, Congress appointed Edward Clark, Walter’s assistant, as his successor. The enlargement was completed in 1868 under Clark’s supervision and tripled the size of the Capitol with two new marble wings and a new fireproof, cast-iron dome atop the old center structure.

The Commissioner of Public Buildings held responsibility for the care and maintenance of all public property including the Capitol and its grounds until 1867 when the position was abolished. The Commissioner’s duties were transferred to the Architect of the Capitol Extension.² Legislation passed in 1876



ABOVE: The last significant exterior renovation of the U.S. Capitol Dome, shown above, was performed in 1959 and 1960 when the ironwork was stripped of its paint so it could be primed with a rust inhibitor. **LEFT:** The octagonal fountain between the U.S. Capitol’s grand stairs was added to the Capitol terrace in 1889. Today, the AOC’s stewardship responsibility covers the maintenance and upkeep of this and other heritage assets.

recognized the Architect of the Capitol as a permanent part of the Legislative Branch.³

The AOC witnessed significant growth in its responsibilities during the 20th century. Clark’s successor, Elliott Woods, oversaw the early additions to the AOC’s facility holdings, with the construction of the Cannon House Office Building, Russell Senate Office Building, and the Capitol Power Plant. Subsequent years witnessed the acquisition and construction of several other major facilities. In 1922, Congress transferred responsibility for the care and maintenance of the Library of Congress building (now named the Thomas Jefferson

¹ Pierre L’Enfant was hired to design the Federal city and selected Jenkins Hill, on the elevated east end of the National Mall, as the Capitol’s location.

² The word “Extension” was subsequently dropped, simplifying the title to the “Architect of the Capitol.”

³ 40 USC §§162, 163.

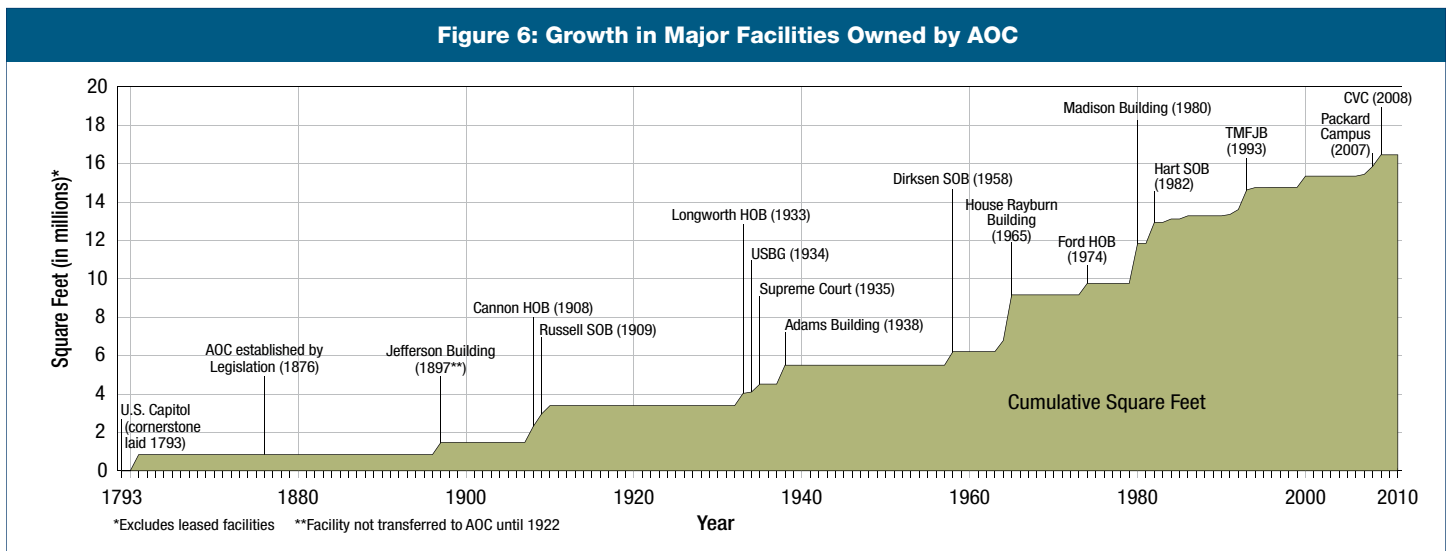
Building) to the AOC. The AOC received administrative responsibility for the U.S. Botanic Garden buildings in 1934. In 1935, the Supreme Court relocated to its building across from the Capitol's East Front and the AOC was assigned stewardship for this facility. The AOC also oversaw the Capitol's East Front extension (1955–1962) and West Front restoration (1983–1987), and construction of new Congressional office buildings⁴ during this era of tremendous growth.

Until 1989, the position of Architect of the Capitol was filled by presidential appointment for an indefinite term. Legislation now limits the Architect's term to 10 years.⁵ From 2007 through 2010, Stephen T. Ayers, AIA, LEED AP, served as Acting Architect of the Capitol. On May 12, 2010, he was confirmed to a 10-year term, becoming the 11th Architect of the Capitol and the second Architect appointed using this legislative process.

The AOC continues to expand as Congress authorizes the construction and acquisition of new buildings and adds to

the Capitol Grounds. Today, the AOC has a budgeted staff of approximately 2,600 employees who care for 16.5 million square feet of building space, 460 acres of grounds, 15 monumental buildings, plus dozens of other facilities. Most of the Capitol facilities are located on or near Capitol Hill. Some critical new additions, however, are located off-site.⁶ Figure 6 shows the growth of the AOC's facility stewardship responsibilities. The Appendices of this report include a complete list of the major facilities managed by the AOC.

Though the basic duties are unchanged, the AOC's work has become more diverse and sophisticated as its responsibilities have expanded. Keeping pace with fast-evolving technology, security needs, and sustainability requirements, while respecting the special requirements of historic buildings, are part of the present-day responsibilities of the AOC.



⁴ These include the Longworth and Rayburn House Office Buildings and Dirksen and Hart Senate Office Buildings.

⁵ 40 USC §162-1.

⁶ These additions include the Packard Campus for Audio-Visual Conservation in Culpeper, Virginia, and the Fort Meade Book Storage Modules in Anne Arundel County, Maryland.



Supreme Court Chief Justice John Roberts, Jr. administered the swearing in of Stephen T. Ayers, AIA, LEED AP, as the 11th Architect of the Capitol in the Old Senate Chamber of the U.S. Capitol on June 3, 2010.

Stephen T. Ayers Confirmed, the 11th Architect of the Capitol

Stephen T. Ayers, AIA, LEED AP, was nominated by President Barack Obama on February 24, 2010, and unanimously confirmed by the U.S. Senate on May 12, 2010, to the position of Architect of the Capitol. He will serve a full 10-year term and is only the 11th Architect of the Capitol in U.S. history. Mr. Ayers has served the AOC in various capacities since 1997, including leading the organization in an acting capacity from 2007 until his confirmation.

Until recently, the Architect's position was for an indefinite term. To promote greater accountability, legislation enacted in 1989 now provides for the Architect to be appointed by the President for a 10-year term from a list of three candidates recommended by a Congressional commission.⁷ Upon confirmation, the Architect becomes an official of the Legislative Branch and an officer and agent of Congress.

Under Mr. Ayers' interim leadership, the AOC oversaw the opening of the Capitol Visitor Center, supported the 56th Presidential Inaugural Ceremony, and made key investments in the AOC's workforce. Recent

initiatives have brought the AOC more than 20 peer awards that recognize high-quality, professional workmanship. During his confirmation hearings, Mr. Ayers remarked on the scope of his responsibilities: "This position of Architect of the Capitol is about more than drafting blueprints. It's more akin to managing and maintaining a small city comprised entirely of iconic buildings, a rich history, and a notable infrastructure."

While noting these accomplishments, the AOC recognizes that it must continue to improve, build strong relationships, and exceed expectations. Critical upcoming initiatives will include implementing a new strategic and performance plan, providing a well-balanced planning process to address the deferred maintenance and capital renewal backlog, and applying sustainable practices to reduce energy usage. Looking ahead, the AOC has also identified many pressing large-scale repair projects.⁸ How the organization plans and executes its work will be a major focus as the AOC aims for continued timeliness, accountability, and fiscal responsibility.

⁷ An additional 10-year reappointment is possible under this legislation.

⁸ These projects include the Cannon House Office Building renovation, Capitol Dome rehabilitation, and others.



LEFT: To support the continuing restoration in U.S. Capitol Room S-213, conservators opened paint “windows” to expose original colors and finish by removing layers of dark overpaint. **MIDDLE:** The AOC provides a wide range of professional services to preserve and enhance the Capitol. Its skilled workers include custodians, gardeners, electricians, plumbers, upholsterers, carpenters, painters, masons, and other craftspeople. **RIGHT:** An AOC stone mason repairs one of the Capitol’s mosaic floors.

OUR MISSION AND ORGANIZATION

Who We Serve

The Architect of the Capitol is the builder and steward of the Nation’s Capitol. The AOC ensures the effective and efficient management of the Capitol so that Congress and the Supreme Court may fulfill their duties in service to the Nation. This high-profile and historic setting creates a multitude of fast-moving challenges. The AOC appreciates the vital importance of its mission and is committed to meeting the needs of the members of Congress, Justices of the Supreme Court, Congressional and Court staff, dignitaries, members of the visiting public, and others who call on the Capitol every day. The AOC takes great pride in providing its professional expertise as steward of the Capitol and looks forward to meeting new requirements in the future.

Our Mission

The AOC’s mission is to provide Congress and the public a wide range of professional expertise and services to preserve and enhance the Capitol complex and related facilities.

Our Vision

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

Our Values

- **Service Excellence:** To provide superior service to our internal and external customers in a timely and efficient manner.
- **Stewardship:** To be responsible and accountable for the care of the national treasures and properties entrusted to us.
- **Integrity:** To be honest and sincere and to earn the trust of those we serve.
- **Professionalism:** To adhere to the highest standards of practice applicable to the work we do.
- **Creativity:** To be inventive and imaginative in the work we do.
- **Loyalty:** To be faithful to the interests of the AOC, the United States Government, and the public.
- **Respect and Diversity:** To value the differences in all people and demonstrate loyalty to those who bring to the job varied backgrounds, talents, abilities, knowledge, and skills.
- **Teamwork:** To work in a cooperative and coordinated way with others to achieve our mission.
- **Flexibility:** To be quickly adaptable to the needs of the Congress.



LEFT: Architect of the Capitol Stephen T. Ayers, AIA, LEED AP and CFC Campaign Manager Lisa Maltbie of the Human Capital Management Division accepted the Combined Federal Campaign’s Summit Award on behalf of the AOC. **RIGHT:** The AOC supports the Phelps High School in Northeast Washington, DC by voluntarily teaching courses in architecture and various trades to students interested in career fields related to the AOC’s work.

The AOC Shows Community Involvement

In FY 2010, the AOC showed outstanding service to the Washington, DC community across many activities. These include the AOC employees’ charitable giving, partnership with Phelps High School, and participation in the Operation Warfighter program.

The AOC Receives Combined Federal Campaign Awards

Thanks to the generosity of AOC employees, the organization raised over \$97,000 in charitable contributions during the 2009 Combined Federal Campaign (CFC)—exceeding the AOC goal of \$46,000. The CFC’s annual workplace charity campaign supports philanthropy through an employee-focused, cost-efficient, and effective federal program.

The AOC received numerous awards from the CFC of the National Capital Region as a result of its charitable giving. These include:

- **Summit Award:** Awarded to the AOC for a 59.9 percent increase in total dollars raised;
- **Participation Achievement Award:** Awarded to the AOC for a 49 percent employee participation increase;
- **President’s Award:** Awarded to two AOC offices for 75 percent employee participation or \$275 per capita gift;
- **Chairman’s Award:** Awarded to two offices for 67 percent employee participation or \$225 per capita gift;
- **Honor Award:** Awarded to one office for 60 percent employee participation or \$175 per capita gift; and,
- **Most Valuable Fundraiser Award:** Awarded to two AOC employees.

Partnership with the Phelps High School Continues

The AOC is proud of its growing partnership with the Phelps Architecture, Construction, and Engineering High School in Northeast Washington, DC. This is the second year the AOC has participated in teaching an architecture survey class, and has contributed to courses on architecture history and various trades. All AOC jurisdictions are participating in this partnership: nine jurisdictions are contributing teachers and the U.S. Botanic Garden helped establish a school greenhouse. AOC employees who were unable to assist by teaching courses have contributed by providing Capitol tours for the students’ annual field trip.

Looking ahead, the AOC plans to expand its involvement with the Phelps School by providing student internship opportunities. This collaboration allows AOC staff to share their expertise with area students who are studying to enter career fields related to the AOC’s work.

Participated in Internship Program for Wounded Servicemen

The AOC participated in the Department of Defense’s Operation Warfighter internship program that provides temporary work assignments for wounded servicemen and women who are recovering at military treatment facilities. To date, the AOC has hosted five veterans in temporary positions throughout the Agency. The AOC also received authority to hire, under special circumstances, disabled military veterans through a non-competitive process.

Our Organization

The AOC is a nonpartisan, professional services office of the Legislative Branch. The organization is led by the Architect of the Capitol (the Architect), who is appointed by the President and confirmed by the U.S. Senate. The Architect serves as an official of the Legislative Branch, acting as both an officer and agent of Congress.⁹

The AOC provides a wide range of professional expertise and services to preserve and enhance the Capitol. The AOC serves Congress behind the scenes by anticipating and meeting their daily operational and facility needs. The AOC preserves the Capitol's historic legacy while providing Congress a safe, comfortable, and efficient building environment. In addition to its facilities management services, the AOC manages

⁹ The Architect also serves as a member of several governing or advisory bodies, including: the Capitol Police Board, Congressional Accessibility Services Board, Advisory Council on Historic Preservation, National Capital Memorial Advisory Commission, and the District of Columbia Zoning Commission. The Architect also serves as an *ex-officio* member of the United States Capitol Preservation Commission and the National Building Museum and as the Acting Director of the U.S. Botanic Garden under the Joint Committee on the Library.

new construction, repair and renovation projects, as well as visitor services and retail gift shop operations at the Capitol Visitor Center (CVC).

The AOC's skilled employees are its most important resource. They are responsible for the daily operations throughout the Capitol and each employee's contribution is essential to the AOC's success. The AOC is organized around 10 jurisdictions, plus several general administrative functions. The AOC's diverse workforce is comprised of skilled laborers including custodians, gardeners, electricians, plumbers, upholsterers, carpenters, painters, masons, and other craftspeople. General administrative functions provide AOC-wide services such as accounting, human resources, and project management. The AOC organization chart is shown in Figure 7.

The AOC's workforce has grown to meet its expanding responsibilities. Today, the AOC has a budgeted staff of approximately 2,600 Full-Time Equivalents (FTEs). Figure 8 details the distribution of on-board FTEs across the organization as of September 30, 2010 and 2009.



Stewardship is one of the AOC's core values. This value ensures that the AOC is responsible and accountable for the care of the national treasures and properties entrusted to it.

Figure 7: The AOC Organization Chart

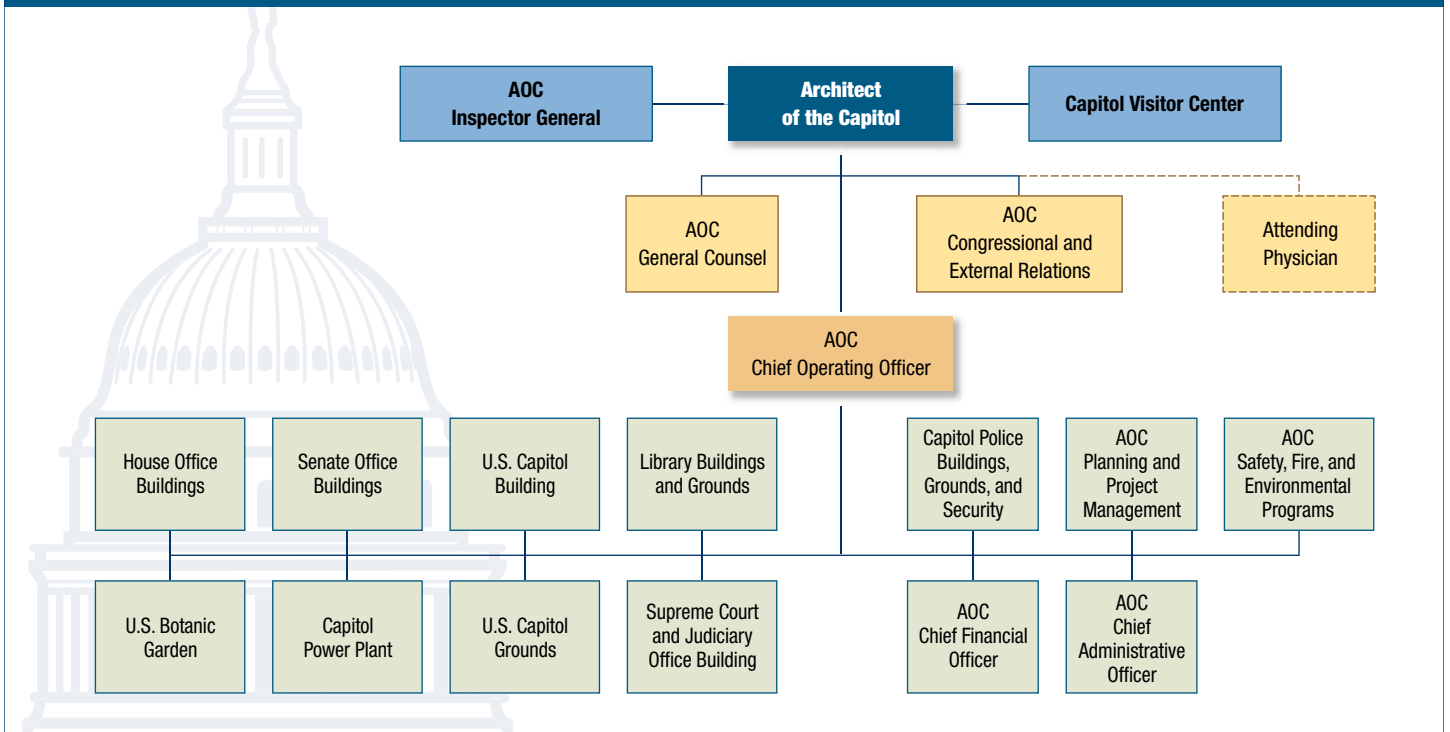
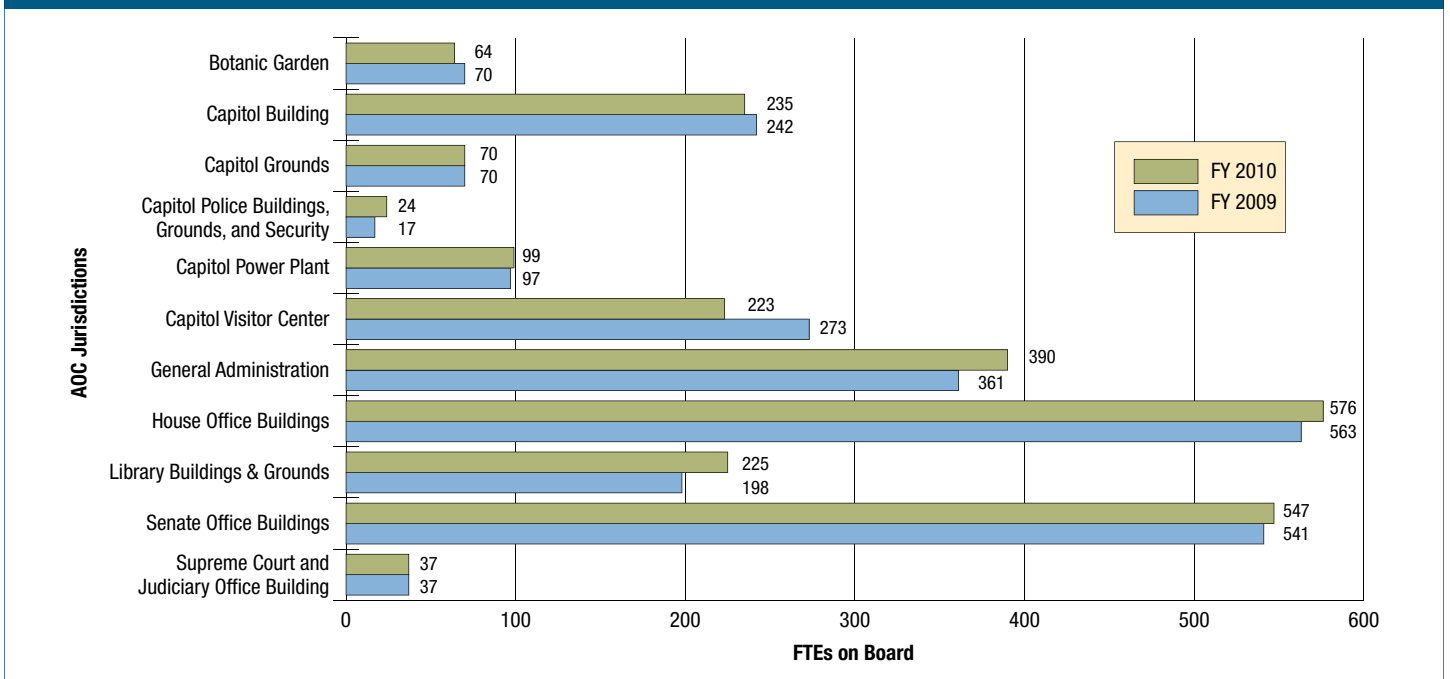


Figure 8: Actual FTEs by AOC Location on September 30, 2010 and 2009





The AOC received the 2010 Award for Outstanding Commitment to the Preservation and Care of Collections, presented annually by Heritage Preservation and the American Institute for Conservation of Historic and Artistic Works. The photo depicts Architect of the Capitol Stephen T. Ayers and Curator Barbara Wolanin with the Curator Division staff.

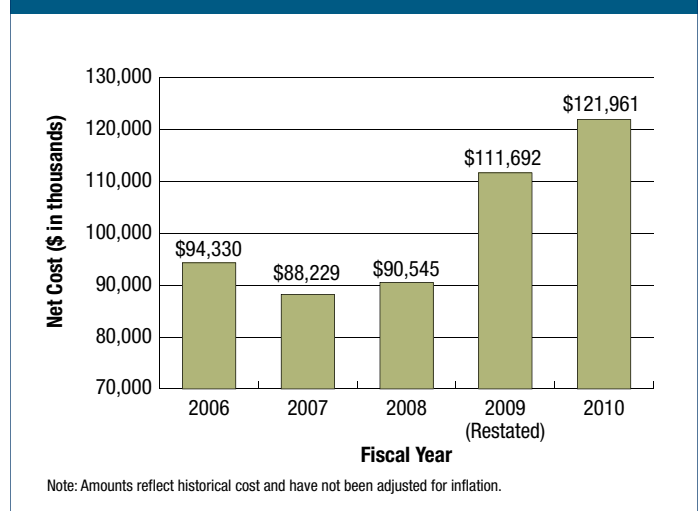
GENERAL ADMINISTRATIVE AND CENTRAL MANAGEMENT FUNCTIONS

The management and administrative offices, or central staff, support the entire AOC organization. These central offices include the following functions: human resources, budgeting and accounting, project planning and management, procurement, information systems, safety, and curatorial services, among others. The largest AOC general administrative offices are the:

- AOC Chief Operating Officer;
- AOC Chief Financial Officer;
- AOC Chief Administrative Officer;
- AOC Planning and Project Management;
- AOC Safety, Fire, and Environmental Programs;
- AOC General Counsel; and
- AOC Congressional and External Relations.

In addition, the AOC supports the Capitol through its Front Office, Attending Physician and Inspector General. Figure 9 provides a summary of the General Administrative Offices' net cost of operations for FY 2006 through FY 2010.

Figure 9: Net Cost of Operations by Fiscal Year



AOC Chief Operating Officer

The AOC Chief Operating Officer is responsible for programs and initiatives associated with strategic planning, performance management, worker safety, customer satisfaction, and service quality. Towards the close of FY 2010, the AOC filled the vacant Chief Operating Officer (COO) leadership position. The COO helps the Architect better meet the needs of its customers by making the AOC a more strategic and accountable organization.

AOC Chief Financial Officer

The AOC Chief Financial Officer (CFO) is responsible for financial stewardship at the AOC. This includes accounting policy, operations, and reporting; managerial cost accounting; budget formulation and execution; financial systems management; and internal controls. This office oversees the operations of three divisions (*Accounting, Budget, and Financial Systems*) and the AOC's *Internal Controls Manager*.

AOC Chief Administrative Officer

The AOC Chief Administrative Officer (CAO) provides administrative support for the AOC and includes six divisions: Business Transformation, Curator, Human Capital Management, Information Technology, Office Services, and Procurement. The CAO's *Business Transformation Division* provides the organization with strategic planning, organizational analysis, and quality management. The *Curator Division* includes a Records Management and Archives Branch, which manages the AOC's historic records and oversees the care and conservation of architectural, fine and decorative art, and a Photography Branch, which documents Capitol events and projects and maintains the AOC photographic archive. The *Human Capital Management* and *Information Technology Divisions* are dedicated to serving the AOC's human capital needs and information technology resources, respectively. The *Office Services Division* is responsible for mail services, office supplies, printing, and flag replacement and disposal. Finally, the *Procurement Division* is responsible for acquisition management, including a small business program recently developed with the assistance of the U.S. Small Business Administration (SBA).

AOC Planning and Project Management

The AOC Planning and Project Management (PPM) is a central support organization which provides architecture and engineering design, project and construction management, and in-house construction services. PPM includes five divisions: Project Management, Design Services, Technical Support, Facilities Planning and Programming, and Construction. The *Project Management Division* is responsible for managing the design and construction of projects and providing design and construction expertise for new or leased facilities. The *Design Services Division* provides architectural and engineering design services, stewardship oversight, and project management. The *Technical Support Division* is responsible for project technical support such as cost control, construction specification, master scheduling, and computer-aided design systems. The *Facilities Planning and Programming Division* manages AOC capital planning



Changes made to the AOC's Audit Committee membership and Charter this fiscal year will help provide a fresh look at the organization's financial management and internal controls.

Audit Committee Changes Improves Oversight at the AOC

The AOC made key changes to its Audit Committee membership and Charter this fiscal year to strengthen the oversight and fiscal performance of the organization. The Audit Committee provides oversight for financial reporting, internal controls and audit activities.

This year, the AOC made several changes to the composition of its Audit Committee. The Architect elevated John D. Webster, CPA, CGFM, to a one-year term as Chair for the FY 2010 audit cycle. Mr. Webster has served on the Committee since its 2003 inception. The Architect also appointed two new members to the Committee, John Griffin, CPA and Jeffrey Alan Smith, CPA, CGFM. In addition to the Committee's three voting members from outside the organization, the AOC's Chief Financial Officer and Inspector General also serve as non-voting members.

The Architect also updated the Committee Charter using the *Toolkit for Government Audit Committees* issued by the American Institute of Certified Public Accountants (AICPA). This best practice industry tool helps government audit committees manage their organization role. Committee members will also be asked to conduct a self-evaluation at the end of each audit cycle, using the AICPA Self-Evaluation Tool, to help the AOC address current and emerging financial issues and implement new ideas. The changes made to the AOC's Audit Committee membership and Charter will provide a fresh look at the organization's financial management and internal controls.



ABOVE: The AOC Safety, Fire, and Environmental Programs establishes policy, conducts oversight to ensure the agency is compliant with safety, fire, and environmental laws and regulations, and provides a safe and healthy work environment. Here, a safety officer provides an emergency egress tour at the U.S. Capitol for new Congressional staff. **RIGHT:** An AOC contractor pressure washes the U.S. Capitol as part of the Capitol Dome interim painting project.

and improvements and is responsible for Facility Condition Assessments, the Capital Improvements Plan, and the Capitol Complex Master Plan. Finally, the *Construction Division* provides in-house construction and facility management support for urgent, minor construction needs.

AOC Safety, Fire, and Environmental Programs

The AOC Safety, Fire, and Environmental Programs (SFEP) establishes policy and conducts oversight to ensure the AOC is compliant with safety, fire, and environmental laws and regulations and coordinates emergency planning and preparedness. SFEP includes a *Safety and Environmental Division* and a *Fire Marshal Division*. The Office is the primary point of contact with external regulatory agencies for the AOC's occupational safety and health, fire protection, and environmental matters.

AOC General Counsel

The AOC General Counsel (GC) provides legal counsel to the Architect, senior staff and others within the organization on matters involving procurement, contract claims, litigation, real property, the environment, employment, labor, occupational safety and health, and torts. GC serves as the AOC's supervising ethics office, reviews financial disclosure forms, represents the organization in administrative hearings, and arranges for legal representation by the Department of Justice in judicial proceedings.

AOC Congressional and External Relations

The AOC Congressional and External Relations is responsible for strategic communication initiatives, legislative affairs, and media and community relations. It oversees communications with Members of Congress and their staff; exchanges with external parties such as the press, government agencies, and the public; the establishment of AOC communication standards; and internal communications.

Attending Physician

The Attending Physician includes several Health Units throughout the Capitol and provides primary care, emergency, environmental, and occupational health services in support of the Capitol, Supreme Court, visiting dignitaries, pages, staff, and tourists.

AOC Inspector General

The AOC Inspector General (IG) is responsible for supporting the integrity, efficiency, and effectiveness of AOC activities by conducting internal audits and investigations and reviewing existing policy and legislation related to the AOC. The IG makes recommendations to promote economy and efficiency, prevents and detects fraud and abuse, and informs the Architect of its findings. The IG also prepares Semiannual Reports to Congress. These required reports communicate AOC IG activity to the Architect and to Congress.







JURISDICTIONS AND MISSION AREAS

ABOVE: For the AOC, sustainability is simply a smart way of doing business. In all activities, the AOC strives to improve energy efficiency and reduce consumption of natural resources while also saving taxpayer dollars.

LEFT: The Architect of the Capitol serves as steward of the U.S. Capitol Building and all related facilities on behalf of the Congress. AOC operations are assigned to jurisdictions, which are responsible for a designated physical area of the Capitol.

The Architect of the Capitol has oversight responsibility for several jurisdictions across the Capitol complex. Each jurisdiction is responsible for a designated area as follows:

TABLE 3: List of AOC Jurisdictions

AOC Jurisdictions
Botanic Garden
Capitol Building
Capitol Grounds
Capitol Police Buildings, Grounds, and Security
Capitol Power Plant
Capitol Visitor Center
House Office Buildings
Library Buildings and Grounds
Senate Office Buildings
Supreme Court and Judiciary Office Building

The AOC jurisdictions play a unique role in fulfilling the organization’s mission and meeting the goals outlined in the *Strategic and Performance Plan* (see *Section II: Performance Information* for detail on the specific performance targets for FY 2010). The historic nature and high profile of many of the facilities managed by the AOC creates a complicated environment for AOC to carry out its mission. The AOC must balance the diverse needs of Congressional leaders, committees, members, staffs, and the visiting public.

Each jurisdiction and their individual mission responsibilities, fiscal year accomplishments, and priorities for next year are presented in this section of the Management’s Discussion and Analysis. In addition, a brief sidebar focuses on a unique project, program, or milestone for each jurisdiction.



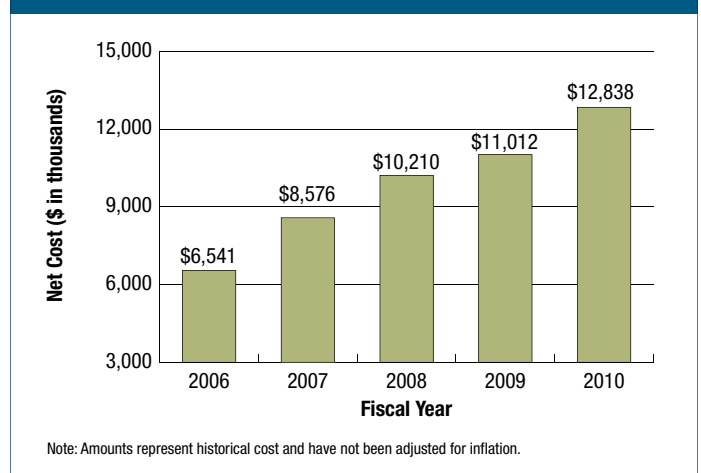
LEFT AND RIGHT: During the annual holiday season, the U.S. Botanic Garden Conservatory presents a unique exhibit featuring model trains, poinsettias, and replicas of Washington, DC's most iconic landmark buildings. **MIDDLE:** In fiscal year 2010, the U.S. Botanic Garden, represented above by Holly Shimizu, Executive Director, received the Award for Program Excellence for the Sustainable Sites Initiative from the American Public Gardens Association.

BOTANIC GARDEN

Congress established the U.S. Botanic Garden (USBG) in 1820 and it is overseen by the Joint Committee on the Library. In 1934, the Joint Committee on the Library designated the AOC with responsibility for the maintenance, operation, and construction improvements for the Botanic Garden. Public areas of the USBG include the Conservatory and approximately eight acres of surrounding outdoor gardens comprised of the National Garden and the outdoor display gardens in Frédéric Auguste Bartholdi Park. The jurisdiction also includes an administration building, a plant production and support facility that has 36 greenhouse bays, outdoor nursery areas, storage, and maintenance shops.

The USBG serves Congress with its stewardship of a large, diverse plant collection. The jurisdiction provides constituent tours and expertise and education in botany, botanical illustration, sustainable landscapes, horticulture, and plant sciences. Congressional events occur periodically in the Conservatory. The USBG is a public plant museum whose stewardship highlights the value of plant diversity and sustainable practices. The USBG offers educational programs, tours, exhibits, consultations and a national partnership program that provides conservation leadership and environmental and botanical education. USBG daily operations are managed by the Executive Director. Figure 10 provides a five-year summary of the USBG's net cost of operations.

Figure 10: Botanic Garden Net Cost of Operations



Key Accomplishments in Fiscal Year 2010

Completed Sustainability Initiatives

In keeping with its commitment to sustainability, the USBG completed an energy audit of its operations, installed energy-efficient windows at the Production Facility, purchased an electric vehicle, and installed solar faucets in the Conservatory restrooms. The USBG also completed a demonstration rain garden that will annually divert an estimated 25,000 gallons of rain water. The jurisdiction helped publish the *Case for Sustainable Landscapes and Sustainable Sites Initiative, Guidelines and Performance*

Benchmarks. The Sustainable Sites (SITES) program encourages environmental stewardship. Over 165 projects from 34 states were selected to work with SITES as pilot projects.

Renovated Administration Building Interior

Phase one of the renovation of the 1932 Administration Building was substantially completed in FY 2010. The USBG installed energy-efficient heating, ventilation and air conditioning units and lighting, updated the wiring and circuitry, and eliminated exposed asbestos and lead-based paint. The restroom was upgraded to make it Americans with Disabilities Act (ADA)-compliant. The AOC took extensive care to maintain the architectural integrity of the building's interior. Phase two of the renovation began in the summer of 2010 and focuses on the building's exterior.

Maintained Facilities and Operations for Greater Efficiency

The USBG has placed special focus on maintaining efficient functions and upgrading its systems and operations due to evolving staff structure, limited office space, aging facilities and systems, advancing technology, and public wear on the Conservatory. In addition to its preventative maintenance program, the USBG replaced the shade cloth system in the greenhouses and upgraded to energy-efficient windows. At the Conservatory, they refinished main support columns, replaced more than 125 panes of glass, and repaired electrical receptacles that were damaged during the February snowstorms.

What's Next? Fiscal Year 2011 Priorities

The jurisdiction has established priorities for the upcoming fiscal year that support the overall mission of the AOC. These initiatives are discussed below.

Reduce Energy Use

Evaluate and implement viable energy-savings strategies identified in separate 2010 energy and sustainability studies conducted by an independent consultant and the Environmental Protection Agency.

Develop Business Plan

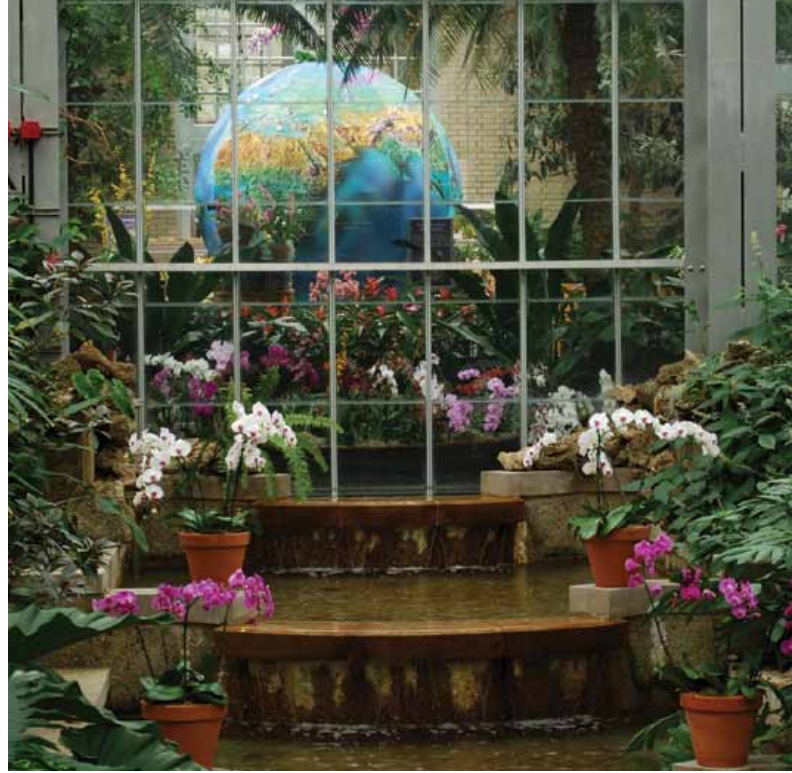
Complete a new five-year business plan that focuses on the USBG's mission, such as improved efficiency and transparency in garden operations.

Complete Bartholdi Park Master Plan

Complete a new landscape master plan and corresponding interpretive plan for Bartholdi Park, to include a celebration of the Bartholdi Fountain restoration.

Complete Terrace Garden Redesign Project

Redesign the Terrace Garden to restore plant biomass to the landscape, reduce lawn space, and reduce storm water runoff.



FOCUS ON

USBG Hosts Popular Orchids Exhibit

The U.S. Botanic Garden Conservatory hosted the exhibit, *Orchids: A Cultural Odyssey*, from February 6 through April 16, 2010, in the Garden Court and East Gallery of the U.S. Botanic Garden Conservatory in Washington, DC. This exhibit was free to the public and featured over 5,000 orchid specimens within educational displays to demonstrate the influence of orchids on art, food, and mythology. As in past years, the exhibit was a collaborative effort involving the Botanic Garden and the Smithsonian Gardens.

This informational exhibit provided insight into how orchids influence the fine arts, commerce, jewelry, popular culture, and academics. The exhibition of orchid stamps, art, and other collections was punctuated by a timeline charting the discovery of orchids and their appearance on stamps around the world. The Conservatory's Garden Court featured hundreds of orchids adorning educational displays that highlighted orchid eco-tourism, their culinary uses, mythology, and global distribution. Displays also showcased new techniques that have made possible the mass production of orchids.

This educational exhibit is one of the USBG's most popular and colorful shows. The 2010 exhibit attracted approximately 100,000 visitors despite record snows and storm damage that closed the Conservatory for the exhibit's first week. The USBG exhibits its orchid collection annually, in conjunction with the Smithsonian Institution, and the display is hosted at the USBG biennially.



LEFT AND MIDDLE: The Capitol Building jurisdiction supports Congress' legislative operations and assists Congressional and Committee staff, business visitors and the general public while preserving, protecting, and enhancing the historic U.S. Capitol—one of the most architecturally impressive buildings in the world. **RIGHT:** The current phase of the Capitol Dome Rehabilitation project provides an interim coat of white paint that is tinted to match the Dome's historic color and designed to preserve and weatherproof the exterior.

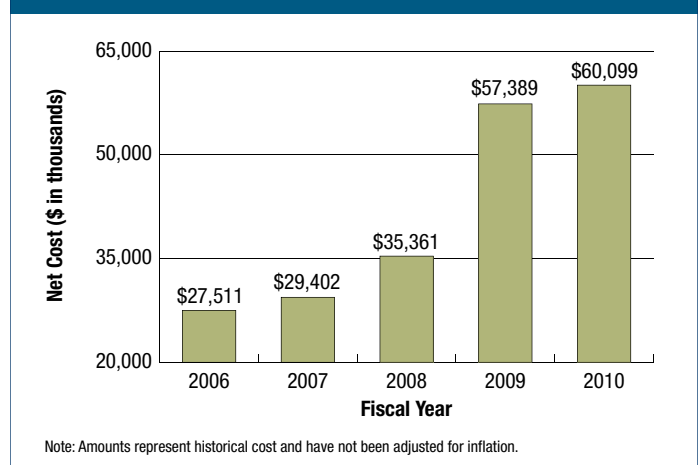
CAPITOL BUILDING

The U.S. Capitol is one of the most architecturally impressive buildings in the world. It is recognized as a symbol of freedom and democratic government. The Capitol is a working building for the Legislative Branch and has been the meeting place for the Congress for over two centuries. Its historic rooms, halls, and ceilings also serve as a showcase for American art.

The care and stewardship of the Capitol Building jurisdiction (CB) is entrusted to the Capitol Building Superintendent. The Superintendent's daily operations focus on client services, facility maintenance and repair, fire detection and protection management, occupational health and safety management, construction project management, special events coordination, and flag office operations for the U.S. Capitol and the Capitol Visitor Center (CVC).

The CB continually strives for excellence in serving Congress. It supports its legislative operations and assists Congressional and Committee staff, business visitors and the general public while preserving, protecting, and enhancing the historic Capitol. Figure 11 provides a five-year summary of the CB's net cost of operations. Facility maintenance for the 580,000 square foot CVC partially accounts for the spike in net operating costs during FY 2009 and FY 2010. The costs should remain relatively stable at the FY 2010 level going forward.

Figure 11: Capitol Building Net Cost of Operations



Key Accomplishments in Fiscal Year 2010

Work began on the interim painting phase of the Capitol Dome this fiscal year (see *Focus On... Capitol Dome Rehabilitation*). Other key accomplishments are identified below.

Remodeling and Renovation of the Capitol Continued

The AOC completed the renovation of several areas of the Capitol during FY 2010. The renovated areas include meeting spaces for Congressional Caucuses and Committees and private House and Senate offices. These renovations greatly

improved the building infrastructure including its telecommunications and systems functionality and brought the renovated spaces up to life-safety and fire code standards.

Roof Fall Protection Completed

The AOC modified the Capitol's roof fall protection system to meet the latest life-safety codes. This effort included the north, south, west and east sections of the roof. The modification included the installation of numerous anchor supports and the addition of a new life-line system. With these improvements, the Capitol's roof fall protection system is certified for use under safety regulations.

House Chamber Rostrum Lift Installed

The AOC completed the installation of the newly-engineered lift system in the U.S. Capitol House Chamber. This lift required a modification to the existing House Chamber Rostrum to provide mobility-impaired individuals with access. The installation brought the Rostrum into full ADA compliance and, for the first time in the Chamber's history, a House Member in a wheelchair presided over a House session.

What's Next? Fiscal Year 2011 Priorities

The jurisdiction has established priorities for the upcoming Fiscal Year that support the overall AOC mission. These initiatives are discussed below.

Accomplishment of Energy Savings Initiatives

Upgrade the heating, ventilation and air conditioning (HVAC) control system to modern Direct Digital Controls to efficiently control temperature, humidity, and carbon monoxide; replace air handling units and ductwork for higher efficiency ventilation; and retrofit existing lighting fixtures with compact fluorescent or LED light bulbs. These projects are performed under an Energy Savings Performance Contract to help the AOC meet its mandatory energy reduction targets.

Air Handling Unit and Fan Replacement, Phase I

Install new modular and energy efficient air handling units to accommodate the demands of a high-performance HVAC system and the Capitol's higher occupancy levels. The new units will replace the existing air handling units that are at least 60 years old.

Capitol Dome Rehabilitation: Phase IC—Dome's Skirt

Abate the existing lead-based coatings, repair damaged ironwork, and provide a new high performance protective coating to adequately protect the historic structure from additional damage. The ironwork at the Dome's skirt level is particularly vulnerable to water and rust damage as it is exposed to the elements on both the exterior and interior surfaces.



FOCUS ON

Capitol Dome Rehabilitation

The AOC has preserved and sustained the Capitol Dome throughout its more than 150 years of existence. During FY 2010, the AOC entered phase IB, interim painting, in the Capitol Dome Rehabilitation project. This long-term project will preserve and protect the historic, cast-iron "Walter Dome" until later stages when a more comprehensive restoration will take place.

The overall phased restoration includes removing the Dome's exterior paint, repairing the Dome's ironwork and resealing and repainting the ironwork with an epoxy and urethane paint system. The current phase provides an interim coat of paint that is tinted to match the Dome's historic color and designed to preserve and weatherproof the structure. The next phase (FY 2011) will focus on the Dome's skirt and is anticipated to be completed in calendar year 2012. This phase will abate the existing lead-based coatings, repair or replace damaged ironwork, and provide a protective coating to prevent further damage.

The major rehabilitation of the Dome's exterior and the interior Rotunda surfaces will occur in future phases. All damaged or missing pieces of the exterior will be replaced, repaired, and recast. The Dome will undergo extensive lead paint abatement, and then primed, resurfaced, and repainted. The gutters and windows will be repaired or replaced and an electrical bird-deterrent system will be installed. The interior Dome work includes the removal and replacement of the duct work and the mechanical, electrical, and interior lighting systems. New communication, fire alarm, and art and air monitoring systems will be installed as well.



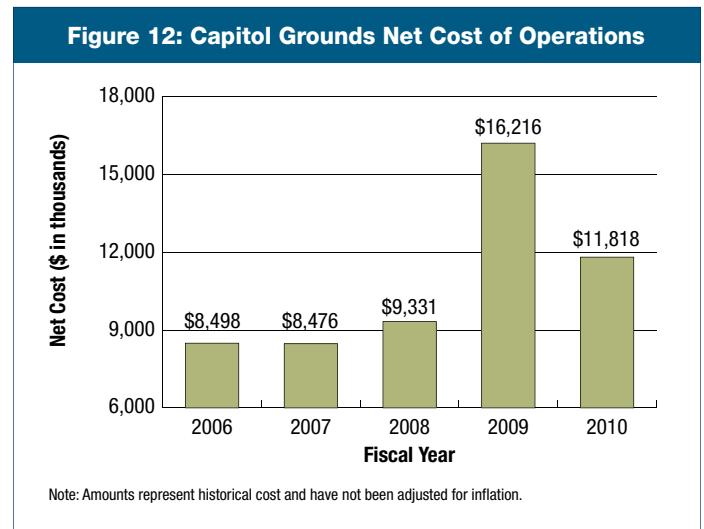
LEFT: The AOC is responsible for snow removal at the U.S. Capitol. The campus includes eight miles of roads, 11 miles of sidewalks, and 19 acres of parking lots. **MIDDLE AND RIGHT:** On a daily basis, the Capitol Grounds' staff is involved in routine and cyclic landscape maintenance such as mowing lawns, weeding and watering seasonal plantings, and comprehensive tree care.

CAPITOL GROUNDS

The Capitol Grounds jurisdiction (CG) is responsible for preserving and maintaining approximately 274 acres of landscape, including plantings and infrastructure, across Capitol Hill. The Capitol's original Grounds encompassed a 31-acre parcel. By 1872, Congress acquired land to enlarge the Grounds and, two years later, Frederick Law Olmsted was hired to oversee their expansion and create grounds that appropriately reflected the Capitol's grandeur. Olmsted designed a circular pattern of walkways and drives with open lawns and tree plantings. His design sought to create a peaceful, open, park-like landscape that would welcome visitors and provide a dignified setting for the Legislative Branch.

On a daily basis, CG staff is involved in routine and cyclic landscape maintenance such as mowing lawns, weeding and watering seasonal plantings, comprehensive tree care, as well as the upkeep of the Grounds' supporting features, infrastructure, vehicles, and equipment. Much of its support work is directed toward the maintenance of miles of sidewalks, drives, and parking lots, operation of irrigation systems and ornamental fountains, and the preservation and maintenance of historic walls. The CG also provides snow and ice removal, trash collection, and a campus shuttle bus service. CG support for major events on the Capitol Grounds (such as the annual December Capitol Christmas Tree Lighting Ceremony on the Capitol's West Front lawn) includes the setup of security

fencing and a variety of tasks in an effort to provide a safe and aesthetically pleasing experience for Capitol visitors. Figure 12 provides a five year summary of the CG's net cost of operations.



Key Accomplishments in Fiscal Year 2010

The CG provided snow emergency service efforts to ensure the continuation of Congressional operations (see *Focus On... Crews Respond to 2010 Blizzards*). Other key accomplishments are noted below.



FOCUS ON

Crews Respond to 2010 Blizzards

The Architect of the Capitol is responsible for snow removal across the Capitol, which includes eight miles of roads, 11 miles of sidewalks, and 19 acres of parking lots. This past winter, snow removal was made even more difficult by the record breaking snowfall in December 2009 and back-to-back blizzards in February 2010. These events dumped over 30 inches of snow on the Capitol.

During the snowstorms, while the rest of the Federal government was shut down, 444 AOC employees logged over 34,000 hours to keep the Capitol accessible. Operations were maintained around the clock for multiple days to ensure passable roads and walkways so that Congress could continue working. In addition, AOC staff supported those keeping the Capitol clear by paying the bills, providing supplies, ensuring that administrative functions were taken care of, and providing enough heat. After the storms, the AOC worked for several weeks to remove over 22 million pounds of accumulated snow and repair damage caused by the snow removal operations. Despite the large snow cleanup effort, the AOC reported limited damage to AOC buildings. The AOC employees initiated the repair of damage requiring immediate attention as part of this cleanup effort.

The AOC employees received recognition for their efforts in maintaining the Capitol during the snowstorms. Stephen T. Ayers, the Architect of the Capitol and several members of Congress held ceremonies in the Senate's Dirksen Building to thank the workers. Ceremonies included thanks from Chairman Charles Schumer of the Senate Committee on Rules and Administration and Chairman Robert Brady of the Committee on House Administration.

Resurface Independence Avenue

The AOC resurfaced Independence Avenue from Third Street, SW to Second Street, SE. This project began with a study to determine the subsurface condition. The AOC removed the old asphalt, repaired the underlying concrete slabs, applied overlay pavement, and re-leveled utility manhole structures. The final surface overlay and striping was completed in September 2010.

Expanded Outdoor Recycling Program

The AOC expanded the outdoor recycling program to compensate for increased visitation around the Capitol. The CG procured a new trash packer truck to assist in the recycling of green wastes and pedestrian trash. The CVC was provided with temporary recycling bins for bottles and cans. New recycling containers were ordered and provided across the entire campus.

Implemented Water Management and Conservation Practices

The CG initiated a pilot project to improve the quality of storm water runoff from streets and parking lots. Approximately 10 representative locations were fitted with screens and absorbent filters to collect solid trash and hydrocarbons from the runoff. The accumulated materials were periodically collected and analyzed. Also, the irrigation system was modified with low output irrigation heads at various Capitol locations.

What's Next? Fiscal Year 2011 Priorities

The jurisdiction has established priorities for the upcoming fiscal year that support the overall mission of the AOC. These initiatives are discussed below.

Expand Sustainability Practices

Continue to expand horticultural-based improvements, such as the reduction and improved management of irrigation water, low nitrogen fertilizers, and alternative-fueled grounds equipment and vehicles.

Complete Phase II of the Cultural Landscape Report

Complete phase II the comprehensive, scholarly review of the area's landscape history, including both hardscape and horticultural components for the Senate parks. The report will provide comprehensive recommendations for grounds restoration and ongoing preservation maintenance planning.

Begin Storm Water Management Project

Initiate the first and second phases of this four-part project to document existing sub-surface infrastructure and consolidate and update utilities and provide recommendations. The study will serve as a roadmap for storm water measures impacting future project implementation on the Capitol Grounds.



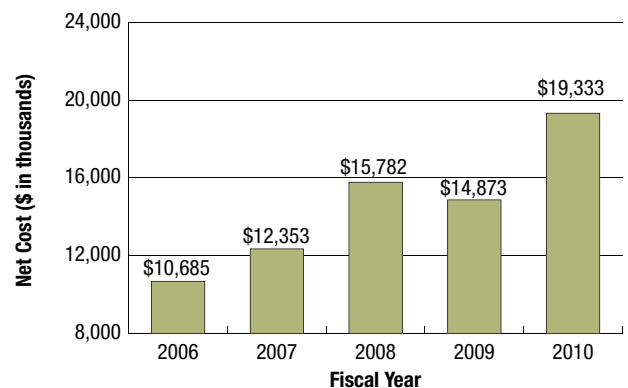
LEFT AND MIDDLE: The AOC's Office of Security Programs supports security for the U.S. Capitol and grounds and also is responsible for the maintenance, care, and operations of the U.S. Capitol Police's buildings, grounds, and security enhancements. **RIGHT:** During FY 2010, multi-year negotiations were completed to purchase the Vehicle Maintenance/Hazardous Device Unit Facility. This facility houses a workshop, maintenance shop, and vehicle storage area for the U.S. Capitol Police.

CAPITOL POLICE BUILDINGS, GROUNDS, AND SECURITY

The AOC's Office of Security Programs (OSP) manages the Capitol Police Buildings, Grounds, and Security (CPBG&S) appropriation. The OSP is responsible for AOC security operations and the maintenance, care, and operation of the buildings, grounds, and security enhancements of the U.S. Capitol Police (USCP), the Alternate Computer Facility (ACF), and other related facilities. The facilities that fall under the jurisdiction's stewardship are listed in an Appendix to this report.

The AOC oversees and supports the USCP and other security functions for policing, protecting, and securing the Congressional community and its visitors. OSP is responsible for the delivery of unique, value-added, integrated support services that include the delivery of all cross-jurisdiction security enhancements, the management of all AOC internal security programs and perimeter security kiosks and the coordination of interagency emergency preparedness. Figure 13 provides a five-year summary of the jurisdiction's net cost of operations. The increased FY 2010 operating costs may be attributed to a deferred maintenance backlog, new facilities and equipment, and an increase in client requests.

Figure 13: Capitol Police Buildings, Grounds, and Security Net Cost of Operations



Note: Amounts represent historical cost and have not been adjusted for inflation.

Key Accomplishments in Fiscal Year 2010

Acquired New Property for AOC

The District of Columbia acquired 12 acres of undeveloped property in Prince George's County, Maryland, for the AOC.¹⁰ In addition, multi-year negotiations were completed to purchase the existing leased 23,000 square foot USCP Vehicle Maintenance/Hazardous Device Unit Facility. Permanent acquisition of this facility is critical to maintain a prompt response

¹⁰ This purchase is in accordance with P.L.109-396, *Federal and District of Columbia Government Real Property Act of 2006*



FOCUS ON

U.S. Capitol Police Radio Modernization

The AOC provides key ongoing support to the U.S. Capitol Police (USCP), and has continued efforts to upgrade the USCP's radio system. The system will accomplish many objectives:

- **Interoperability**—the radio system will be interoperable with local emergency response and law enforcement agencies;
- **Coverage**—the system will expand coverage of USCP radios within the office buildings to 95 percent of the floor space;
- **Reliability**—the radio system will be robust and fault tolerant; and
- **Security**—the new system will ensure secure communications for daily operations and emergencies.

The AOC manages the design and construction of all space requirements for the new digital system. Implementation will require facilities to house the necessary equipment. These facilities will consist of an 8,500 square foot primary dispatch and data center and a 5,800 square foot mirror site. Construction of the primary dispatch and data center began this fiscal year and is 50 percent complete.

The primary and mirror dispatch and data centers will have redundant systems to ensure uninterrupted operability. They will have primary and secondary cooling systems and multiple power feeds and backup electrical sources. In addition, equipment locations throughout the Capitol complex have been designated to house the remote units. Completion of all infrastructure work will occur in December 2011 while the radio modernization program is projected for early-FY 2013.

time. An owner-signed contract has been received, although the property purchase will not be finalized until early 2011.

Enhanced Security Infrastructure at the Capitol

The AOC began developing a Security Infrastructure Master Plan to support the USCP's emergency preparedness and security missions. This plan will capture both the existing security infrastructure and future requirements.

Installed Power Redundancy in Data Centers

Power redundancy was added to the ACF data centers and a second power module was installed in an uninterruptible power supply system that doubled capacity and will provide the capability to handle additional electrical loads in the event of a power outage. The AOC also completed engineering drawings to provide redundant power to the Main Distribution Frame, the AOC and Library of Congress data centers, and the Senate Switch. Construction began on this project in FY 2010.

Executed Snow Removal Services during the 2010 Blizzards

The Office of Security Programs assisted with snow removal during the two major snowstorms that covered Capitol Hill in February 2010. The jurisdiction worked around the clock to dispatch equipment and provide critical labor support to ensure that all security equipment was clear and operable. Work included clearing sidewalks and parking lots for all USCP-occupied facilities and providing equipment to help clear snow from Congressional parking lots and roadways. OSP also provided maintenance support to ensure that critical operations remained intact.

What's Next? Fiscal Year 2011 Priorities

The jurisdiction has established priorities for the upcoming fiscal year that support the overall mission of the AOC. These initiatives are discussed below.

Develop an AOC-Wide State of the Union Plan

Develop an AOC-wide plan that proactively projects budget and scheduling actions for the President's State of the Union address. This plan will serve as a template for other National Security Special Event planning.

Continue Implementation of the Radio Modernization Project

Complete significant portions of the USCP radio modernization. See *Focus On...USCP Radio Modernization* for project detail.

Continue Energy Reduction Projects for USCP Facilities

Update the Energy Reduction and Conservation Plan to focus on savings to be gained through lighting projects, HVAC modifications, and client outreach programs. Sub-metering and lighting renovations at USCP headquarters are planned for completion in 2011.



The Capitol Power Plant provides heating and air conditioning service to the Capitol 24 hours a day, seven days a week. As part of the AOC's ongoing commitment to reducing energy consumption and dependency on natural resources, the Plant continues to undergo a number of operational changes and modernization efforts to ensure the most cost effective and energy efficient operation.

CAPITOL POWER PLANT

The Capitol Power Plant was commissioned in 1910 and operates 24 hours per day, 365 days per year. When first placed into operation, the Power Plant provided the Capitol with both steam and electricity.¹¹ Today, the Capitol Power Plant jurisdiction (CPP) serves as the centralized provider of steam and chilled water for heating and cooling the Capitol, Capitol Visitor Center, and 22 other facilities on Capitol Hill.¹² The steam and chilled water for non-Congressional facilities is provided on a reimbursable basis.

In addition to the central steam and refrigeration plants, the jurisdiction contains an administration building, coal yard, and the distribution and metering systems to deliver these utilities. They are also responsible for the daily care, maintenance, and operation of these facilities. The CPP also procures commercial utilities (e.g., electricity) for the Capitol and helps plan and implement AOC energy conservation initiatives. Figure 14 provides a five-year summary of the CPP's cost of operations, net of reimbursements for steam and chilled water. The FY 2010 increase in operating costs resulted from repairs and improvements to the utility tunnel system.

Key Accomplishments in Fiscal Year 2010

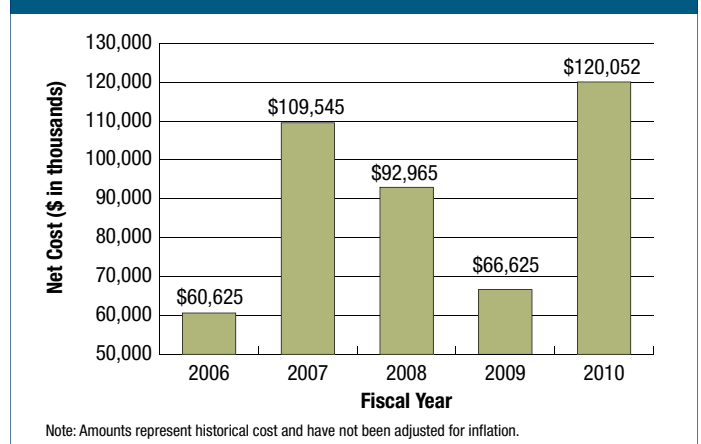
Developed and Implemented Emergency Action Response Plans

The CPP completed Emergency Action Response Plans for the Plant and Utility Tunnel systems, in coordination with the U.S.

¹¹ The current refrigeration plants were built after the original electrical generation plant was decommissioned in 1952, at which time the CPP stopped generating electricity.

¹² Since 1952, electricity for the Capitol has been purchased from a commercial supplier.

Figure 14: Capitol Power Plant Net Cost of Operations



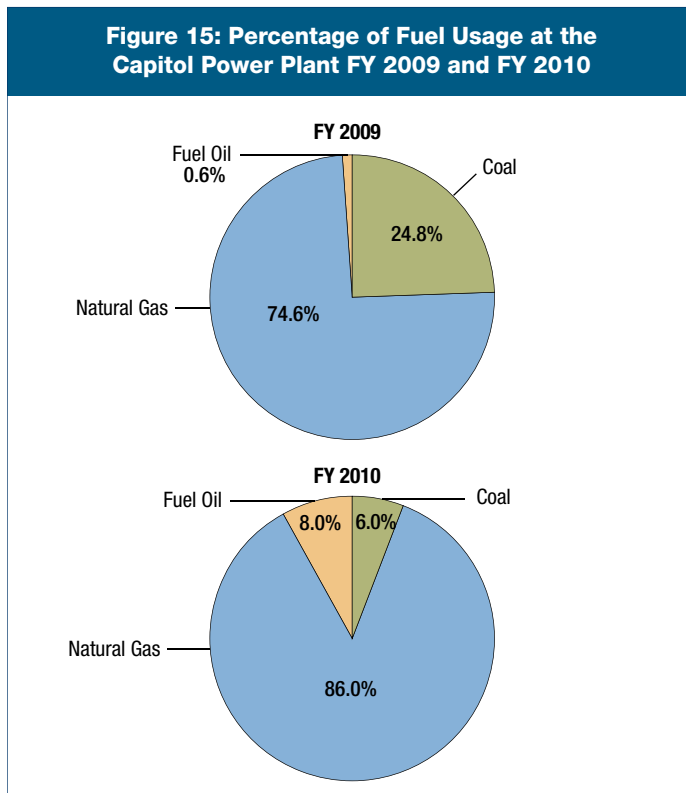
Capitol Police and the AOC's Safety Office. The plans provided various emergency scenario procedures. AOC personnel and outside organizations participated in this training and held multiple emergency drills.

Implemented Energy Conservation Measures

The jurisdiction reduced steam distribution pressure and shut down redundant steam lines in order to conserve steam and reduce boiler fuel use. They also established a process to adjust the chilled water distribution temperature, which allows the AOC to conserve electricity while meeting campus air conditioning needs. The CPP helped AOC jurisdictions establish electricity demand response programs.

Increased Use of Natural Gas

The CPP reduced its coal reliance and replaced it with natural gas as the primary fuel source in the steam plant. The change will reduce the AOC's carbon footprint and overall air emissions. This effort required AOC-wide coordination to accommodate the increased gas service, without impacting customer service. Figure 15 compares FY 2009 and FY 2010 fuel usage by source.



What's Next? Fiscal Year 2011 Priorities

The jurisdiction has established priorities for the upcoming fiscal year that support the overall mission of the AOC. These initiatives are discussed below.

Assess Condition of Tunnel Piping

Complete a condition assessment of all steam and chilled water piping within the utility distribution system. Implement a repair or replacement schedule to avoid service interruptions.

Develop Design for Cogeneration System

Develop the design for a combined heat and power, or cogeneration system. The cogeneration system will generate steam and electricity from a single source of fuel which increases plant efficiency and reduces plant emissions.

Assess Alternative Fuels for Use at Power Plant

Conduct test burns of bio-mass and bio-diesel fuels to assess the ability to switch to alternative fuels. If successful, modify environmental permits for permanent use.



FOCUS ON

Utility Tunnel Improvements

The Capitol Power Plant operates six walkable and five non-walkable utility tunnels containing steam and chilled water pipes and the accompanying control systems to serve the heating and cooling needs of the Capitol. In June 2007, the AOC and the Office of Compliance (OOC) signed a settlement of complaint and three citations involving tunnel safety and health issues. The agreement requires the abatement of the issues within five years. In response to this directive, the AOC established a Utility Tunnel Improvement Program and a dedicated management team to lead the effort. As work progressed this fiscal year, the AOC was able to identify efficiencies to reduce the total estimated cost from \$186 to \$176 million.

The AOC accomplished a significant portion of repairs by the end of FY 2010. Accomplishments include the removal of friable asbestos insulation from all tunnels, the construction of new egress and ventilation systems in tunnels serving the Supreme Court, the Government Printing Office, Union Station, and Postal Square, and the continuation of structural concrete repairs to tunnels serving the Library of Congress and the Senate Office Buildings.

Going forward, efforts will focus on the R Tunnel egresses. These activities will include concrete and communication line repairs and the installation of structural buttresses. Efforts will also include program support for the quarterly audit, site management plan, and safe working conditions for all personnel entering the tunnels. The AOC is on track to close the citations covered under the OOC agreement by the June 2012 settlement deadline.



LEFT: The CVC enriched the visitor tour experience by conducting weekly programs hosted by historians, curators, and special guests. **MIDDLE:** CVC's Exhibition Hall showcases artifacts, documents, models, and photos that bring the story of the Congress and the U.S. Capitol to life. **RIGHT:** Upon entering the CVC's Exhibition Hall, visitors encounter an 11 foot tall, touchable, scale model of the U.S. Capitol Dome.

CAPITOL VISITOR CENTER

The U.S. Capitol Visitor Center (CVC) was established to provide a more convenient and comfortable place to welcome visitors to the Capitol and educate them about the work of Congress, the legislative process, and the U.S. Capitol. The Visitor Center also provides greater security for everyone working in or visiting the Capitol. The opening of the CVC in December 2008 added retail sales to the AOC's daily operations.

With 580,000 square feet of facility space, the CVC is the largest expansion of the U.S. Capitol in its history. The unique facility includes exhibits, a restaurant, two orientation theaters, a large auditorium and two gift shops. Behind the scenes, the AOC has a service tunnel, mechanical facilities, and storage and office space.

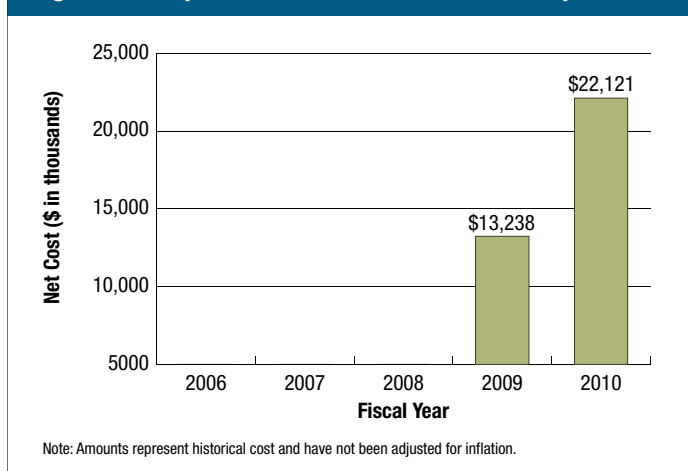
The CVC has maximized public access to the Capitol while greatly enhancing the experience for the millions of visitors who come each year to walk the historic corridors of the Capitol and experience the democratic process. Figure 16 summarizes the CVC's net cost of operations. As shown, FY 2009 was the CVC's first operating year, so there were no operating costs prior to FY 2009. CVC facility maintenance costs are separately managed by the Capitol Building jurisdiction and are excluded from the chart.

Key Accomplishments in Fiscal Year 2010

Interpretive and Educational Offerings Expanded

The CVC continued to refine programs to enrich the visitor experience. Initiatives included a weekly Exhibition Hall Talks

Figure 16: Capitol Visitor Center Net Cost of Operations



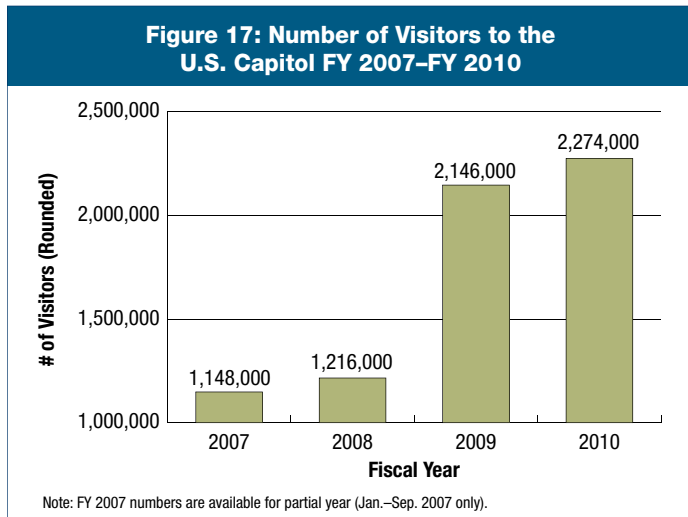
program hosted by historians, curators, and special guests that welcomed nearly 500 participants to the 24 talks that occurred through the spring of 2010. The CVC also developed an Exhibition Hall cell phone tour.

Congressional Staff Training Enhanced

The CVC developed the Congressional Historical Interpretive Program (CHIP) to provide Congressional staff with the tools necessary to provide consistent and accurate Capitol tours. The CHIP training also provides information about life-safety and evacuation procedures. Since the program began in October 2008, more than 6,000 Congressional staffers have participated.

Increased Number of Visitors Welcomed

By August 2010, after just 20 months of operations, the CVC welcomed its four millionth visitor to the Capitol. This pace nearly doubled the visitation rate prior to the CVC's opening. While accommodating more visitors, the wait time has decreased from several hours to an average of six minutes. Figure 17 provides a summary of the number of visitors to the U.S. Capitol since FY 2007.



What's Next? Fiscal Year 2011 Priorities

The jurisdiction has established priorities for the upcoming fiscal year that support the overall mission of the AOC. These initiatives are discussed below.

Enhance Visitors' Experience

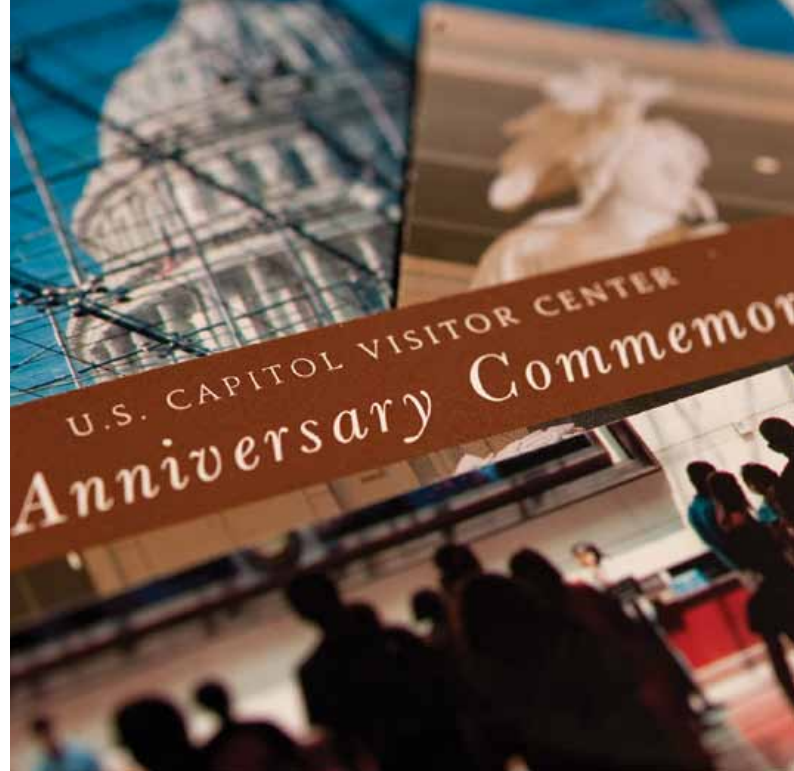
Provide pilot programs of outdoor walking tours, family-oriented tours, and an online exhibition located on the CVC Website. Expand marketing and informational outreach programs through social media, strategically placed digital signage, and a more robust Website (www.visitthecapitol.gov).

Create a Complete Visitor Experience

Provide frequent communication to Member offices to ensure the timely dissemination of Capitol tour policies for the Congressional staff who lead constituent tours. Also provide information to Congressional staff about enhanced educational activities for visitors.

Preserve and Maximize Public Access to the Capitol

Enhance the training program offered to Congressional staff for constituent tours of the Capitol. The CVC is also implementing wayfinding improvements, such as, interior and exterior signage and maps.



FOCUS ON

Visitor Center Marks First Anniversary

The AOC celebrated the Capitol Visitor Center's first anniversary on December 2, 2009. During the anniversary celebration, visitors to the Capitol were greeted with commemorative brochures, handouts, and signage that announced this milestone. The CVC also distributed a commemorative brochure to its Congressional partners that highlighted the CVC's first year operational successes.

Since opening, the CVC has succeeded in providing a more convenient and comfortable place to welcome visitors while educating them about the work of Congress, the legislative process, and the construction and history of the U.S. Capitol. Once inside, visitors encounter a greatly improved experience including an introductory film about Congress and a 16,500-square-foot Exhibition Hall with rarely seen artifacts and documents related to Congress. Capitol tours have improved by allowing more visitors to see the Capitol and also providing daily tours of the Exhibition Hall and talks about the documents and artifacts.

The CVC's impact on visitation to the Capitol was immediate. The Center welcomed more than 2.3 million visitors to the Capitol in its first 12 months of operations—nearly double the number of visitors during the previous 12 month period. The flow of traffic through the CVC has created a more orderly process and visitors have experienced a significantly reduced wait time to enter the building. The new reservation system allowed visitors to reserve tours ahead of time to plan their visit more efficiently. These streamlined operations greatly improved the visitors' comfort and experience. It also has allowed for greater security for all persons working in or visiting the Capitol.



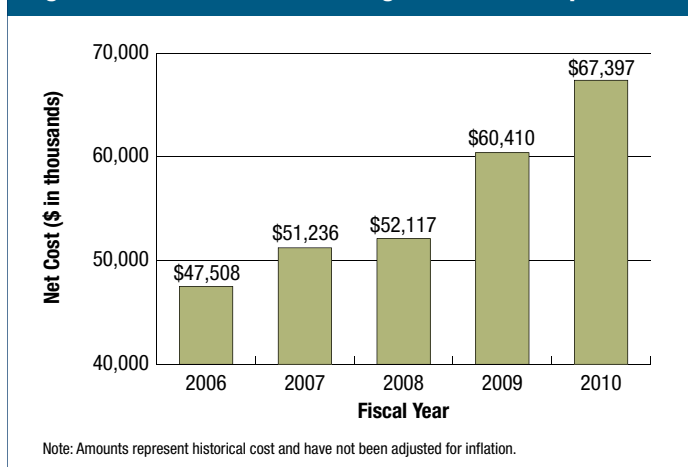
LEFT: The House Office Buildings jurisdiction provides the daily domestic care, structural and equipment maintenance for the U.S. House of Representatives' office buildings. In this photo, workers conduct a stone survey and repair at the Longworth House Office Building. **MIDDLE:** The AOC cleared an Office of Compliance citation by constructing enclosures for the four main egress stairs in the historic Longworth House Office Building. **RIGHT:** Due to an innovative redesign and team partnering on the Rayburn House Office Building roof replacement project, the AOC was able to meet the original design intent with a substantial cost savings for the government.

HOUSE OFFICE BUILDINGS

The House Office Buildings jurisdiction (HOB) provides office and committee space for the U.S. House of Representatives members and their staffs. Although Congress worked within the Capitol itself throughout the 19th century, overcrowding and a lack of available office and committee space was a problem by the start of the 20th century. To address this situation, construction to build and connect the first House Office Building (Cannon) to the Capitol via an underground tunnel began in 1903 and was completed in 1908. Additional office buildings (Longworth and Rayburn) were completed in 1933 and 1965, respectively. This jurisdiction, under the direction of the HOB Superintendent, is responsible for the operation and maintenance of seven major structures, identified in the *List of Major AOC Facilities* Appendix to this report.¹³

The HOB provides the daily domestic care, structural and equipment maintenance, and repair work for the U.S. House of Representatives' office buildings. Work is initiated by client requests, a preventative maintenance program, building inspector surveys, compliance issues abatement, energy savings initiatives, recycling programs, and safety inspections. The Superintendent's in-house workforce, plus the AOC's Construction Division and outside contract support, perform the facility work. Figure 18 provides a five-year summary of

Figure 18: House Office Buildings Net Cost of Operations



the HOB's net cost of operations. The increase in costs during FY 2009 and FY 2010 is attributable to an increase in refurbishment and rehabilitation projects.

Key Accomplishments in Fiscal Year 2010

Energy Conservation Improvements Installed

The AOC installed a state-of-the-art lighting control system in the Rayburn House Office Building cafeteria. The system uses motion control technology, such as occupancy sensors, daylight

¹³ The HOB also maintains the House subway system, annexes, and pedestrian tunnels connecting the House Office Buildings to the Capitol.

harvesting, motorized blinds and LED lighting which resulted in a 60 percent reduction in lighting energy. Such improvements, plus sustainability efforts like the purchase of green cleaning products and low- or no-volatile organic chemicals paint, has made the HOB a leader in energy conservation.

Longworth Egress Stairs Enclosed

The AOC constructed enclosures for four main egress stairs in the Longworth House Office Building. A creative design was used to meet both fire and life-safety codes while maintaining the historic building features.

Committee Hearing Rooms Upgraded

New digital audio/visual systems and Americans with Disabilities Act (ADA) upgrades were installed in the hearing rooms for the House Committee on Armed Services. As a result, the HOB successfully met committee space needs while simultaneously achieving the ADA objectives. These upgraded committee rooms are a model for all future hearing room renovations.

What's Next? Fiscal Year 2011 Priorities

The jurisdiction has established priorities for the upcoming fiscal year that support the overall mission of the AOC. These initiatives are discussed below.

Successful Completion of Election Year Transitions

Execute the Congressional office and committee moves and space reassignments related to the November 2010 elections for the U.S. House of Representatives. Achieve a minimum customer satisfaction level of 95 percent related to the 112th Congressional transition.

Improve Business Practices for Greater Efficiency

Develop performance metrics, measures and time management baselines for improved efficiency, service delivery, and responsiveness. Review the methods to conduct, monitor, and measure HOB infrastructure preventive maintenance to reduce unexpected failures and costly repairs.

Rehabilitate Indoor Parking Garages

Begin the interior restoration of the House parking garages with the East Underground Garage in January 2011. This will be followed by the West Underground Garage, based on available funding. The two-year project is proceeding in phases to minimize the temporary loss of parking.



FOCUS ON

Cannon House Office Building Renewal

The Cannon House Office Building Renewal Project has the potential to be the largest rehabilitation project the AOC has undertaken. The AOC is making plans to rehabilitate the century-old Cannon House Office Building to provide a modern office building that meets energy efficiency, life-safety, security, and communication standards. This comprehensive renovation will significantly reduce the AOC's deferred maintenance backlog and help sustain the historic facility, completed in 1908, for years to come. A renovation is needed to maintain the building's integrity and reduce the likelihood of unplanned outages and associated costs.

The AOC initiated the renewal project during FY 2010 by contracting with an architectural and engineering (A&E) firm to perform pre-design studies for the housing, phasing or swing space, security, and parking components of the multi-stage project. In addition, the AOC is in the process of procuring program requirements services. This work-in-progress is expected to take approximately one year, with an optional two-year design service to follow. These pre-construction services will enable the AOC to evaluate options, make critical and timely decisions, and identify space solutions with regards to the temporary relocation of the building's tenants.

Because the renewal project is still in its initial planning stages, its scope and total estimated cost are still under development. Construction funding would be requested in the appropriate fiscal budget cycle and, based on the availability of funds, construction may start in FY 2015 or FY 2016 at the earliest. Once begun, the Cannon renovation will be completed in phases over an approximate six-year period in order to minimize the disruption to Members of Congress and their staffs.

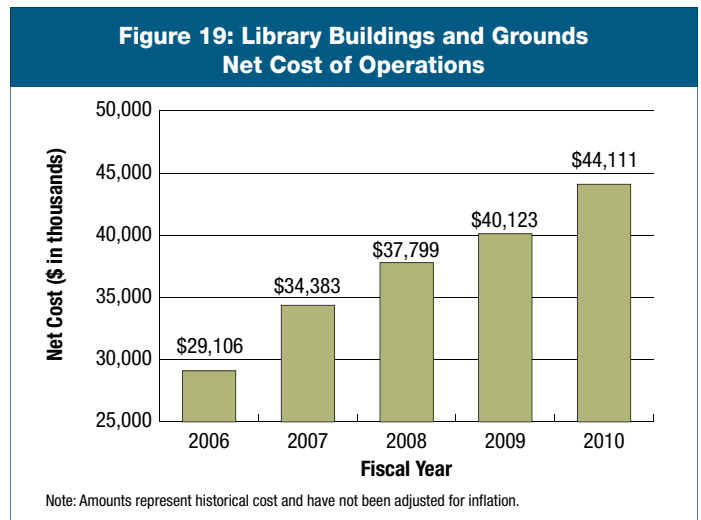


The Library Buildings and Grounds jurisdiction is responsible for the day-to-day structural, mechanical and electrical care for the Library of Congress facilities and surrounding grounds. The Library of Congress serves as the research arm of Congress and is also the largest library in the world, with millions of books, recordings, photographs, maps, and manuscripts in its collections.

LIBRARY BUILDINGS AND GROUNDS

The Library of Congress was established in 1800 and resided in the Capitol for close to a century. In 1897, the Library of Congress Building (now the Thomas Jefferson Building) was built and has since grown to be the largest library in the world—housing millions of books, recordings, photographs, maps and manuscripts. Library facilities have expanded to include nearly 3.8 million square feet of space, book storage modules for long-term preservation in Maryland, and the Packard Campus for Audio-Visual Conservation in Virginia for the state-of-the-art preservation, storage, and presentation of its audio-visual collections. The Library Buildings and Grounds (LBG) jurisdiction includes six main facilities, identified in the *List of Major AOC Facilities* Appendix to this report.

The LBG jurisdiction is responsible for the day-to-day structural, mechanical and electrical care for the Library facilities and surrounding grounds. Services include maintaining air conditioning, electrical, fire suppression, and elevator systems; grounds care; machine work, masonry, painting, refinishing, plumbing, sheet metal, and wood crafting. Figure 19 provides a five year summary of the LBG's net cost of operations.



Key Accomplishments in Fiscal Year 2010

Safety of the Library Campus Improved

Design and construction efforts were completed to support the fire and life-safety program. Sprinkler system installation continued in the Thomas Jefferson Building (TJB) West Main Pavilion and is expected to be complete in FY 2011. Smoke detection systems are currently being upgraded in the John Adams Building (JAB) and the James Madison Memorial Building (JMMB) to provide code-compliant coverage. The expected completion of these projects is FY 2012.



FOCUS ON

Residential Scholars Center

The Library of Congress hosts many of the top scholars and writers from around the world as they utilize its vast array of resources and collections. The Library plans to renovate a former school building and gymnasium that is currently owned by the AOC¹⁴ to use as a residential facility for visiting scholars. The Residential Scholars Center will utilize an existing four-story structure and renovate it to incorporate 50 residential units, conference rooms, and an expanded Little Scholars Child Development Center.¹⁵

The Library launched a campaign in FY 2008 to raise the funds needed to renovate the entire facility and retained an architecture firm to design the Residential Scholars Center. Currently, approximately \$12.6 million has been donated from private sources to support the project. The AOC estimates the project cost to range between \$16 and \$19 million. At this time, there is no established construction timeline. Work to construct the Center will begin when all the required funds have been raised.

This year, the Architect of the Capitol, Library Buildings and Grounds jurisdiction staff, and project architects, briefed the various community stakeholders, such as Advisory Neighborhood Committees and the Historic Preservation Committee of the Capitol Hill Restoration Society concerning the renovation design. The design effort for the Center was on-going throughout FY 2010 and a review of the final submission was underway at year-end. Once complete, the Center will provide a unique home for the pursuit of knowledge in the Nation's Capital, attracting outstanding students, teachers and researchers.

¹⁴ This facility is located at Sixth and East Capitol Streets in Southeast Washington, DC.

¹⁵ This child care facility is operated by the Library of Congress Child Care Association, a non-profit affiliate of the Library.

Annual Space Modernization Program Implemented

The LBG implemented its annual space modernization plan to provide for improved space utilization within the Library's facilities. In accordance with this plan, the jurisdiction delivered 32 client requested projects (for a total of 100,000 square feet) and all capital construction projects were completed on schedule, within budget, and achieved 93 percent customer satisfaction. In addition, construction on the large-scale Library Acquisitions and Bibliographic Access space reorganization was also initiated. This four-year project encompasses 195,000 square feet of space and affects 550 Library employees.

Heritage Assets Maintained

To ensure its historic heritage assets are maintained for future generations, the LBG routinely inspects and conserves the Library's structures and artwork. An inspection of the 274 murals within the Jefferson Building determined that 18 murals needed conservation treatment. This treatment will begin during FY 2011. In FY 2010, the jurisdiction's stonemasons cleaned the granite and marble surfaces surrounding the popular Neptune Fountain. In addition, the Italian marble mosaic in the ceiling of the Great Hall was found to have missing or loose tiles. Approximately 60 tiles were replaced and the areas surrounding the missing pieces have been reinforced.

What's Next? Fiscal Year 2011 Priorities

Continue Safety Improvements

Continue to improve the safety of its buildings in accordance with published plans, and the LBG Fire & Life Safety Jurisdictional Master Plan. This program will encompass the fire suppression, fire alarm, and passive fire protection projects within the Thomas Jefferson, John Adams, and James Madison Memorial Buildings.

Install Sprinkler and Smoke Detection Systems

Complete the sprinkler installation within the West Main Pavilion areas of the Jefferson Building, including the second floor and interstitial space below the House Page School. Continue the smoke detection system installation in the Adams and Madison Buildings.

Execute the Space Modernization Plan

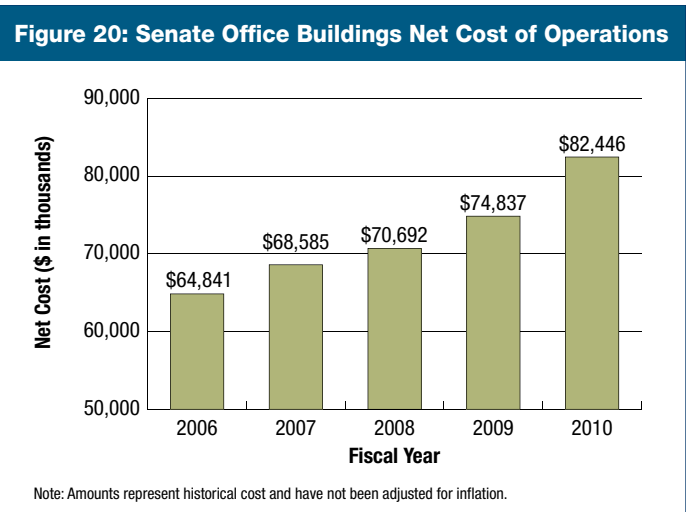
Execute the Client Annual Space Modernization Plan for FY 2011 and support all client requests that are funded for study, design, and construction activity. These projects include the multi-year Library Acquisitions and Bibliographic Access space reorganization.



LEFT: The Senate Committee on Rules and Administration Committee Room in the Senate Dirksen Building was modernized and outfitted with high-efficiency LED lighting and a new hand-carved wooden dais for meetings. **MIDDLE AND RIGHT:** The AOC provided behind-the-scenes facilities, technology, and security support for the Elena Kagan Supreme Court confirmation hearings before the U.S. Senate Judiciary Committee in 2010.

SENATE OFFICE BUILDINGS

The Senate Office Buildings jurisdiction is comprised of over 2.5 million square feet of office and meeting space to facilitate the business of the U.S. Senate. The jurisdiction is responsible for the structural, mechanical, and domestic care of eight main structures, identified in the *List of Major AOC Facilities* Appendix to this report, an off-site storage building, and the Senate subway transportation systems between the Senate Office Buildings and the U.S. Capitol. It provides facilities management and construction services such as office renovations, cleaning, preventative maintenance of building infrastructure systems, and routine services in the Senate facilities. The jurisdiction also provides specialized services such as custom mill work, furniture construction, drapery design, furniture re-upholstery and repair and custom furniture fabrication. Client services include garage parking, historic preservation, and Congressional hearing and special events set-up. The Senate Superintendents Office is responsible for the lease of facilities to support offsite storage and office operations for the Senate Sergeant at Arms and the Secretary of the Senate. Figure 20 provides a five-year summary of the jurisdiction's net cost of operations.



Key Accomplishments in Fiscal Year 2010

Committee Room Modernization Program

The modernization program continued through the fiscal year with the installation of state-of-the-art audio visual capabilities, upgrades for regulatory compliance and energy savings technology in four Senate hearing rooms. Of special note, the Senate Committee on Rules and Administration Committee Room in the Dirksen Senate Office Building was outfitted with high-efficiency LED lighting and a new hand-carved wooden



FOCUS ON

Senate Office Buildings Awarded Energy Savings Contract

The AOC awarded an Energy Savings Performance Contract (ESPC) for the Senate Office Buildings jurisdiction during FY 2010. The ESPC arrangement provides nearly \$42 million in energy-related facility improvements in the Hart, Dirksen, and Russell Senate Office Buildings, as well as the Senate Underground Garage and Senate Employees' Child Care Facility. This public-private partnership uses the future energy savings to pay an energy service company for the facility upgrades. This financing arrangement allows the jurisdiction to implement energy savings projects without up-front capital costs.

The AOC will execute a number of construction projects under this contract over a three-year period. The Senate ESPC has three main components:

- **Heating, Ventilation and Air Conditioning Controls.** All existing pneumatic and electric controls will be replaced with Direct Digital Controls. The benefits will be energy savings, improved comfort and system reliability.
- **Lighting.** High-efficiency lamps, ballast and reflectors, as well as new replacement fixtures will be installed. The current dimming system will be expanded with occupancy and daylight sensors to minimize energy use.
- **Transformers.** Out-dated transformers will be replaced with high-efficiency type transformers. With their increased efficiency, some transformers will be consolidated to reduce no-load losses.

Facility upgrades will begin in January 2011. The estimated cost savings total over \$91 million for energy, water, operations, and maintenance over the 17-year contract period. In energy terms, this project is projected to save over 11,000 mega-watt hours of electricity and 136,000 million British thermal units of steam and chilled-water energy annually. The AOC has entered into similar ESPCs for the House Office Buildings and the Capitol Building jurisdictions.

dais for meetings. Since the Dirksen modernization, hearings have increased threefold thus providing Committees with additional flexibility in holding high profile hearings.

Night Custodial and Floor Care Reorganization

A major reorganization of night cleaning,¹⁶ recycling and floor care teams was completed during the fiscal year. This reorganization increased suite security, cleaning quality, use of green cleaning products, and hard floor asset preservation. As a result of the reorganization, client satisfaction with the jurisdiction's custodial work increased by an impressive nine percent—to an overall satisfaction level of 89 percent.

High Customer Satisfaction Achieved

The jurisdiction realized a significant increase in the level of client service satisfaction. The increase is a result of the implementation of detailed action plans based on client survey feedback, the adoption of best practices, and proactive leadership and management. An overall satisfaction level of 93.5 percent was achieved, a six percent increase from the prior year. Customer service surveys measure the efficiency of work order execution, subway system operability, cleanliness, and others.

What's Next? Fiscal Year 2011 Priorities

The jurisdiction has established priorities for the upcoming fiscal year that support the overall mission of the AOC. These initiatives are discussed below.

Relocate Senate Sergeant at Arms Printing, Graphics, and Direct Mail Operations

Construct a facility in Landover, Maryland, to provide additional space to support the Senate Sergeant at Arms' printing and graphics services and direct mail operations for the U.S. Senate.

Execute Election Year Office Moves Effectively

Coordinate the upcoming election year Senate office and committee moves efficiently, on schedule, and with high satisfaction results. The biennial move process is intended to provide suitable office facilities for each Senator and their staff as quickly as possible to enable them to continue the work of the U.S. Senate.

Initiate Infrastructure Repair Projects

Initiate infrastructure improvements including waterproofing the exterior steps of the Russell Building, upgrading the air handling units (including Direct Digital Controls upgrades) in the Dirksen Building, and completing the design to replace the air handling units in the Hart Building.

¹⁶ The Night Custodial Division performs routine and heavier cleaning duties of all Senatorial suites, committee and conference rooms, and other rooms in the Senate Office Buildings.



LEFT: With the completion of the Supreme Court Modernization Project, the AOC began the renovation of the exterior property and landscaping to complement the upgraded building. **MIDDLE:** Stewardship responsibilities for the U.S. Supreme Court Building are performed under the joint direction of the Marshal of the Supreme Court and the AOC Facility Manager's Office. **RIGHT:** The Thurgood Marshall Federal Judiciary Building is a modern structure with a central atrium that includes foliage and trees. This building is an administrative center for the federal courts.

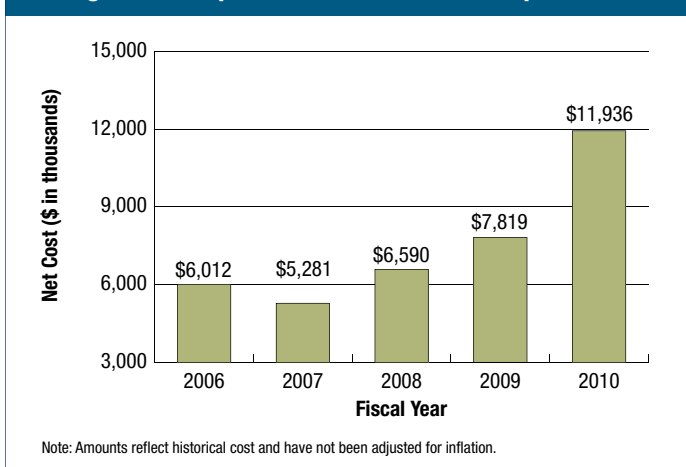
SUPREME COURT AND JUDICIARY OFFICE BUILDING

The U.S. Supreme Court first convened in New York City and Philadelphia before finally settling in Washington, DC in 1801. For 134 years, the Supreme Court met in the Capitol, most notably in the “Old Senate Chamber” (from 1819–1860) and the “Old Supreme Court Chamber” (1860–1935). Of the many iconic Capitol Hill structures, the classically-designed Supreme Court Building, located across the street from the Capitol’s East Front, is among the most noteworthy. To meet the growing office needs of the Federal Judicial Branch, the Thurgood Marshall Federal Judiciary Building (TMFJB) was later constructed.¹⁷ The AOC’s Supreme Court jurisdiction (SC) is responsible for the facility operations and maintenance of both the Supreme Court Building and the TMFJB.

The SC’s operations support duties include building and grounds maintenance, historic preservation, structural and mechanical care, alterations, design, and construction. All duties and work required for the operation, domestic care, and custody of the Supreme Court Building are performed under the joint direction of the Marshal of the Supreme Court and the AOC Facility Manager’s Office. The SC differs from other AOC jurisdictions as the funding to care for the Supreme Court Building and the TMFJB is appropriated by Congress to the Judicial Branch, rather than directly to the AOC. Figure 21

¹⁷ The TMFJB is approximately two blocks from the Capitol, adjacent to Union Station.

Figure 21: Supreme Court Net Cost of Operations



provides a five-year summary of the jurisdiction’s cost of operations, net of Judicial Branch reimbursements.

Key Accomplishments in Fiscal Year 2010

Supreme Court Modernization Project Finalized

The AOC finalized the multi-year project to modernize the Supreme Court Building during FY 2010. The project’s main goals were to build a building annex and to replace virtually all the building’s systems, including electrical, plumbing, and heating, ventilating, and air conditioning (HVAC).



FOCUS ON

U.S. Supreme Court Roof System Replacement, Phases II and III

The Supreme Court Roof System Replacement project will restore the original, highly decorative sloped roofs back to optimum condition. The project will completely replace the flat roofs, gutter systems, cornices, and flashing. It will also waterproof the balconies and provide lightning and fall protection. The repairs, replacements, and restorations of the roofing systems will extend the service life a minimum of 30 years for the flat roofs and 50 years for the sloped roofs. This project consolidates previously separate lightning protection and fall protection projects for greater project efficiency. The consolidated roof project is budgeted at \$13.8 million and is scheduled for full completion in October 2011.

The project is divided into three phases. Phase I, completed in FY 2009, restored all flat roofs and balconies on the building. Phase II, began in July 2010, will restore the South upper and lower sloped roofs and their gutters and flashing. This phase is ongoing at year end, with a scheduled completion date of October 2010. Phase III will restore the sloped roofs on the North upper and lower sloped roofs. This final phase is planned for completion in October 2011.

The roof repair project compliments the completed Supreme Court Modernization. The necessity for roof repairs was discovered during the modernization work. Together, these projects represent the first major upgrades to the Supreme Court building since its construction in 1935. The effort of managing such a large-scale project within an historic and public setting, while normal Court operations continue, cannot be overestimated. At the close of FY 2010, the roof repair project work was on time and within budget.

Work Management Efficiency Increased

The jurisdiction utilized the AOC's work order management software to schedule regular preventative maintenance and document corrective maintenance. Using this tool, they closed over 99 percent of their demand work orders within 30 days. Additionally, in the first eight months of FY 2010, the SC completed 6,849 preventative maintenance work orders, or 157 percent of the number completed during FY 2009. Since FY 2008, the number of PM work orders increased approximately 308 percent.

Safety Leadership and Safe Work Practices Established

New standard policies and operating procedures were established to strengthen safety efforts. The SC trained its staff on the new procedures, topics which included: aerial lift and forklift safety, blood borne pathogens, confined space, hazard communications, fall protection, and personal protective equipment.

New Security Measures Implemented

TMFJB perimeter security upgrades were completed in mid-2010. Under this plan, the AOC upgraded perimeter security through the installation of security barricades, bollards, and related construction. On May 4, 2010, the Supreme Court also established a new public entrance to its building that provides a safe and reinforced area to screen for security hazards.

What's Next? Fiscal Year 2011 Priorities

The jurisdiction has established priorities for the upcoming fiscal year that support the overall mission of the AOC. These initiatives are discussed below.

Manage Major Supreme Court Repair Projects

Coordinate and execute major repair projects including the roof fall protection and roof repairs, exterior property renovation, elevator modernization, and exterior landscape and hard-scape renovations. Work includes final commissioning related to the completed Supreme Court modernization.

Execute a Deferred Maintenance and Renewal Program

Implement a deferred maintenance and renewal program for the TMFJB based on a recently conducted Facility Condition Assessment and perform a comprehensive evaluation of the full preventative maintenance program at the TMFJB.

Implement Work Order Standards

Establish a full preventive maintenance program for the Supreme Court Building. Use the AOC work order standards to develop a detailed work plan, estimate resources required to meet goals, and measure results.



LEFT: In Senate Appropriations Room S-127 of the U.S. Capitol, conservators removed yellowed varnish and overpaint from the lower walls the room, restoring the vivid colors and definition of artist Constantino Brumidi’s cherubs and pilasters. **RIGHT:** A skylight replacement project in the Russell Senate Office Building began in the closing months of FY 2010 to eliminate leaks and improve energy efficiency. Construction requires scaffolding in order to replace the lay lights and repair the areas around the skylights.

PERFORMANCE HIGHLIGHTS

Strategic Plan Performance Framework

The AOC’s *Strategic and Performance Plan: Fiscal Year 2007-Fiscal Year 2011 (Strategic Plan)* emphasizes the organization’s mission areas and enabling services and focuses on results. The performance reporting structure consists of three tiers: strategic goals, objectives, and outcome measures. The

performance measures detailed in this report are based on three strategic goals and 14 objectives as shown in Table 4.

In developing the Performance Plan, the AOC considered that various forces outside of its control could significantly impact its plans and anticipated results over the five year period. As such, the following assumptions were considered in the plan’s development:

TABLE 4: Strategic Goals and Objectives

Strategic Goals	Objectives
<p>Goal 1: Congressional and Supreme Court Operations Support</p> <p>Congressional and Supreme Court operations are supported through the provision of effective facilities management, project delivery and related services.</p>	<p>Facilities Maintenance</p> <p>Facilities Operations</p> <p>Client Services</p> <p>Project Delivery</p>
<p>Goal 2: Heritage Asset Stewardship</p> <p>The national treasures entrusted to the care of the Architect of the Capitol are maintained and preserved for present and future generations and visitors to the Capitol are provided an informative and inspiring experience.</p>	<p>Preservation of Heritage Collections</p> <p>Preservation of Historic Buildings, Landscape, and Architectural Features</p> <p>Heritage Asset Presentation</p>
<p>Goal 3: Leadership and Administrative Support</p> <p>The responsibilities of the Architect of the Capitol are fulfilled efficiently and effectively and accountability is enhanced, through the provision of high-quality leadership and administrative support activities.</p>	<p>Leadership</p> <p>People</p> <p>Information</p> <p>Fiscal</p> <p>Material</p> <p>Safety, Fire, Emergency Preparedness, and Environmental Services</p> <p>Security Services</p>

- Funding will increase to enable achievement of goals and implementation of strategies; and
- Facilities cannot shut down (i.e., continuity of operations).

In addition, it should be noted that:

- Baseline data for many of the performance measures was not available when initial targets were set. As data becomes available, the AOC's targeted levels of performance are adjusted accordingly;
- Cycle times are for the entire cycle of the activity across the organization, not limited to any one division or jurisdiction; and
- Measures and strategies apply across the organization, unless otherwise noted.

The *Strategic Plan* contains 42 performance outcome measures, created to support FY 2011 performance goals. The AOC developed interim annual performance targets for each measure, where possible. The breakdown of the performance measures is provided in Table 5.

TABLE 5: Performance Measures Breakdown

AOC Strategic Goal	Outcome Measures	Performance Indicators*
Congressional and Supreme Court Operations Support	16	40
Heritage Asset Stewardship	7	9
Leadership and Administrative Support	19	46
Total	42	95

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

Of the 95 total performance indicators, 48 had performance targets for 2010. The AOC met or exceeded its targets for 71 percent of its outcome measures (34 targets met out of 48 total performance targets). A summary of the status of performance measures for each goal is presented in Table 6. The "Other" category identifies targets for which data development is underway, the measure is no longer being pursued, or data was unavailable at the time of publication. Detailed information on the performance measures that were not met is included in *Section II: Performance Information*.

TABLE 6: Fiscal Year 2010 Performance Targets

AOC Strategic Goal	Target Met	Target Not Met	Other	Total
Congressional and Supreme Court Operations Support	14	5	21	40
Heritage Asset Stewardship	5	0	4	9
Leadership and Administrative Support	15	9	22	46
Total	34	14	47	95

Performance Results Summary for Select Key Measures

Table 7 highlights FY 2010 actual performance results against established targets for select key performance measures included in the AOC's *Strategic Plan*, as determined by AOC management. It also includes trend data from the past four fiscal years. For a full account of outcome measures and work performed to reach the organization's targets, please refer to *Section II: Performance Information* in this report.



After the winter snowstorms in February 2010, the AOC worked for several weeks to remove the 22 million pounds of accumulated snow from the U.S. Capitol.

TABLE 7: Goals, Objectives, and Results for Select Key Measures

Goal and Objective	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Target	FY10 Actual	FY10 Results
GOAL 1: Congressional and Supreme Court Operations Support							
Facilities Maintenance: Effective facilities management services are provided to the Congress and Supreme Court to maintain the facilities and grounds under the care of the AOC.							
By FY 2011, the Facility Condition Index is maintained at an assessment level of good to excellent for 90% of the square footage of the facilities (1.1.1).	N/A	64.5%	47.9%	40.8%	85.0%	39.2%	Target Not Met
Customer Satisfaction with maintenance and repair of buildings is at least 90% (1.1.2c).	92.4%	92.4%	92.3%	91.8%	90.0%	93.1%	Target Met
Facilities Operations: High-quality services are provided in direct support of Congressional and Supreme Court operations.							
By FY 2011, utilities are effectively utilized in order so that a decrease of 3% per year is achieved in total energy consumption (1.2.2.a).	6.5%	6.7%	16.1%	15.3%	≤ FY03 -15% points	17.3%	Target Met
By FY 2011, Customer satisfaction with grounds care, landscaping and snow removal is at least 90% (1.2.4a).	90.9%	90.8%	93.0%	85.0%	≥ 90.0%	93.0%	Target Met
Client Services: Effective facilities management services are provided in direct support of our customers.							
By FY 2011, Customer satisfaction with routine client services is at least 90% (1.3.1c).	92.2%	92.1%	93.1%	95.2%	≥ 90.0%	94.8%	Target Met
By FY 2011, 90% of USBG events are rated as "successful" under standards developed according to procedures detailed in the AOC process manual BG-SP5.1 "Events At the U.S. Botanic Garden Conservatory." (1.3.4c).	N/A	88.9%	93.8%	100.0%	≥ 90.0%	100.0%	Target Met
GOAL 2: Heritage Asset Stewardship							
Preservation of Heritage Collections: Fine and decorative art, historic artifacts and records, living collections, and other heritage assets under the jurisdiction of the AOC are catalogued, documented, and preserved in good condition.							
By FY 2011, 80% of fine and decorative art, historic artifacts and records, living collections, and other heritage assets are documented and their current condition assessed for present and future restoration efforts and preservation priorities are identified (2.1.1a).	N/A	N/A	80.0%	80.0%	75.0%	100.0%	Target Met
By FY 2011, 80% of fine and decorative art, historic artifacts and records, living collections, and other heritage assets are maintained in good condition according to the criteria in our standards document, the AOC PAR, and Stewardship Report section (2.1.2).	N/A	N/A	86.6%	86.6%	70.0%	86.6%	Target Met

TABLE 7: Goals, Objectives, and Results for Select Key Measures (continued)

Goal and Objective	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Target	FY10 Actual	FY10 Results
GOAL 3: Leadership and Administrative Support							
Leadership: The AOC's executive leadership and administration establishes clearly defined goals and effective strategies, and the coordination of support systems, so as to maximize the AOC's mission performance and accountability.							
By 2011, AOC efficiency and effectiveness results in the achievement of 90% of Strategic Plan outcome measures (3.1.1).	N/A	76.0%	72.0%	70.0%	90.0%	70.2%	Target Not Met
People: The AOC staff is enabled to support the achievement of AOC goals by the promotion of a work environment that fosters equal employment opportunity organizational and individual performance, and professional development.							
By FY 2011, timely response to personnel needs is ensured by meeting 90% of the cycle time measures for various personnel-related services as defined in the AOC operational dashboard (3.2.4a).	N/A	50.0%	100.0%	97.0%	≥ 90%	95.7%	Target Met
Information: AOC staff leverages information technology and communications to improve the AOC's mission performance.							
By FY 2011, requests for information technology services are responded to and completed within established timeframes 90% of the time (3.3.1a).	N/A	N/A	N/A	N/A	85.0%	91.5%	Target Met
Fiscal: Financial services are provided in a customer-focused and value-creating manner and foster a culture of high integrity and accountability.							
By FY 2007, and each year thereafter, a clean audit opinion is received (3.4.3a).	Clean	Clean	Clean	Clean	Clean	Clean	Target Met
Safety, Fire, Emergency Preparedness, and Environmental Services: AOC resources are protected through effective safety, fire, emergency preparedness, and environmental services.							
By FY 2007, and each year thereafter, the injury and illness rate is reduced by 3% over the previous year (3.6.1a).	4.88% (DOL)	4.41% (DOL)	4.06% (DOL)	4.32% (DOL)	3.63%	Unavailable (DOL)	Target Not Met
	4.85% (AOC)	4.36% (AOC)	3.94% (AOC)	4.01% (AOC)		3.85% (AOC)	



The AOC's Strategic Plan contains 42 performance outcome measures that support the AOC's performance goals. In FY 2010, the AOC met or exceeded 71 percent of its outcome measures.

Jurisdiction Priorities and Performance Highlights

In the prior fiscal year (FY 2009), the AOC's jurisdictions identified key FY 2010 priorities and targets for their organizations. Table 8 shows these priorities, and each jurisdiction's actual performance.

TABLE 8: Jurisdiction Priorities and Performance Highlights

2010 Priorities and Targets	2010 Actual Performance
Botanic Garden	
Business Plan Closeout: Complete the five-year Business Plan that parallels the AOC <i>Strategic Plan</i> and maps USBG work to the AOC's strategic goals.	Completed the Business Plan and 88% of the Plan tasks. The remaining tasks were not accomplished due to inadequate staff levels or were no longer relevant to operations.
National Garden Education: Purchase interpretative signage for the National Garden to educate visitors about conservation and sustainability.	Implemented interpretation signage and installed a cell phone tour of the National Garden.
Research and Development: Launch a pilot program and select Sustainable Sites demonstration projects. Complete homeowner version of Sustainable Sites Initiative (SSI) guidelines.	Continued progress on the SSI project with release of the guidelines and performance benchmarks in Fall 2009. A homeowner version will be launched in early FY 2011.
Operations Sustainment: Investigate and initiate sustainable systems in the Horticulture Division.	Currently evaluating a consultant's report that identified strategies for energy reduction. Installed a system for collecting rainwater on the Conservatory.
Capitol Building	
Capitol Dome Rehabilitation: Repaint the exterior and interior of the Dome to protect the cast iron shell.	Began Dome repainting in July 2010. See <i>Focus On... Capitol Dome Rehabilitation</i> for detail.
Elevator Modernization: Complete modernization of elevator H-9 to comply with ADA and safety codes.	Completed the modernization upgrade of elevator H-9, bringing all elevators into full code compliance.
Preventative Maintenance Implementation: Work with the AOC Preventative Maintenance Standards Committee to obtain the routine equipment priority list, verify equipment, and track maintenance frequency.	Identified, documented, and scheduled all preventative maintenance on the priority equipment identified by the Committee. Performance is tracked and reviewed on a monthly basis.
Smoke Control System Installation: Begin the installation of the smoke control system to provide dedicated exhaust capabilities at the grand stairwells in the House and Senate wings.	The project is deferred until the air modeling study is complete. The study will analyze the impact of air flow from smoke control fans on the Capitol's historic artwork and architectural fabric.
Capitol Grounds	
Sustainable Practices Implementation: Incorporate sustainable practices in grounds management, storm water management, and water conservation. Consider alternative fuels for purchased equipment.	Initiated a pilot to evaluate storm water run-off quality. Modified the irrigation system with low output heads. Purchased three electric utility vehicles and an electric lawn mower. Initiated Storm Water Management Study.
Recycling Program Implementation: Plan and implement a campus-wide recycling program for pedestrian trash.	Implemented campus-wide recycling of cans and bottles. Recycled plastic planting pots supplied with annual flowers. Utilized 100% organic turf fertilizer.
Resurface Independence Avenue: Repair this heavily-used road that has significant deterioration.	Resurfaced Independence Avenue to provide a stable and long-lasting finish.
Develop Cultural Landscape Reports: Create a comprehensive review of the history, development, and assessment of Capitol Square and Senate Parks.	Continued Phase I of the Cultural Landscape Report for Capitol Square. Phase I is to be completed in early 2011.

TABLE 8: Jurisdiction Priorities and Performance Highlights (continued)

2010 Priorities and Targets	2010 Actual Performance
Capitol Police Buildings, Grounds, and Security	
Implement Business Plan and Vision: Begin five-year strategic business plan that covers the roles and responsibilities to provide integrated support services.	Execution of the plan has not progressed as far as planned due to balancing many high priority issues and workloads.
Infrastructure Improvements: Provide electrical and system redundancies in the ACF data center to ensure continuous equipment operation and minimize disruptions.	Completed installation of power supply module to double power capacity and reduce the risk of disruption. Completed electrical redundancy drawings for several data centers and installation of units is planned for early FY 2011.
Conduct Emergency Action Response Plan Testing: Conduct exercises to ensure that OSP staff understands how to implement the emergency procedures.	Completed an initial fire/smoke emergency USCP facility training exercise. After an evaluation of the results, future emergency exercises will be planned.
Customer Satisfaction Improvements: Improve customer satisfaction to meet or exceed the AOC target in all reported areas by implementing the strategies contained in the OSP Strategic Business Plan.	Despite improvements in specific target areas of the customer satisfaction survey, did not meet the FY 2010 goal of 90% satisfaction. OSP will continue to refine processes focusing on client service and accountability.
Capitol Power Plant	
Continued Utility Tunnel Improvements: Continue with tunnel remediation projects, such as asbestos abatement; new egress points; and others.	Continued several tunnel projects and is on track to resolve all safety citations by June 2012. <i>See Focus On ... Utility Tunnel Improvements</i> for more detail.
Long-Term Strategic Energy Plan Completion: Finalize the jurisdiction's long-term strategic energy plan.	Completed the long-term strategic energy plan. Several recommendations are currently being developed for funding and implementation.
Mechanical System Survey and Retro-Commissioning: Evaluate steam and chilled water generation, distribution, and systems. Begin boiler tuning and retro-commissioning.	Completed evaluation of the chilled water generation and distribution system. Currently completing an evaluation of the steam system. Completed tuning for boilers 1–3, with boiler 4 scheduled for early FY 2011.
Capitol Visitor Center	
Visitor Accommodation Improvement: Accommodate as many visitors as possible while maintaining a positive visitor experience. Establish and present public programs and education events.	Initiated a daily tour program for Exhibition Hall and expanded the Brumidi Corridor Tour. Began a regular document rotation program and installed 54 documents in a new exhibit.
Operating Plan Development: Develop detailed guidelines to direct Visitor Center operations. This includes standardizing processes and establishing best practices.	Developed and trained staff on CVC operating procedures. Created a training program for Visitor Guides and Assistants to enhance professionalism, accuracy, and courtesy.
Visitor Satisfaction Improvement: Implement a research project that measures visitor demographics, the visitor experience, and operations.	Developed surveys to collect data for improving operations and better understanding visitor needs. Data collection will continue through March 2011.
Reservations Call Center Development: Continue to develop the reservations call center while improving and centralizing the call center space.	Hired reservations manager, constructed permanent phone stations, and provided ongoing training. Reduced call waiting time to 10–20 seconds during peak times.



The AOC is creating a comprehensive review of the history, development, and assessment of Capitol Square and Senate Parks.

TABLE 8: Jurisdiction Priorities and Performance Highlights (continued)

2010 Priorities and Targets	2010 Actual Performance
House Office Buildings	
Cannon House Office Building Rehabilitation: Continue work on the Cannon renewal plans. Though still in the planning stage, this multi-year rehabilitation will help maintain the facility's integrity and safety.	Contracted to provide pre-design studies for housing, phasing, security, and parking project components. Solicited bids for project design. See also <i>Focus On... Cannon House Office Building Renewal</i> .
Service Improvement: Improve customer satisfaction, per the annual survey, to meet or exceed the target of 85% in all reported areas.	Exceeded goal with an overall satisfaction rate of 93.2% for the quality of services performed. Also met the goal for work timeliness with an 86.3% rate.
Energy Conservation: Meet or exceed legislative energy targets. ^a Begin Energy Savings Performance Contract (ESPC) projects. ^b	Achieved more than 17% energy use reduction, exceeding all targets. Began ESPC projects such as upgrading or replacing 12,000+ light fixtures and 2,000+ water fixtures.
<small>^a Targets set by the Energy Policy Act of 2005 (EPA 2005), Energy Independence and Security Act of 2007 (EISA 2007), and the Green the Capitol Initiative (GTC). ^b Under this contract, energy savings projects will include nearly \$34 million in facility infrastructure upgrades in the Rayburn, Longworth, Cannon, and Ford House Office Buildings, as well as the House Page Dormitory.</small>	
Library Buildings and Grounds	
Compliance Citation Abatement: Clear citations by renovating the John Adams Building (JAB) restrooms to be ADA compliant, design 3 additional egress stairs in the Thomas Jefferson Building (TJB), and improve JAB ground floor ventilation.	Renovation of the restrooms to be ADA-compliant is on schedule. Began design for the new TJB exit stairs. Completed JAB ground floor ventilation system modifications.
Fire and Life Safety Enhancements: Continue installation of TJB sprinkler systems; smoke detection systems in JAB and James Madison Memorial Building (JMMB); JMMB elevator modernization program; and JAB egress upgrades. Complete Phase One for the fire door upgrades in TJB and JAB.	Continued installation of sprinkler and smoke detection systems. Completed the modernization of 3 elevators and installation of an elevator cab in the JMMB and 2 elevators in the TJB. Continued fire egress upgrades and replaced 24 of the 32 doors identified for upgrades in the TJB. The remaining doors will be installed in FY 2011.
Maintenance Procedures: Standardize and implement automated preventive maintenance (PM) procedures to help quantify the deferred maintenance backlog.	Completed the PM standardization effort. This effort included data collection for 113 types of equipment that is now included on the recurring PM work schedule.
Senate Office Buildings	
Hart Modular Furniture Replacement: Continue implementing the Hart Modular Furniture Replacement to replace 20-year old furniture.	Completed the 2010 phase of the multi-year renovation. Executed the project at 7% under budget, despite a significant increase to the project scope.
Sprinkler System Installation: Complete the sprinkler installation of the Senate Underground Garage and initiate sprinkler construction for the subway tunnels.	Installed sprinkler systems in the Senate Underground Garage. Began installation of the sprinkler system in the Senate subway tunnel for completion in FY 2011.
Infrastructure Repairs: Initiate improvements such as Russell Building skylight replacement, Hart Building tunnel ramp repair, and Dirksen Building air handling unit replacement.	Initiated the Dirksen air handler replacement, Russell Building skylight replacement, and Hart Building truck tunnel ramp projects as scheduled. All projects will be completed in FY 2011.
Energy Conservation: Award an Energy Savings Performance Contract (ESPC) for the Senate facilities and communicate energy awareness to staff.	Awarded ESPC. Increased energy awareness through energy and environmental fairs.
Taft Memorial Renewal: Repair, modernize, and make the historic structure ADA compliant.	Completed restoration of statue and awarded a design contract to renovate the Taft Memorial and Carillon.

TABLE 8: Jurisdiction Priorities and Performance Highlights (continued)

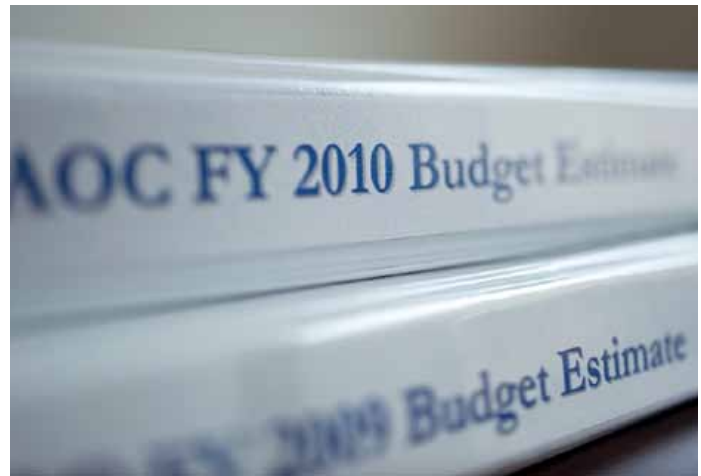
2010 Priorities and Targets	2010 Actual Performance
Supreme Court and Judiciary Building	
Long-Term Renovation Project Execution: Coordinate major projects including the building modernization, roof replacement, exterior renovation, and elevator modernization.	Completed modernization of the Supreme Court southwest quadrant and Phase II roof repair, including fall protection. Award of Elevator #1 upgrade and the exterior property renovation delayed to early FY 2011.
Deferred Maintenance and Renewal Program: Implement deferred maintenance program based on Facility Condition Assessment (FCA). Evaluate the Thurgood Marshall Federal Judiciary Building (TMFJB) preventative maintenance program.	Completed 2010 FCA for the TMFJB and coordinated this assessment with the FY 2011 budget request to include deferred maintenance, capital renewal projects and studies.
Energy Conservation: Renew essential building systems with efficient energy-saving technology.	Replaced single-pane with energy-efficient windows, installed new dimming system, and installed CFLs and LED lighting.

Looking Toward the Future: Our Performance-Based Budget

The AOC's plan for implementing financial management best practices focuses on developing a financial management organization that enhances the interaction between finance and operations and builds a foundation of financial control, accountability, performance, and improvement. To reach this objective, the AOC's cost accounting system continues to mature, enabling the organization to gather and track cost and performance data and link funding requests with strategic goals.

In FY 2010, the AOC submitted a performance-informed budget to Congress for the FY 2011 budget, linking requested funding to the AOC's strategic goals and key performance results. To demonstrate the impact of the FY 2010 budget request on the performance of the AOC, 11 key performance indicators (e.g., facility condition index and demand work order cycle time) were selected. This was the AOC's third budget request to include a supplementary, performance-informed data section. The performance-informed budget is considered an interim phase towards performance-based budgeting. The AOC deems this step important to ensure that performance data and long-range plans drive budget decisions, which will help make the AOC a more effective and accountable organization.

Information on the AOC's efforts to improve performance reporting is included under the "Improving Performance and Business Processes" component of the *Management Challenges and Looking Ahead* section of the Management's Discussion and Analysis.



The AOC is developing the financial management tools to routinely generate reliable cost and performance information and analysis and undertake other value-added activities that support strategic decision-making and mission performance.



LEFT AND MIDDLE: One of the AOC's most pressing challenges is to continue meeting its stewardship responsibilities for its irreplaceable historic assets in an era of limited financial resources. **RIGHT:** The AOC's proposed multi-year Capitol Dome Rehabilitation project would repair and preserve the Dome's cast-iron structure and masonry walls for generations to come.

MANAGEMENT CHALLENGES AND LOOKING AHEAD

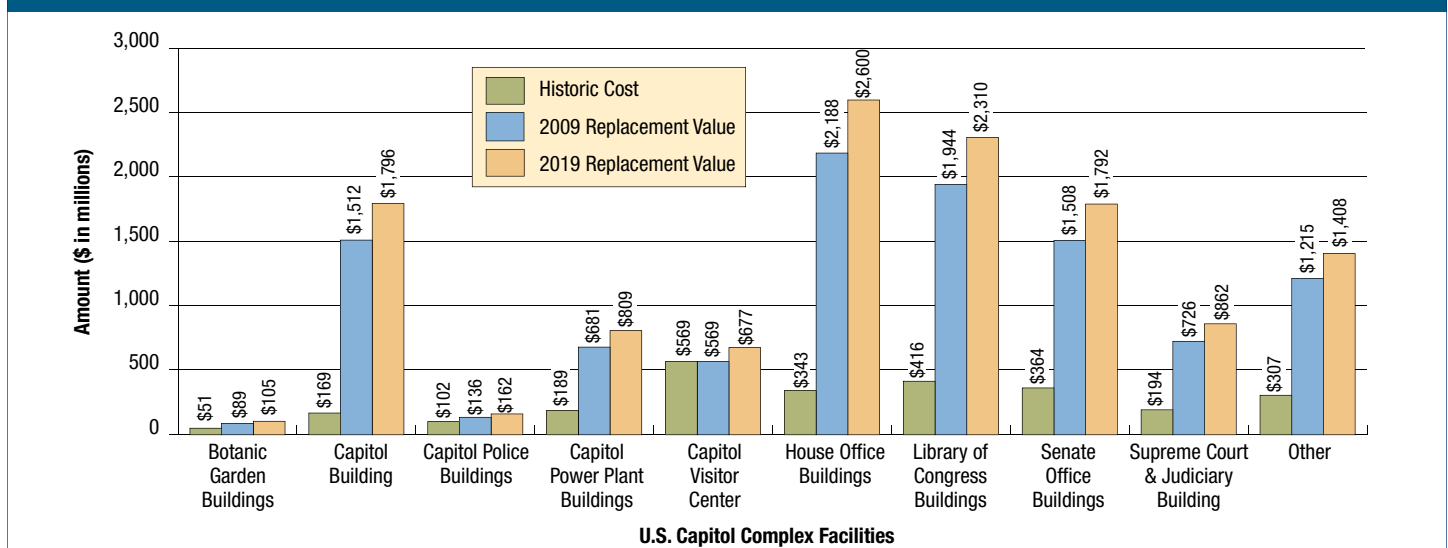
The Architect of the Capitol strives to meet its current and future challenges by improving efficiencies in its operations and financial management. Focus is placed on stewardship activities, such as proactively managing its facilities, to identify upcoming deferred maintenance, capital renewal, and energy reduction needs. Identifying performance improvement opportunities and applying the latest business tools is critical for meeting the

long-term management challenges of the Capitol. In addition to these challenges, please refer to the AOC Inspector General's Statement of Management Opportunities and Performance Challenges in *Section IV: Other Accompanying Information*.

Facility Requirements Exceed Available Funding Resources

The AOC serves as the steward of the Capitol, providing facility maintenance and heritage asset preservation for the Capitol, Congressional office buildings, Library of Congress, and

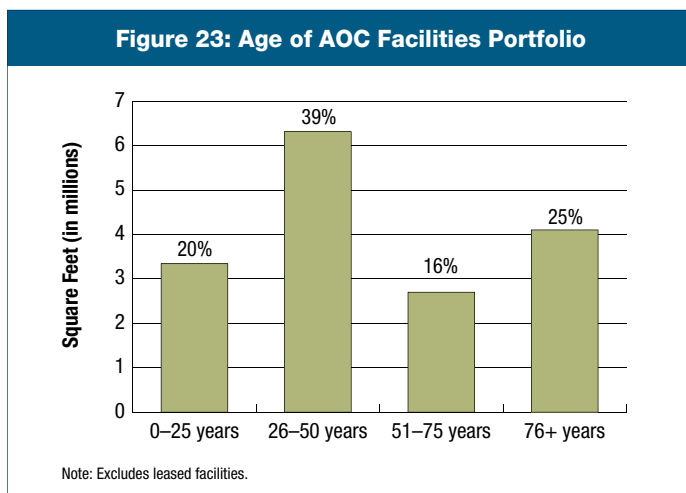
Figure 22: Historic Cost and Estimated Replacement Value of AOC Facilities



Supreme Court and Botanic Garden. Beyond meeting its day-to-day operations, the AOC's most pressing challenge is to continue meeting its stewardship responsibilities for its irreplaceable cultural and historic assets in an era of competing demands for limited financial resources. Figure 22 provides the historic costs incurred for the construction and acquisition of the AOC's facilities and compares those costs to the facilities' estimated replacement values in FY 2009 and FY 2019.¹⁸ As this figure indicates, the facilities' estimated replacement values increase over time. Similarly, the cost of unaddressed deferred maintenance and capital renewal projects, if unaddressed, will also continue to grow more expensive with time.

The current fiscal climate forecast presents an additional challenge as the AOC and Congress are faced with reduced funds availability. The AOC continues to advocate for funding the maintenance, repair, and refurbishment of its historic portfolio over the next two decades to remain safe, secure, and viable. The AOC works with Congress to ensure resources are appropriated to the highest priority needs. Many of the Capitol's heritage real property assets exceed 50 years in age (see Figure 23) and, as a result, have greater facility needs than newer buildings. Based on the Facility Condition Index, the majority of the Capitol complex's square footage is rated in either the "poor" or "fair" categories.

In recent years, funding demands have increased as the AOC brought new facilities on-line and began new mission areas. In addition, emerging priorities, including security, life-safety, and energy reduction mandates have reduced the available resources for sustaining existing facilities. Although Congress has supported many of the AOC's key initiatives, resource levels have still not been sufficient to address all known requirements.



¹⁸ FY 2009 historic costs are used to facilitate comparison with FY 2009 replacement values. Updated estimated replacement values for the FY 2010–FY 2020 will be compiled in May 2011.

The AOC has taken a proactive approach to address this critical issue by continuing to improve the planning and facility assessment processes. The AOC has developed a Five-Year Capital Improvements Plan based on the Facility Condition Assessments (FCAs) and has developed the Capitol Complex Master Plan (CCMP). The Five-Year Capital Improvements Plan uses the FCA and the CCMP to carry out its strategy for prioritizing projects, efficiently managing and meeting Congressional needs and outlining requirements, timing, drivers, and impacts.

The AOC also developed a rigorous project prioritization process to ensure that those facilities with the most urgent maintenance and renewal needs were included early in the plan.¹⁹ The AOC recognizes that balancing severely constrained resources and competing needs may require the deferral of projects. The AOC is using a recently developed facility criticality and risk assessment decision model to identify which projects should be funded. The AOC also assesses the feasibility of executing projects to assure that when funding is available, the AOC can perform the work as planned.

Over the past years, Congress has responded to this infrastructure challenge by increasing the AOC's appropriated budget. Nonetheless, to meet future requirements and reduce the deferred maintenance backlog, the AOC will need Congress' continued sustained support. In addition, the AOC looks to sustainable processes and efficiencies to free up resources for application to deferred maintenance projects. Alternative ways to execute projects have been explored, such as using Energy Savings Performance Contracts (ESPCs) to implement needed energy savings improvements. These initiatives, proactive leadership, and adequate reinvestment will help ensure the protection of the AOC's facilities, the security of its visitors and staff, and the preservation of its historic infrastructure and heritage asset collections for the long-term.

Reducing Energy Consumption

The AOC is a proud champion of energy savings across the Capitol and has been engaged in efforts to reduce energy consumption for several years. Many of the recent AOC projects and initiatives serve to decrease energy consumption and carbon emissions. The AOC continues to analyze and select the most cost-efficient and effective options to meet or exceed its energy reduction mandates.

The AOC embraces the principles of sustainable design to support its stewardship role for the Capitol.²⁰ Focus is on

¹⁹ The most pressing Capitol repair projects include the Capitol Dome rehabilitation, the Russell Exterior Envelope repair and restoration, the Cannon House Office Building restoration, and the Rayburn House Office Building parking garage overhaul, among others.

²⁰ Sustainable design is a holistic approach to design that considers how every stage of the building life cycle affects human health and well-being and the natural environment.

implementing sustainable practices in day-to-day operations as well as construction projects. These practices include the use of low-impact materials, energy efficiency, quality and durability, renewability, reuse, and recycling.

The CCMP guides the AOC's energy reduction efforts through its Sustainability Framework Plan. This plan includes recommended best practices and implementation strategies such as engaging off-grid sources of energy production and improving energy and water efficiency. The AOC has established a silver level certification guideline from the Leadership in Energy and Environmental Design (LEED) Green Building Rating System for all new construction with a focus on increased training to incorporate sustainability in construction projects.²¹ This includes providing training to increase the number of LEED Accredited Professionals within the AOC.

Energy Savings Performance Contracts (ESPCs) are a key component in the AOC's energy reduction strategy. ESPCs allow the AOC to complete energy savings projects with minimal initial investment. Independent contractors finance the energy savings projects in return for a percentage of the savings generated from the installed improvements. The AOC has entered into ESPCs for the Capitol and the House and Senate Office Buildings and these projects will be implemented over the next few years.

Carbon emissions reduction is an important part of the AOC's sustainability goals. The Capitol Power Plant has been engaged in several efforts to reduce emissions and has already transitioned from coal to natural gas as the primary fuel source for its steam boilers. In FY 2010, the AOC began design work to develop cogeneration capabilities in accordance with the AOC's *Strategic Long-Term Energy Plan*. This plan will determine future energy program planning and explore options for efficiencies. Cogeneration could increase energy efficiency using a combination of combustion and steam to generate electricity and heat. Implementation of cogeneration at the AOC could produce a 24 percent reduction in energy consumption (compared with the FY 2003 baseline), a six percent reduction in greenhouse gas emissions, and a 98 percent reduction in hazardous air pollutant emissions (over the FY 2009 emissions).

Other key tools for meeting the AOC energy targets are retro-commissioning and Direct Digital Control (DDC) systems. Retro-commissioning focuses on optimizing building systems to yield increased performance. DDC systems will replace the older pneumatic (i.e., air pressure) control systems and allow more accurate and reliable control of the heating, ventilation, and air-conditioning systems which can result in operational energy savings of over 15 percent.



The Packard Campus for Audio-Visual Conservation is a state-of-the-art facility in Culpeper, VA for the preservation of the Library of Congress' collection of films, television programs, radio broadcasts, and sound recordings. The facility is designed to allow natural light in the work areas and its "green" roof contributes to energy conservation.

Legislative Background on Energy Reduction at the Capitol

The AOC efforts to reduce energy consumption are guided by laws about energy reduction and sustainability for Federal buildings. The Energy Policy Act of 2005 (EPA 2005) established the goal of reducing energy consumption by two percent per year from FY 2003 levels, with a 20 percent total reduction required by FY 2015. In 2007, Congress amended the EPA 2005 with the Energy Independence and Security Act (EISA 2007). EISA's more aggressive targets require an energy reduction of three percent annually from FY 2003 levels, yielding a 30 percent total reduction by FY 2015. While EPA 2005 and EISA 2007 apply to all AOC facilities, the 2007 Green the Capitol Initiative (GTCI) focuses specifically on carbon dioxide emissions and sustainable practices in the House Office Buildings and portions of the Capitol, CVC, and the Capitol Power Plant. GTCI recommends reducing energy consumption by five percent per year (based on FY 2006 base levels) starting in FY 2008 with a total 50 percent reduction in the impacted House facilities by FY 2017.

²¹ The LEED rating system, created and administered by the U.S. Green Building Council, consists of a series of prerequisite building design and operation practices.

Going forward, the AOC will continue installing metering and DDC systems, performing energy audits, and conducting water management studies to help manage the energy savings program and identify potential savings opportunities. To implement its energy priorities, the AOC articulates its short- and long-range funding needs to Congress in order to obtain the resources to implement the program. To meet the aggressive targets under EISA 2007 (30 percent reduction by FY 2015) and GTCI (50 percent reduction by FY 2017), the AOC will require significant capital investment. The AOC recognizes that it will be a challenge to balance the resource needs of the energy program with other new requirements and its existing deferred maintenance and capital renewal needs. In addition, the dramatic growth in information technology data centers on the campus increases the need for cooling systems and will make it more difficult to reduce energy usage. Despite these challenges, the AOC is committed to meeting the energy goals set by Congress. For details on the AOC's FY 2010 energy efforts, see *Focus on... Sustainability, Energy Efficiency, and Energy Management* in Section II of this report.

Improving Performance and Business Processes

As the AOC continues to increase its performance effectiveness and efficiency, a key challenge is to develop the tools to help transform the organization. The AOC looks to build better information technology tools, adopt best business practices, and streamline business operations to support a culture of continuous performance improvement and reduce costs. The long-term tools the AOC is developing to support its performance improvement goals include:

- Executive Information System for enhanced performance monitoring;
- Computer Aided Facilities Management tools to support Capitol facility operations;
- Building Information Modeling technology for better building design and monitoring;
- Cost management for a better understanding of the cost of operations;
- Performance-Based Budgeting for better accountability and forecasting, and
- Internal controls for better financial and operations control.

Executive Information System for Enhanced Performance Monitoring

The AOC faces a challenge in integrating its business processes, including sharing and reporting common business information, across the entire enterprise. To address this challenge, the AOC is developing an Executive Information System (EIS). EIS is an enterprise-wide information technology (IT) environment that



The AOC's long-term efforts to improve performance and business processes include developing an Executive Information System that will provide enterprise-wide data integration and reporting tools.

supports the AOC goals to integrate processes and to provide consistent, accurate, and timely reporting and analysis on the most efficient IT infrastructure possible.

The core of this information environment is a central data warehouse which will store information from multiple systems and databases. The warehouse will represent the historic record of AOC enterprise data. The AOC has been populating the data warehouse since FY 2007. In FY 2010, budget and certain demand work order and preventive maintenance data was entered into the system. The central warehouse will utilize data extraction, transformation, verification, and reconciliation processes to obtain the data. Dashboard and reporting tools, using up-to-date business intelligence technology, will use the information to support business functions and reporting across the organization. The AOC has implemented a training program for current and potential users of the EIS. This training focuses on methods to extract and analyze data, data sources and content, report building techniques, and the use of trends and analysis to support business decisions.

In FY 2010, the number of people with access to EIS or who have received training on the reporting tools more than doubled. However, relatively few of these people are managers or senior managers. Also, internal control procedures need to be documented to assure the completeness and accuracy of EIS data—both non-financial, as well as financial. At this time, the AOC does not have a timetable for full EIS implementation and has managed this project within a constrained resource

environment. Once in place, a centralized EIS would facilitate enterprise-wide data integration and provide dashboards and reports for enhanced performance monitoring to form the basis for efficient decision-making and long-term planning.

Computer Aided Facilities Management Tools to Support Capitol Facility Operations

The Computer Aided Facilities Management (CAFM) program supports the primary mission of the AOC, namely the maintenance and operation of the buildings under its stewardship. The AOC uses the CAFM system as a tool for managing its resources and work programs and increasing organizational responsiveness and work order efficiency.

The AOC primarily uses CAFM to record and track Demand Work Orders (DWO) and Preventive Maintenance (PM) requirements.²² The AOC's monthly dashboard tracks the total DWO and PM orders entered into CAFM to identify peak work times and to balance workloads. To improve the consistent use of CAFM throughout the AOC, the AOC completed the process of PM standardization in FY 2010. The standardization included prioritizing requirements to ensure the most critical tasks are completed on time, establishing common procedures for similar equipment, and identifying a standard completion time. The process will allow the AOC to collect a consistent body of data to establish business metrics.

The AOC furthered the implementation of hand-held wireless maintenance devices in several locations this fiscal year, primarily in the HOB jurisdiction. These devices interface with CAFM to provide real-time work order information and allow work to be assigned and sent electronically to maintenance staff. The staff receives the work request wherever they are located in the Capitol, which allows them to proceed directly to the location of the assignment and eliminates the need to return to the dispatch office. Once an order is completed, the staff can log the completion time into the CAFM hand-held device.

The AOC is using the work order data to develop performance metrics on completion times for tasks that will enable more uniform and efficient maintenance scheduling. Going forward, the AOC is looking to utilize the data obtained from hand-held devices to make maintenance management more efficient.

Building Information Modeling Technology for Better Building Design and Monitoring

The AOC is investigating the implementation of Building Information Modeling (BIM) to assist in the design and operation of the Capitol. BIM is a software tool that can assist in the design, construction, and operation of facilities. The software



The AOC utilizes a Computer Aided Facilities Management program to manage and schedule the maintenance and repairs that are required to sustain the Capitol and other facilities under the AOC's stewardship.

provides users with the ability to develop a virtual model of an actual building in three-dimensional electronic format. BIM also helps plan and analyze a building's environmental and physical conditions and system performance in a real-time, simulated environment.

The AOC has already evaluated the BIM hardware requirements and purchased software and several modules that support this system. Since BIM technology is still considered new, and the Capitol infrastructure is unique, the AOC plans to develop a detailed roadmap to ensure that BIM is implemented methodically to align with its planned design and construction projects. In this way, the technology would be embedded into the design, construction, and maintenance work—allowing the AOC to optimize its investment.

During FY 2010, the AOC assembled a virtual model of the Ford House Office Building to provide its staff with hands-on experience using BIM software. The AOC is also developing a plan that describes what should be modeled in BIM and

²² A DWO is an unscheduled requirement for maintenance or repair, whereas PM is recurring maintenance required to sustain system operability.

the data that would need to be captured. An initiative called the Facility Management (FM) Data Vision was launched to create a framework for facility data sharing and transparency by leveraging several information systems in current use at the AOC.

Going forward, the AOC predicts that BIM will enable AOC's planning staff to be more efficient in its decision-making with respect to building usage, modifications, operations, and maintenance. BIM tools allow for the creation of an "intelligent building" which will aid managerial decisions about their facilities' comfort, safety, and energy savings. This initiative is a very large undertaking that will likely take years to develop. At this time, the AOC has created a four-year outlook for next steps and required funding for both the BIM and FM Data Vision initiatives. Beyond this timeframe, project phases are yet to be determined and will depend on the AOC's strategic direction on facilities management information technology.

Cost Management for a Better Understanding of the Cost of Operations

Improved business performance depends on linking performance results to the cost of providing services. The AOC is working towards a comprehensive cost accounting system, implemented through a dedicated Management Operations Reporting team, in order to analyze, benchmark, and improve its service efficiency. The AOC implemented the cost management system to provide managers with cost information to help make data-driven operational decisions, thus linking the AOC's resource consumption to its objectives achieved.

For example, during FY 2010, the AOC conducted a cost study of the flag flying services managed by the Capitol Building Flag Office. The study provided management with the full cost of performing its flag operations and will be used to determine an appropriate service charge. Having a comprehensive cost accounting system in place allowed the AOC to utilize a streamlined methodology, when compared to earlier cost studies, and allows the AOC to better understand its costs and determine appropriate reimbursement rates.

The AOC also continued to improve its data consistency in FY 2010. The AOC updated and streamlined its cost activity codes, definitions, and code structure to simplify the work activities recorded in its timekeeping and financial systems. This effort will facilitate the use of similar codes for facilities management activities across the organization. The AOC also began identifying key non-financial data, such as facility square footage, for developing unit cost metrics. Cost accounting becomes valuable when an organization is able to link its financial and non-financial data sets, which allows for the creation of unit cost measures. The non-financial data will also provide the AOC with drivers for indirect cost allocation (such

as general administrative costs). Efforts to collect, apportion, and allocate indirect costs will allow the AOC to determine the full cost of its operations.

The development of unit cost metrics will assist in trend and comparative cost analysis—both internally (among the jurisdictions) and externally (with other federal agencies). As the cost management system matures, the AOC will consider adding cost performance data to its monthly dashboard and its new *Strategic Plan*. In addition, the AOC's cost data will be critical to developing a performance-based budget. Improved cost management helps the AOC fulfill its fiscal stewardship role by allowing it to better monitor the cost of doing business and identifying opportunities for greater cost-efficiency.

Performance-Based Budgeting for Better Accountability and Forecasting

Performance-based budgeting provides a budget framework that links organization budgets to performance results. The use of performance information for budgeting allows government decision makers to more effectively target limited financial resources to their programmatic priorities. The AOC's efforts towards performance-based budgeting have been coordinated with the implementation of the current five-year *Strategic Plan* and the maturation of its cost accounting system. Linking these initiatives will help provide visibility into the cost of the AOC's outputs and performance.

During FY 2010, the AOC continued to improve its cost data collection processes. These efforts will allow for better forecasting and for the preparation of budget submissions informed by the AOC's performance. As in previous years, the AOC submitted a performance-informed budget as a supplement to its standard budget submission for FY 2011. As utilized by the AOC, the performance-informed budget links the requested funding to its three strategic goals and to the results for 11 key performance indicators. This format is considered an intermediary step between traditional budgeting and performance-based budgeting, which allows the budget process to be informed by performance results. In moving ahead, the AOC will continue to submit a performance-informed budget to Congress and will work with Congress to develop a performance-based budget format that best responds to their needs.

Internal Controls for Better Financial and Operations Control

The AOC is committed to using effective internal controls to ensure the prudent management of its resources. This fiscal year, progress was made to document and evaluate the AOC's existing controls. In addition, the AOC continues efforts to reach its goal of establishing a comprehensive internal control structure. The administration of the organization's Internal Control Program (ICP) is centralized under an Internal Control Manager who reports directly to the CFO. The AOC's Senior

Assessment Team continued to oversee the ongoing operation of existing controls and the development of additional controls. The Senior Assessment Team met quarterly in FY 2010.

In FY 2010, the Internal Control Manager submitted an overarching plan for developing and implementing the ICP to the Senior Assessment Team and Audit Committee. The plan included the creation of various internal control work groups to document key processes and existing controls. This effort will lay the foundation for enterprise risk management, the development of risk assessments and their related control objectives.

The ICP regularly and systemically monitored existing controls of several processes throughout FY 2010. Those processes include: procure-to-pay, inventory management, financial operations and reporting, payroll processing, human capital activities, and information technology operations. The AOC also updated its control documentation for several material areas, specifically: procurement, payroll, and human resources. Although the current and previous audits identified a deficiency in internal controls as a material weakness, the AOC has shown some improvement. For instance, the Government Accountability Office (GAO) recognized the AOC's progress and, as a result, marked their internal controls recommendation as "closed" in their General Management Review report for FY 2010.



The AOC supports the mission of Congress by sustaining the home of American democracy through planning and programs based on a long-term perspective and the thoughtful use of resources.

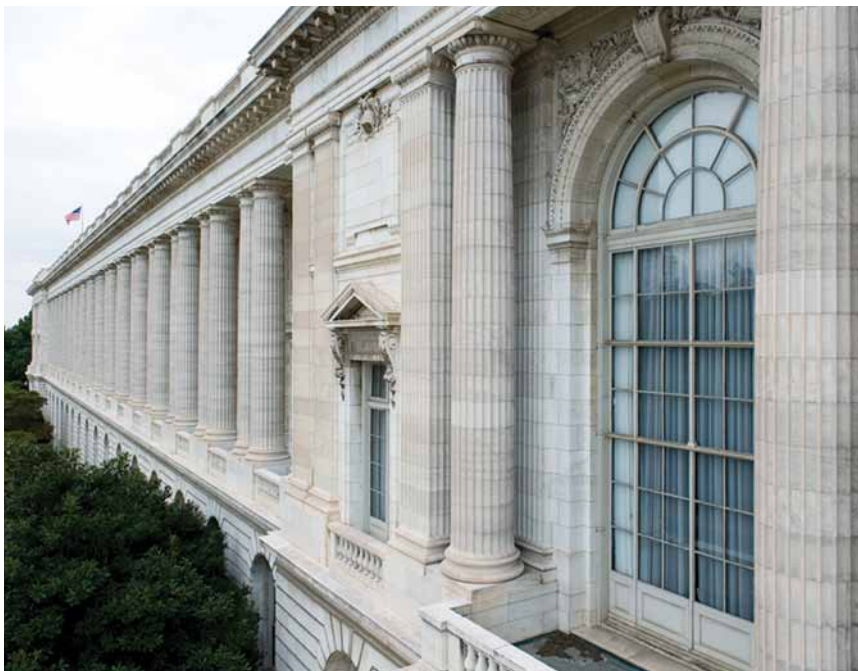
Going forward, the AOC will continue to monitor and manage existing controls and implement additional controls as a result of new and updated risk assessments. The program will update written policies and procedures. The ICP is a sound business practice that will provide assurance that systematic processes and controls are in place to safeguard assets and to increase the integrity of data used for planning, reporting and decision-making. The next steps include finalizing the risk assessments, reviewing controls, and developing the necessary tests and monitoring procedures to ensure the controls are working as designed.

Other Management Challenges

The long-term management challenges facing the AOC are not limited to those identified above. As with the rest of the Federal government, the AOC foresees an upcoming wave of retirements, especially among supervisors and managers, as a significant challenge. At the close of FY 2010, the average age of the AOC's employees was 47; the median age was 48, and 27 percent of the AOC workforce met the minimum retirement age. Comparatively, by 2020, 34 percent of the AOC workforce will meet the minimum retirement age. As baby boomers retire, the AOC anticipates a significant leadership gap and a loss of institutional knowledge if this issue is not addressed now. To prepare, the AOC has begun to institute leadership and succession planning programs. In addition, the AOC has implemented new and progressive workplace tools (e.g., alternative work schedules and telework²³) to provide managers and employees with the flexibilities to help the AOC compete for and retain highly-qualified employees.

Infrastructure management represents another challenge for the AOC. While the demand for office space on or near Capitol Hill continues to grow, the land available for such development and use is limited and costly. This challenge requires both short-term and long-term solutions. In the short-term, Congressional offices will require temporary office swing space during the planned Canon Office Building renewal project. Long-term solutions may require the further expansion of innovative workforce strategies that take advantage of new technologies, as well as the implementation of the 20-year Capitol Complex Master Plan (CCMP). The CCMP and the other prioritization tools the AOC has developed and refined over the past few years provide Congress with concrete and practical assessments of the AOC infrastructure. By using these tools, Congress may choose where best to make investments in the Capitol.

²³ The AOC expanded its telework program in FY 2010.



Internal controls are an integral aspect of the systems and processes that the AOC utilizes to manage daily operations and achieve strategic goals and objectives. The AOC is in the process of developing an organization-wide Internal Control Program. This program will include risk assessments, will address material weaknesses and significant deficiencies from the independent financial statement audit, and will assist in implementing corrective actions.

MANAGEMENT ASSURANCES

Implementation of the Federal Managers' Financial Integrity Act (FMFIA) at the AOC

The Architect of the Capitol considers internal controls to be an integral part of all systems and processes that the organization utilizes in managing its daily operations and achieving its strategic goals and objectives. The AOC holds its managers accountable for efficiently and effectively performing their duties in compliance with applicable laws and regulations and for maintaining the integrity of their activities through the use of internal controls.

The Chief Financial Officer (CFO) is responsible for the execution of the Internal Control Program. The CFO has assigned an Internal Control Manager to assist in the design, implementation, monitoring, and modification of an organization-wide program. Key processes in the program include performing a preliminary risk assessment, addressing material weaknesses²⁴ and significant deficiencies,²⁵ and implementing corrective actions. The program will also set forth a comprehensive and customized internal control program for program

²⁴ A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by internal controls.

²⁵ A significant deficiency is a control deficiency, or combination of deficiencies, that adversely affects the ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected by internal controls.

managers to help them monitor and assess controls within their specific areas of responsibility. It will provide instructions on how to perform testing, assess current controls, modify controls, update control documentation and procedures, and train staff. This program will help managers alleviate current weaknesses and prevent new material weaknesses.

In FY 2010, the AOC's Senior Leadership Team continued its role as the Senior Advisory Team in providing oversight and guidance for improvement of internal controls across the organization. The Team provided strategic direction as the AOC completed drafts of the organizational-level and process-level risk assessments. This assessment of the current internal controls provides information on the current weaknesses in control over financial, general, administrative and program operations. The AOC also updated the control documentation for several material areas.

As of the end of FY 2010, the AOC does not have a formal internal control program in place and is unable to provide assurance that the current internal control design effectively mitigates existing risks and safeguards assets. The Senior Advisory Team recognizes that the AOC had not yet completed a comprehensive and systematic assessment and evaluation of the design and operations of internal controls in all areas and is making this multi-year effort a high priority for FY 2011 and beyond. The AOC will use Office of Management and Budget (OMB) Circular A-123, Appendix A, as a guide to develop, implement, evaluate, and monitor its internal controls. The AOC did not complete a formal and systematic

assessment and evaluation of the design and operation of its internal controls, as reported in the AOC's financial statement audit. The Architect's assurance statement follows. A summary of the management assurances is provided in *Section IV: Other Accompanying Information*.

Summary of Material Weaknesses and Significant Deficiencies

As noted in the *Architect's FMFIA Statement*, the AOC is in the early stages of establishing a program to help remediate its internal control assessment material weakness. In addition to this repeat material weakness, the AOC's FY 2010 financial statement audit resulted in one new material weakness and two significant deficiencies. The AOC's material weaknesses and significant deficiencies as of September 30, 2010 are summarized below. The complete text of the Independent Auditor's Report on Internal Control, including the auditor recommendations, can be found in *Section III: Financial Information*.

Material Weaknesses Summary

1. The lack of a complete internal control assessment process is a repeat material weakness for the AOC. The AOC has not completed a formal and systemic assessment and evaluation of the design and operation of internal controls. To address this repeat condition, the AOC needs to complete and document the internal control structure by identifying risks to material accounts, establishing the controls that will mitigate those risks, and safeguarding AOC assets. OMB Circular A-123 provides guidance for evaluating and monitoring internal controls and the AOC will consult this Circular and the related Implementation Guide in addressing this condition.
2. The restatement of AOC's financial statements is a new AOC material weakness for FY 2010. During the fiscal years 2002 through 2009, the AOC did not recognize in its financial statements various imputed financing costs for projects appropriated, managed, and paid for by another agency on behalf of the AOC. In addition, the AOC did not have effective internal control procedures in place to identify and capture these costs. As a result, the AOC restated its FY 2009 financial statements to report the previously unreported imputed costs. This restatement increased AOC's total assets, cumulative results of operations, and total liabilities and net position by approximately \$29.9 million on its Balance Sheet. The net program costs for the General Administrative jurisdiction increased by \$5.5 million as a result of the Statement of Net Cost restatement. On the Statement of Net Position, net position increased by approximately \$29.9 million. New internal control procedures, once designed and implemented, will help identify imputed financing costs and ensure these costs are reported in subsequent financial statements.

Significant Deficiencies Summary

1. Information system general controls is a modified repeat significant deficiency and resulted from documentation issues related to AOC's information system risk assessment policies and procedures, the local area network password length parameter requirement, deficiencies in the plan of action and milestones reports, and the lack of a contingency plan for the AOC's CVC point of sale system. The corrective actions needed to address these deficiencies include: documenting the policies and procedures for performing information system risk assessments; updating the local area network user password parameter; documenting identified security risks and remediation plans in the plan of action and milestones reports; and developing an application emergency contingency plan for the CVC point of sale system.
2. Information system application controls is also a modified repeat significant deficiency. This condition resulted from the absence of needed policies, procedures, and controls over the CVC gift shop inventory management and point of sale system; controls over the financial system; the existence of a financial system generic user ID; and controls over the time and attendance system. To address these deficiencies, the AOC plans to document and implement the required controls for the inventory management, point of sale, financial, and time and attendance systems.


Architect of the Capitol

U.S. Capitol, Room SB-15
 Washington, DC 20515
 202.228.1793

www.aoc.gov

January 12, 2011

ARCHITECT'S FMFIA STATEMENT

The management of the Architect of the Capitol (AOC) is responsible for establishing and maintaining effective internal controls over key processes and financial management systems. The Federal Managers' Financial Integrity Act of 1982 (FMFIA) requires certain federal government agencies to conduct an annual evaluation of their internal controls and financial management systems and report the results. Although, as a Legislative Branch office, we are not required to conform to FMFIA, the AOC chooses to embrace its principles as a best financial practice and provide its assurance on the effectiveness of its internal controls and financial management systems.

The requirements of Office of Management and Budget (OMB) Circular A-123, Appendix A, *Management's Responsibility for Internal Control*, includes an assessment of the effectiveness of the organization's internal controls to support effective and efficient programmatic operations, reliable financial reporting, compliance with applicable laws and regulations, and financial management system conformance to the applicable financial systems requirements.

Appendix A of OMB Circular A-123 emphasizes management's responsibility for establishing and maintaining effective internal controls over financial reporting, which includes safeguarding assets and compliance with applicable laws and regulations. AOC management is committed to fully implementing a program to assess the effectiveness of the organization's internal control design and the operation of the internal controls to meet the spirit of the FMFIA.

We are still in the early stages of establishing a program that fully meets the intent of OMB Circular A-123, Appendix A. Therefore, at this time, the AOC is unable to provide assurance that the internal controls and financial management systems meet the objectives of FMFIA and that the internal controls are operating effectively.

Sincerely,

Stephen T. Ayers, AIA, LBED AP
 Architect of the Capitol

Doc. No. 110104-04-1



The AOC is committed to accomplishing its mission and providing accountability for its financial resources. In FY 2010, the AOC managed a budget of approximately \$602 million to provide Congress and the Supreme Court with effective and efficient operations support of the Capitol and sustain its historic and architectural integrity.

FINANCIAL HIGHLIGHTS

These financial highlights provide an analysis of the information that appears in the AOC's FY 2010 financial statements. The AOC's independent auditor, Kearney & Company, audited the AOC's Balance Sheets for the fiscal years ending September 30, 2009, and September 30, 2010, along with the accompanying Statements of Net Cost, Changes in Net Position, and Budgetary Resources. The financial statements received an unqualified (clean) audit opinion for the sixth consecutive year.²⁶ The AOC's audit reports and financial statements are contained in *Section III: Financial Information* of this report. As discussed therein, AOC restated its FY 2009 Balance Sheet, and Statements of Net Cost and Changes in Net Position for imputed financing costs incurred by another agency on the AOC's behalf.

The AOC considers its annual independent audit an integral part of its financial management. An unqualified opinion provides reasonable assurance that the financial statements are free of material misstatement. Reasonable assurance, while not absolute, is nonetheless a high level of assurance.²⁷ Nonetheless, while the AOC takes great pride in generating reliable annual financial statements, the AOC recognizes that the process of preparing financial statements and subjecting them to an independent audit is only the first step toward adopting

best financial business practices such as those found in the CFO Act and subsequent legislation. To reap the full benefits of this financial reform legislation and to develop its own financial management best practices, the AOC is diligently working to (1) maintain seamless financial systems and processes, (2) generate reliable cost and performance information and analysis, and (3) undertake other value-added activities that support strategic decision making and mission performance.

Guide to the Financial Statements

Government-wide efforts to improve federal transparency and accountability led to the enactment of mandatory uniform Executive Branch accounting and reporting standards, along with the tools to better manage financial resources. Though a Legislative Branch organization, the AOC has implemented policies that voluntarily comply with the spirit of many of these best business practices.

The financial statements and financial data presented herein have been prepared from AOC's accounting records in conformity with generally accepted accounting principles (GAAP). GAAP, for federal entities, are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB).

Overview of Financial Position

The Balance Sheet provides a snapshot of the AOC's financial position and displays amounts of future economic benefits owned or available for use (Assets), amounts owed (Liabilities) and the residual amounts (Net Position) at the end of the fiscal year.

²⁶ This followed two straight years in which a clean opinion was received on its Balance Sheet-only audits.

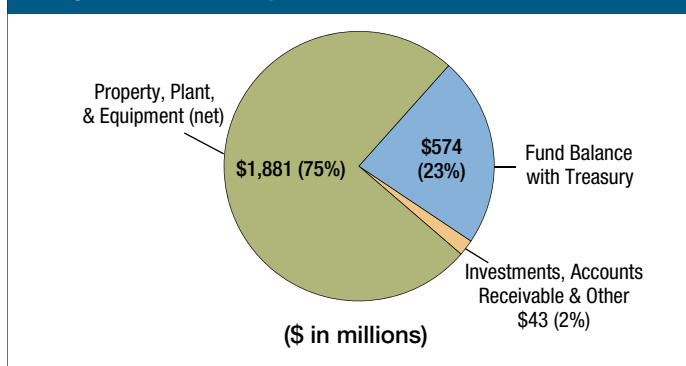
²⁷ The term reasonable assurance includes the understanding that there is a remote likelihood that material misstatements, due to inherent limitations, may not be prevented or detected on a timely basis.

Assets

As shown on the Balance Sheet, the AOC had total assets of \$2.50 billion at the end of FY 2010. This represents an increase of \$61 million (2.5 percent) over the FY 2009 total assets of \$2.44 billion. The increase is primarily the result of an increase of \$72 million in Fund Balance with Treasury. Figure 24 summarizes the FY 2010 total assets by component.

Property, Plant, and Equipment (PP&E) represents AOC's largest asset (75 percent of total assets). PP&E, net of accumulated depreciation, equaled \$1.88 billion at fiscal year-end. During FY 2010, the AOC capitalized \$96 million in construction costs associated with the completion of the Supreme Court modernization.

Figure 24: Summary of Total Assets Fiscal Year 2010

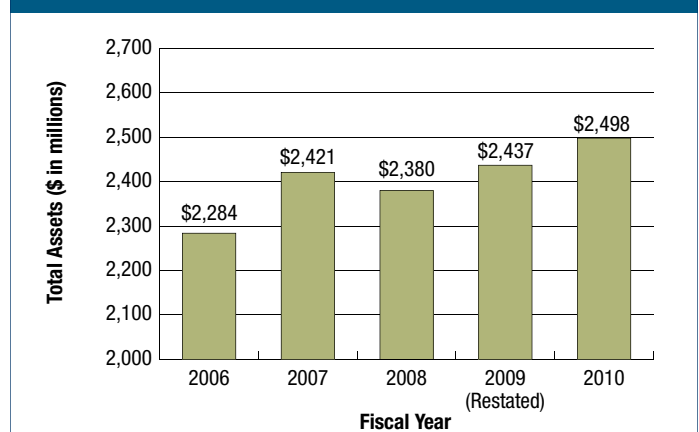


Fund Balance with Treasury is the next largest asset at \$574 million as of September 30, 2010, representing 23 percent of AOC's total assets, compared to \$502 million and 21 percent of total assets in FY 2009. Fund Balance with Treasury is the aggregate of funds available with the U.S. Department of Treasury to make authorized expenditures.

The remainder of the AOC's assets is composed of Investments, Accounts Receivable, Inventory held for sale in the CVC gift shops, and other assets. Investments equaled \$39 million, up four percent from last year. This increase is primarily due to an increase in the CVC Revolving Fund investment.

The annual trend in the AOC's total assets for FY 2006 through FY 2010 is presented in Figure 25. The nine percent increase in total assets since FY 2006 reflects the many significant new facilities and construction projects that have taken place at the AOC in recent years. These include the CVC, Packard Center for Audio-Visual Conservation, book storage modules at Fort Meade, and the construction costs for the Supreme Court modernization.

Figure 25: Trend in Total Assets FY 2006–FY 2010



The Balance Sheet does not reflect heritage assets. In accordance with Statement of Federal Financial Accounting Standard (SFFAS) No. 29, Heritage Assets and Stewardship Land, these assets are not included in the financial statements.²⁸ Such assets are expected to be preserved indefinitely and are required to be carried at a zero dollar amount. AOC's heritage assets include artwork, architectural features, reference and library materials, and historic records. In addition, the AOC's heritage assets include living assets such as its plant inventories at the Botanic Garden and memorial trees on the Capitol Grounds. See the *Required Supplementary Information* section for further detail.

Liabilities

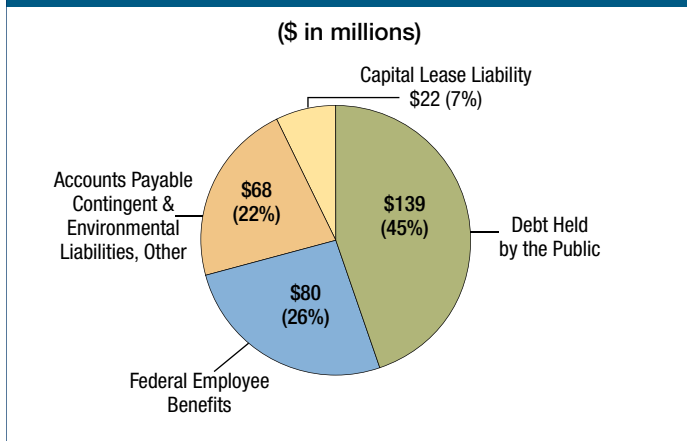
At the end of FY 2010, the AOC's total liabilities amounted to \$309 million, which represents a seven percent decline from the prior year total of \$330 million. Most of this decline may be attributed to a reduction in the AOC's contingent and environmental liabilities. Figure 26 presents the FY 2010 total liabilities by component.

Debt Held by the Public, at 45 percent, is the largest single component of total liabilities as of September 30, 2010. This represents the value of bonds sold to finance the construction of the Thurgood Marshall Federal Judiciary Building and equaled \$139 million at the end of FY 2010 with a decrease from the FY 2009 liability due to bond payments.

The next largest liability, Liabilities for Federal Employee Benefits, amounted to \$80 million. This amount includes the actuarial Federal Employees' Compensation Act (FECA) liability for future workers' compensation benefits (\$47 million) and the liability for Accrued Payroll and Annual Leave (\$23 million), which includes salaries and wages earned by employees but not disbursed.

²⁸ An exception is provided for multi-use heritage assets (e.g., the Capitol, the Library of Congress' Thomas Jefferson Building, and other historic facilities) whose predominant use is general government operations.

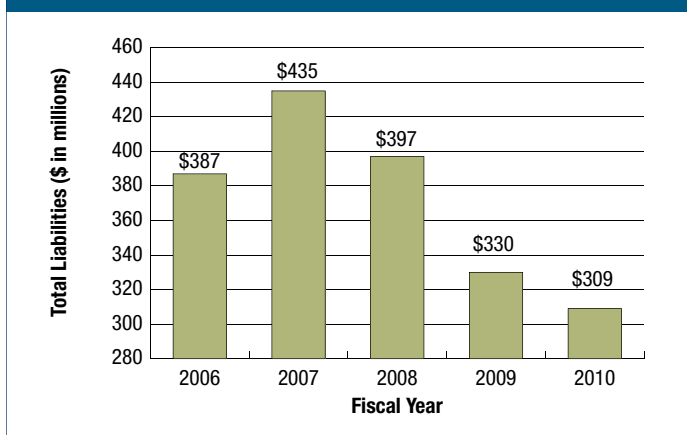
Figure 26: Summary of Total Liabilities Fiscal Year 2010



Contingent and Environmental Liabilities equaled \$0.9 million at year-end. This was a 97 percent decrease from the FY 2009 total of \$26 million. This balance represents contingent legal and environmental cleanup claims the AOC believes it will owe and for which it can reasonably estimate the amount of an unfavorable outcome. The decrease in FY 2010 is largely due to a decrease in the environmental estimate since actual costs that were incurred were lower than expected. In addition, the decline in the estimated liability resulted from certain large cases that were settled this fiscal year.

The annual trend in the AOC's total liabilities for FY 2006 through FY 2010 is presented in Figure 27. The reduction in contingent and environmental liabilities accounts for most of the decrease in total liabilities.

Figure 27: Trend in Total Liabilities FY 2006–FY 2010



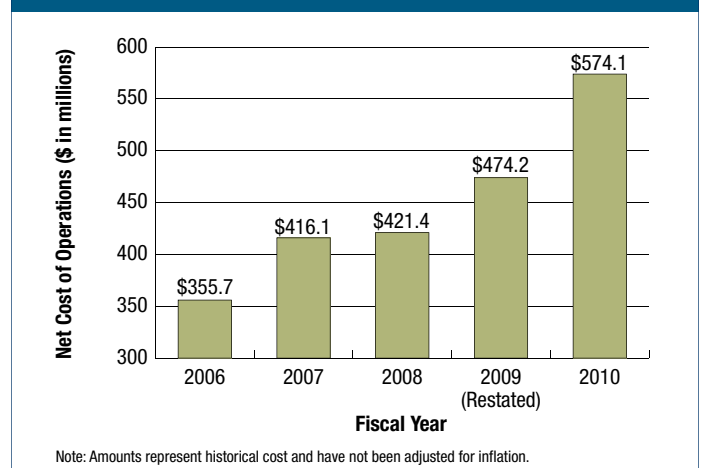
Results of Operations

The Statements of Net Cost presents the AOC's net cost of operations by reporting segment (jurisdiction) for FY 2010 and FY 2009. Net cost includes total costs less all revenues attributed to and permitted to be offset against those costs. The AOC's main revenue sources are from providing steam and chilled water to non-Legislative Branch entities within the Capitol and for rent received from the Administrative Office of the U.S. Courts in the Thurgood Marshall Federal Judiciary Building.

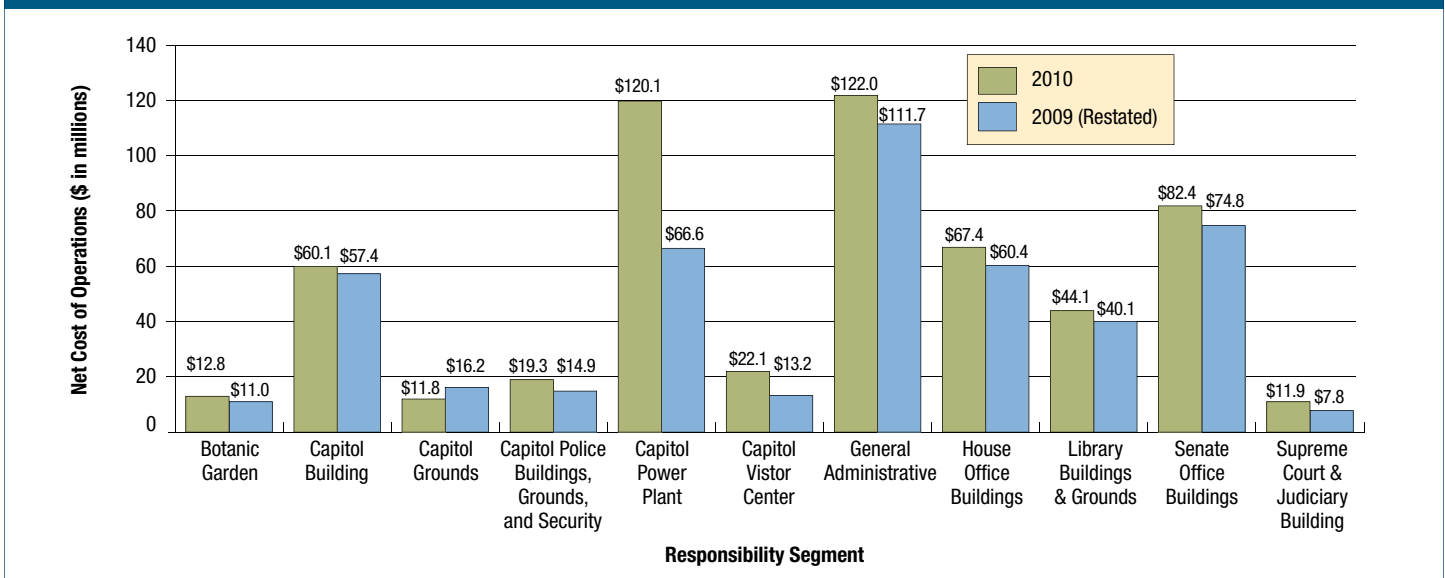
Net cost of operations, as reported in the *Statements of Net Cost*, amounted to \$574 million for FY 2010, increasing \$100 million or 21 percent from the restated FY 2009 net cost of operations of \$474 million. Net cost of operations consists of total costs less revenues attributed to and permitted to be offset against those costs. The increase is primarily due to the cost of operating the CVC for a full fiscal year (a net cost of operations of \$22 million), large projects and increased annual program costs for the Capitol Power Plant, and the increase in operating costs due to an increased budget for FY 2010.

The year-to-year change in net costs of the AOC's operations for FY 2006 through FY 2010 is presented in Figure 28. The 62 percent increase on net cost of operations since FY 2006 (not adjusted for inflation) reflects the addition of new mission areas such as CVC operations, new energy savings programs, mandatory pay increases, the rise in utility rates, the increased cost of leases, and other increases that add to the cost of day-to-day operations.

Figure 28: Trend in Net Cost of Operations by Fiscal Year



A comparison of the AOC's total net cost by responsibility segment (i.e., jurisdiction) for FY 2010 and FY 2009 is contained in Figure 29. The noteworthy variances were for the Capitol Power Plant and the CVC. The Capitol Power Plant's net costs increased by over 80 percent in FY 2010 as a result of utility tunnel remediation costs. The CVC's net costs also

Figure 29: Summary of Net Cost of Operation by Responsibility Segment FY 2010 and 2009 (Restated)

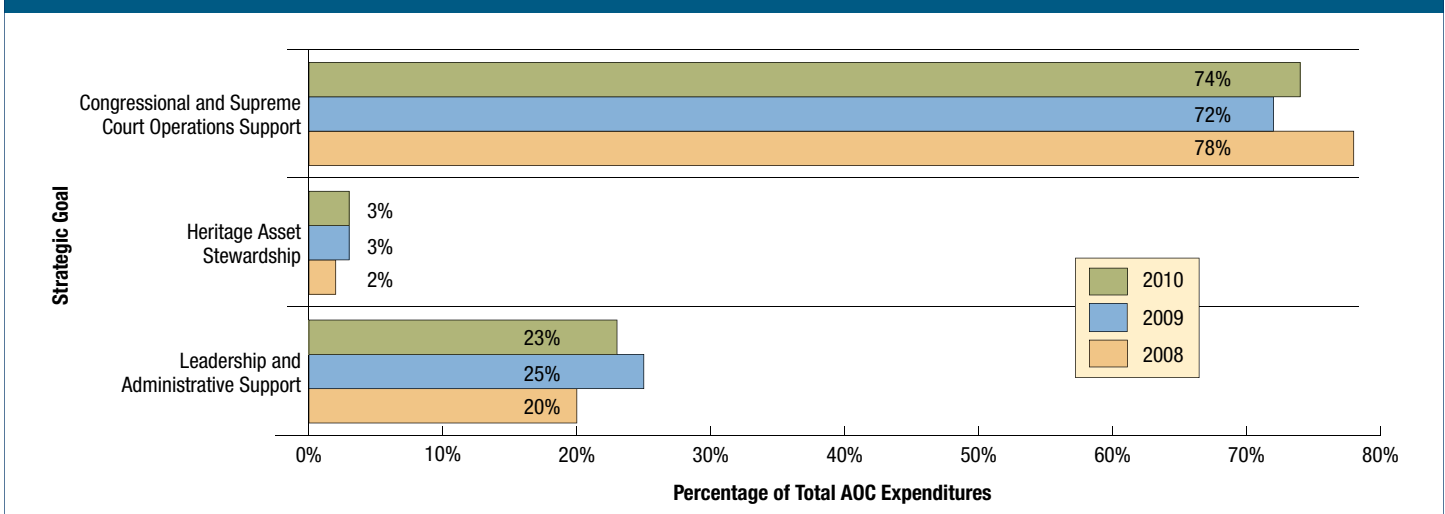
increased by over 67 percent in FY 2010 due to FY 2010 representing the CVC's first full fiscal year of operations.

Resources Used to Achieve Strategic Goals

The AOC's Strategic and Performance Plan has three main goals that help the organization provide Congress and the Supreme Court with exceptional service. Figure 30 displays the breakdown of the organization's cost expenditures by Strategic Goal for FY 2008 through FY 2010. In these years, approximately three-quarters of the organization's expenditures were devoted to Goal 1 activities (Congressional and Supreme Court Operations Support), with the balance devoted to Goals 2 and 3 (Heritage Asset Stewardship and Leadership

and Administrative Support, respectively). The budgetary resources used to fund these expenditures are detailed in the *Overview on Use of Budgetary Resources* section.

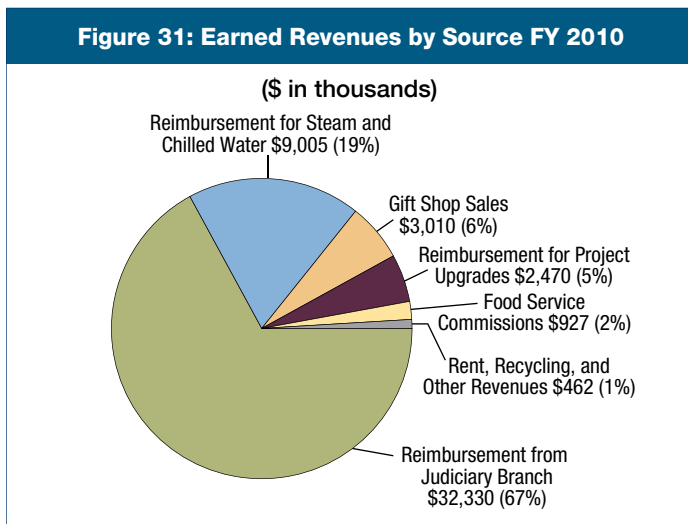
Though it might appear from the chart that just a small portion of the AOC's work is devoted to heritage asset stewardship, management believes that this is likely understated. Many work activities, such as preventative maintenance, have both an operations support component (Goal 1) and a heritage asset stewardship component (Goal 2). Currently, dual purpose work is being captured by its cost accounting system only under Strategic Goal 1. As the AOC's data collection and information technology systems and processes are refined, the organization should be able to provide a more precise breakout. Already,

Figure 30: Trend in Cost Expenditures by Strategic Goal FY 2008–FY 2010

AOC cost data has helped link resources to results. Annually, the AOC submits a performance-informed budget—mapping the desired funding to goals and key performance indicators.

Earned Revenues by Source

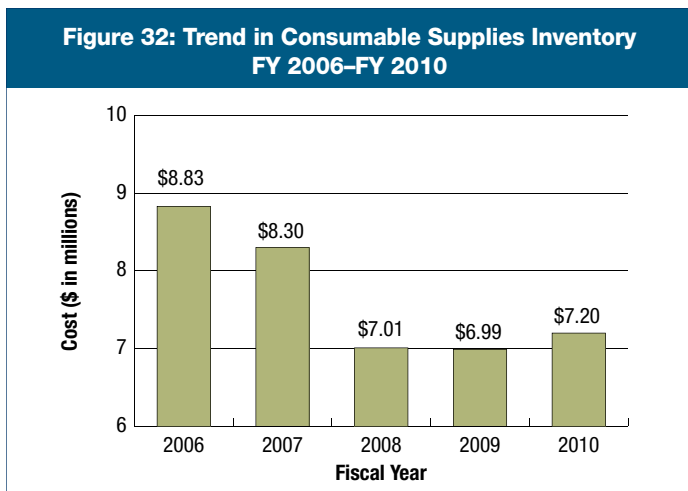
The AOC's major sources of revenue for the fiscal year ending September 30, 2010, are depicted in Figure 31. As shown, the largest sources of revenue are reimbursements from the Judicial Branch for facility operations in the Supreme Court and Thurgood Marshall Federal Judiciary Building (67 percent)



and reimbursements to the Capitol Power Plant for steam and chilled water (19 percent). Other sources of revenue include CVC gift shop sales, food service commissions, rent, and recycling proceeds.

Consumable Supplies Inventory

The AOC holds inventory balances of materials and supplies that will be consumed in normal operations. Consumable



materials and supplies consist of: (1) operating materials and supplies, 2) work-in-progress materials and supplies, and (3) bench stock. Through a monthly inventory spotlight report, the AOC has helped reduce its consumable inventory levels by nearly \$2 million in four years, displayed in Figure 32. In FY 2010, the AOC established a successful working group to update the spotlight report and metrics. This effort will help the AOC's jurisdictions continue to maintain its consumable inventory at the most economical levels while still upholding its ability to timely respond to the needs of Congress.

Overview of Net Position

The Statement of Changes in Net Position identifies all financing sources available to, or used by, the AOC to support its net cost of operations and also identifies the net effect or change in its financial position. Net position is the sum of two components: Cumulative Results of Operations and Unexpended Appropriations. Each component is displayed separately to enable a better understanding of the nature of changes to Net Position as a whole.

AOC's Net Position at the end of FY 2010 on the Balance Sheet and the Statement of Changes in Net Position was \$2.19 billion, an increase of \$82.44 million (four percent) from the prior fiscal year. The increase primarily resulted from the increase in Fund Balance with Treasury and decrease in its Contingent and Environmental Liabilities.

Overview on Use of Budgetary Resources

The Statement of Budgetary Resources provides data on how the AOC obtained its budgetary resources and the status of these resources at the end of the fiscal year. This Statement displays the key budgetary equation (Total Budgetary Resources equals Total Status of Budgetary Resources) which provides information on the status of congressional spending authority.

The AOC's appropriations consist of an operating budget component and a capital projects budget component. Separate appropriations are enacted for each of the AOC's jurisdictions. Operating budgets fund the daily operations of all the AOC jurisdictions. Payroll is the largest single component of the AOC operating budget. Other operating expenses include equipment, utilities, supplies, and general support contracts. Capital projects budgets include upgrades, improvements, construction, preservation, and stewardship of the facilities under the AOC's control. Figure 33 charts the trend in the total of the AOC's appropriations for FY 2006 through FY 2010.

The variance between FY 2009 and FY 2010 is a result of an increase in operating and payroll costs intended to help the AOC meet its new mission areas and tackle its deferred maintenance and capital renewal backlog. In addition, the House

Historic Buildings Revitalization Trust Fund was established in FY 2010 to help the AOC fund the cost of certain expensive construction projects for the repair and revitalization of historic buildings of the Capitol. Despite past facility investments, many historic buildings require significant funding for maintenance, repair, and refurbishment. In recent years, budgetary demands have increased as the AOC has brought new buildings on-line and added new mission areas. Although Congress has supported numerous key AOC initiatives, indicated by the FY 2009 and FY 2010 budgetary increases, resource levels have not been sufficient to address all known facility requirements. For more information on this backlog, please refer to *Looking Ahead: Facility Requirements Exceed Available Funding Resources* in this report.

The FY 2010 appropriation broken down by category is illustrated in Figure 34. Salary and benefits were appropriated at \$213.9 million for FY 2010 (35 percent of the total amount budgeted) and includes the funds for the additional FTEs brought onboard to staff the visitor service operations at the CVC.

Limitation of Financial Statements

Management prepares the accompanying financial statements to report the financial position and results of operations for the AOC pursuant to the requirements of Chapter 31 of the U.S. Code Section 3515(b). While these statements have been prepared from the AOC's books and records in accordance with the spirit of OMB Circular A-136, *Financial Reporting Requirements* (as revised), Generally Accepted Accounting Principles (GAAP), and other applicable authority, these statements are in addition to the financial reports, prepared from the same books and records used to monitor and control the budgetary resources. These statements should be read with the understanding that they are for a component of the U.S. government, a sovereign entity. One implication is that unfunded liabilities cannot be liquidated without legislation that provides the resources to do so.

Figure 33: Trend in Annual Appropriation FY 2006–FY 2010

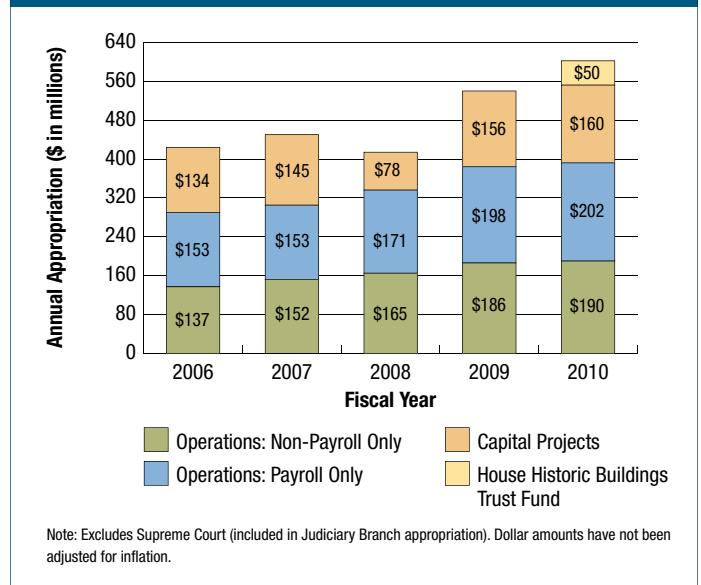
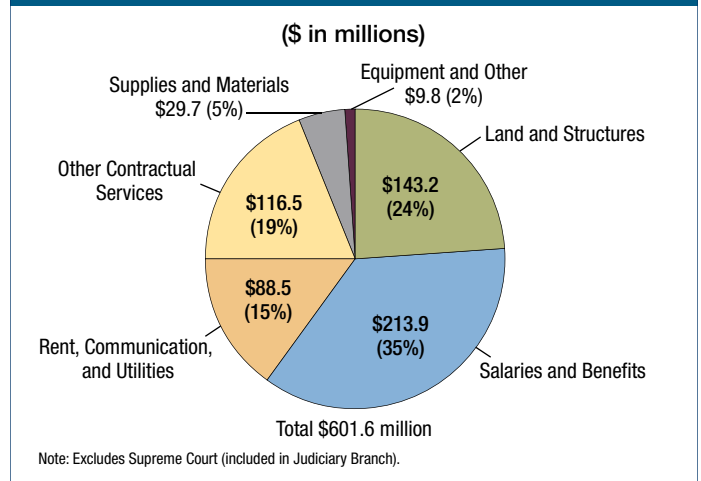


Figure 34: Summary of FY 2010 AOC Appropriation by Category





SECTION II

PERFORMANCE INFORMATION

INTRODUCTION

The Performance Information section presents the results of the AOC's progress toward achieving its strategic goals, followed by its outcome measures and targets. It includes a discussion of the strategies to achieve and measure performance and the actions that the AOC takes to overcome its challenges. This section also includes a summary of the methods used to verify and validate performance data and provides the AOC's performance results and trends. In summary, this section provides a detailed picture of how the AOC measured up to its goals for Fiscal Year (FY) 2010.

The AOC's goals are to provide services and facilities support for the U.S. Congress and the U.S. Supreme Court, protect the U.S. Capitol complex's heritage assets, and provide the associated leadership and administrative support to achieve its mission. The AOC strives for the highest performance, based on the *Strategic and Performance Plan: Fiscal Year 2007–Fiscal Year 2011*. The AOC provides a Performance and Accountability Report, together with a budget request, that follows the spirit and intent of the Government Performance and Results Act. This is the AOC's sixth year of providing performance information in the Performance and Accountability Report (PAR). The AOC's *Strategic Plan* continues to evolve and annual updates have resulted in the shift of some activities into future years.²⁹ This impacts the AOC's ability to collect data for some of its performance measures. As such, some measures have new baseline dates and/or new annual target levels of achievement leading up to the original FY 2011 targets. These impacts are discussed within this section.

During the next fiscal year, the AOC will develop a new five year *Strategic and Performance Plan* covering FY 2012 through FY 2016. Fiscal year 2012 organizational goals, objectives, and performance measures are currently under development and, as a result, FY 2012 targets are excluded from this analysis.

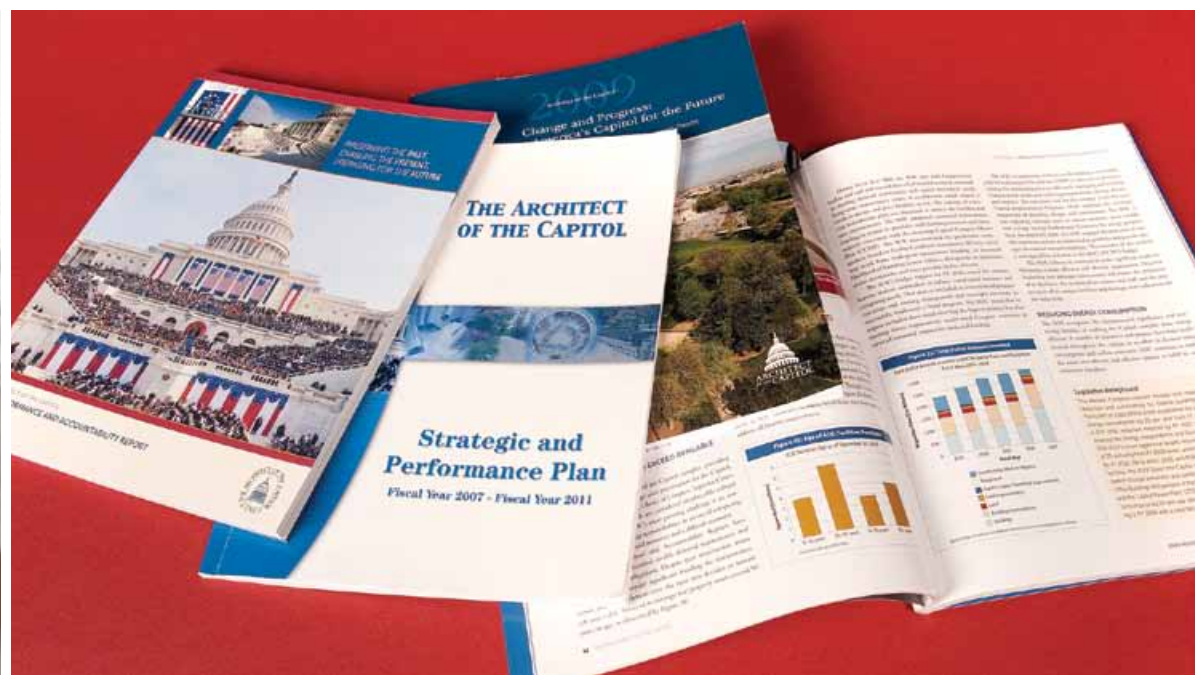


ABOVE: The AOC's Strategic and Performance Plan provides the strategic and performance targets the AOC uses to measure its progress. In FY 2011, the AOC will finalize the development of a new plan that will cover FY 2012 through FY 2016. **LEFT:** In the U.S. Capitol's Brumidi Corridor, conservators removed yellowed varnish and overpaint from the original decorative painting by scraping and applying solvent gels.

DATA VALIDATION

The AOC has a solid history of using objective data to build indicators that reflect performance. The AOC Dashboard, a performance measurement tool, has been actively used for over six years and is continuously refined and improved. The goals defined in the AOC's *FY 2007–FY 2011 Strategic and Performance Plan* are the building blocks of the Dashboard, which includes the critical outcomes and their associated annual targets. Each year, the AOC methodically aligns the Dashboard with the *Strategic Plan* to reflect new and more ambitious targets and to provide clear and accurate performance measurements across the AOC. More information on the long-term tools

²⁹ To request more information on the AOC *Strategic and Performance Plan: Fiscal Year 2007–Fiscal Year 2011*, please contact the AOC at 202-226-5005.



The AOC uses various tools to analyze the progress made towards meeting its performance and improvement goals. Among the tools are the annual Performance and Accountability Report and the Strategic and Performance Plan. The current AOC Strategic and Performance Plan covers FY 2007 through FY 2011. The AOC's executive management is currently working to develop a new Strategic Plan that will cover FY 2012 through FY 2016.

the AOC is developing to support its performance improvement goals is available above under the *Improving Performance and Business Processes* section of the MD&A.

Listed below is a summary of the key activities in the AOC's performance management approach:

- Establish long-term targets (five years out) through the strategic planning process;
- Work with process owners and their customers to set annual targets;
- Use applied metrology techniques to identify sources, validate data, and generate information;
- Review and discuss results monthly via operational dashboard meetings for those metrics that are measured on a monthly or quarterly basis; and,
- Review and discuss results annually results through the Performance and Accountability Report (PAR) development process.

The AOC monitors and maintains automated systems and databases that collect, track, and store performance data. These systems are supported by the AOC's Information Technology Division. Controls are in place to ensure that only authorized staff can access key systems and data. The data

source for each performance measure is identified in the performance information tables that follow.

For some performance targets, data results may be categorized as "not applicable" for September 30, 2010. For example, Performance Measure 1.3.2d, which relates to election year moves, is not collected for non-election years. In addition, for some performance targets, data results may not yet be available as of September 30, 2010. Such data may fall under one of three categories.

- **Data development underway:** This category recognizes those *Strategic Plan* measures for which data development and refinements are being pursued to ensure reliable data.
- **Measure no longer being pursued:** This category is for *Strategic Plan* measures that, upon subsequent research and investigation, are not being pursued at this time.
- **Data unavailable at time of publication:** This category is for data results that were not available in time for inclusion in this report.

In cases where data is not available, the performance measures are currently under evaluation to determine if these measures will be retained, revised, or replaced in the next five year *Strategic Plan*.



The AOC supports Congressional and Supreme Court operations by providing effective facilities management, project delivery, and related support services. The AOC is focused on continuous performance improvement and takes a proactive approach by performing facility condition assessments, preventive maintenance processes, and customer satisfaction surveys. On these surveys, the AOC consistently receives high customer satisfaction ratings.

STRATEGIC GOAL 1: CONGRESSIONAL AND SUPREME COURT OPERATIONS SUPPORT

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

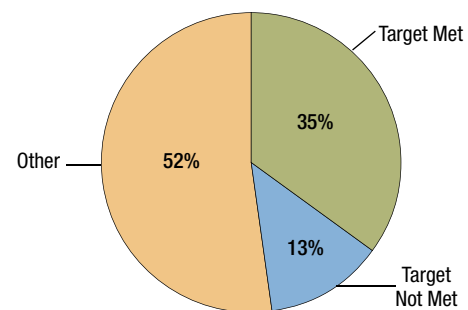
The AOC manages facilities and grounds for the U.S. Congress and the U.S. Supreme Court. This includes providing timely and quality facilities management, project delivery, and related support services to maintain the national treasures entrusted to its care. The AOC team is highly focused on client service and proactively manages the delivery of services including assessing the current condition of buildings and identifying maintenance needs to provide high quality facilities and grounds services. The AOC manages a large portfolio of projects adhering to industry best practices and a disciplined project management process. Project progress and success is monitored regularly. The results achieved for this fiscal year for Goal 1 is depicted in Figure 35.

The AOC has taken several actions to ensure continuous performance improvement. These actions include benchmarking, monitoring and measuring performance. The AOC takes a proactive approach by performing routine facility condition assessments, preventive maintenance processes and revising

project plans to ensure they are scalable and incorporate industry best practices. The AOC increased efficiencies by automating work order and cost data collection processes and enhanced project close-out procedures. In addition, the AOC regularly surveys building occupants to verify it is meeting their needs and to identify opportunities for improvement.

Detailed performance results for each objective are provided in Tables 9 through 22 in the following section. The data reflects trends over a five year period, where available, and identifies performance targets for fiscal year 2011.

Figure 35: Goal 1—Congressional and Supreme Court Operations Support



Note: Number of Performance Indicators 40 (19 with FY 2010 Targets).

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

The strategy to achieve this objective is to focus on recurring maintenance and repairs, preventive maintenance, equipment maintenance, and deferred maintenance.

TABLE 9: Performance Results for Objective 1.1 Facilities Maintenance

Performance Measure 1.1.1										
By FY 2011, the Facility Conditions Index (FCI) is maintained at an assessment level of good to excellent for 90% of the square footage of the facilities that have been formally assessed.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	70.0%	64.5%	75.0%	47.9%	80.0%	40.8%	85.0%	39.2%	90.0%
Results: Target not met. Significant renewal investments are necessary to notably increase this FCI. The AOC is re-evaluating this target to better align with available resources.										
Data Source: The AOC's facility condition assessment database. Deferred maintenance costs divided by replacement value (note: some facilities are not yet included).										
Performance Measure 1.1.2										
By FY 2011: a) Expenditures for maintenance and repair are not less than 2%–4% of the Current Replacement Value (CRV);										
Results: Data development underway.										
b) Cost per square foot for maintenance and repair does not exceed 110% of industry standards for like facilities; and										
Results: Data development underway.										
c) Customer satisfaction with maintenance and repair of buildings is at least 90%.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
≥80.0%	92.4%	≥85.0%	92.4%	≥85.0%	92.3%	≥85.0%	91.8%	≥90.0%	93.1%	≥90.0%
Results: Target met.										
Data Source: Annual survey of building occupants related to maintenance and repair of the building.										
Performance Measure 1.1.3										
By FY 2011: a) At least 90% of preventive maintenance work orders are completed as scheduled every month; and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	14,789	N/A	47,226	N/A	76,062	N/A	96,027	N/A	148,187	N/A
Results: Data development underway.										
b) A sustainment rate of 1.0 is achieved.										
Results: Measure no longer being pursued.										

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

The overall strategy to achieve this objective is to focus on routine cleaning inspections, a comprehensive energy conservation and management plan, educating building occupants on the recycling program, and developing and implementing policies and procedures for applicable life-safety and fire protection requirements.

TABLE 10: Performance Results for Objective 1.2 Facilities Operations

Performance Measure 1.2.1										
By FY 2011, cleaning inspections confirm that: a) Cleaning standards are met at least 90% of the time;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	97.2%	≥85.0%	96.3%	≥85.0%	95.9%	≥90.0%	96.0%	≥90.0%	95.4%	≥90.0%
Results: Target met.										
Data Source: Cleaning inspection sheets.										
b) Cost per square foot for cleaning services does not exceed 110% of industry standards for like facilities; and										
Results: Data development underway.										
c) Customer satisfaction with cleaning services is at least 90%.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
≥80.0%	86.5%	≥85.0%	85.8%	≥85.0%	85.1%	≥85.0%	87.2%	≥90.0%	89.9%	≥90.0%
Results: Target not met. Performance continues to increase in this area and focus remains on achieving the FY 2011 target.										
Data Source: Annual survey of building occupants related to cleaning.										
Performance Measure 1.2.2										
By FY 2011, utilities are effectively utilized in order that: a) A decrease of 3% per year is achieved in total energy consumption;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
≤FY03— 2.0% points	6.5%	≤FY03— 4.0% points	6.7%	≤FY03— 9.0% points	16.1%	≤FY03— 12.0% points	15.3%	≤FY03— 15.0% points	17.3%	≥FY03— 18.0% points
Results: Target met.										
Data Source: Comparison between the total energy intensity Kilo British Thermal Units (KBTUs) divided by square feet in FY 2003 to the current FY.										
b) Energy costs per square foot do not exceed 110% of industry standards for like facilities; and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	Baseline	≤110.0%	91.4%	≤110.0%	93.0%	≤110.0%	Unavailable	≤110.0%
Results: Data unavailable at time of publication.										
Data Source: The AOC energy cost per square foot divided by the industry average cost per square foot.										
c) 90% of our goals, as outlined in the AOC plan to comply with the Energy Policy Act of 2007, are met.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	90.0%	100.0%	90.0%	100.0%	90.0%	90.9%	90.0%	100%	90.0%
Results: Target met.										
Data Source: The AOC goals met divided by the total number of goals in the "Report on the Requirements of the Energy Act of 2005 Related to Congressional Facilities," dated February 6, 2006.										
Performance Measure 1.2.3										
By FY 2013: a) Increase overall recycling rates of the AOC recycling program by diverting building occupant wastes (BOW) from the solid waste stream by increasing BOW recycling rates by 3 percentage points;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	35.0%	N/A	35.0%	N/A	Unavailable	Unavailable
Results: Data unavailable at time of publication.										
Data Source: BOW recycling rates are calculated as the total amount of BOW recycled divided by the sum of BOW recycled and BOW disposed.										

TABLE 10: Performance Results for Objective 1.2 Facilities Operations (continued)

b) Continue to maintain an off-specification (formerly "contamination") rate for paper of 0%;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Results: Target met.										
Data Source: Specifications are contained in the current paper recycling contract administered by the General Services Administration and used by the AOC.										
c) Customer satisfaction with the recycling program is at least 90%; and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
90.0%	80.2%	90.0%	78.8%	90.0%	80.1%	90.0%	88.4%	90.0%	85.3%	90.0%
Results: Target not met. Performance continues to increase in this area and the focus remains on achieving the FY 2011 target.										
Data Source: Annual building occupant survey.										
d) Continue to recycle, or redistribute for reuse, 100% of computer equipment E-wastes.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Results: Target met.										
Data Source: Total E-wastes sent off site for recycling. The term "computer equipment E-wastes" includes waste generated from equipment managed by the ITD.										
Performance Measure 1.2.4										
By FY 2011: a) Customer satisfaction with grounds care, landscaping, and snow removal is at least 90%, and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
85.0%	90.9%	85.0%	90.8%	85.0%	93.0%	85.0%	94.6%	90.0%	93.0%	90.0%
Results: Target met.										
Data Source: Annual survey of building occupants related to grounds care, landscaping, and snow removal.										
b) Grounds care costs do not exceed 110% of industry standards for like facilities.										
Results: Data development underway.										
Performance Measure 1.2.5										
By Fiscal Year 2011 the condition of roads, sidewalks, pavers, parking lots and storm drains is maintained at an assessment level of good to excellent for 90% of the squares that have been formally assessed via a Facility Condition Assessment.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	70.0%	82.2%	75.0%	86.7%	80.0%	94.1%	85.0%	94.1%	90.0%
Results: Target met.										
Data Source: The AOC facility condition assessment database. Deferred maintenance costs divided by replacement value.										
Performance Measure 1.2.6										
By FY 2011 fire suppression and detection device testing and inspection standards, as set by the National Fire Protection Association (NFPA), are met 100% of the time.										
Results: Data development underway.										



FOCUS ON

Sustainability, Energy Efficiency, and Energy Management

The AOC is committed to increasing energy efficiency and management across the Capitol. In FY 2010, the AOC achieved a 17.3 percent³⁰ reduction in its energy use, surpassing the legislative requirement of 15 percent.

The AOC completed its *Strategic Long-Term Energy Plan* during FY 2010 that sets forth future steps in energy programs and explores options for continued energy efficiencies. Ongoing initiatives include the Capitol Power Plant’s switch from coal to natural gas as its primary fuel source. Other long-term energy savings programs and initiatives in FY 2010 include the following:

Metering Systems Track Energy Consumption and Identify Conservation Opportunities

Metering is the cornerstone of effective energy management and is essential for diagnosing under-performing buildings or systems, optimizing and verifying performance, and identifying retrofit or replacement projects. Once the metering system is complete, the AOC will have the capability to collect, store, track, and report consumption for all utilities across the Capitol.

Energy Savings Performance Contracts

In FY 2010, the AOC awarded ESPCs for the Capitol Building and the Senate Office Buildings jurisdictions. The ESPC will finance energy savings construction projects under a public-private partnership through the energy savings generated by the installed projects. Including last year’s ESPC for the House Office Buildings, the AOC’s ESPCs include \$93 million in planned infrastructure upgrades for the Senate, House, and Capitol buildings. Upon completion of the ESPC efforts, the AOC will potentially realize a total energy reduction of 15 percent.

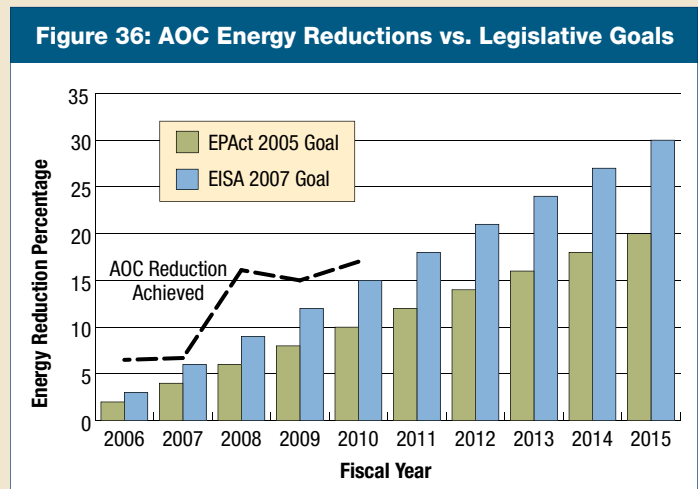
³⁰ This reduction is composed of 11.3 percent in energy reduction plus 6 percent in renewable energy credits.

Retro-Commissioning to Optimize Performance of Existing Systems

The AOC initiated retro-commissioning projects throughout the Capitol. These activities target low cost repairs and cost payback periods ranging from one-half to two years. The projects addressed mechanical, heating, cooling, ventilation, and lighting systems to optimize performance of existing building systems.

Energy Audits Identify and Analyze Energy Conservation Measures

The AOC conducts recurring energy audits of 36 buildings under its stewardship on a four-year cycle. In FY 2010, the AOC completed audits for 11 buildings (bringing the total completed audits to 21 for the current cycle). The audits utilize existing energy usage data to assist in developing sustainability measures for the buildings under the AOC’s stewardship. Figure 36 illustrates the AOC’s progress against the energy goals established by Congress.



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

The overall strategy to achieve this objective is to focus on being responsive to customer requests for routine services including: office moves, timely set up for events, improving furniture and space planning services, and tracking requests in the automated facilities management information system.

TABLE 11: Performance Results for Objective 1.3 Client Services

Performance Measure 1.3.1										
By FY 2011: a) Requests for routine client services are responded to and completed within established timeframes 90% of the time;										
Results: Data development underway.										
b) Customers are notified 100% of the time for any exception to established timeframes for routine client services; and										
Results: Data development underway.										
c) Customer satisfaction with routine client services is at least 90%.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
≥80.0%	92.2%	≥85.0%	92.1%	≥85.0%	93.1%	≥85.0%	95.2%	≥90.0%	94.8%	≥90.0%
Results: Target met.										
Data Source: Annual survey of building occupants related to routine client services.										
Performance Measure 1.3.2										
By FY 2011: a) Requests for moving and relocation services, including election-year moves, are responded to and completed within established timeframes 90% of the time;										
Results: Measure is no longer being pursued.										
b) Customers are notified 100% of the time for any exception to established timeframes for moving and relocation services;										
Results: Measure is no longer being pursued.										
c) A customer satisfaction rate of at least 90% is achieved for moving and relocation services for non-election year moves, and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
≥80.0%	91.3%	≥85.0%	89.9%	≥85.0%	91.7%	≥85.0%	86.9%	≥90.0%	89.2%	≥90.0%
Results: Target not met. Performance continues to increase in this area and the focus remains on achieving the FY 2011 target.										
Data Source: Annual survey of building occupants related to moving and relocation services for non-election year moves.										
d) A customer satisfaction rate of at least 90% is achieved for moving and relocation services for election-year moves.										
Results: Not Applicable (data is not collected for non-election years).										
FY11 Target: 90.0%										
Performance Measure 1.3.3										
By FY 2011 customer satisfaction with transportation services is at least 90%.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	≥85.0%	88.1%	≥85.0%	92.8%	≥85.0%	91.3%	≥90.0%	92.0%	≥90.0%
Results: Target met.										
Data Source: Annual survey of building occupants related to transportation services.										
Performance Measure 1.3.4										
By FY 2011: a) Set-up and clean-up times for non-United States Botanic Garden (USBG) events are met 100% of the time;										
Results: Measure is no longer being pursued.										
b) Customer satisfaction with non-USBG event support services is at least 90%; and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
≥80.0%	100.0%	≥85.0%	89.7%	≥85.0%	96.4%	≥85.0%	98.6%	≥90.0%	97.3%	≥90.0%
Results: Target met.										
Data Source: Annual survey of building occupants related to non-USBG events.										

TABLE 11: Performance Results for Objective 1.3 Client Services (continued)

c) 90% of USBG events are rated as “successful” under standards developed according to procedures detailed in AOC process manual BG-SP5.1 “Events At The U.S. Botanic Garden Conservatory.”										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	≥85.0%	88.9%	≥85.0%	93.8%	≥85.0%	100.0%	≥90.0%	100.0%	≥90.0%
Results: Target met.										
Data Source: Executive Dashboard. Data is tracked as each USBG event is completed.										
Performance Measure 1.3.5										
By FY 2011, a) Customer satisfaction with furniture services is at least 90%; and										
Results: FY10 Data Not Available (survey discontinued in FY 2009).										
FY11 Target: Not Applicable—survey discontinued.										
b) The backorder rate for furniture services is reduced to 0.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	8.0%	1.9%	5.0%	0%	3.0%	4.2%	0.0%	3.5%	0.0%
Results: Target not met. The AOC is re-evaluating this target to better align with available resources.										
Data Source: Senate Office Buildings’ metrics and measures program. Number of furniture items on backorder divided by the total number of items issued.										
Performance Measure 1.3.6										
By FY 2011: a) Requests for space planning services are responded to and completed within established timeframes 90% of the time;										
Results: Measure is no longer being pursued.										
b) Customers are notified 100% of the time for any exception to established timeframes for space planning services; and										
Results: Measure is no longer being pursued.										
c) Customer satisfaction with space planning services is at least 90%.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
≥80.0%	86.8%	≥85.0%	85.1%	≥85.0%	91.8%	≥85.0%	90.3%	≥90.0%	92.6%	≥90.0%
Results: Target met.										
Data Source: Annual survey of building occupants related to space planning.										



Twenty-four hours a day, seven days a week, 365 days a year, the Architect of the Capitol serves Congress as proud stewards of the most iconic buildings and grounds in the world.



FOCUS ON

The AOC Customer Satisfaction Ratings Exceeds Targets

The AOC administers an annual Building Services Customer Satisfaction Survey (BSCSS) to measure customer satisfaction on more than 40 services. The survey allows the AOC's customers to rate its work performance and provide suggestions for improvement. This fiscal year, occupants of the Capitol Building, House Office Buildings, Senate Office Buildings, Library Buildings and Grounds, and Capitol Police Buildings, Grounds, and Security facilities completed the survey.

The BSCSS covers multiple service categories including interaction with the Superintendent's Office, building condition, building cleanliness, physical environment, and service delivery. Figure 37 shows the AOC's average overall customer satisfaction ratings for FY 2006 through FY 2010.

Overall customer satisfaction with the AOC's services has been well above its target for each of the past five years, despite increasing the customer satisfaction target to 85 percent in FY 2007 and 90 percent in FY 2010. The five-year trend of the BSCSS shows that the AOC has met its customer needs, exceeded its target ratings, and sustained an increasing level of professionalism. The FY 2010 average of 91.0 percent satisfaction exceeded the AOC's target of 90 percent.

Figure 38 compares the AOC's FY 2009 and 2010 average customer satisfaction ratings results by service category.

Although the BSCSS shows overall positive customer satisfaction, it also has identified areas for improvement. Of the five categories included on the survey, three exceeded the new 90 percent goal. The two areas below the 90 percent satisfaction rating were cleanliness and physical environment (both relating to the Premises Physical Appearance and Environment). Despite missing the FY 2010 target, both service categories rated significantly higher than their FY 2009 ratings.

The AOC is proud of the overall customer satisfaction rating. In FY 2010, the AOC managed more than 134,000 Demand Work Orders and completed over 148,000 Preventive Maintenance jobs. 99 percent of the Demand Work Orders were closed in less than 30 days.

Figure 37: Average Customer Satisfaction Ratings by Fiscal Year

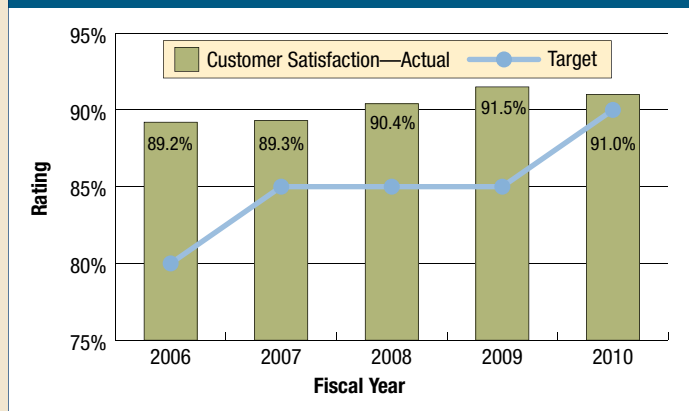
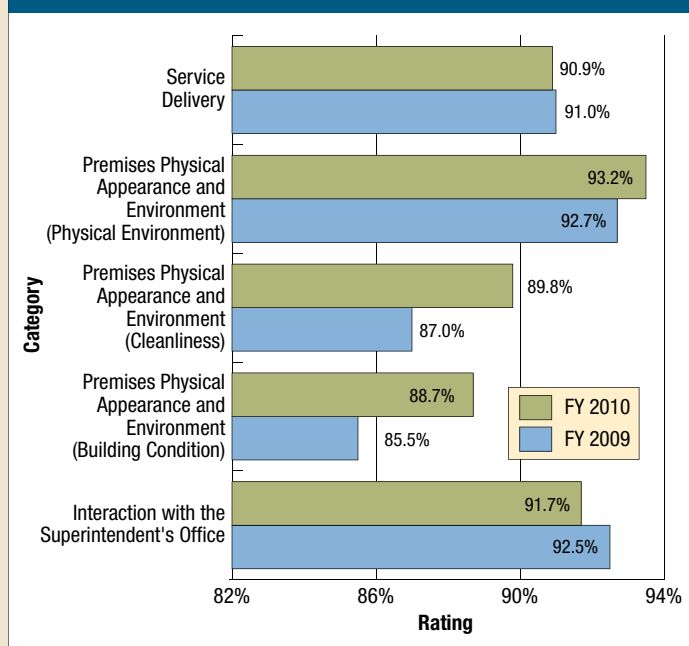


Figure 38: Customer Satisfaction Ratings by Category



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

The overall strategy to achieve this objective is to focus on utilizing best practice tools such as the Construction Industry Institute Project Definition Rating Index to guide planning and project delivery, the Project Delivery Contract Strategy tool to guide the acquisition process, implementing improved project management plans, developing contingency plans, and enhancing the commissioning and project close-out processes and procedures.

TABLE 12: Performance Results for Objective 1.4 Project Delivery

Performance Measure 1.4.1										
By FY 2011: a) 90% of all projects are on schedule;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	88.5%	N/A	98.4%	N/A	98.9%	N/A
Results: Measure is no longer being pursued. The AOC is re-evaluating the data that feeds this metric and how it is calculated.										
Data Source: Project Information Center system. Total number of projects in construction on schedule on September 30, 2010, divided by the total number of projects in construction on September 30, 2010.										
b) 90% of all projects are within budget;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	100.0%	N/A	100.0%	N/A	100.0%	N/A
Results: Measure is no longer being pursued. The AOC is re-evaluating the data that feeds this metric and how it is calculated.										
Data Source: Project Information Center system. Total number of projects in construction within budgets on September 30, 2010, divided by the total number of projects in construction on September 30, 2010.										
c) Government estimate is within +/- 10% of the awarded contract amount 90% of the time; and										
Results: FY 2010 data not available at the time of publication.										
FY 2011 Target: ± 10%, 90% of the time										
d) Customer satisfaction for in-house design and construction services is increased to a level of 90%.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
≥80.0%	C 93.6% D 86.2%	≥85.0%	C 92.0% D 91.7%	≥85.0%	C 97.3% D 92.1%	≥90.0%	C 94.8% D 84.2%	≥90.0%	C 100% D 98.9%	≥90.0%
Results: Target met.										
Data Source: On-line survey collects information from internal customers of completed projects. Design Services (D) is based on 5 projects and Construction Services (C) is based on 9 projects. The overall satisfaction level with projects was 99.3% for FY 2010.										



FOCUS ON

Shaping the Future: Capitol Complex Master Plan

The Capitol Complex Master Plan (CCMP) is the comprehensive, long-range framework that guides the AOC in its mission to maintain, renovate, and develop the Capitol. The 20-year CCMP's guiding principles address historic and environmental stewardship, urban design, and the facility needs of Congress, its workforce, and the visiting public. This plan facilitates key decisions, forecasts space needs, maps short- and long-range planning goals, sequences projects, and provides a basis for budget requests.

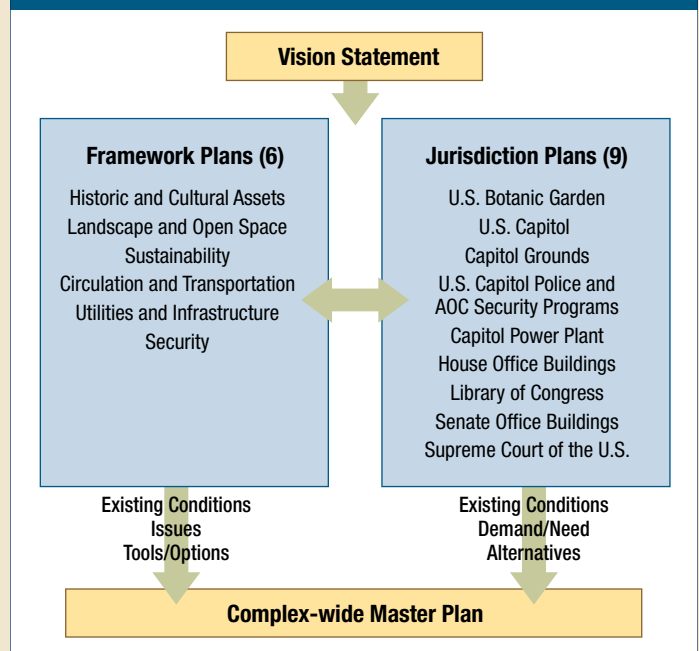
The CCMP is composed of six Framework Plans, nine Jurisdiction Plans, and a synthesizing Composite Master Plan. Framework Plans are broad in scope and individually address issues associated with historic and cultural assets, landscape and open space, sustainability, circulation and transportation, utilities and infrastructure, and complex-wide security. The CCMP process is depicted in Figure 39.

Jurisdiction Plans identify issues, quantify needs, and plan for the future of each jurisdiction. The reinvestment strategies and construction recommendations contained in the plans are based on a thorough evaluation of short- and long-term facility priorities and needs, balanced with implementation of sustainable building practices and stewardship of both historic and fiscal resources.

The AOC will soon have the capability to update the CCMP using Internet-based planning tool that can assess building conditions and needs. The results will be reflected in the AOC's five-year Capital Improvement Plan (CIP). The CIP provides further evaluation of capital projects based on key criteria including fire and life-safety, regulatory compliance, historic preservation, economic considerations, security, sustainability, and energy efficiency. It also projects funding requirements. The five-year plan is revised annually and the long-range CCMP is adjusted accordingly.

The AOC made significant progress toward completing the CCMP during FY 2010. Seven of the nine Jurisdiction Plans underwent a rigorous review by their stakeholders, including Congressional committees, commissions, and jurisdiction staff. The Capitol Power Plant Jurisdiction Plan was updated to include a comprehensive infrastructure renewal

Figure 39: The Capitol Complex Master Plan Process



strategy incorporating energy-efficient technologies. Further modifications will be required as decisions are reached on co-generation and other improvements. Two additional studies were completed for the Library of Congress (LOC): fire and life-safety programs and collections storage strategies. The draft Composite Master Plan will be updated to accurately reflect the recent jurisdiction plan reviews, modifications, and the evolving five-year plan.

As the CCMP is completed and implemented, it will continue to fulfill a strategic role in the capital projects planning process and guide future development of the Capitol. These efforts support the AOC's mission to preserve its historic buildings and grounds and will prepare the AOC to meet future demands for a well-functioning, sustainable workplace and a welcoming environment for visitors.



LEFT: The AOC provides tours, training, and lectures to increase the Capitol visitor experience. This fiscal year, the AOC expanded and improved the interpretive and educational offerings at the Capitol Visitor Center. **RIGHT:** The Magna Carta display was a Bicentennial gift to Congress from Great Britain in 1976 and recently relocated in the Capitol Crypt. The gilded presentation case, embellished with colorful enamel and jewels, was conserved for the first time in 2010.

STRATEGIC GOAL 2: HERITAGE ASSET STEWARDSHIP

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

The AOC is responsible for the care, maintenance, and preservation of the heritage assets entrusted to the organization. Heritage assets include property, plant, and equipment that are:

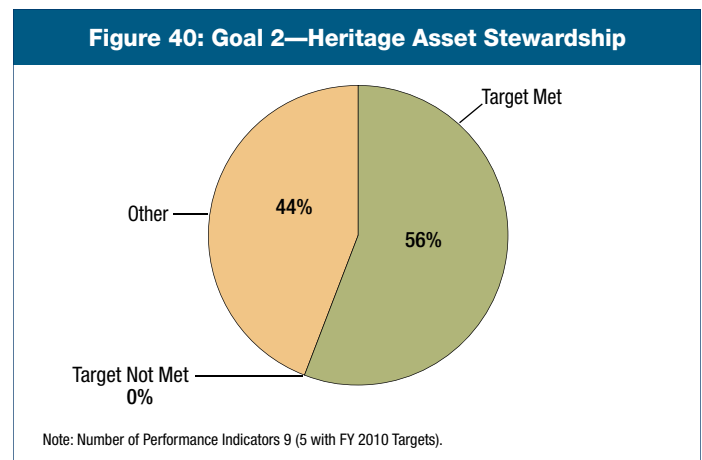
- Unique for their historical or natural significance;
- Cultural, educational, or artistic importance; or
- Significant architectural characteristics.

Ranging from fine art such as paintings and sculpture, to living collections such as trees and plants, these heritage assets are expected to be preserved for future generations. Figure 40 provides the results that the AOC achieved for Goal 2.

The AOC heritage assets draw millions of visitors to the Capitol each year. Therefore, this goal incorporates a focus on the people who visit the U.S. Capitol, the Capitol Grounds, and the U.S. Botanic Garden. Those visitors include tourists, businesspeople, teachers, students, and researchers. Because we believe that exhibits and interpretive programs about

heritage assets are an important part of the visitor experience, the AOC has taken several actions according to the Strategic and Performance Plan in order to continually improve performance in Strategic Goal 2.

The AOC routinely conducts and updates inventories of heritage assets and prioritizes preservation needs based on condition assessment data. In addition, the AOC focuses heavily on educating its staff, stakeholders, and the public via a comprehensive preservation awareness program and holds numerous tours, training, and lectures each year. The AOC Website is updated



routinely and plans to enhance the availability of information on the AOC's heritage plants, trees, and architectural features are in the works. Implementation of the AOC Preservation Policy has been a key factor in improving procedures and ultimately the care of the heritage assets entrusted to the organization.

Detailed performance results for each objective are provided in the following section. The data reflects trends over a five year period where available. More information on the AOC's heritage assets is included in the *Required Supplementary Information* section.

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

The overall strategy to achieve this objective is to establish, prioritize, and implement preservation plans in alignment with the Capitol Complex Master Plan (CCMP), automate information on the condition of the AOC's assets, and constantly refine and document its policies and procedures.

TABLE 13: Performance Results for Objective 2.1 Preservation of Heritage Collections

Performance Measure 2.1.1										
By FY 2011: a) 80% of fine and decorative art, historic artifacts and records, living collections, and other heritage assets are documented and their current condition assessed for present and future restoration efforts and preservation priorities are identified; and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	65.0%	80.0%	70.0%	80.0%	75.0%	100%	80.0%
Results: Target met.										
Data Source: Number of documented assessed assets divided by the total number of assets. Assets for this metric include fine and decorative art, historic artifacts and records, living collections, and other heritage assets.										
b) Heritage asset documentation is updated according to its schedule 90% of the time.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	75.0%	100.0%	80.0%	100.0%	85.0%	100.0%	90.0%
Results: Target met.										
Data Source: Number of documented assets updated on schedule this year divided by the total number of documented assets scheduled for update this fiscal year. Assets for this metric include fine and decorative art, historic artifacts and records, living collections, and other heritage assets.										
Performance Measure 2.1.2										
By FY 2011, 80% of fine and decorative art, historic artifacts and records, living collections, and other heritage assets are maintained in good condition according to the criteria in our standards document, the AOC Performance and Accountability Report, Stewardship Report section.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	55.0%	86.6%	60.0%	86.6%	70.0%	86.6%	80.0%
Results: Target met.										
Data Source: Number of collections in good or excellent condition divided by the total number of collections.										
Performance Measure 2.1.3										
By FY 2011, and each year thereafter, conservation concerns of fine and decorative art, historic artifacts and records, living collections, and other heritage assets are addressed in 95% of all minor and major construction, public events, and ongoing facilities maintenance work where identified and as applicable.										
Results: Data development underway.										



FOCUS ON

Interpreting the Past: Curatorial and Preservation Projects

The AOC's Curator Division has the unique role of restoring and preserving the Capitol heritage assets for present and future generations.

This year's highlights included the unveiling of the bronze Helen Keller sculpture and the conservation of the Magna Carta display case. The Helen Keller sculpture by Edward Hlavka depicts her as a child at a water pump. The pedestal includes plaques with images and text about Helen Keller's life in raised letters and in Braille. The sculpture was unveiled in the Rotunda and immediately moved to the place reserved for it in the center of Emancipation Hall.

The Magna Carta display was given to the Congress by Great Britain in 1976. This year, the display was relocated from the Rotunda to the Crypt, and the gilded presentation case embellished with colorful enamel and jewels was conserved for the first time. The sandstone pedestal and cover were also cleaned, and a new exhibit sign and stand were created for it. The display is now located where Capitol visitors may have a better view. It is placed among statues of the Nation's founding fathers, who based the Declaration of Independence and Constitution on principles expressed in the Magna Carta.

The Curator also continued mural conservation in several areas of the Capitol. In the Brumidi Corridors, work focused on uncovering almost 30 star bands on the cornice level above many of the doors. To support continuing restoration in the inner corridors, conservators opened windows to expose original colors and finish by removing layers of dark overpaint. They discovered an unexpected design of faux carved marble in the east entry. This work will help guide the five-year plan to complete conservation and restoration of the inner corridors and ceilings. In the Senate Appropriations Room, S-127, conservators removed yellowed varnish and some overpaint from the lower walls of one end of the room, restoring the vivid colors and definition of Brumidi's cherubs and pilasters. The work on the walls will continue in future recesses.

The restoration of the scagliola in the high-traffic second-floor Senate vestibule was completed in August 2010. Restoration of the 1850s imitation marble panels in various corridor walls was initiated and will be completed in phases over a number of years. The restoration involves removing grime and overpaint, consolidating plaster, filling missing areas, and sanding in multiple steps to achieve a fine polish. Faux-painted areas around the elevators will be painted to match by the Capitol Building Paint Shop's skilled decorative painters.

ABOVE: Conservators began restoration of the U.S. Capitol's Strom Thurmond Room S-238 in FY 2010 by removing varnish and overpaint from the original gilded fields and decorative painting and smoothing the damaged areas.

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

The overall strategy to achieve this objective is to establish, prioritize, and implement preservation plans in alignment with the CCMP, automate information on the condition of AOC assets, and constantly refine and document policies and procedures. Further, the AOC is working on a landscape preservation strategy.

TABLE 14: Performance Results for Objective 2.2 Preservation of Historic Buildings, Landscape, and Architectural Features

Performance Measure 2.2.1										
By 2011: a) 80% of all historic buildings, landscape, and architectural features are documented and their current condition assessed for present and future restoration efforts and preservation priorities have been identified; and										
Results: Data development underway.										
b) Heritage asset documentation is updated according to its schedule 90% of the time.										
Results: Data development underway.										
Performance Measure 2.2.2										
By FY 2011, 80% of historic buildings, landscape, and architectural features are maintained in good condition according to the criteria in our standards document, the Facilities Condition Assessments.										
Results: Data development underway.										
Performance Measure 2.2.3										
By FY 2011, and each year thereafter, historic preservation concerns of historic buildings, landscape, and architectural features are addressed in 95% of all minor and major construction, public events, and ongoing facilities maintenance work where identified and as applicable.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	80.0%	60.0%	85.0%	85.0%	90.0%	90.0%	95.0%
Results: Target met.										
Data Source: Number of conservation concerns addressed divided by the total number of construction, public events, and facility maintenance work involving heritage assets with conservation concerns.										

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

The overall strategy to achieve this objective is to continually explore multi-media opportunities to present information on heritage assets. Examples include an enhanced Capitol Grounds website, new educational programs at the U.S. Botanic Garden, and the initiation of the development of an interpretive program for the Capitol Grounds.

TABLE 15: Performance Results for Objective 2.3 Heritage Asset Presentation

Performance Measure 2.3.1										
By FY 2011 an average overall rating of at least 90% is achieved on the recurring visitor satisfaction survey for interpretive exhibits and interpretive programs.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	80.0%	97.9%	≥85.0%	98.6%	≥90.0%
Results: Target met.										
Data Source: USBG Comment Card Survey that allows visitors to rate various USBG categories on a qualitative scale.										



FOCUS ON

Restoration of the Bartholdi Fountain

The AOC continued work on the multi-phased repair and restoration of the historic Bartholdi Fountain during FY 2010. The goal of this restoration project is to restore the statue to its original state, as well as to update it with new mechanical and electrical components and energy-efficient lighting technology. The fountain was designed and created out of cast iron by Frederic Auguste Bartholdi³¹ in 1876. It was purchased by Congress in 1877 and installed on the National Mall. The fountain was moved to its present location near the U.S. Botanic Garden in 1932.

The restoration work began in September 2008 with a first phase that involved restoring the fountain itself. The sculpture was disassembled, removed by crane, and taken to an architectural metal specialist for repair. The fountain restoration is finished and the custom upper bowl lantern fabrication is expected to be completed by November 30, 2010. With the removal of the sculpture, the overlapping second phase began. This stage included restoring and waterproofing the concrete basin and pedestal. The restoration of the basin and pedestal included the installation of energy-efficient plumbing pumps and electrical distribution systems.

The third phase began at the beginning of FY 2010 and includes upgrading the utility vault and continuing the installation of electrical and plumbing equipment. As phase three of the fountain repair continues, the AOC will focus on the renovation of Bartholdi Park that is the setting for the fountain. The park has remained open throughout the restoration for the public to view the ongoing basin restoration and utility vault construction.

The fountain's return is being coordinated with phases two and three and is expected to be reinstalled and fully operational in November 2011.



³¹ Frederic Auguste Bartholdi, a 19th Century French sculptor, is primarily known for his sculpture of the Statue of Liberty



The AOC provides high quality leadership and administrative support services in a manner that enhances accountability and meets the AOC support and stewardship responsibilities in an efficient and effective manner. The AOC's Strategic Goal 3, Leadership and Administrative Support, includes several work activities that support the entire Capitol complex. These activities include security services, records management, and other activities.

STRATEGIC GOAL 3: LEADERSHIP AND ADMINISTRATIVE SUPPORT

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

This strategic goal is designed to enable the accomplishment of the AOC's first two strategic goals: (1) Congressional and Supreme Court Operations Support and (2) Heritage Asset Stewardship. In addition, the enabling services outlined in Goal 3 are vital to ensure the successful completion of the support services themselves.

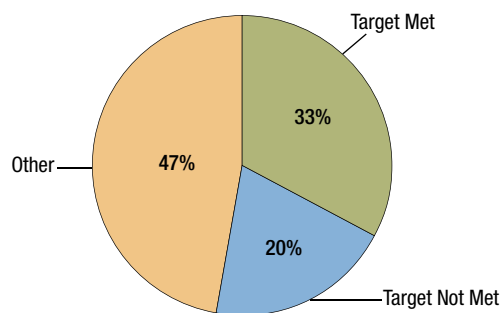
The strategies outlined in this section are necessary in order to maximize the AOC's mission performance. The strategies are designed to comply with external regulations, enhance accountability, and serve its internal customers, namely, the AOC staff who conduct the mission work.

The AOC has taken several actions towards continual performance improvement with the implementation of the Human Capital Plan and the focus on workforce planning initiatives. Most Internal Service Providers have established service level agreements. The AOC routinely seeks feedback from

employees on a variety of topics so that improved services can be delivered. The AOC updates its policies and procedures for financial management including cost accounting and internal controls, technology operations and security, procurement, human resources, and safety periodically to ensure that these areas meet the intent of Goal 3. Figure 41 provides the results achieved for Goal 3.

Detailed performance results for each objective are provided in the following section. The data reflects trends over a five year period where available.

Figure 41: Leadership and Administrative Support



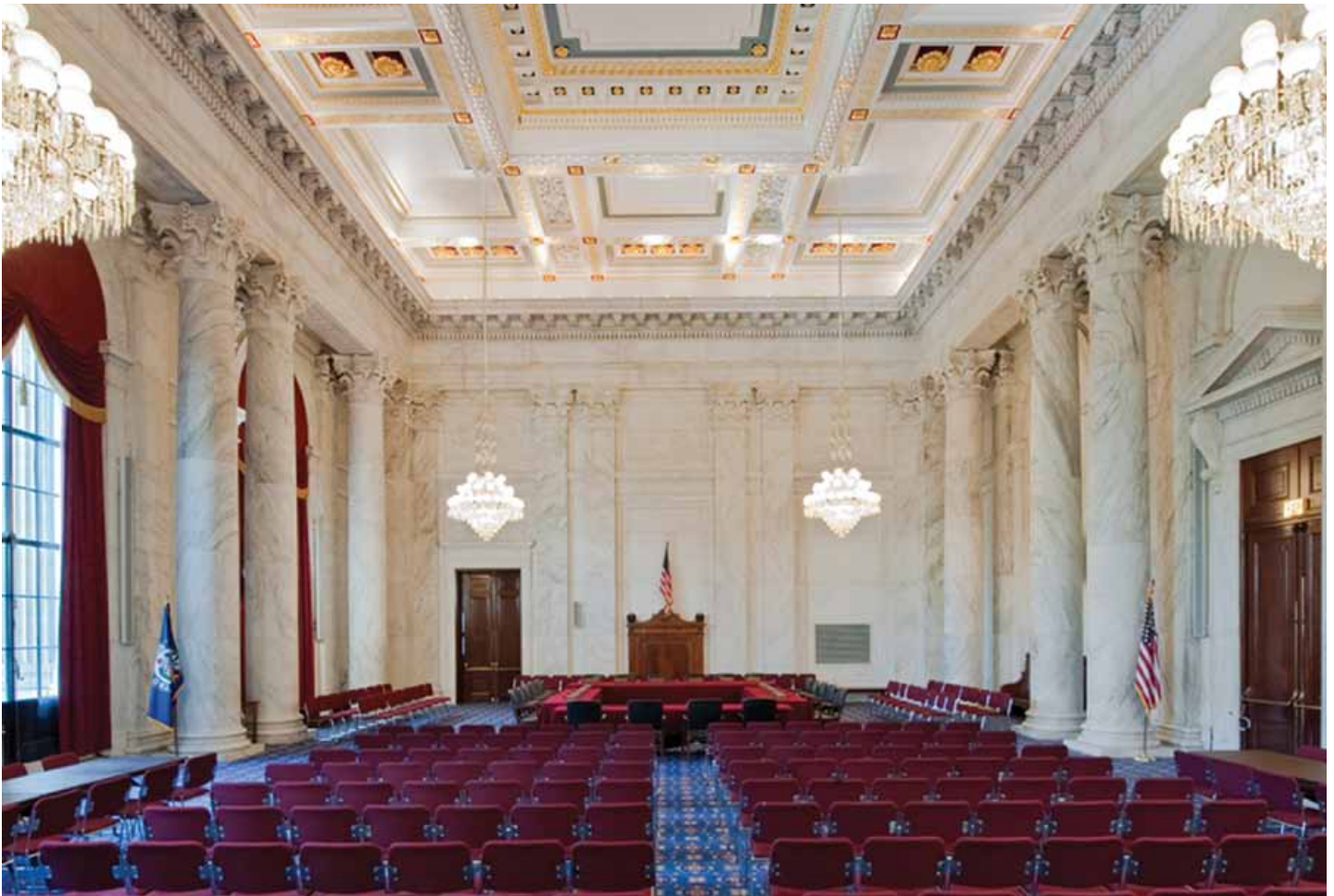
Note: Number of Performance Indicators 46 (24 with FY 2010 Targets).

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

The overall strategy to achieve this objective is to routinely assess and discuss agency performance across the board and to implement prioritized process improvements.

TABLE 16: Performance Results for Objective 3.1 Leadership

Performance Measure 3.1.1										
By FY 2011 AOC efficiency and effectiveness results in the achievement of 90% of Strategic Plan outcome measures.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	80.0%	76.0%	80.0%	72.0%	85.0%	70.0%	90.0%	70.2%	90.0%
Results: Target not met. The AOC continues to make performance improvements and is re-evaluating this target to better align with available resources, such as funding and personnel.										
Data Source: Number of outcome measures with targets met or exceeded divided by the total number of outcome measures with targets for the FY.										



The AOC’s Strategic Plan includes an objective for executive leadership and administration. This objective focuses on strategic planning, continuous improvement, greater efficiency, and high customer service to better serve Congress and the Supreme Court.

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

The overall strategy to achieve this objective is to implement the Human Capital Plan, workforce planning framework, Equal Employment Opportunity/ Diversity Programs (EEO/DP) policies, and establishing and monitoring cycle times for key services.

TABLE 17: Performance Results for Objective 3.2 People

Performance Measure 3.2.1										
By FY 2011 our workforce is aligned with future needs as defined in the Strategic Workforce Continuum so that the gap between current competencies and anticipated competencies is no greater than 10% within each budget cycle.										
Results: Measure is no longer being pursued.										
Performance Measure 3.2.2										
By FY 2011 an average employee satisfaction rating with how the AOC is improving of at least 90% is achieved on the biennial employee feedback assessment.										
Results: Not applicable (data is collected every four years).										
Data Source: The AOC conducts research on a four-year cycle using employee focus groups or surveys.										
Performance Measure 3.2.3										
By FY 2011, a) 90% of claims are closed within 60 days, in accordance with the Conciliation Program policy;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	85.0%	93.9%	90.0%	92.3%	90.0%	66.7%	90.0%	71.9%	90.0%
Results: Target not met. Twenty-three of the 32 cases were closed in less than 60 days. Cases involving the Office of Compliance require a longer process and did not meet the 60 day limit.										
Data Source: The AOC's Human Capital Management Division provides this data. Number of claims closed within 60 days divided by the total number of claims closed in the FY.										
b) Customers are notified 100% of the time for any exception to Conciliation Program claims closure timeframes; and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Results: Target met.										
Data Source: Human Capital Management Division provides the data.										
c) 100% of affirmative employment initiatives approved by executive management and AOC Superintendents are implemented AOC-wide.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	100.0%	100.0%	100.0%	100.0%	N/A	N/A	100.0%
Results: Not applicable. No new initiatives began in FY 2010. Continued to implement existing programs.										
Data Source: The Human Capital Management Division provides this data. Number of approved initiatives implemented divided by the total number of approved initiatives scheduled.										
Performance Measure 3.2.4										
By FY 2011, a) Timely response to personnel needs is ensured by meeting 90% of the cycle time measures for various personnel-related services as defined in the AOC operational dashboard; and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	85.0%	50.0%	≥85.0%	100.0%	≥90.0%	97.0%	≥90.0%	95.7%	≥90.0%
Results: Target met.										
Data Source: Automated human resource management system.										
b) An average rating of at least 90% is achieved on the recurring survey for satisfaction with personnel-related services.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	80.0%	74.8%	N/A	N/A	90.0%
Results: Not applicable. Data is biennial.										
Data Source: ISP Customer Satisfaction Survey.										



FOCUS ON

Workplace Improvements at the AOC

Improving employee satisfaction is an investment that builds employee satisfaction and empowers the AOC to recruit and retain a highly-qualified workforce. The AOC has implemented a number of programs to continue to transform into a professional, service-oriented organization. These programs aim to make the AOC competitive with other federal agencies in the ability to recruit, develop, and retain employees. To meet this goal, the AOC continues to expand its Work/Life Program, managed by the AOC's Human Capital Management Division. The following workplace initiatives were achieved during FY 2010.

Expanded the Telework Program for Greater Flexibility

The AOC expanded the Telework Program to make the AOC one of the best places to work. This innovative program takes advantage of modern digital tools and allows employees to maintain strong job performance in an alternate work setting. By providing greater flexibility, the AOC should achieve higher employee morale and retention, a high performance culture, and greater continuity of operations. The program benefits both the AOC and its employees by expanding business hours, increasing customer service delivery, and reducing commuting costs.

Improved Training Opportunities for Better Employee Performance

To increase employee skill levels, job satisfaction, retention, and productivity, the AOC is focused on expanding employee training opportunities. Many of the crafts employed by its workers are not widely used

elsewhere. With a large and varied inventory of historic assets under its care, the ingenuity and talents of the AOC's employees are called upon daily. The AOC recognizes the connection between training and retaining its employees and has made this a cornerstone of its work environment. The AOC also aligned its Human Capital Plan with its *Strategic Plan* to increase training opportunities that enhance its workforce's skills and leadership potential.

Employee Benefits and Services for Improved Employee Satisfaction

The AOC enacted additional workplace initiatives to create a satisfying work environment. These initiatives include a student loan repayment program, employee financial planning seminars, discounted fitness club memberships, wellness classes, a wellness fair, and the permanent establishment of a flexible and compressed work schedule program.

Acceptance of Voluntary Student Services for Greater Public Outreach

New legislation enables the AOC to provide students the opportunity to serve in internships. The ability to accept volunteers is beneficial to the AOC and provides volunteers the opportunity to assist in trades and a variety of fields such as horticulture, architecture, and engineering.

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

The overall strategy to achieve this objective is to focus on three key areas of communication: technology, internal communications, and external communications. In the technology area the AOC continued to refine its investment management process and completed a number of platform consolidation initiatives as well as certification and accreditation of major systems. In terms of internal and external communications, the AOC updated its website and developed templates and guidelines to implement internal and external communication improvements.

TABLE 18: Performance Results for Objective 3.3 Information

Performance Measure 3.3.1										
By FY 2011: a) Requests for information technology services are responded to and completed within established timeframes 90% of the time;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	85.0%	91.5%	90.0%
Results: Target met.										
Data Source: Automated information technology Help Desk system.										
b) Customers are notified 100% of the time for any exception;										
Results: Measure is no longer being pursued.										
c) An average rating of at least 90% is achieved on the recurring survey for satisfaction with IT services; and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	≥80.0%	83.7%	N/A	N/A	90.0%
Results: Not applicable. Data is biennial.										
Data Source: ISP Customer Satisfaction Survey.										
d) During core hours, mission-critical (mc) systems are available 98% of the time, mission-essential (me) systems are available 95% of the time, and mission-support (ms) systems are available 90% of the time.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	98.0% mc 95.0% me 90.0% ms	99.6% mc 99.7% me 99.3% ms	98.0% mc 95.0% me 90.0% ms	99.8% mc 99.6% me 99.4% ms	98.0% mc 95.0% me 90.0% ms	99.6% mc 100% me 100% ms	98.0% mc 95.0% me 90.0% ms	99.5% mc 99.9% me 99.8% ms	98.0% mc 95.0% me 90.0% ms
Results: Target met.										
Data Source: Automated information technology Help Desk system.										
Performance Measure 3.3.2										
By FY 2011, a) achieve level 5 of the GAO Information Technology Investment Management (ITIM) certification and maintain thereafter;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	Level 2	Level 2	Level 2	Level 3	Level 3	Level 3	Level 4	Level 4	Level 5
Results: Target met.										
Data Source: Current level is based on the AOC’s self assessment (in accordance with the GAO guidelines).										
b) Achieve at least level 3 of the Capability Maturity Model Integration (CMMI) certification; and										
Results: Measure no longer being pursued.										
c) By FY 2007, achieve level 5 of the GAO Enterprise Architecture Maturity Framework (EAMMF) and maintain thereafter.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	Level 5	Level 3	Level 5	Level 3	Level 5	Level 4	Level 5	Level 4	Level 5
Results: Target not met. ITD has determined the EAMMF Level 4 is an appropriate target for the EA program. AOC will continue refining, maintaining, and maturing the Level 4 artifacts and processes and will not pursue Level 5 as a target.										
Data Source: In FY 2009, the EA program developed and deployed Performance Measurement and Security EA processes and activities. GAO closed their findings that addressed these processes.										

TABLE 18: Performance Results for Objective 3.3 Information (continued)

Performance Measure 3.3.3										
By FY 2011 an average rating of at least 90% is achieved on the biennial AOC employee feedback assessment for satisfaction with internal communications.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	≥85.0%	23.7%	N/A	N/A	N/A	N/A	N/A
Results: Not applicable. Data is collected every 4 years.										
Data Source: The AOC conducts research on a four year cycle using employee focus groups and/or surveys.										
Performance Measure 3.3.4										
By FY 2011 an average rating of at least 90% is achieved on the recurring survey for effective external communication.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Results: Not applicable. Data is collected every 4 years.										
Data Source: The AOC conducts research on a four year cycle using employee focus groups.										

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

The overall strategy to achieve this objective is to establish and monitor key cycle time metrics for financial services, implement the management operations reporting structure and internal controls program, develop procedures for financial certifications, and work with the jurisdictions on obligation plans.

TABLE 19: Performance Results for Objective 3.4 Fiscal

Performance Measure 3.4.1										
By FY 2011: a) Timely response to financial services is ensured by meeting 90% of the cycle time measures for various financial services as defined in the AOC operational dashboard; and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	80.0%	83.0%	85.0%	87.2%	90.0%
Results: Target met.										
Data Source: Financial management system and is reported monthly in an executive dashboard.										
b) An average rating of at least 90% is achieved on the recurring survey for satisfaction with useful timely financial information provided to manage programs.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	≥80.0%	78.2%	N/A	N/A	≥90.0%
Results: Not applicable. Data is biennial.										
Data Source: ISP Customer Satisfaction Survey.										
Performance Measure 3.4.2										
By FY 2011: a) Our obligation rate target for annual funds is met;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
100.0%	98.0%	100.0%	98.8%	100.0%	99.2%	100.0%	99.2%	100.0%	98.4%	100.0%
Results: Target not met. The FY 2010 results do not reflect the final split payroll numbers (they were not available at time of publication). Between 0.5% and 1.0% of annual funding is reserved to ensure funds are available after the FY close for unforeseen expenses such as personnel compensation adjustments, additional freight charges, or contract modifications that are deemed to be within the scope of the contract.										
Data Source: Financial management system. Total funds obligated divided by the total budget authority.										
b) FY 2003–2007 multi-year funds are met;										
Results: Not applicable. Expired funds.										

TABLE 19: Performance Results for Objective 3.4 Fiscal (continued)

c) FY 2004–FY 2008 multi-year fund targets are met;										
Results: Not applicable. Expired funds.										
d) FY 2005–2009 multi-year fund targets are met;										
Results: Not applicable. Expired funds.										
e) FY 2006–FY 2010 multi-year fund targets are met;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
55.0%	59.9%	75.0%	72.0%	90.0%	84.3%	95.0%	88.8%	100.0%	99.6%	100.0%
Results: Target not met. Between 0.5% and 1.0% of annual funding is reserved to ensure funds are available after the FY close for unforeseen expenses such as personnel compensation adjustments, additional freight charges, or contract modifications that are deemed to be within the scope of the contract.										
Data Source: Financial management system. Total funds obligated divided by the total budget authority.										
f) FY 2006–FY 2011 multi-year fund targets are met;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	10.1%	N/A	98.5%	87.0%	97.2%	87.0%	98.1%	87.0%	98.4%	100.0%
Results: Target met.										
Data Source: Financial management system. Total funds obligated divided by the total budget authority.										
g) FY 2007–FY 2011 multi-year fund targets are met;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	55.0%	11.8%	75.0%	66.1%	90.0%	79.2%	95.0%	91.2%	100.0%
Results: Target not met. The AOC's priority was on obligating its expiring funds.										
Data Source: Financial management system. Total funds obligated divided by the total budget authority.										
h) FY 2008–FY 2012 multi year fund targets are met; and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	55.0%	49.5%	75.0%	72.8%	90.0%	79.6%	95.0%
Results: Target not met. The AOC's priority was on obligating its expiring funds.										
Data Source: Financial management system. Total funds obligated divided by the total budget authority.										
i) FY 2009–FY 2013 multi year fund targets are met.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	55.0%	26.8%	75.0%	61.2%	90.0%
Results: Target not met. The AOC's priority was on obligating its expiring funds.										
Data Source: Financial management system. Total funds obligated divided by the total budget authority.										
Performance Measure 3.4.3										
By FY 2007, and each year thereafter: a) A clean audit opinion is received; and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean
Results: Target met.										
Data Source: Annual independent audit of the AOC's financial statements.										
b) 80% of internal control and audit weaknesses are resolved within one year.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	80.0%	60.0%	80.0%	40.0%	80.0%	50.0%	80.0%	90.6%	80.0%
Results: Target met.										
Data Source: Number of internal control and audit weaknesses identified in the previous fiscal years and resolved within one year divided by the total number of internal control and audit weaknesses identified in the previous fiscal year audit report.										

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

The overall strategy to achieve this objective is to establish and monitor key cycle time metrics, routinely review the operational needs of the AOC jurisdictions to consolidate contract vehicles (when appropriate), and identify additional methods of value. The AOC has also implemented a program to certify its contract specialists and provide training for AOC staff who serves as a contracting officer technical representative.

TABLE 20: Performance Results for Objective 3.5 Material

Performance Measure 3.5.1										
By FY 2011, a) a timely response to procurement needs is ensured by meeting 90% of the cycle time measures for various procurement services as defined in the AOC operational dashboard;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	85.0%	84.9%	85.0%	84.0%	90.0%	83.7%	90.0%	70.5%	90.0%
Results: Target not met. The Procurement Division awarded 1,398 out of the 1,982 requisitions on time. The large number of small purchases awarded in FY 2010 impacted the metric. Focus remains on achieving the FY 2011 target.										
Data Source: Procurement Overview Portal and reported on the executive dashboard.										
b) An average rating of at least 90% is achieved on the recurring survey for satisfaction with procurement services;										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	≥80.0%	79.4%	N/A	N/A	≥90.0%
Results: Not applicable. Data is biennial.										
Data Source: ISP Customer Satisfaction Survey.										
c) Final contract cost does not exceed original cost by more than 15% for 85% of contracts; and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<15% for 85%
Results: Data development underway.										
d) Final contract schedule does not exceed original schedule by more than 10% for 85% of contracts.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<10% for 85%
Results: Data development underway.										
Performance Measure 3.5.2										
By FY 2011 the inventory usage ratio is maintained at a level of 1.0.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	1.4	1.5	1.2	1.3	1.0	1.2	1.1	1.1	1.1	1.0
Results: Target met.										
Data Source: This metric is derived from the inventory management system.										

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

The overall strategy to achieve this objective is to routinely update, implement, and monitor the Occupational Safety and Health Program Plan, Environmental Program Plan, and emergency preparedness plans. In addition, the AOC has begun working on its Fire Program Plan and is working to establish requirements for an environmental management system and cooperative agreements with other governmental entities in areas for which it may need assistance.

TABLE 21: Performance Results for Objective 3.6 Safety, Fire, Emergency Preparedness, and Environmental Services

Performance Measure 3.6.1										
By FY 2007, and each year thereafter: a) The injury and illness rate is reduced by 3% over the previous year,										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
5.09%	4.88% (DOL) 4.85% (AOC)	4.73%	4.41% (DOL) 4.36% (AOC)	4.28%	4.06% (DOL) 3.94% (AOC)	3.86%	4.32% (DOL) 4.01% (AOC)	3.63%	Unavailable (DOL) 3.85% (AOC)	Unavailable
Results: Internal AOC target met. DOL data unavailable at time of publication.										
Data Source: Number of injury and illness cases that have been sent to the Department of Labor (DOL) or have a claim number in the Workers Compensation Log divided by the average number of employees. DOL information is published on http://www.osha.gov/dep/fap/fap-inj-ill-stats.html .										
b) The lost time case rate by 3%, and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	3.16% (DOL) 2.27% (AOC)	2.19%	2.63% (DOL) 2.36% (AOC)	2.55%	2.38% (DOL) 2.77% (AOC)	2.27%	2.56% (DOL) 2.48% (AOC)	2.15%	Unavailable (DOL) 2.08 (AOC)	Unavailable
Results: Internal AOC target met. DOL data unavailable at time of publication.										
Data Source: Same as 3.6.1(a).										
c) The number of lost production days due to work-related injuries and illnesses by 1% over the previous year.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	201.1	199.1	242.9	240.5	324.2	320.9	219.7	217.5	205.9	Unavailable
Results: Target met.										
Data Source: Hours of "Continuation of Pay" paid through the payroll system.										
Performance Measure 3.6.2										
By FY 2011 the overall risk assessment code rating is improved by one rating level from the baseline for environmental findings.										
Results: Data development underway.										
Performance Measure 3.6.3										
By FY 2011: a) 100% of jurisdictional emergency preparedness plans are revised to follow the central framework.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	100.0%	100.0%	100.0%
Results: Target met.										
Data Source: Number of jurisdiction plans revised to follow the central framework divided by the number of jurisdiction plans scheduled to be revised and is gathered manually by a review of the contract deliverables received and approved by the AOC.										
b) 100% of employees with designated roles in emergency preparedness are trained; and										
Results: Data development underway.										
c) Drills exercising jurisdiction plans (following the central framework) that include all employees (all shifts; all buildings) are conducted at least once per year.										
Results: Data development underway.										

TABLE 21: Performance Results for Objective 3.6 Safety, Fire, Emergency Preparedness, and Environmental Services
(continued)

FY11 Target: 100% of all jurisdictions.										
Performance Measure 3.6.4										
By FY 2011: a) timely response to safety, fire, emergency preparedness, and environmental services needs is ensured by a) Meeting 90% of safety, 90% of fire, 90% of emergency preparedness, and 90% of environmental service cycle times as defined in the AOC SFEP dashboard: and										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	Baseline	S 96.6% E 94.5% F 91.2%	S 85.0% E 85.0% F 85.0%	S 95.7% E 87.0% F 90.8%	S 90.0% E 90.0% F 90.0%
Results: Target met.										
FY11 Target: Safety, Fire, and Environmental Program (SFEP) division and is calculated by dividing the number of cycle times met for each area by the number of cycle times on the SFEP Dashboard. (S = Safety Preparedness, E = Environmental, F = Fire Marshal).										
b) An average rating of at least 90% is achieved on the recurring survey for satisfaction with safety, fire, security, emergency preparedness, and environmental services.										
FY06 Target	FY06 Actual	FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target
N/A	N/A	N/A	N/A	N/A	N/A	≥80.0%	81.7%	N/A	N/A	≥90.0%
Results: Not applicable. Data is biennial.										
Data Source: ISP Customer Satisfaction Survey.										

Objective 3.7: Security Services—The AOC's resources are protected through effective security services.

The overall strategy to achieve this objective is to develop and implement a five-year business plan for the Office of Security Programs, a security policy and plans, service level agreements, and communication tools.

TABLE 22: Performance Results for Objective 3.7 Security Services

Performance Measure 3.7.1
By FY 2011 timely response to security services needs is ensured by: a) Meeting 90% of security cycle times; and an average rating of at least 90% is achieved on the recurring survey for satisfaction with security services.
Results: Data development underway.
b) An average rating of at least 90% is achieved on the recurring survey for satisfaction with security services.
Results: Data development underway.



FOCUS ON

Safety and Emergency Preparedness

Creating a safe environment is not the result of any single effort, but rather a commitment by the entire organization to make safety an organization-wide priority. The AOC Safety, Fire, and Environmental Programs (SFEP), in partnership with the AOC jurisdictions, develops policies and provides technical expertise in the areas of occupational safety and health, fire protection, emergency preparedness, and environmental protection. FY 2010 saw continued progress in addressing 17 Office of Compliance citations and closing out one citation and nine Occupational Safety and Health Cases.

The SFEP's most important role is planning and promoting safety initiatives, including emergency preparedness, throughout the AOC. The Safety and Occupational Health Branch facilitates safety communications, programs, and education. They continued to develop the AOC Safety Manual with a renewed emphasis to ensure its completion and dissemination in FY 2011. This manual will help the AOC pursue a world-class safety program based on industry best practices. The Branch is also nearing completion of assessment work on employee exposure to materials containing asbestos, lead, and silica.

The AOC challenges itself to meet its annual Injury and Illness (I&I) reduction targets. The rate continued to decline, although the AOC did not meet its internal target. Figure 42 displays the AOC's five-year I&I trend and, as indicated, the prior rate of 4.01 decreased to 3.85 injuries and occupational illnesses per 100 employees. Looking at the long-term trend, the AOC reduced its I&I rate by over 78 percent in the 10 years since FY 2000. Moreover, the AOC still met its three percent reduction goal for lost time due to injuries and illnesses, also shown.

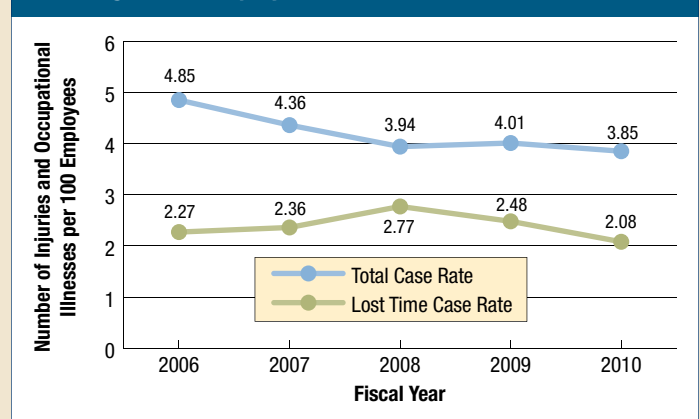
The SFEP's Environmental Branch continues to coordinate and implement the AOC's Environmental Program Plan and the AOC Environmental Manual neared 50 percent completion. The Branch continues to monitor

the AOC's recycling performance and promote recycling across the Capitol by leading efforts for the Legislative Branch Recycling Working Group and Legislative Branch Environmental Council.

In addition, the SFEP's Fire Marshal Division hired a new Fire Marshal and released a new fire protection policy to establish AOC roles and responsibilities. The Fire Marshal staff completed over 130 requests for project-related reviews with an on-time rating of 93 percent, eight percent above the target and two percent over last year.

One of the AOC's most important challenges is meeting its buildings' life-safety requirements while also balancing the historic facilities' public accessibility, deferred maintenance, security, and environmental needs. Although every project is necessary, not all can be funded in these fiscally-challenging times. In this regard, the AOC has developed a balanced process to prioritize projects based on close collaboration with its Congressional partners, similar government entities, and the Office of Compliance.

Figure 42: Injury and Illness Rates at the AOC





FOCUS ON

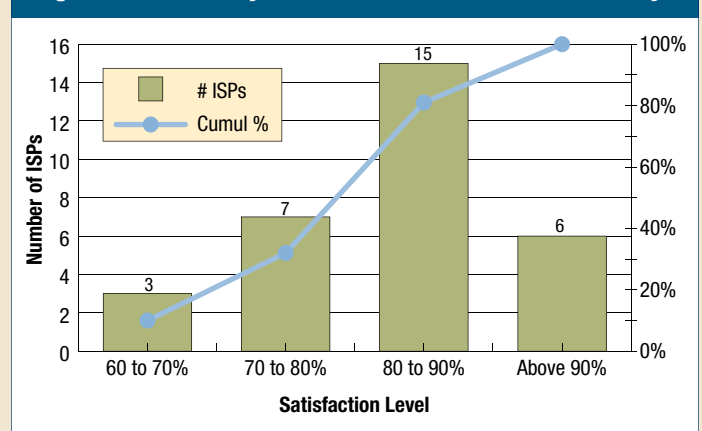
Internal Service Provider Surveys Measure Central Office Support

The AOC embarked on an ambitious research project between August and September of 2009: a survey to measure the level of satisfaction of employees as customers of several AOC central administrative offices and divisions that provide services to them. The survey covered 31 Internal Service Providers in five different offices, ranging from the Employee Assistance Program to the Safety and Occupational Health Branch. The survey profile for each internal provider was tailored to the type of services it offers, with four basic questions common to all and up to eight additional questions specific to the provider's programs. A total of 365 employees, representing 14 percent of the AOC population, participated in the survey, offering over 37,000 numeric ratings and 4,600 comments and text entries.

Although the satisfaction level spread was relatively wide (between 62 and 97 percent), the results of the survey showed that, overall, employees are fairly satisfied with most of the services they receive. For instance, two out of every three Internal Service Providers were rated at or above 80 percent³² (the mode being between 80 percent and 90 percent, with about half of all providers in this range). See Figure 43 for a summary of survey results. Employees were extremely helpful in offering opportunities for improvement through their comments and service providers started to make changes to programs and processes in earnest, in some instances even before their survey feedback report was released.

Given the scope of the survey, it was not practical to include all results in one single feedback report. As a result, individual reports were created for each Internal Service Provider, sometimes combining service providers from one office or division in one larger, focused report. Between March and October of 2010, feedback reports were issued and made available to all employees for full transparency. All reports followed a standard format and contained a high-level outcome section, the full analysis with priorities and actions, and a section with all the data stratification. Starting in Fiscal Year 2011, follow-up reports will offer employees an update of the progress accomplished by the AOC's Internal Service Providers.

Figure 43: Summary of Internal Service Provider Surveys



³² The AOC has traditionally set the initial target satisfaction level at 80% for all customer satisfaction surveys. Over time, the goal is gradually increased to 95%.



BEHIND THE SCENES

Capitol Grounds

The U.S. Capitol Grounds provide a park-like setting for the Nation's Capitol. The grounds immediately surrounding the Capitol are bordered by a stone wall and cover a 59 acre area. Over 100 varieties of trees and bushes are planted around the Capitol and thousands of flowers are used in seasonal displays.

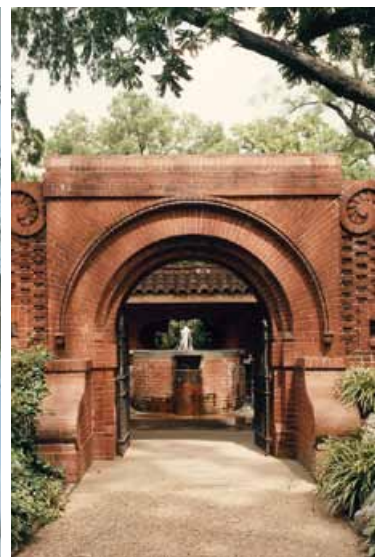
Congress authorized the enlargement of the grounds in 1872. By 1874, the enlargement project was completed and work began to implement the grand landscape plan of Frederick Law Olmsted.³³ In contrast to the building's straight neoclassical lines, most of the walkways in the grounds are curved. Benches along the paths offer pleasant spots for visitors to appreciate the building, its landscape, and the surrounding areas.

³³ Frederick Law Olmsted (1822–1903) considered the greatest American landscape architect and urban planner of his day, also designed New York City's Central Park and urban park systems in Buffalo, NY, and Milwaukee, WI.



PAGE 92: (top) A fall view of the Capitol. (bottom) The brick Olmsted wall borders the grounds directly surrounding the Capitol.

PAGE 93: (top) A view of the Capitol Grounds. The Capitol Grounds include more than eight miles of sidewalks and 4,200 trees of which 150 are memorial trees planted by Members of Congress; (right middle) An example of the architectural details found on the historic Olmsted wall that surrounds the Capitol Grounds; (bottom right) The entrance to the Summer House—a 19th century brick structure intended to provide visitors with a convenient place to rest and admire the view; (bottom middle) Figures of Victory, the infant Mars, and the infant Neptune on the Peace Monument; (left) The octagonal fountain located on the U.S. Capitol terrace.



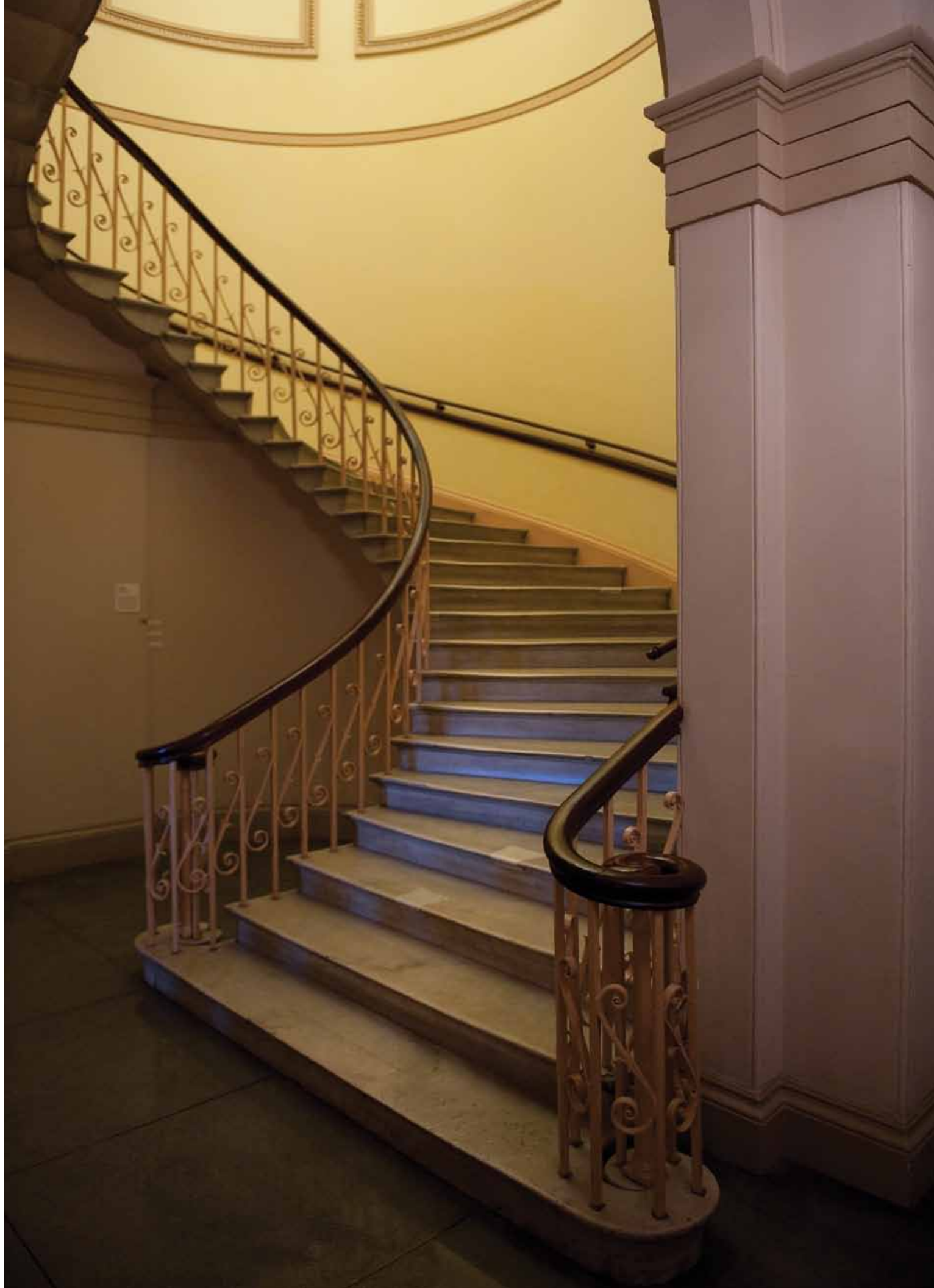




PAGE 94: (left) The Robert A. Taft Memorial and Carillon located north of the Capitol on Constitution Avenue; (right top) An Olmsted lantern; (right middle left) A detail of one of the many hardscape features that adorn the Capitol Grounds; (right middle right) The Capitol Grounds are decorated with 50,000–70,000 annual flowers and 70,000 tulips and spring bulbs are planted each year; (right bottom) The grounds surrounding the U.S. Capitol are equipped with outdoor seating, lighting, and sidewalks which are all maintained by the Architect of the Capitol.

PAGE 95: (top) The James A. Garfield Monument with a view of the Capitol; (bottom right) The Capitol Grounds includes approximately 90 acres of turf-grass and another 30 acres in landscape beds; (bottom left) A detail of the Senate Garage Fountain.





SECTION III

FINANCIAL INFORMATION

A MESSAGE FROM THE CHIEF FINANCIAL OFFICER



Paula G. Lettice, Chief Financial Officer

I am pleased to present the audited financial statements for the Architect of the Capitol (AOC) for Fiscal Year (FY) 2010. These financial statements are an essential component of our annual Performance and Accountability Report (PAR). The PAR is a cornerstone of the AOC's efforts to provide the results of our program and financial performance, our significant accomplishments and challenges, and audit findings in a timely and

transparent manner to our Congressional stakeholders and the American public.

We are proud that, for the sixth consecutive year, the AOC has received an unqualified (clean) audit opinion from our independent auditors on our annual financial statements. An unqualified opinion attests to the fact that our financial statements present fairly, in all material respects, our financial position, cost of programs, changes in net position, and the status and use of budgetary resources. These continued clean audits are a significant achievement and highlight the quality work of our talented financial professionals and the importance of a job well done throughout our organization.

During the past year, we have continued to refine our financial management business processes to provide increased efficiencies in support of the AOC's mission. These improvements also help make the AOC a more flexible organization that is quickly adaptable to the needs of our customers. We have made some progress with respect to one material weakness and have cleared one other material weakness, as cited in our FY 2010 independent auditor's report. In addition, a new material weakness, related to the restatement of the AOC's financial statements, was identified in FY 2010. These material weaknesses and the AOC's efforts to address them are discussed below.

The AOC is working to document and evaluate its internal control environment. Although we cannot yet determine if the current internal control design mitigates existing risks and effectively safeguards assets, continued progress was made in FY 2010. The AOC has created a Senior Advisory Team to guide internal control efforts and implemented a formal internal control policy. This policy recognizes internal control is both a financial and an operational responsibility. Looking ahead, as recommended by our Audit Committee, the AOC will use a risk-based approach to prioritizing internal control reviews. This year, we established working groups and hired an outside accounting firm to perform a full assessment of the control processes for our payroll and procure-to-pay activities.

Looking ahead, as recommended by our Audit Committee, the AOC will use a risk-based approach to prioritizing internal control reviews.

The AOC has implemented best practice controls for our payroll reconciliation process. The AOC has cleared this material weakness and has taken corrective action to routinely reconcile data transmitted to and received from the National Finance Center, which processes our bi-weekly payroll.

The AOC will design and implement control procedures to identify and disclose all imputed financing costs. The AOC recognizes that it is required to report all imputed financing costs in total program costs. Further, the AOC understands that effective internal controls would have identified these costs. Going forward, the AOC intends to design and implement these control procedures.

Please refer to the *Summary of Material Weaknesses and Significant Deficiencies* in the Management's Discussion and Analysis section of this report for additional information about our material weaknesses, significant deficiencies, and our remedial plans for alleviating them.

During FY 2010, the AOC took additional steps in managing and reducing the backlog of deferred maintenance. Through an improved and coordinated budget process, we implemented a balanced management plan with Congress to prioritize our work and receive additional funds to help us achieve our goals. It is important to recognize that these steps, while significant, are just the beginning. We continue to face

a severe deferred maintenance and repair backlog and new mission areas (such as energy conservation and sustainability) which will add to our backlog of requirements.

The AOC has a rich and proud history as steward of the Capitol. The AOC Chief Financial Officer is committed to providing transparency and accountability for the resources entrusted to us and meeting our fiscal stewardship responsibilities for the American public and to support the daily work of Congress and their staffs. We look forward to the future with confidence and will continue to develop and implement financial initiatives, such as cost accounting, to help pilot future benchmarking and reporting efforts that will integrate non-financial data with cost information to provide greater visibility on the cost of activities and outputs. Other initiatives, such as performance-based budgeting, support the AOC's strategic decision-making and will help transform the AOC into a more effective and efficient organization. The current economic climate and its impact on future appropriations make it even more important to effectively manage our resources. We pledge to manage our resources efficiently to achieve our goals and meet our operational requirements.

Sincerely,



Paula G. Lettice
Chief Financial Officer
January 12, 2011

A MESSAGE FROM THE AUDIT COMMITTEE

The Audit Committee assists the Architect of the Capitol (AOC) in fulfilling its fiduciary responsibilities by providing an independent review of the financial statement audit process and by facilitating open disclosure and transparency for the AOC's fiscal stewardship. This Committee was not mandated by statute, but instead created by the AOC as a best business practice to increase the credibility and effectiveness of the audit process.³⁴ Additionally, the Committee members provide valuable expertise on the AOC's financial management practices and on its processes to assess and manage risk through a system of internal controls.

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

The Committee met four times during fiscal year (FY) 2010. At the conclusion of each meeting, it convened an executive session and met independently with the Architect of the Capitol, Inspector General, Chief Financial Officer, Chief Administrative Officer, Accounting Director, and the independent auditors. The Committee continued to stress the need to implement fully the AOC's plans for improving its internal control program and, to improve the plan, recommended that the AOC establish a requirement for annual risk assessments to help prioritize detailed internal control reviews and require annual assurance statements from senior management. The external auditors, Kearney & Company, continue to report this area as a material weakness because the "AOC cannot determine if its current internal and external control design mitigates existing risks and effectively safeguards assets."³⁵ The members of this Committee are encouraged by AOC management's determination to address this internal control material weakness, but again recommend that the plan be amended to use a risk-based approach to prioritizing internal control reviews. The Audit Committee commends the AOC's FY 2010 accomplishment in eliminating another long-standing material internal control weakness by implementing improved reconciliation processes for payroll reporting.

Management proposed, and the Committee agreed, that the fiscal year 2010 audit would be a full audit of all four principal financial statements with comparative presentations. We concurred with management's decision to defer a request for the auditor to provide an opinion on AOC internal controls. At the start of the FY 2010 audit, we reviewed and discussed the overall scope of work and the audit plans of the external auditors and AOC Inspector General. Based on the procedures performed as outlined above, we recommend that AOC's audited statements and footnotes be included in the FY 2010 Performance and Accountability Report.

Sincerely,

John D. Webster
Chair

John Griffin

Jeffrey Alan Smith

January 19, 2011

³⁴ The five-member Audit Committee was established by the AOC on April 4, 2003 and consists of three voting members and two non-voting members (AOC's Inspector General and Chief Financial Officer). All voting members are independent of the AOC.

³⁵ Kearney and Company, *Independent Auditor's Report on Internal Control* (January 12, 2011).

AOC INSPECTOR GENERAL TRANSMITTAL

UNITED STATES GOVERNMENT
MEMORANDUM



ARCHITECT OF THE CAPITOL
WASHINGTON, DC 20515

Office of Inspector General
Fairchild Building, Suite 518
202.593.1948

DATE: January 26, 2011
TO: Stephen T. Ayers, Architect of the Capitol
FROM: Carol M. Bates, Inspector General
SUBJECT: Fiscal Year 2010 Financial Statements Reports

We contracted with the independent certified public accounting firm of Kearney & Company to audit the financial statements of the Architect of the Capitol (AOC) as of and for the years ending September 30, 2010 and 2009. The contract required that the audit be conducted in accordance with generally accepted government auditing standards and the joint Government Accountability Office/Council on Inspectors General for Integrity and Efficiency *Financial Audit Manual*.

Kearney's opinion on the financial statement is unqualified. I commend the AOC for continuing to maintain this significant accomplishment.

In connection with the audit, we reviewed Kearney's reports and related documentation and met with its representatives. The review was not intended to enable us to express, and we do not express, an opinion on the conclusions expressed therein. Kearney is responsible for the opinion in the attached reports and the conclusions in the related reports on internal control and compliance with laws and regulations. Our review disclosed no instances where Kearney did not comply, in all material respects, with generally accepted government auditing standards.

If you have questions or wish to discuss the report, please contact H. Vance Haney at 202.593.0261 or vhaney@aoc.gov.

Copy to:

Christine Merdon, Chief Operating Officer
John D. Webster, Chair, AOC Audit Committee
John Griffin, AOC Audit Committee
Jeffrey A. Smith, AOC Audit Committee
William Kubistal, Kearney & Company
Jackie Frend, Executive Officer
File OIG – A – 2011 - 02

INDEPENDENT AUDITOR'S REPORT



1701 Duke Street, Suite 500, Alexandria, VA 22314
 PH: 703.931.5600, FX: 703.931.3655, www.kearneyco.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, 2010 and 2009, and the related statements of net cost, changes in net position, and budgetary resources (hereinafter referred to as the "financial statements") for the years then ended. These financial statements are the responsibility of AOC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AOC as of September 30, 2010 and 2009, and its net cost of operations, changes in net position, and budgetary resources, including accompanying notes, for the years then ended in conformity with accounting principles generally accepted in the United States of America (GAAP).

As discussed in Note 19 to the financial statements, AOC restated the fiscal year (FY) 2009 balance sheet and statements of net cost and net position for imputed charges related to expenses and capitalized expenditures appropriated, managed, and paid for by another agency.

AOC's Management's Discussion and Analysis, Required Supplementary Information (including stewardship information), and other accompanying information contain a wide range of information, some of which is not directly related to the financial statements. We do not express an opinion on this information. However, we compared this information to the financial statements for consistency and discussed the methods of measurement and presentation with AOC. On the basis of this limited work, we found no material inconsistencies with the financial statements, GAAP, or OMB Bulletin No. 07-04, as amended.

In accordance with *Government Auditing Standards* and OMB Bulletin No. 07-04, as amended, we have also issued reports, dated January 12, 2011, on our consideration of AOC's internal



control over financial reporting and compliance, and on our tests of AOC's compliance with certain laws and regulations for the year ended September 30, 2010. The purpose of these reports is to describe the scope of our testing of internal control over financial reporting and compliance, and AOC's compliance with certain provisions of laws and regulations and the results of that testing, and not to provide an opinion on the internal control over financial reporting and compliance or on compliance and other matters. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 07-04, as amended, and should be considered in assessing the results of our audits.

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

January 12, 2011
Alexandria, Virginia

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL



1701 Duke Street, Suite 500, Alexandria, VA 22314
PH: 703.931.5600, FX: 703.931.3655, www.kearneyco.com

Independent Auditor's Report on Internal Control

To the Architect of the Capitol

We have audited the financial statements of the Architect of the Capitol (AOC) as of and for the year ended September 30, 2010, and have issued our report dated January 12, 2011. 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. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. AOC's management is responsible for maintaining effective internal control over financial reporting.

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

We limited our internal control testing to those controls necessary to achieve the control objectives of OMB Bulletin No. 07-04 that provide reasonable, but not absolute assurance, that:

1. Transactions are properly recorded, processed, and summarized to permit the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and assets are safeguarded against loss from unauthorized acquisition, use, or disposition
2. Transactions are executed in compliance with laws governing the use of budget authority; Government-wide policies and laws identified in Appendix E of OMB Bulletin No. 07-04, as amended; and other laws and regulations that could have a direct and material effect on the financial statements. We did not test all internal controls relevant to operating objectives, as broadly defined by the Federal Financial Management Improvement Act, such as those controls relevant to ensuring efficient operations.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses; therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and others that we consider to be significant deficiencies.



A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purposes described in the preceding paragraphs and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We consider the following deficiencies in AOC's internal controls to be material weaknesses.

MATERIAL WEAKNESSES

1. Internal Control Assessment (Repeat Condition)

Without a complete assessment of controls throughout the entity, AOC could have weaknesses in its control structure that may result in:

1. Inefficient and ineffective operations
2. Opportunities for fraud and waste
3. Noncompliance with policies, procedures, and applicable laws and regulations
4. Failure to achieve agency goals.

During the audit, we noted that AOC does not have a recognized, documented process to monitor the internal and external control environment. Specifically, AOC has not completed a formal, systematic assessment and evaluation of the design and operation of internal controls. This assessment was not finalized by the end of fiscal year (FY) 2010. As of June 30, 2010, AOC had organized internal control work group teams who were documenting the internal and external control environment, updating policies and procedures, validating risk assessments, and developing remedial action plans. Even though AOC uses an Internal Control Management Tool (ICMT) and an Internal Control Compliance Test (ICCT) database to monitor elements of the procure-to-pay process, inventory management system, financial management system, payroll records, human capital processes, and information technology (IT) processes, AOC cannot determine if its current internal and external control design mitigates existing risks and effectively safeguards assets.

Recommendation

We recommend that AOC complete and document its internal control structure, including the identification of risks to material accounts and the existence of internal controls to mitigate those risks. Although AOC is not subject to OMB Circular A-123, *Management's Responsibility for Internal Control*, we recommend that AOC consult the "Implementation Guide for OMB Circular A-123, Appendix A, Internal Control over Financial Reporting" (the Guide). The Guide was issued by the Chief Financial Officers (CFO) Council in May 2005, and includes



information that may help management evaluate internal controls and monitor and test these controls throughout the year.

2. Financial Statement Restatement

AOC is required to include imputed financing in total program costs. Imputed costs are costs incurred when an entity receives services and/or in-kind benefits from third parties that are not reimbursed. For FYs 2002 through 2009, AOC did not recognize in its financial statements various capitalizable and operating costs for projects appropriated, managed, and paid for by another agency on behalf of AOC. AOC management informed us of these costs during the current audit. AOC restated its prior year financial statements to reflect previously unreported costs. The restatement resulted from AOC not having effective procedures in place to identify all imputed costs.

As a result of the restatement, AOC's FY 2009 financial statements were impacted by the following adjustments (in thousands):

- Balance Sheet: Total Assets, Cumulative Results of Operations, Total Net Position, and Total Liabilities line items increased by \$29,939
- Statement of Net Cost: Net Program Costs for General Administrative Jurisdiction increased by \$5,500
- Statement of Net Position: Net Position increased by \$29,939.

Recommendation

We recommend that AOC develop and implement procedures to identify and disclose all imputed costs.

* * * * *

A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in AOC's internal control to be significant deficiencies.

SIGNIFICANT DEFICIENCIES

1. Information System General Controls (Modified Repeat Condition)

If information system general controls are not documented and/or performed, AOC may not be able to properly identify and analyze risks resulting from the unauthorized access, use, disclosure, disruption, modification, or destruction of information and information systems that support AOC assets and AOC's ability to accomplish its mission.



We evaluated AOC's information system general controls following guidance provided by the National Institute of Standards and Technology (NIST) and the Government Accountability Office's (GAO) Federal Information System Controls Audit Manual (FISCAM). During our evaluation, we found that AOC has information system general control weaknesses in the following areas:

- **Information System Risk Assessment Policies and Procedures** – Information system risk assessment policies, procedures, and guidance have not been documented to define a framework and methodology for performing risk assessments.
- **Local Area Network (LAN) Password Length Parameter** – The LAN user password parameter for minimum password length does not comply with requirements set forth in AOC Information Technology Division (ITD) Directive 7-3-14.1, *Information Technology Systems Identification and Authentication*.
- **Plan of Action and Milestones (POA&M) Reports** – AOC's POA&M reports do not include all of the control deficiencies noted during the FY 2009 audit, nor do they include certification and accreditation (C&A) deficiencies. In addition, the POA&M reports are not completed with the necessary information for remediation. Specifically, we noted weaknesses relating to following reports:
 - **Capitol Visitor Center (CVC) Point of Sale (POS) System POA&M** – Required information is not included in the "Resources Required," "Milestones with Completion Dates," and "Identified in CFO Audit or Other Review" fields.
 - **Financial System of Record (Financial System POA&M)** – The POA&M report for the financial system of record was updated as of June 17, 2010, but the first POA&M in the report had a scheduled completion date of May 20, 2010 with no updated milestones date and a status of "ongoing." In addition, the second POA&M in the report has no "remedial action" indicated in the "Milestones with Completion Dates" field, as required by AOC Order 7-1-7.
 - **General Support System (GSS) POA&M** – Only three findings out of 22 control failures listed in the Security Assessment Report are included in the POA&M report. In addition, the source of the POA&M is not indicated in the "Identified in CFO Audit or Other Review" field.
 - **Audit Summary Action Status Report** – The POA&M report does not contain all of the FY 2009 audit findings as required by FISCAM and OMB Memorandum 02-01. Of the 17 FY 2009 IT findings, nine were not included in the report. Specifically, the four financial system, two GSS, one CVC POS system, and two time and attendance (T&A) system findings were not included in the report.



- **POS System Contingency Plan** – There is no contingency plan for AOC’s CVC POS application to provide alternate processing capability and ensure continuity of operations in the event of an emergency.

Recommendation

We recommend that AOC document the policies and procedures for performing information system risk assessments. Documentation should include:

- Structured methodology to be used
- Purpose
- Scope
- Roles
- Responsibilities
- Management commitment
- Coordination among organizational entities
- Compliance.

We also recommend that the LAN user password parameter for minimum password length be updated to comply with AOC ITD Directive 7-3-14.1. In addition, all security risks identified during the system C&A should be documented in the POA&M report and include the necessary information for remediation. Lastly, AOC should develop an application contingency plan based on a business impact analysis and other identified risks associated with operations under emergency conditions.

2. Information System Application Controls (Modified Repeat Condition)

Without implementation of required system application controls, AOC may not be in compliance with required policies and procedures. In addition, AOC may not be able to properly identify and analyze risks resulting from the unauthorized access, use, disclosure, disruption, modification, or destruction of information and information systems that support AOC assets and AOC’s ability to accomplish its mission.

We evaluated AOC’s information system application controls following guidance provided by NIST and FISCAM. When considered together, the following control weaknesses represent an overall systemic weakness relating to information system application controls:

- **Controls over the Gift Shop Inventory Management and POS Systems** – During our review of AOC’s CVC inventory management and POS systems, we noted the following control weaknesses:
 - AOC did not identify and remove one user in the POS system in a timely manner as required by the Identified Management Security Control requirement included in AOC ITD Directive 7-3-14.1.



- AOC does not currently monitor the POS system for security violations.
- AOC does not have written policies and procedures for granting access to the POS system. In addition, AOC could not provide evidence that one user's level of access was authorized by a manager.
- The AOC System Administrator/Owner does not review user accounts on an annual basis to ensure each user has the proper level of access based on the user's current responsibilities.
- AOC POS system security controls are not consistent with the Authenticator Management Security Control requirement included in AOC ITD Directive.
- AOC does not have written policies and procedures specific to POS system configuration management.
- AOC has not formally documented all incompatible activities and transactions to ensure that segregation of duties is maintained and verifiable.
- **Controls over the Financial System** – During our review of AOC's financial system, we noted the following control weaknesses:
 - AOC has not documented policies and procedures for monitoring CGI Federal's (CGI) financial and inventory system applications' processing activities to ensure that CGI adheres to AOC security requirements.
 - Financial system users and their assigned security profiles are not verified annually to ensure that segregation of duties is maintained and appropriate for each user's assigned responsibilities. The financial system approvers and approval limits were reviewed by the jurisdictions that took place in May 2010, but a review of all financial system users and their roles has not been performed. Additionally, the financial system security profiles and their assigned security categories are not reviewed to ensure that access is appropriate.
 - The financial system segregation of duties spreadsheet/matrix does not identify what transactions/security categories and permissions should not be assigned to a role.
 - Financial system user passwords do not meet the requirements of AOC ITD Directive 7-3-14.1.
- **Financial System Generic User ID** – One financial system generic user ID is still active. Generic user IDs and their associated passwords should not be used, as there is no accountability for their use.



- **Controls over the T&A System** – During our review of AOC’s T&A system, we noted the following control weaknesses:
 - AOC does not have an approved T&A System User Access Policy that includes requirements for establishing users, managing accounts (to include system password parameters), and monitoring and reviewing user access.
 - AOC does not periodically review T&A system users and their assigned levels of access to ensure continued appropriateness.

Recommendation

We recommend that AOC document and implement required controls in accordance with the inventory management, POS, financial, and T&A system policies and procedures. Specific to the financial system, AOC should document and implement policies and procedures for monitoring the activities of third party processors. In addition, AOC should disable the generic user ID. AOC should also review all system users and security profiles annually to ensure that access and permissions are appropriately assigned based on the current responsibilities of each user. This review should include documenting incompatible system activities and transactions to ensure that changes to security roles continue to adhere to segregation of duties requirements, and reviewing passwords for compliance with AOC ITD Directive 7-3-14.1.

We noted other less significant matters that were reported to AOC’s management in a separate letter, dated January 12, 2011.

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

January 12, 2011
Alexandria, Virginia

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND OTHER MATTERS



1701 Duke Street, Suite 500, Alexandria, VA 22314
PH: 703.931.5600, FX: 703.931.3655, www.kearneyco.com

Independent Auditor's Report on Compliance and Other Matters

To the Architect of the Capitol

We have audited the financial statements of the Architect of the Capitol (AOC) as of and for the year ended September 30, 2010, and have issued our report dated January 12, 2011. 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. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. AOC's management is responsible for compliance with laws and regulations.

As part of obtaining reasonable assurance about whether AOC's financial statements are free of material misstatement, we performed tests of AOC's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts and certain other laws and regulations specified in OMB Bulletin No. 07-04, as amended. As part of our work, we performed tests of compliance with the Federal Financial Management Improvement Act (FFMIA), Section 803(a) requirements. We limited our tests of compliance to these provisions and did not test compliance with all laws and regulations applicable to AOC. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982. Providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

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

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



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

AOC is working with the Office of Compliance to remediate these instances of noncompliance.

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

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

January 12, 2011
Alexandria, Virginia

FINANCIAL STATEMENTS

Architect of the Capitol Consolidated Balance Sheets

As of September 30, 2010 and 2009 (Restated) (*\$ in thousands*)

	2010	2009 Restated
ASSETS		
Intragovernmental Assets		
Fund Balance with Treasury (Note 2)	\$ 574,108	\$ 502,451
Investments (Note 4)	3,465	1,847
Accounts Receivable (Note 5)	1,753	3,824
Total Intragovernmental Assets	579,326	508,122
Cash and Other Monetary Assets (Note 3)	20	21
Investments (Note 4)	35,708	35,705
Accounts Receivable, Net (Note 5)	997	156
Inventory & Other Related Property (Note 6)	1,367	1,006
General Property, Plant and Equipment, Net (Notes 7 and 19)	1,880,774	1,892,337
Other (Note 9)	3	9
TOTAL ASSETS	\$ 2,498,195	\$ 2,437,356
Stewardship Assets (Note 8)		
LIABILITIES		
Intragovernmental Liabilities		
Accounts Payable	\$ 291	\$ 291
Unfunded FECA (Note 11)	9,512	9,151
Other Intragovernmental Liabilities (Note 15)	2,719	3,856
Total Intragovernmental Liabilities	12,522	13,298
Accounts Payable	4,031	4,075
Debt Held by the Public (Note 12)	138,709	143,633
Actuarial FECA (Note 11)	47,241	45,668
Contingent and Environmental Liabilities (Note 13)	901	27,259
Accrued Annual Leave and Other (Note 11)	23,380	21,420
Capital Lease Liability (Note 14)	21,955	25,241
Contract Holdbacks	15,263	12,966
Other Accrued Liabilities (Note 15)	33,340	33,486
Advances from Others	11,427	3,319
TOTAL LIABILITIES (Note 10)	\$ 308,769	\$ 330,365
NET POSITION		
Unexpended Appropriations	\$ 502,648	\$ 439,408
Cumulative Results of Operations (Note 19)	1,686,778	1,667,583
Total Net Position	\$ 2,189,426	\$ 2,106,991
TOTAL LIABILITIES & NET POSITION	\$ 2,498,195	\$ 2,437,356

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

Architect of the Capitol

Consolidated Statements of Net Cost

For the Fiscal Years Ending September 30, 2010 and 2009 (Restated) (*\$ in thousands*)

Program Costs	2010	2009 (Restated)
Botanic Garden		
Gross Costs	\$ 12,838	\$ 11,012
Less: Earned Revenue	—	—
Net Program Costs	12,838	11,012
Capitol Building		
Gross Costs	60,122	58,327
Less: Earned Revenue	(23)	(938)
Net Program Costs	60,099	57,389
Capitol Grounds		
Gross Costs	11,837	16,216
Less: Earned Revenue	(19)	—
Net Program Costs	11,818	16,216
Capitol Police Buildings, Grounds, and Security		
Gross Costs	20,497	14,873
Less: Earned Revenue	(1,164)	—
Net Program Costs	19,333	14,873
Capitol Power Plant		
Gross Costs	129,057	76,829
Less: Earned Revenue	(9,005)	(10,204)
Net Program Costs	120,052	66,625
Capitol Visitor Center		
Gross Costs	26,058	16,277
Less: Earned Revenue	(3,937)	(3,039)
Net Program Costs	22,121	13,238
General Administrative		
Gross Costs (Note 19)	122,037	111,995
Less: Earned Revenue	(76)	(303)
Net Program Costs	121,961	111,692
House Office Buildings		
Gross Costs	67,464	60,489
Less: Earned Revenue	(67)	(79)
Net Program Costs	67,397	60,410
Library Buildings and Grounds		
Gross Costs	44,111	40,123
Less: Earned Revenue	—	—
Net Program Costs	44,111	40,123
Senate Office Buildings		
Gross Costs	84,029	77,533
Less: Earned Revenue	(1,583)	(2,696)
Net Program Costs	82,446	74,837
Supreme Court and Judiciary Buildings		
Gross Costs	44,266	43,303
Less: Earned Revenue	(32,330)	(35,484)
Net Program Costs	11,936	7,819
Net Cost of Operations (Notes 18 and 19)	\$ 574,112	\$ 474,234

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

Architect of the Capitol**Consolidated Statements of Changes in Net Position**For the Fiscal Years Ending September 30, 2010 and 2009 (Restated) (*\$ in thousands*)

	2010	2009 (Restated)
CUMULATIVE RESULTS OF OPERATIONS		
Beginning Balances		
Adjustments	\$ 1,667,583	\$ 1,585,720
Correction of Errors (Note 19)	—	28,625
Beginning Balances—Adjusted	\$ 1,667,583	\$ 1,614,345
Budgetary Financing Sources:		
Appropriations Used	551,309	504,685
Non-Exchange Revenue	3	1
Other Financing Sources:		
Donations and Forfeitures of Property (Note 19)	12,122	3,053
Transfers—In/(Out) without Reimbursement	(1,000)	(2,507)
Imputed Financing From Costs Absorbed By Others (Note 19)	30,873	22,240
Total Financing Sources	593,307	527,472
Net Cost of Operations	(574,112)	(474,234)
Net Change	19,195	53,238
Cumulative Results of Operations	\$ 1,686,778	\$ 1,667,583
UNEXPENDED APPROPRIATIONS		
Beginning Balances	\$ 439,408	\$ 396,932
Budgetary Financing Sources:		
Appropriations Received	616,111	548,033
Appropriations Transferred—In/(Out)	7,539	8,557
Other Adjustments	(9,101)	(9,429)
Appropriations Used	(551,309)	(504,685)
Total Budgetary Financing Sources	63,240	42,476
Total Unexpended Appropriations	\$ 502,648	\$ 439,408
NET POSITION	\$ 2,189,426	\$ 2,106,991

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

Architect of the Capitol

Combined Statements of Budgetary Resources

For the Fiscal Years Ending September 30, 2010 and 2009 (\$ in thousands)

	2010	2009
Budgetary Resources		
Unobligated Balance—Brought Forward, October 1	\$ 270,117	\$ 228,772
Recoveries of Prior Year Unpaid Obligations	8,306	9,442
Budget Authority		
Appropriation	616,111	548,033
Borrowing Authority	12,306	12,709
Spending Authority from Offsetting Collections:		
Earned		
Collected	47,145	52,643
Change in Receivable from Federal Sources	604	(1,252)
Change in Unfilled Orders:		
Advance Received	8,109	(9,079)
Subtotal—Budget Authority	\$ 684,275	\$ 603,054
Nonexpenditure Transfers, Net—Anticipated and Actual	7,539	8,557
Permanently not Available	(26,331)	(26,658)
Total Budgetary Resources	\$ 943,906	\$ 823,167
Status of Budgetary Resources		
Obligations Incurred		
Direct	\$ 575,010	\$ 514,050
Reimbursable	40,019	39,000
Total Obligations Incurred	615,029	553,050
Unobligated Balance—Exempt from Apportionment	303,969	245,463
Unobligated Balance—Not Available	24,908	24,654
Total Status of Budgetary Resources	\$ 943,906	\$ 823,167
For Informational Purposes Only:		
Change in Obligated Balances		
Obligated Balances, net:		
Unpaid Obligations—Brought Forward, October 1	\$ 234,249	\$ 258,205
Less: Uncollected Customer Payments From		
Federal Sources—Brought Forward, October 1	(30)	(1,282)
Total Unpaid Obligated Balance, Net	234,219	256,923
Obligations Incurred	615,029	553,050
Less: Gross Outlays	(591,612)	(567,564)
Less: Recoveries of Prior Year Unpaid Obligations, Actual	(8,306)	(9,442)
Change in Uncollected Customer Payments from Federal Sources	(604)	1,252
Total Obligated Balance, Net	\$ 248,726	\$ 234,219
Obligated Balance, Net—End of Period		
Unpaid Obligations	\$ 249,360	\$ 234,249
Less: Uncollected Customer Payments From Federal Sources	(634)	(30)
Total Unpaid Obligated Balance, Net—End of Period	\$ 248,726	\$ 234,219
Net Outlays		
Gross Outlays	\$ 591,612	\$ 567,565
Less: Offsetting Collections	(55,254)	(43,564)
Total Net Outlays	\$ 536,358	\$ 524,001

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

Notes to Financial Statements

Index

NOTE 1:	Summary of Significant Accounting Policies	117
	A. Reporting Entity	117
	B. Basis of Accounting and Presentation	117
	C. Fund Balance with Treasury	117
	D. Accounts Receivable	117
	E. Investments	118
	F. Trust and Revolving Funds	118
	G. Recognition of Financing Sources	119
	H. Operating Materials and Supplies	119
	I. Inventory	119
	J. Property and Equipment	119
	K. Stewardship Assets	119
	L. Liabilities	119
	M. Personnel Compensation and Benefits	120
	N. Contingencies	120
	O. Statement of Net Cost	120
	P. Use of Estimates	121
NOTE 2:	Fund Balance with Treasury	121
NOTE 3:	Cash and Other Monetary Assets	121
NOTE 4:	Investments	121
NOTE 5:	Accounts Receivable	122
NOTE 6:	Inventory	122
NOTE 7:	Property and Equipment	122
NOTE 8:	Stewardship Assets	123
NOTE 9:	Other Assets	123
NOTE 10:	Liabilities	124
NOTE 11:	Payroll-Related Liabilities	124
NOTE 12:	Debt Held by the Public	124
NOTE 13:	Contingent and Environmental Liabilities	124
NOTE 14:	Leases	126
NOTE 15:	Other Liabilities	126
NOTE 16:	Imputed Financing	127
NOTE 17:	Net Cost of Operations	127
NOTE 18:	Reconciliation of Net Cost of Operations to Budget	128
NOTE 19:	Restatements	128

NOTE 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Architect of the Capitol (AOC) is an agency 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,” its role has evolved to include responsibility for the maintenance, operation, development, and preservation of the Capitol Building; Capitol Grounds; Capitol Police Buildings, Grounds, and Security; Capitol Power Plant (CPP); Capitol Visitor Center (CVC); House Office Buildings; Library of Congress Buildings and Grounds; Senate Office Buildings; Supreme Court Building and Grounds; and U.S. Botanic Garden (USBG).

The AOC is also responsible for:

- supporting Congress during official, national events (e.g., Presidential Inaugural Ceremonies) held at the Capitol or on the Capitol Grounds,
- providing steam and chilled water to the Supreme Court, Thurgood Marshall Federal Judiciary Building (TMFJB), Union Station, and the Folger Shakespeare Library, and steam only to the Government Printing Office (GPO) and the Postal Square building, and
- providing visitor guide services at the CVC.

Non-entity assets are those held by the AOC but unavailable for use in its operations. Activities that give rise to non-entity assets include:

- a portion of steam and chilled water collections,
- rent collections from the Alternate Computer Facility and the Monocle Restaurant,
- flag-flying fees, and
- provision of palm trees for rent.

Upon receipt, funds for these activities are not available for AOC use. At year-end, such funds are transferred to Treasury. Therefore, at September 30, the AOC’s only non-entity asset is in Accounts Receivable.

B. Basis of Accounting and Presentation

The AOC’s 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.

For financial reporting purposes, the AOC has issued AOC Order 32-02 which adopts GAAP for financial reporting and internal controls in a manner consistent for a Federal Agency.

As a Legislative Branch Agency of the Federal government, the AOC is not required to follow the accounting principles established by the Comptroller General under 31 U.S.C. 3511 or the standards promulgated by FASAB. The AOC has not adopted the Government Management and Reform Act of 1994, the Federal Managers Financial Integrity Act, the Federal Financial Management Improvement Act of 1996, or the Government Performance and Results Act, as these standards apply only to Executive Branch agencies. Nonetheless, the AOC refers to these Acts as a general guide for best practices and incorporates them into its financial management practices, as appropriate.

C. Fund Balance with Treasury

The AOC maintains all available fund balances with the U.S. Department of Treasury (Treasury). The Fund Balance with Treasury (FBWT) account represents the unexpended balances of appropriation accounts, trust accounts, and revolving funds. Cash receipts and disbursements are processed by Treasury, and AOC records are reconciled with those accounts on a regular basis. In addition to the Fund Balance with Treasury, AOC also has investments and other cash deposits as described in *Notes 3 and 4*.

D. Accounts Receivable

Accounts Receivable includes reimbursement for supplying certain AOC and non-AOC entities on Capitol Hill with steam and chilled water to heat and cool their facilities (*see Note 5*). Per annual appropriation, the AOC provides steam and chilled water to the Folger Library, Union Station, the Supreme Court and TMFJB, as well as steam only to the GPO and the Postal Square building. The AOC is legislatively provided the ability to collect a pre-determined amount to recover the cost of supplying these services and record these amounts as offsetting collections. Any amount collected over the pre-determined amount is credited to Treasury’s Miscellaneous Receipt Fund and is a non-entity asset. In addition, receivables may arise from food service commissions from operations at the CVC restaurant and from employee payroll overpayments as well as rent collections from the Alternate Computer Facility (ACF) and the Monocle Restaurant. The AOC records an Allowance for Doubtful Accounts based on management’s review of outstanding receivables. Accounts Receivable is reduced to net realizable value by the Allowance for Doubtful Accounts.

E. Investments

All investments are reported at their acquisition cost, net of amortized premiums and discounts, as it is the AOC's intent to hold the investments to maturity. Purchases and sales of investments are recorded on the trade date. Investment income is reported when earned. The market value of the investments is the current market value at the end of the reporting period.

Intragovernmental (Investments Held With Treasury)

The AOC has a Capitol Visitor Center Revolving Fund that was established under the *Capitol Visitor Center Act of 2008* (2 USC 31, 2201 et. seq.) to provide for the sale of gift shop items and the deposit of miscellaneous receipts. Related funds are invested in government securities through the Bureau of Public Debt using their Web-based application, FedInvest. By law, interest income is credited to the fund.

Entity (Investments Held Outside Treasury)

The AOC has funds invested by a trustee outside of Treasury as a result of financing the construction of the TMFJB. Congress did not appropriate funds for the construction of the building but, instead, authorized the use of private financing to cover its cost. In 1989, the AOC entered into a Development Management Agreement with Boston Properties for the design, development, and construction of the TMFJB. To finance its construction, Shearson Lehman Hutton, Inc., and Kidder, Peabody, & Co., Inc., issued 30-year Serial Zero Coupon Certificates of Participation.

Pursuant to a Trust Agreement, the proceeds were received by a trustee, The United States Trust Company of New York (now The Bank of New York Mellon). These proceeds were deposited into two funds, the Project Fund and the Operating Reserve Fund, to cover the costs of the construction project. In 2007, the Project Fund balance was transferred to the Operating Reserve Fund. The Operating Reserve Fund is held outside the Treasury by the trustee and, at the AOC's direction, the funds are invested and disbursed. The Operating Reserve Fund is held in reserve for future needs of the building (e.g., roof replacement or other major renovation). *See Notes 1.F. and 4* for additional detail on investments.

F. Trust and Revolving Funds

Trust Funds

In Fiscal Year 2010, the AOC has stewardship responsibility for one trust fund account that is currently inactive. This trust fund, the Nation Garden Trust Fund, is subject to the direction of the Joint Committee on the Library (of Congress) and was established to accept gifts or bequests of money, plant material, and other property on behalf of the U.S. Botanic Garden.

While this trust fund account still exists, it has a zero balance and is inactive.

Revolving Funds

The AOC has stewardship responsibility for five revolving funds to account for various programs and operations. Each of these funds is a distinct fiscal and accounting entity that accounts for cash and other financial resources together with all related liabilities and equities. These revolving funds include:

- House (of Representatives) Member Gym Revolving Fund,
- Senate Staff Health and Fitness Facility Revolving Fund,
- Judiciary Office Building Development and Operations Fund,
- Capitol Visitor Center Revolving Fund, and
- Recycling Revolving Fund.

The House (of Representatives) Member Gym Revolving Fund was established in the Treasury for the AOC to deposit dues paid by Members and other authorized users of the House of Representatives Wellness Center. The AOC may expend fund amounts to pay for the operation of the facility.

The Senate Staff Health and Fitness Facility Revolving Fund was established to deposit membership dues by authorized users of the Senate Staff Health and Fitness Facility and proceeds from the AOC's Senate recycling program. The AOC, subject to the approval of the Senate Committee on Appropriations, may expend fund amounts to pay for the preservation and maintenance of the facility.

The Judiciary Office Building Development and Operations Fund are used to pay expenses related to the structural, mechanical, and domestic care, maintenance, operation, and utilities of the TMFJB. The Fund is invested outside Treasury with The Bank of New York Mellon, via a Trust Agreement established to finance the construction of the TMFJB.

The CVC Revolving Fund is used to administer funds from the sale of gift shop items, the deposit of miscellaneous receipts such as net profits or commissions paid to the CVC for food service operations, and any fees collected from other functions within the CVC facility. This business-type revolving fund is invested in government securities through the Bureau of Public Debt.

The Recycling Revolving Fund was established to record proceeds from the sale of recyclable materials from across the AOC (excluding the Senate, which deposits such funds in the Senate Staff Health and Fitness Facility Revolving Fund). The fund balance is without fiscal year limitation and may be used to carry out recycling programs or other programs that promote energy savings at the AOC.

See Notes 1.E. and 4 for additional detail on investments.

G. Recognition of Financing Sources

The AOC receives funding to support its programs through appropriations authorized by Congress. Funding for operating and capital expenditures is received as annual, multi-year, and no-year appropriations. The appropriations the AOC receives are:

- Botanic Garden,
- Capitol Building,
- Capitol Grounds,
- Capitol Police Buildings, Grounds, and Security,
- Capitol Power Plant,
- Capitol Visitor Center,
- General Administrative,
- House Office Buildings,
- Library Buildings and Grounds,
- Senate Office Buildings, and
- Supreme Court and Judiciary Buildings and Grounds.

H. Operating Materials and Supplies

AOC's materials and supplies consist of tangible personal property consumed during normal operations. Per Statement of Federal Financial Accounting Standards (SFFAS) No. 3, *Accounting for Inventory and Related Property*, operating materials and supplies are recorded using the purchases method. This method provides that operating materials and supplies be expensed when purchased. Operating materials and supplies are purchased using funds specifically appropriated to AOC's jurisdictions. Therefore, the related usage of those materials and supplies is intended for those specific jurisdictions making the purchases.

I. Inventory

Inventory is recorded at historical cost in accordance with SFFAS No. 3, *Accounting for Inventory and Related Property*, and consists of retail goods purchased for resale at the CVC's gift shops. The recorded values are adjusted based on the results of quarterly physical inventory counts. Inventory purchased for resale may be categorized as follows: (1) purchased goods held for current sale, (2) purchased goods held in reserve for future sale, and (3) slow-moving, excess, or obsolete inventory. Examples of the retail goods included in inventory that are classified as "held for current sale" are books, t-shirts, jewelry, and other souvenirs. The AOC may also record an allowance which is based on slow-moving, excess, or obsolete and damaged inventory, as a result of known restrictions on the sale or disposition of inventory (*see Note 6*).

The AOC also holds inventory balances of materials and supplies that will be consumed in normal operations. Consumable materials and supplies consist of: (1) operating materials and supplies, (2) work-in-progress materials and supplies, and (3)

bench stock. Examples of such consumable materials and supplies are drywall, paper towels, pipe, electric motors, and general supplies. In accordance with SFFAS No. 3, as the balances of these consumable materials and supplies are immaterial, they are accounted for using the purchases method. The purchases method provides that consumable materials and supplies be expensed when purchased.

J. Property and Equipment

The AOC records property and equipment at cost. Buildings and equipment are depreciated over their estimated useful lives, which range from 2 to 40 years, using the straight-line method. All property and equipment is in the AOC's possession. None is held by others (*see Note 7*).

The following table presents the AOC 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

K. Stewardship Assets

Stewardship Property, Plant & Equipment (PP&E) consist of assets whose physical properties resemble those of General PP&E that are traditionally capitalized in the financial statements. Due to the nature of stewardship assets, however, determining a monetary value would be difficult, and matching costs with specific periods may not be possible or meaningful. Heritage assets are PP&E that are unique and are generally expected to be preserved indefinitely. Heritage assets have historical or natural significance; are of cultural, educational, or artistic importance; or have significant architectural characteristics. These assets are reported in terms of physical units rather than cost or other monetary values per SFFAS No. 29. There are two types of heritage assets: collection, which are objects gathered and maintained for exhibition, such as museum and art collections; and non-collection, which are parks, memorials, monuments, and buildings. The AOC holds both collection and non-collection heritage stewardship assets (*see Note 8*).

L. Liabilities

Liabilities represent the amounts owed to others for goods or services received, and amounts owed for progress in contract performance. Because no liability may 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,
- Contingent and Environmental Liabilities,
- Accrued Annual Leave, and
- Capital Lease Liability.

M. Personnel Compensation and Benefits

Federal Employee Benefits

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The FECA program is administered by the U.S. Department of Labor (DOL), which initially pays valid claims and subsequently seeks reimbursement from the Federal agencies employing the claimants. The DOL determines the actuarial liability for claims outstanding at the end of each fiscal year. This liability includes the estimated future costs of death benefits, workers' compensation, and medical and miscellaneous costs for approved compensation cases (*see Note 11*).

The AOC recognizes its share of the cost of providing future pension benefits to eligible employees over the period the related services are rendered. This amount is considered imputed financing.

The AOC recognizes a current-period expense for the future cost of post-retirement health benefits and life insurance for its employees while they are actively employed. This amount is also considered imputed financing (*see Note 16*).

Annual and Other Leave

Annual leave is recognized as an expense and a liability as it is earned. The liability is reduced as leave is taken. The accrued leave liability is principally long-term in nature. Other types of leave are expensed when taken and no future liability is recognized for these amounts (*see Note 11*).

N. Contingencies

The AOC accounts for contingencies in accordance with SFFAS No. 5, *Accounting for Liabilities of the Federal Government*. This standard 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. Management recognizes a contingent liability for liabilities equal to or greater than \$100,000 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. The AOC has recorded loss provisions for contingent liabilities (*see Note 13*).

O. Statement of Net Cost

The Statement of Net Cost (SNC) is presented by responsibility segment, in accordance with SFFAS No. 4, *Managerial Cost Accounting Concepts and Standards for the Federal Government*. Costs not otherwise assigned to an AOC jurisdiction are presented as General Administrative.

The AOC has a number of initiatives (e.g., cost accounting and performance-based budgeting) in place to gather data in order to provide more information to its stakeholders. While these initiatives are in various stages of progress, the AOC believes the responsibility segment approach provides information to its stakeholders in a direct, informative, and succinct manner.

The 11 responsibility segments reported on the SNC are aggregates of the funds identified. Inactive funds are included for full disclosure.

1. Botanic Garden
 - Botanic Garden
 - National Garden (inactive)
2. Capitol Building
3. Capitol Grounds
 - Capitol Grounds
 - West Central Front (inactive)
4. Capitol Police Buildings, Grounds, and Security
5. Capitol Power Plant
6. Capitol Visitor Center
7. General Administrative
 - General Administrative
 - American Disabilities Act (inactive)
 - Congressional Cemetery (inactive)
8. House Office Buildings
 - House Office Buildings
 - House Wellness Center
9. Library Buildings and Grounds
10. Senate Office Buildings
 - Senate Office Buildings
 - Senate Health and Fitness
11. Supreme Court and Judiciary Buildings and Grounds
 - Supreme Court
 - Thurgood Marshall Federal Judiciary Building

Revenues reported on the SNC are calculated on a direct cost recovery basis.

P. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management 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 revenues, financing sources, expenses, and obligations incurred during the reporting period. These estimates are based on management's best knowledge of current events, historical experience, and other assumptions that are believed to be reasonable under the circumstances. Estimates are subject to a wide range of variables, including assumptions on future economic and financial events. Accordingly, actual results may differ from those estimates.

NOTE 2: Fund Balance with Treasury

Funds with Treasury primarily consist of appropriated funds. As of September 30, 2010, the AOC also had stewardship responsibility for five revolving funds and administrative responsibility for one trust fund (which is currently inactive).

A. Fund Balances

The balance of these funds as of September 30, 2010 and 2009 follows.

Dollars in Thousands

Fund Type	2010	2009
Appropriated Funds	\$ 571,591	\$ 496,024
Trust and Revolving Funds	2,517	6,427
Total	\$ 574,108	\$ 502,451

B. Status of Fund Balance with Treasury

FBWT is classified as unobligated available, unobligated unavailable, obligated and not yet disbursed, or Non Budgetary FBWT. Unobligated available balances represent unexpired appropriations available for incurring new obligations. Unobligated unavailable balances are expired appropriations that are no longer available to incur new obligations. Obligated balances not yet disbursed include undelivered orders or orders received but not yet paid. Non Budgetary FBWT includes unavailable miscellaneous receipts and suspense accounts that do not have budget authority.

The status of FBWT as of September 30, 2010 and 2009 follows.

Dollars in Thousands

Balance Type	2010	2009
Unobligated Balance		
Available	\$ 300,474	\$ 243,595
Unavailable	24,908	24,654
Obligated Balance not yet Disbursed	248,726	234,202
Total	\$ 574,108	\$ 502,451

NOTE 3: Cash and Other Monetary Assets

Cash and Other Monetary Assets include change-making funds maintained for CVC Gift Shop operations and daily gift shop sales deposits-in-transit. There are no restrictions on cash.

The cash balances as of September 30, 2010 and 2009 follows.

Dollars in Thousands

Cash and Other Monetary Assets	2010	2009
Undeposited Collections	\$ 8	\$ 7
Cash Imprest Funds	12	14
Total	\$ 20	\$ 21

NOTE 4: Investments

Investments at September 30, 2010 and 2009 are summarized below.

At September 30, 2010 (Dollars in Thousands)

Investments	Cost	Interest Receivable	Investments, Net	Market Value
Intragovernmental, Non-marketable:				
Capitol Visitor Center Revolving Fund				
One Day Certificate				
0.12% Daily Yield				
Maturing October 1, 2010	\$ 3,465	\$ —	\$ 3,465	\$ 3,465
Total Intragovernmental	\$ 3,465	\$ —	\$ 3,465	\$ 3,465
With the Public:				
The Bank of New York Mellon				
Operating Reserve Fund				
Serial Zero Coupon Certificates				
Maturing August 15, 2024	35,708	—	35,708	35,708
Total With the Public	\$ 35,708	\$ —	\$ 35,708	\$ 35,708
Total Investments	\$ 39,173	\$ —	\$ 39,173	\$ 39,173

At September 30, 2009 (Dollars in Thousands)

Investments	Cost	Interest Receivable	Investments, Net	Market Value
Intragovernmental, Non-marketable:				
Capitol Visitor Center Revolving Fund				
One Day Certificate				
0.07% Daily Yield				
Maturing October 1, 2009	\$ 1,847	\$ —	\$ 1,847	\$ 1,847
Total Intragovernmental	\$ 1,847	\$ —	\$ 1,847	\$ 1,847
With the Public:				
The Bank of New York Mellon				
Operating Reserve Fund				
Serial Zero Coupon Certificates				
Maturing August 15, 2024	35,705	—	35,705	35,705
Total With the Public	\$ 35,705	\$ —	\$ 35,705	\$ 35,705
Total Investments	\$ 37,552	\$ —	\$ 37,552	\$ 37,552

NOTE 5: Accounts Receivable

The breakdown of the consolidated accounts receivable (both Intragovernmental and With the Public), as of September 30, 2010 and 2009, follows.

Dollars in Thousands

Accounts Receivable	2010	2009
Intragovernmental:		
Entity	\$ 633	\$ 31
Non-Entity	1,120	3,793
Total Intragovernmental	\$ 1,753	\$ 3,824
With the Public		
Entity	\$ 1,792	\$ 152
Non-Entity	5	4
Sub-Total	\$ 1,797	\$ 156
Less: Allowance for Doubtful Accounts	(800)	(—)
Total With the Public	\$ 997	\$ 156
Total	\$ 2,750	\$ 3,980

Based upon a management review, the allowance for doubtful accounts receivable amounted to \$800 and \$0 (in thousands) as of September 30, 2010 and 2009, respectively. The allowance relates to a receivable for back rent owed to the AOC from a tenant for office space rented at the Alternate Computer Facility. Due to the age of the receivable and the lack of tenant response, a 50 percent allowance has been recorded for this receivable owed.

In addition, as of September 30, 2010, the AOC was involved in two cases seeking the refund of expenditures and

damages resulting from construction-related contracts. Both cases are currently in appeals and the restitution amounts and case resolutions are uncertain. As a result, no amount has been posted to Accounts Receivable for these two cases.

NOTE 6: Inventory

Inventory consists of retail goods purchased for resale at the CVC's gift shops. Inventory, as of September 30, 2010 and 2009, follows.

Dollars in Thousands

Inventory Category	2010	2009
Purchased Goods Held for Current Sale	\$ 1,285	\$ 1,006
Damaged/Restricted/Held for Future Sale	82	—
Total	\$ 1,367	\$ 1,006

Based upon a management review, as of September 30, 2010, approximately \$82 was considered damaged or restricted from sale and is pending management's decision on its ultimate disposition. The AOC may record an allowance which is based on slow-moving, excess, or obsolete and damaged inventory although, as of September 30, 2010, this allowance is estimated to be zero.

NOTE 7: Property and Equipment

AOC differentiates its property and equipment by distinct categories. The following represents these categories and their balances as of September 30, 2010 and 2009.

At September 30, 2010 (Dollars in Thousands)

Class of Property and Equipment	Acquisition Value	Accumulated Depreciation	Net Book Value	%
Buildings	\$ 1,392,105	\$ 513,821	\$ 878,284	46.7
Building Improvements	1,162,147	560,074	602,073	32.0
Land	168,672	—	168,672	9.0
Land Improvements	146,770	43,732	103,038	5.5
Capital Leases (Real Property)	39,749	21,298	18,451	1.0
Leasehold Improvements	22,934	10,927	12,007	0.6
Equipment (Computers and Hardware)	9,442	5,917	3,525	0.2
Other Structures	9,288	1,456	7,832	0.4
Construction Work-in-Progress	86,892	—	86,892	4.6
Total	\$ 3,037,999	\$ 1,157,225	\$ 1,880,774	100.0

At September 30, 2009—Restated (Dollars in Thousands)

Class of Property and Equipment	Acquisition Value	Accumulated Depreciation	Net Book Value	%
Buildings	\$ 1,419,067	\$ 483,874	\$ 935,193	49.4
Building Improvements	1,005,099	517,938	487,161	25.7
Land	162,947	—	162,947	8.6
Land Improvements	143,646	36,729	106,917	5.7
Capital Leases (Real Property)	39,450	17,795	21,655	1.1
Leasehold Improvements	22,934	8,952	13,982	0.7
Equipment (Computers and Hardware)	24,812	22,306	2,506	0.1
Other Structures	9,288	1,097	8,191	0.4
Construction Work-in-Progress	153,785	—	153,785	8.1
Total	\$ 2,981,028	\$ 1,088,691	\$ 1,892,337	100.0

The educational, artistic, architectural, and historical significance of the U.S. Capitol, Senate, House, Supreme Court, and Jefferson buildings meets the FASAB criteria for heritage assets. Since these buildings are currently used for day-to-day business, they are further classified as multi-use heritage assets. As a result, they are depreciated in the same manner as if they were general purpose assets.

The AOC capitalized \$96 million in construction costs associated with the modernization of the Supreme Court Building and \$569 million in construction costs associated with the CVC during the fiscal years 2010 and 2009, respectively.

The AOC is responsible for reviewing and authorizing all changes to the buildings and grounds prior to any change occurring.

NOTE 8: Stewardship Assets

Stewardship assets, per SFFAS No. 29, *Heritage Assets and Stewardship Land*, are property, plant, and equipment that are unique for one or more of the following reasons: historic or natural significance; cultural, educational, or artistic importance; or significant architectural characteristics. Heritage assets are expected to be preserved indefinitely. Federal agencies are not required to show dollar amounts on the Balance Sheet for heritage assets, except for multi-use heritage assets, which are defined as heritage assets whose predominant use is in general government operations. The Capitol, House Office Buildings, Senate Office Buildings, Supreme Court, and Thomas Jefferson Building of the Library of Congress are all multi-use heritage assets at the AOC.

The AOC's stewardship assets are directly related to its mission to preserve and enhance the Capitol complex. Authority for the care and maintenance of the Capitol was established by legislation in 1876. The Architect's core duties include the

conservation and care of works of art in the buildings under the Architect's jurisdiction and the upkeep and improvement of the living assets on the Capitol Grounds and in the Botanic Garden. The AOC's stewardship responsibility for the heritage assets of the Capitol complex include those that are jointly under the Senate and House (such as works of architectural fine art) and those attached to the complex's buildings and on its grounds. AOC heritage asset categories include:

Artwork: The AOC cares for some collectible or movable art and all of the architectural fine and decorative art that is part of the buildings and grounds, which includes fine art, decorative art, architectural fine art, and architectural decorative art.

Architectural Features: The AOC's buildings and grounds are graced with many unique architectural features. These include outdoor sculptures and monuments and landscape features and fixtures.

Reference and Library Materials: AOC Reference and Library Materials include art and reference files, art and reference library, and conservation reports.

Records: AOC historic records and reference materials include architectural and engineering drawings, manuscripts and other textual records, small architectural models, and photographs.

Living Heritage Assets: As Acting Director of the USBG and steward of the Capitol Grounds, the AOC has living heritage assets in its collections. These include memorial trees and a variety of living plants.

A summary inventory of the AOC's stewardship assets as of September 30, 2010 and 2009 follows.

Stewardship Assets	2010	2009
Artwork	1,993 items	1,992 items
Architectural Features	197 features	197 features
Reference and Library Materials:		
Art and Reference Files	108 drawers	108 drawers
Art and Reference Materials	1,137 items	1,134 items
Records	395,166 records	375,036 records
Living Heritage Assets	85,708 items	92,573 items

NOTE 9: Other Assets

On September 30, 2010 and 2009, Advances to Others consisted of travel advances to AOC employees.

Dollars in Thousands

Other Assets	2010	2009
Advances to Others	\$ 3	\$ 9

NOTE 10: Liabilities

The Balance Sheet as of September 30, 2010 and 2009 includes liabilities not covered by current budgetary resources. Such 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 them. Liabilities not covered by budgetary resources generally include accrued annual and compensatory leave, workers' compensation, debt held by the public, and the capital lease liability.

Liabilities not covered by budgetary resources for September 30, 2010 and 2009 follows.

Dollars in Thousands

Fund Type	2010	2009
Intragovernmental:		
Liabilities covered by budgetary resources	\$ 291	\$ 290
Liabilities not covered by budgetary resources	12,231	13,007
Total Intragovernmental	\$ 12,522	\$ 13,297
With the Public:		
Liabilities covered by budgetary resources	\$ 64,061	\$ 53,846
Liabilities not covered by budgetary resources	232,186	263,221
Total With the Public	\$ 296,247	\$ 317,067
Total	\$ 308,769	\$ 330,364

NOTE 11: Payroll-Related Liabilities

On September 30, 2010 and 2009, the liability for Accrued Annual Leave and Other is comprised of three accounts: Funded Accrued Payroll (payrolls that have been earned but not paid), Unfunded Accrued Annual Leave (employee leave that has been earned but not taken) and Unemployment Compensation.

Accrued Payroll and Annual Leave, by type, as of September 30, 2010 and 2009, follows.

Dollars in Thousands

Accrued Annual Leave and Other	2010	2009
Appropriated Funds	\$ 12,400	\$ 10,917
Unfunded Accrued Annual Leave	10,980	10,503
Total	\$ 23,380	\$ 21,420

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 was calculated using a formula provided by the DOL.

Workers' Compensation, by type, as of September 30, 2010 and 2009, follows.

Dollars in Thousands

Workers' Compensation, by Type	2010	2009
Unfunded Annual (Current)	\$ 9,512	\$ 9,151
Actuarial Unfunded (Long-Term)	47,241	45,668
Total	\$ 56,753	\$ 54,819

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 10.

NOTE 12: Debt Held by the Public

As of September 30, 2010 and 2009, Debt Held by the Public consists of the financing obtained for the construction of the TMFJB. The debt consists of 30-year Serial Zero Coupon Certificates of Participation issued in 1988 for \$125.4 million with a maturity value of \$525.5 million. The certificates are amortized using the effective interest rate of 8.72 percent. The balance of Debt Held by the Public follows.

Dollars in Thousands

Debt Held by the Public, by Type	2010	2009
Securities	\$ 241,220	\$ 258,450
Interest Payable	984	1,019
Subtotal	242,204	259,469
Discount on Securities	(400,123)	(400,123)
Less: Amortization of Discount	296,628	284,287
Subtotal	(103,495)	(115,836)
Total	\$ 138,709	\$ 143,633

Various judiciary offices and personnel occupy the TMFJB 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 \$17.2 million annually. Payment of the certificates will end in August 2024. This certificate is not subject to prepayment or acceleration under any circumstance, pursuant to the language in the certificate agreement.

NOTE 13: Contingent and Environmental Liabilities

The AOC is party to various administrative proceedings, legal actions, and tort claims which may result in settlements or decisions adverse to the Federal Government. The AOC also has responsibility to remediate certain sites with environmental contamination hazards related to ongoing operations.

The accrued and potential Contingent and Environmental Cleanup Cost Liabilities, as of September 30, 2010 and 2009, follows.

Dollars in Thousands

Contingent and Environmental Liabilities	2010	2009
Contingent Liabilities	\$ 900	\$ 20,110
Environmental Cleanup Cost Liabilities	1	7,149
Total	\$ 901	\$ 27,259

Contingent Liabilities

General Contingent Liabilities consist of claims filed against the AOC which are awaiting adjudication. These liabilities typically relate to contracts, labor and equal employment opportunity issues, and personal and property damage.

For the purpose of estimating contingent liabilities for the financial statements, the AOC conducted a review of existing claims for which the likelihood of loss to the AOC is probable. Additionally, management and AOC's General Counsel evaluated the materiality of cases determined to have a reasonably possible chance of an adverse outcome. Liabilities were recognized for those cases that were determined to meet management's materiality threshold (see *Note 1.N*). No amounts have been accrued in the financial records for claims where the estimated amount of potential loss does not exceed \$100,000 or where the likelihood of an unfavorable outcome is less than probable.

Matters for which the likelihood of an unfavorable outcome is less than probable but more than remote involve a wide variety of allegations and claims. These matters arise in the course of carrying out AOC programs and operations. The ultimate outcomes in these matters cannot be predicted at this time; however as of September 30, 2010, the lower level estimate of these cases amounted to \$10 million. Sufficient information is not currently available to determine if the ultimate resolution of the proceedings, actions, and claims will materially affect the AOC's financial position or results of operations. Based on the less than probable nature of these claims, an accounting entry for the estimate was not posted and there is no impact on the financial statements.

Since September 30, 2009, contingent liabilities were reduced by more than \$20 million for certain large cases settled by the AOC related to the CVC construction project.

Environmental Cleanup Cost Liabilities

The AOC is subject to various Federal, state, and local environmental compliance and restoration laws, including the Clean Air Act; the Clean Water Act; the Solid Waste Disposal Act; the Safe Drinking Water Act; and the Comprehensive Environmental Response, Compensation, and Liability Act

(CERCLA). Estimated environmental and disposal liabilities include expected future cleanup costs, and for those sites where future liability is unknown, the cost of studies necessary to evaluate response requirements.

Liabilities for environmental cleanup costs have been accrued for the Capitol Power Plant, but not for the land at Fort George G. Meade, as discussed in the following section.

Capitol Power Plant

The Capitol Power Plant has been operating since the early twentieth century and, today, generates steam for heating and chilled water for air conditioning several facilities on the Capitol complex. In February 2006, the Office of Compliance (OOC) issued a complaint alleging that certain unsafe work practices and conditions exist in the CPP utility distribution tunnels for delivering these utilities. The alleged unsafe work practices and conditions cited in the complaint pertain to the structural integrity of concrete in the utility tunnels and issues involving tunnel egress and communication systems.

In addition, in January 2006, the OOC issued Citations 59 and 60. These citations are not part of the complaint and formal enforcement action, but address other alleged unsafe work practices and conditions in the utility tunnels. The unsafe work practices and conditions alleged by the OOC in Citation 59 are that employees working in the utility tunnels are exposed to heat stress conditions.

The AOC is actively seeking solutions to the issues identified by the OOC and intends to pursue settlement discussions with the goal of coming to a resolution of the issues in the complaint conditioned upon AOC budget authority, and logistical, technical, and other limitations outside of the Agency's control. Management and General Counsel believe the AOC has made adequate provision for the amounts that may become due under the suits, claims, and proceedings discussed herein.

In Citation 60, the OOC addressed certain alleged unsafe work practices and conditions in the CPP utility tunnels. Specifically, this Citation alleges that the AOC had not adequately monitored CPP 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 utility tunnels so that they were as free as practicable from asbestos, and asbestos-related waste, debris, and dust. Funding was requested and funds were appropriated by Congress to address the utility tunnel issues which is an amount adequate in management's opinion to comply with the Environmental Protection Agency's guidelines.

Since September 30, 2009, contingent liabilities were reduced by more than \$7 million. Over this 12 month period,

the environmental cleanup cost liability for the Capitol Power Plant's utility distribution tunnels was re-determined and adjusted downward to better reflect funded amounts. In addition, cleanup costs paid since September 30, 2009 have reduced the outstanding environmental cleanup cost liability.

Fort George G. Meade, Maryland

Management's review concluded that the AOC is 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, which the U.S. Army transferred to the AOC. The Army is responsible for the environmental clean-up of any previous contamination under CERCLA. The AOC understands that the Army is actively monitoring existing contamination on the entire site, including the land transferred to the AOC, and is pursuing appropriate remediation of this contamination.

NOTE 14: Leases

As of September 30, 2010, the AOC was committed to various non-cancelable leases primarily covering administrative office space and storage facilities, motor vehicles, and office equipment. Many of these leases contain escalation clauses tied to inflationary and tax increases, and renewal options. At the period end, the AOC had two real property capital leases.

Capital Leases

As of September 30, 2010 and 2009, the present value of the future minimum lease payments required by those leases identified as capital leases follows. Capital leases have initial or remaining non-cancelable lease terms in excess of one year.

FY 2010 (Dollars in Thousands)

Fiscal Year	Real Property	Total
2011	\$ 4,678	\$ 4,678
2012	4,707	4,707
2013	4,736	4,736
2014	3,128	3,128
2015	845	845
Thereafter	8,449	8,449
Total Future Lease Payments		26,543
Less: Imputed Interest		(4,588)
Total Capital Lease Liability		\$ 21,955

FY 2009 (Dollars in Thousands)

Fiscal Year	Real Property	Total
2010	\$ 4,571	\$ 4,571
2011	4,599	4,599
2012	4,627	4,627
2013	4,655	4,655
2014	3,080	3,080
Thereafter	9,296	9,296
Total Future Lease Payments		30,828
Less: Imputed Interest		(5,587)
Total Capital Lease Liability		\$ 25,241

Operating Leases

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

As of September 30, 2010, the aggregate of future payments due under non-cancelable operating leases and estimated real property payments to GSA for the remainder of fiscal year 2011 through fiscal year 2015 follows:

Dollars in Thousands

Fiscal Year	Real Property	Personal Property	Total
2011	\$ 6,893	\$ 65	\$ 6,958
2012	4,552	36	4,588
2013	4,559	16	4,575
2014	4,608	—	4,608
2015	4,378	—	4,378
Thereafter	30,048	—	30,048
Total Future Lease Payments			\$ 55,155

NOTE 15: Other Liabilities

As of September 30, 2010 and 2009, other liabilities consist of accrued accounts payable (with the public) and miscellaneous receipts that are to be forwarded to Treasury (intra-governmental custodial liabilities). These receipts included, but were not limited to, flag-flying fees, rent from the Monocle restaurant and steam and chilled water collections over the Congressional cap. These liabilities are classified as current.

Other Liabilities as of September 30, 2010 and 2009 follows.

Dollars in Thousands

Other Liabilities	2010	2009
Intragovernmental	\$ 2,719	\$ 3,856
With the Public	33,340	33,486
Total	\$ 36,059	\$ 37,342

NOTE 16: Imputed Financing

To measure the full cost of activities, SFFAS No. 4, *Managerial Cost Accounting Concepts and Standards for the Federal Government*, requires that total costs of programs include imputed financing. Such costs result when an entity receives unreimbursed services from other U.S. government entities.

Imputed financing consists of future pension benefits for AOC employees that are paid on its behalf by the Office of Personnel Management (OPM), printing services provided by the GPO, design elements paid for by the Army Corps of Engineers to improve building infrastructure campus-wide, capital projects performed by another Federal Agency, and Treasury judgment fund payments, as applicable. AOC conducted an annual review of its imputed financing for its September 30, 2010 and 2009 financial statements.

With some exceptions, employees participate in one of three defined benefit retirement programs based on their employment start date: employee and employer contributions are made to the Civil Service Retirement and Disability Fund (CSRDF), the Civil Service Retirement Offset, or the Federal Employees Retirement System—all administered by OPM. Employees may also participate in the Thrift Savings Plan (TSP), a defined contribution retirement savings and investment plan, as authorized by the Federal Employees Retirement System Act of 1986. The Federal Retirement Thrift Investment Board administers this Plan.

Civil Service Retirement System (CSRS): According to PL 99-335, all employees hired prior to January 1, 1987, could elect CSRS or CSRS Offset. The CSRS provides a basic annuity and Medicare coverage. The CSRS fund covers most employees hired prior to January 1, 1984. The AOC and the employee contribute to Medicare at the rate prescribed by law. The AOC does not match contributions to the TSP 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 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. The AOC does not match contributions to TSP for participating employees in the CSRS Offset.

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

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

Imputed Financing as of September 30, 2010 and 2009 follows.

Dollars in Thousands

Imputed Financing, by Type	2010	2009 (Restated)
CSRS	\$ 7,556	\$ 7,215
CSRS Offset	907	725
FERS	27,446	22,679
Less: Contributions	(26,160)	(24,328)
Subtotal: Employee Pensions	9,749	6,291
Health	12,292	11,315
Life Insurance	34	32
Subtotal: All Employee Benefits	22,075	\$ 17,638
Government Printing Office	918	448
Army Corps of Engineers	—	393
Other Agency	7,880	3,761
Total	\$ 30,873	\$ 22,240

NOTE 17: Net Cost of Operations

The SNC reports the AOC's gross and net cost by responsibility segment. A responsibility segment is the organizational component (i.e., jurisdiction) that carries out a major line of activity and whose managers report directly to top management. The net cost of operations is the gross cost less any earned revenues.

Expenses for salaries and related benefits for the fiscal years ending September 30, 2010 and 2009 amounted to \$258,527 and \$239,372 (in thousands), which was about 42 percent and 46 percent of the annual gross cost of operations, respectively. Included in the cost of operations is imputed Federal employee benefit costs \$22,075 and \$17,638 (in thousands), respectively, paid by OPM. The amount identified as expenses for salaries and related benefits represents actual expenditures and does not include accrued expenses.

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

NOTE 18: Reconciliation of Net Cost of Operations to Budget

FASAB requires a reconciliation of proprietary and budgetary information (the former Statement of Financing) in a way that helps users relate the two. The objective is to provide an explanation for the differences between budgetary and financial (proprietary) accounting and is accomplished by means of a reconciliation of budgetary obligations and non-budgetary resources available to the reporting entity with its net cost of operations.

Most entity transactions are recorded in both budgetary and proprietary accounts. However, because different accounting bases are used, some transactions may appear in only one set of accounts (e.g., accrual of workers' compensation liabilities is only recorded in proprietary records). Not all obligations or offsetting collections may result in expenses or exchange revenue (e.g., a building purchase is capitalized in proprietary accounts, but obligated and outlaid in budgetary accounts).

Resources Used to Finance Activities reflects the budgetary resources obligated and other resources used to finance AOC activities. The obligations of budgetary resources are net of offsetting collections, recoveries and receipts. Other resources are financing sources that increase net position but are not budgetary resources (e.g., donated property or imputed costs).

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

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

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

The reconciliation for the fiscal years ending September 30, 2010 and 2009 follows.

Dollars in Thousands

Reconciliation of Net Cost of Operations to Budget	2010	2009 (Restated)
Resources Used to Finance Activities:		
Budgetary resources obligated	\$ 550,865	\$ 501,295
Other resources	41,995	22,786
Total resources used to finance activities	592,860	524,081
Less: resources used to finance items not part of the net cost of operations	(92,723)	(67,740)
Total Resources Used to Finance the Net Cost of Operations	500,137	456,341
Components of the net cost of operations requiring or generating resources in future periods	(17,753)	(56,530)
Components of net cost of operations not requiring or generating resources in future periods	91,728	74,423
Net Cost of Operations	\$ 574,112	\$ 474,234

NOTE 19: Restatements

During FY 2010, AOC management identified capital projects being performed by another Federal Agency with their own appropriated funds on behalf of the Capitol Police Board from FY 2002 until the present. In FY 2010, AOC management determined that the nature and cost of these capital projects can and should be disclosed in the financial statements. Accordingly, the AOC performed an analysis of all project work performed by this Agency on behalf of the AOC and identified errors in previously reported amounts for: (1) property that should have been capitalized and depreciated and (2) unrecorded imputed financing costs.

Subsequently, AOC corrected the errors in FY 2009 general ledger accounts and restated its Financial Statements for the period ending September 30, 2009. The revised FY 2009 statements include a prior period adjustment to account for the cumulative effect of errors attributable to prior fiscal years. This adjustment accounts for previously unreported capitalized and imputed financing costs through FY 2009, net of the related depreciation expense. These adjustments resulted in changes to amounts previously reported on the Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position. The adjustments included in the restated FY 2009 financial statements did not include imputed expenses from FY 2002 through FY 2008, which totaled approximately \$41 million (combined). The cumulative effect of those prior year imputed transactions in FY 2009 is \$0.

The detailed effect of this prior period adjustment follows.

Balance Sheet (as of September 30, 2009):

Dollars in Thousands

	As Previously Reported	Adjustments	As Restated
General Property, Plant and Equipment, Net	\$ 1,862,398	\$ 29,939	\$ 1,892,337
Total Assets	2,407,417	29,939	2,437,356
Cumulative Results of Operations	1,637,644	29,939	1,667,583
Total Net Position	2,077,052	29,939	2,106,991
Total Liabilities and Net Position	2,407,417	29,939	2,437,356

Statement of Net Cost (for the Period Ending September 30, 2009):

Dollars in Thousands

	As Previously Reported	Adjustments	As Restated
General Administrative			
Gross Costs	\$ 106,495	\$ 5,500	\$ 111,995
Net Program Costs	106,192	5,500	111,692
Net Cost of Operations	468,734	5,500	474,234

Statement of Changes in Net Position (for the Period Ending September 30, 2009):

Dollars in Thousands

	As Previously Reported	Adjustments	As Restated
Cumulative Results of Operations			
Adjustments			
Correction of Errors	\$ —	\$ 28,625	\$ 28,625
Beginning Balances As Adjusted	1,585,720	28,625	1,614,345
Donations and Forfeitures of Property	—	3,053	3,053
Imputed Fin. from Costs Absorbed by Others	18,479	3,761	22,240
Total Financing Sources	520,658	6,814	527,472
Net Cost of Operations	(468,734)	(5,500)	(474,234)
Net Change	51,924	1,314	53,238
Total Cumulative Results of Operations	1,637,644	29,939	1,667,583
Net Position	2,077,052	29,939	2,106,991

Footnote 7, Property and Equipment (as of September 30, 2009):

Dollars in Thousands

	As Previously Reported	Adjustments	As Restated
Building Improvements— Net Value	\$ 457,222	\$ 29,939	\$ 487,161
Total	1,862,398	29,939	1,892,337

Footnote 16, Imputed Financing (for the Period Ending September 30, 2009):

Dollars in Thousands

	As Previously Reported	Adjustments	As Restated
Other Agency	\$ —	\$ 3,761	\$ 3,761
Total	18,479	3,761	22,240

Footnote 18, Reconciliation of Net Cost of Operations to Budget (as of September 30, 2009):

Dollars in Thousands

	As Previously Reported	Adjustments	As Restated
Other Resources	\$ 15,972	\$ 6,814	\$ 22,786
Total Resources Used to Finance Activities	517,267	6,814	524,081
Less: Resources Used to Finance Items not Part of the Net Cost of Operations (NCOO)	64,687	3,053	67,740
Total Resources Used to Finance the Net Cost of Operations	452,580	3,761	456,341
Components of NCOO requiring or generating resources in future periods	56,530	—	56,530
Components of the NCOO not requiring or generating resources in the future periods	72,684	1,739	74,423
Net Cost of Operations	468,734	5,500	474,234



The AOC's stewardship responsibilities include caring for the heritage assets entrusted to the care of the Architect of the Capitol and providing Capitol visitors with high-quality interpretive exhibits and programs. To meet this stewardship responsibility, the AOC balances maintaining a working office environment with protecting and preserving its heritage assets in a museum-like setting.

REQUIRED SUPPLEMENTARY INFORMATION

Stewardship of Heritage Assets

The AOC is responsible for the stewardship of heritage assets throughout the Capitol. Many of these assets are considered national treasures, and include joint works in, or attached to, the Capitol and on the Capitol grounds. Also included is architectural fine art cared for by the AOC throughout the Capitol. Heritage assets for which the AOC is responsible are both collectible and non-collectible (i.e., architectural). In a sense, the non-collectible assets include the structures themselves. On September 21, 2010, the AOC received the prestigious 2010 Award for Outstanding Commitment to the Preservation and Care of Collections from the American Institute for Conservation and Heritage Preservation. This award is an indicator of the AOC's success in caring out its stewardship mission.

The Curator for the Architect and the Records Management and Archives and Photography Branches manage the AOC's curatorial and archival functions. Certain responsibilities for the care of collectible fine and decorative art in the U.S. Capitol are shared, or may overlap, among the Curator for the Architect and the Senate and House Curators. The AOC Curator maintains records for works of art, with a file on each work of art and each artist, and develops and manages computerized inventories of heritage assets. The entire

Congressional collection was catalogued and published in *Art in the United States Capitol* (1978).

Fine art is defined as work that is usually figurative, created by a known artist, and unique. Its care is managed or advised on by the AOC Curator and Curator Division staff, and any needed repair or treatment is done by a professional fine art conservator. The Curator works with the AOC's superintendents and facility managers to advise on projects and contracts that involve heritage assets and to assist with historical research and preservation issues. As part of the AOC's *Strategic Plan*, heritage asset inventories of fine and decorative art have been updated and refined, and asset conditions have been assessed. Parallel to these efforts, the AOC Historic Preservation Officer and preservation architect plan for systematic inventories of architectural features throughout the Capitol. They work closely with the Curator's office in documenting, researching, and providing information about buildings, reviewing projects and developing and implementing the AOC Preservation Policy and procedures.

Since the late 1970s, the AOC has devoted staff and managed resources provided by the Congress for the conservation of art and the preservation of other heritage assets, such as architectural and engineering drawings and photographs. The AOC follows professional standards established by the American Institute for Conservation and the National Archives and Records Administration. Modern conservation standards

require that work be fully documented and the Curator maintains a library of conservation reports.

The Records Management and Archives Branch stores and preserves historic architectural and engineering drawings and textual records. The branch inventories and preserves documents, including textual construction and administrative records and architectural and engineering drawings and makes them available to support projects and respond to research requests.

The Photography Branch documents facilities and projects, including heritage assets and conservation projects, as well as AOC and Congressional events. This branch cares for the photographic records which are in themselves a heritage asset. This fiscal year, work has continued to upgrade the functionality and accuracy of the drawing and photograph databases in preparation for making them available to AOC staff and contractors to support current projects and assist with historical research. Some vital records, including microfilm and photographic negatives, are stored off-site in stable and secure conditions. The AOC performs periodic condition surveys to ensure that heritage assets are documented and preserved in good condition for future generations. Recent efforts have focused on the management of electronic records. The AOC conducted an in-depth study FY 2010 to analyze and guide the phased adoption of a system to manage and archive electronic records in all forms.

General Condition Standards

The condition standards applied here are accepted professional standards, such as those of the American Institute for Conservation and of Heritage Preservation. Because the art in the Capitol is not in a museum setting, it may be subjected to damage from touching, impact, and surface deposits, and the condition of newly conserved art is continuously subject to change. Outdoor sculpture and fixtures deteriorate from weathering and pollutants. Once conserved, their protective coatings must be regularly renewed. Follow-up inspections and periodic conservation maintenance treatment are essential for their preservation.

The rating scale used in the following tables indicates the aggregate condition of the collection as of September 2010, and may range from “poor” through “excellent.” Conditions for individual assets are included in the inventories. An asset in “poor” condition exhibits, or is in danger of, structural damage or loss and requires major conservation or repair to maintain it intact and keep it stable. Assets in “poor” condition are a high priority for conservation or preservation measures. An asset in “fair” condition is structurally sound but major conservation is needed to improve its aesthetic integrity. These assets

have a medium priority for conservation. “Good” is used to describe an object that is in sound structural condition, retains aesthetic integrity, and does not require immediate conservation attention beyond routine conservation maintenance, such as dusting or minor surface cleaning. It would be low priority for conservation. “Excellent” describes works of art that are new or have been professionally conserved as close to their original condition and appearance as possible and are not currently in need of any conservation treatment.

In applying the condition ratings to historic paper records, “poor” refers to records not yet brought into the AOC Archives or whose preservation is endangered. “Fair” indicates those that are preserved in secure and stable conditions in the AOC Archives. “Good” indicates records that are also accessioned and placed in acid-free containers. “Excellent” refers to records that are fully processed and stored in archival folders with all major preservation problems attended to.

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

AOC Heritage Assets

In the following tables, footnotes explain condition changes or significant inventory changes.

1. United States Capitol

The U.S. Capitol, the meeting place of the U.S. Congress for over two centuries, is an important example of 19th century neoclassical architecture. While a working building, the Capitol may also be considered a museum of American art and history visited by millions of people each year. The Capitol was recently expanded with the opening of the Capitol Visitor Center.

1.1 Fine Art

This group includes works of art by a known artist, usually unique, that are not permanently attached to or designed for the structure (i.e., collectible). They are separated into: (a) works that are under the jurisdiction of the Joint Committee on the Library and cared for by the AOC and, (b) those that were originally accepted by the Joint Committee on the Library and are joint in subject matter or acquisition (these are counted in

the AOC's inventory as "possibly joint"). The "possibly joint" assets are located in the Senate and House wings of the Capitol and, in many cases, are considered part of the Senate or House collections, with responsibility sorted out case by case when needed. The AOC Curator is not responsible for assets in the Senate or House collections.

1.1.1 Interior Sculpture

The AOC interior sculpture collection is comprised primarily of the bronze and marble statues in the National Statuary Hall Collection. This collection is comprised of 100 statues, two from each state. The collection was established in 1864 and was completed with the inclusion of the 100th statue in 2005. At the end of FY 2010, several states were in the process of replacing one of their statues as now allowed by Congress. Each statue and bust is displayed on a pedestal.

Sculpture	As of 10/01/09	As of 9/30/10	Change	General Condition
1.1.1.1 National Statuary Hall Statues	100	100*	—	Good
1.1.1.2 Other Statues in Rotunda	6	6	—	Good
1.1.1.3 Possibly Joint Statues	5	5	—	Good
1.1.1.4 Busts	16	16	—	Good
1.1.1.5 Possibly Joint Busts	21	21	—	Good
1.1.1.6 Other (Maquettes, etc.)	18	18	—	Excellent

* The statue of Helen Keller was added and the statue of Jabez Curry was removed.

1.1.2. Framed Oil Paintings

Framed oil paintings under the AOC's stewardship include portraits of former Architects of the Capitol and other paintings. Many of the frames for these paintings are heritage assets themselves.

Paintings	As of 10/01/09	As of 9/30/10	Change	General Condition
1.1.2.1 Portraits	17	17	—	Good
1.1.2.2 Possibly Joint Portraits	26	26	—	Good
1.1.2.3 Paintings Other Than Portraits	11	11	—	Good to Excellent
1.1.2.4 Possibly Joint Paintings	23	23	—	Good

1.1.3. Works of Art on Paper

The AOC is the steward of works on paper primarily related to the Capitol. These are primarily used for research and reference purposes and are generally not on display.

Works of Art on Paper	As of 10/01/09	As of 9/30/10	Change	General Condition
1.1.3.1 Watercolors	6	6	—	Good
1.1.3.2 Prints and Drawings	63	63	—	Fair to Excellent
1.1.3.3 Sketches for Murals	approx. 232	approx. 232	—	Good



A new bronze statue of Helen Keller was unveiled at the U.S. Capitol this fiscal year. This addition to the AOC sculpture collection depicts Keller, who lost her sight and hearing to illness when she was 19 months old, standing at a water pump as a 7-year-old.

1.2. Decorative Art

Decorative art ranges from objects of great craftsmanship and historical importance to mass-produced objects. Often the name of the designer or maker is unknown. Conservation treatment may be appropriate for the highest level of decorative art. As the Senate Curator has taken over inventory and conservation of Senate mirror frames, those included in inventory are on the House side of the Capitol.

Decorative Art	As of 10/01/09	As of 9/30/10	Change	General Condition
1.2.1 Gilded Mirror Frames*	93	93	—	Fair to Good
1.2.2 Historic Furniture	42	42	—	Good
1.2.3 Antique Clocks	10	10	—	Good
1.2.4 Textiles	2	2	—	Good

* This number only includes those frames in the House side of the Capitol. The Senate Curator has taken over inventory and conservation of Senate mirror frames.

1.3. Architectural Fine Art

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

Architectural Fine Art	As of 10/01/09	As of 9/30/10	Change	General Condition
1.3.1 Pediments (exterior)	3	3	—	Poor to Fair ¹
1.3.2 Statues (interior and exterior)	6	6	—	Good
1.3.3 Plaster Model for Sculpture	1	1	—	Excellent
1.3.4 Sculptured Stair Railings	4	4	—	Good
1.3.5 Architectural Models on Display	—	—	—	Good
1.3.6 Reliefs	39	39	—	Good
1.3.7 Bronze Doors (sets) (interior and exterior)	4	4	—	Good to Excellent
1.3.8 Plaques	27	28	1	Fair to Good
1.3.9 Stained Glass	16	16	—	Poor to Good ²
1.3.10 Rotunda Paintings	8	8	—	Good to Excellent
1.3.11 Rooms or Spaces with Fine Art Murals	79	79	—	Fair to Excellent ³

¹ Conservation of the pediment sculpture is being planned and will be coordinated with stone preservation.

² The stained glass skylights in the grand stairwells have been removed for future conservation.

³ Each room or space may contain multiple sections of murals in vaults and lunettes with individual mural scenes or figures. There are hundreds of images painted on the Capitol's walls. Mural conservation has been ongoing since 1981 and most are in at least "good" condition.

1.4. Architectural Decorative Art

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

Architectural Decorative Art	As of 10/01/09	As of 9/30/10	Change	General Condition
1.4.1. Mantels	approx. 167	approx. 167	—	Good
1.4.2. Chandeliers	approx. 250	approx. 250	—	Good to Excellent ¹
1.4.3. Pendant Lights	approx. 270	approx. 270	—	Good ²
1.4.4. Sconces	approx. 100	approx. 100	—	Good ³
1.4.5. Rooms or Spaces with Decorative Murals	47	47	—	Good

¹ Counts are taken from the lighting fixtures included on the Capitol Superintendent's CAFM inventory. About one third of the fixtures would be considered historic.
² Ibid.
³ Ibid.

1.5. Architectural Features

Historic architectural features include woodwork, shutters, columns, capitals, brackets, historic floors (e.g., the Capitol's Minton tile floors), and special architectural surfaces (e.g., marble). The Capitol Superintendent (or the Senate Sergeant at Arms) maintains these assets. There is no accurate count of these features, though some may be included in condition surveys and historic structure reports. The numbers are large. For example, there are at least 450 interior columns and pilasters with carved capitals. In recent years, special attention has been paid to the restoration of historic scagliola.³⁶ The Historic Preservation Officer and Preservation Architect work with the Capitol Superintendent and the Curator to ensure the preservation of these features.

2. Capitol Grounds

The Capitol Grounds cover approximately 274 acres on which the Capitol, Senate and House Office Buildings, and Capitol Power Plant reside. The Grounds on Capitol Square were designed by noted landscape architect Frederick Law Olmsted, between 1874 and 1892. The Grounds include outdoor sculpture and monuments and living assets such as trees and plantings. Heritage assets include ornamental fountains, drinking fountains, outdoor seating, stone retaining walls, and light fixtures.

³⁶ Scagliola is an imitation marble installed on some Capitol walls in the 1850s.

2.1 Outdoor Sculpture

Outdoor Sculpture	As of 10/01/09	As of 9/30/10	Change	General Condition
2.1.1 Monuments/Statues	3	3	—	Good
2.1.2 Fountains with Sculpture	2	2	—	Poor to Good
2.1.3 Plaques	3	3	—	Excellent

2.2 Landscape Features and Fixtures

Landscape Features and Fixtures (Capitol Square)	As of 10/01/09	As of 9/30/10	Change	General Condition
2.2.1 Urns	20	20	—	Excellent
2.2.2 Lighting Fixtures	approx. 166	approx. 166	—	Fair to Excellent
2.2.3 Reliefs (in stone wall)	N/A	N/A	—	Poor to Fair

2.3 Memorial Trees

The memorial trees are living heritage assets planted to honor distinguished citizens, groups, and national events. About one-half are located on the Capitol's East Front.

Memorial Trees	As of 10/01/09	As of 9/30/10	Change	General Condition
Memorial Trees	139	140	1	Good

3. House Office Buildings

The Capitol includes three major office buildings and one annex building for the House of Representatives: the Cannon, Longworth, Rayburn, and Ford House Office Buildings, respectively.

Architectural Fine Art	As of 10/01/09	As of 9/30/10	Change	General Condition
3.1 Pediments (exterior)	1	1	—	Good
3.2 Sculpture (exterior)	8	8	—	Fair to Good
3.3 Plaster Models of Sculpture	27	27	—	Good
3.4 Architectural Models on Display	1	1	—	Fair to Good
3.5 Reliefs	1	1	—	Good
3.6 Murals	1	1	—	Good
3.7 Plaques	1	1	—	Good

4. Senate Office Buildings

The Capitol includes three major office buildings for the United States Senate. These are the Russell, Dirksen, and Hart Senate Office Buildings.

Architectural Fine Art	As of 10/01/09	As of 9/30/10	Change	General Condition
4.1 Pediments (exterior)	1	1	—	Fair
4.2 Sculpture	1	1	—	Poor
4.3 Plaster Models of Sculpture	6	6	—	Good
4.4 Architectural Models on Display	4	4	—	Excellent
4.5 Maquettes, etc.	1	1	—	Good
4.6 Reliefs (exterior)	51	51	—	Good
4.7 Murals (rooms with)	1	1	—	Excellent

5. Library Buildings and Grounds

The Library of Congress' 1897 Thomas Jefferson Building contains large areas of decorative painting, relief plaster, woodwork, stone work, and mosaic ceilings. The John Adams Building is embellished with much fine, Art Deco-style decorative metal and stone work, which is not counted for inventory purposes.

Architectural Fine Art	As of 10/01/09	As of 9/30/10	Change	General Condition
5.1. Statues	27	27	—	Good to Excellent
5.2. Sculptured Stair Railings	2	2	—	Good
5.3. Reliefs (interior and exterior)	74	74	—	Good
5.4 Bronze Doors (sets) (exterior)	11	11	—	Fair to Good
5.5. Stained Glass/Mosaics	17	17	—	Fair to Good
5.6. Rooms or Spaces with Fine Art Murals	32	32	—	Fair to Excellent
5.7. Fountains with Sculpture (exterior)	2	2	—	Fair to Good
5.8 Sculptural Clock	1	1	—	Excellent

6. Supreme Court Building

The Supreme Court Building is richly adorned with decorative carvings in marble and wood, decorative metal and plaster work, and decorative painting.³⁷

Architectural Fine Art	As of 10/01/09	As of 9/30/10	Change	General Condition
6.1 Pediments (exterior)	2	2	—	Poor to Fair*
6.2 Sculpture (exterior)	2	2	—	Fair
6.3 Reliefs	4	4	—	Good
6.4 Light Posts with Reliefs (exterior)	2	2	—	Poor to Fair
6.5 Bronze Door (set) (exterior)	1	1	—	Good

* Condition surveys have been conducted and conservation has been planned for the pediment sculpture.

7. Architectural and Engineering Artifacts

The AOC maintains an inventory of the small architectural and engineering artifacts and models for possible research or exhibition. The AOC utilizes two storage facilities at Fort Meade, Maryland, for large artifacts, such as pieces of stone removed from buildings or plaster models. Some stone has been saved for possible reuse for repairs. One hundred fifty tons of sculpture and stone removed from the East Front of the Capitol during its 1958 extension is held in a secure and protected warehouse at Fort Meade, allowing a full inventory to be made.

The Curator's Office tracks these artifacts and maintains lists of the objects in storage. It is not possible to provide a meaningful count as some crates hold multiple pieces and some items are stored in pieces in multiple crates. The AOC plans to work with the Historic Preservation Officer and Preservation Architect to appraise the artifacts and evaluate them for permanent retention.

8. Historical Records and Reference Materials

The Records Management and Archives Branch preserves and makes accessible architectural and engineering drawings and textual records. The branch uses approved records schedules based on archival appraisal and records surveys. The branch arranges drawings and textual records in accordance with archival principles to facilitate control, access, reference, research, and retrieval. Architectural and engineering drawings and manuscripts require special archival storage and handling because of their diverse physical attributes. The Records Management and Archives Branch stores drawings flat

in acid-free folders in horizontal drawing cases. The Branch maintains stable temperature and humidity conditions and high security for the records. Microfilm of many drawings is stored off-site for backup purposes. Digital scans of many drawings are also important backups for the original drawings.

8.1. Architectural and Engineering Drawings

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

The AOC archives contain approximately 174,000 architectural and engineering drawings with more constantly added. Approximately 50 percent of these drawings have been arranged, indexed, and assigned control numbers. Most of the remaining are properly stored in drawing cabinets (arranged by building) and are waiting to be indexed and verified that they are not duplicates. The Records Management and Archives Branch scans, labels, indexes and backs up (using a Web-based database) the drawings to facilitate retrieval. The Archival staff performs basic preservation and conservation of drawings. Specialized work on fragile and historic drawings may be performed under contract.

8.2 Construction and Administrative Textual Records

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

8.3. Photographs

The Photography Branch produces photographs relating to architectural design, construction, renovation, and restoration of the historic buildings and grounds under the AOC's care. The branch covers major ceremonial events, documents works of art and conservation projects, and produces graphic slides, displays, and video for AOC and Congressional use. A major function is the preservation of an archive of over 200,000 photographic images dating to the 1850s. The collection includes

³⁷ The collectible fine art within the Supreme Court Building does not fall under the AOC's jurisdiction and is cared for by the Curator of the Supreme Court.

approximately 4,000 glass plates, in addition to hundreds of thousands of images in negative, print, and digital format. The number of images is growing rapidly since the conversion to digital format. Each unique image is given a control number (one image may exist in multiple formats). The majority of the glass and film negatives are stored off-site for long-term preservation. Digital files are systematically backed-up and copied.

8.4. Small Architectural Models

The AOC preserves a small number of working models as part of the architectural record for study and possibly future exhibit purposes.

8.5, 8.6, and 8.7. Reference Files, Library Materials, and Conservation Reports

One of the largest curatorial functions the AOC performs is maintaining the inventory of, and files for, art and historical objects. The Curator's Office maintains a file on each work of art, artist, and room in the Capitol as well as files on the buildings and architectural subjects. The Curator also keeps records on major ceremonies, such as joint sessions of Congress and Inaugurations. The AOC uses these files to answer questions from Members of Congress and the public and to provide information for written fact sheets and publications. The U.S. Capitol Historical Society Fellowship, managed by the Curator, continually adds to the knowledge of the art and architecture of the Capitol.

Records and Reference	As of 10/01/09	As of 9/30/10	Change	General Condition
8.1 Architectural and Engineering Drawings	Approx. 174,000	Approx. 177,200	3,200	Good to Excellent
8.2 Manuscripts and Other Textual Records	Approx. 5,504 Boxes	Approx. 6,134 Boxes	630	Fair to Good
8.3 Small Architectural Models	18	18	—	Fair
8.4 Photographs	195,290	211,577	16,287	Fair to Excellent
8.5 Art and Reference Files	108 Drawers	108 Drawers	—	Good
8.6 Art and Reference Library (published volumes)	1,134 Vols.	1,137 Vols.	3	Fair to Good
8.7 Conservation Reports (in notebooks)	224	237	13	Good

9.0 Botanic Garden

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

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

Plants are used for exhibition, study, and exchange with other institutions. The USBG'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 USBG makes its gardens and living collections important resources for the study of threatened plants and their conservation. USBG staff maintains extensive computerized records of the plants in the collections which track the location, condition, and provenance of each addition. This information has been made available to the public by means of a searchable catalog on the USBG Website. Collections are continually reviewed for accuracy in identification as relevant to the USBG's mission.

At the end of FY 2010, the USBG had more than 62,000 individual plants in cultivation at the Conservatory and the Blue Plains Production Facility. There were over 4,000 total orchids in the collections, by far the largest single collection of plants maintained. The USBG maintains approximately 7,500 unique taxa in its collections.

Botanic Garden (non-living Heritage Assets)

Outdoor Sculpture	As of 10/01/09	As of 9/30/10	Change	General Condition
Fountains with Sculpture*	1	1	—	Good

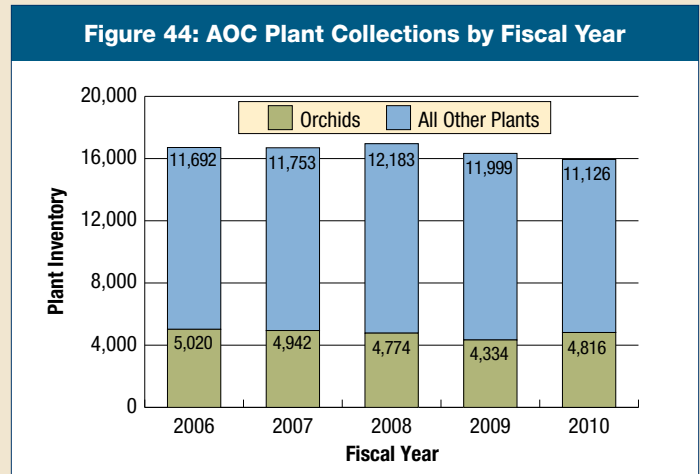
* Restoration is in progress for the Bartholdi Fountain.

Botanic Garden (living Heritage Assets)

The table below identifies the Botanic Garden's inventory for its collection of living heritage assets. Plant inventories for FY 2009 and the prior four years are provided to facilitate comparison.

Orchid Collection

The Botanic Garden's orchid collection is the single largest component of its plant inventory (accounting for over 25 percent of its total). Figure 44 provides the inventory of plant collections from FY 2006 through FY 2010.



All Plants (Including Orchids)							
Fiscal Year	Names ¹	Accessions ²	Plants ³	Deaccessions—YTD ⁴	Taxa (Alive) ⁵	Plants (Alive) ⁶	Number of Individuals ⁷
2006	26,757	23,959	34,443	707	7,374	16,712	45,552
2007	27,433	24,835	36,262	1,092	7,432	16,695	55,316
2008	28,086	25,860	37,639	891	7,802	16,957	67,397
2009	28,351	26,439	38,319	1,242	7,670	16,333	66,872
2010	29,210	27,471	40,008	1,984	7,547	15,942	62,079

1 The number of taxonomic entries in 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 year.
5 Number of unique taxa currently alive in holdings.
6 Number of individuals in *Plants* table currently living.
7 Number of individuals living including multiple ramets associated with a single accession number (note: this number has a high degree of inaccuracy).

Orchid Collection							
Fiscal Year	Names	Accessions	Plants	Deaccessions—YTD	Taxa (Alive)	Plants (Alive)	Number of Individuals
2006	3,918	7,395	9,867	209	1,796	5,020	n/a
2007	3,973	7,496	10,146	219	1,744	4,942	n/a
2008	3,994	7,530	10,330	349	1,694	4,774	n/a
2009	4,035	7,564	10,479	590	1,567	4,334	n/a
2010	4,295	8,095	11,440	517	1,727	4,816	n/a

Summary of Heritage Assets

This consolidating schedule reports the heritage assets by jurisdiction and organization-wide. The AOC records are related to all jurisdictions. For simplicity, such reference files, library materials, and conservation reports are shown under the responsibility of the Capitol Building jurisdiction.

AOC Heritage Assets Consolidating Schedules as of September 30, 2010 and 2009

Category	FY 2010								FY 2009								
	AOC Jurisdiction							TOTAL	AOC Jurisdiction							TOTAL	
	CB	CG	HOB	LBG	SC	SOB	USBG		CB	CG	HOB	LBG	SC	SOB	USBG		
Artwork																	
Fine Art																	
Interior Sculpture																	
National Statuary Hall Statues	100	—	—	—	—	—	—	100	100	—	—	—	—	—	—	—	100
Other Statues in Rotunda	6	—	—	—	—	—	—	6	6	—	—	—	—	—	—	—	6
Possibly Joint Statues	5	—	—	—	—	—	—	5	5	—	—	—	—	—	—	—	5
Busts	16	—	—	—	—	—	—	16	16	—	—	—	—	—	—	—	16
Possibly Joint Busts	21	—	—	—	—	—	—	21	21	—	—	—	—	—	—	—	21
Other	18	—	—	—	—	—	—	18	18	—	—	—	—	—	—	—	18
Sub-Total: Interior Sculpture	166	—	—	—	—	—	—	166	166	—	—	—	—	—	—	—	166
Paintings																	
Portraits	17	—	—	—	—	—	—	17	17	—	—	—	—	—	—	—	17
Possibly Joint Portraits	26	—	—	—	—	—	—	26	26	—	—	—	—	—	—	—	26
Paintings other than Portraits	11	—	—	—	—	—	—	11	11	—	—	—	—	—	—	—	11
Possibly Joint Paintings	23	—	—	—	—	—	—	23	23	—	—	—	—	—	—	—	23
Sub-Total: Paintings	77	—	—	—	—	—	—	77	77	—	—	—	—	—	—	—	77
Works of Art on Paper																	
Watercolors	6	—	—	—	—	—	—	6	6	—	—	—	—	—	—	—	6
Prints	63	—	—	—	—	—	—	63	63	—	—	—	—	—	—	—	63
Sketches for Murals	232	—	—	—	—	—	—	232	232	—	—	—	—	—	—	—	232
Sub-Total: Works of Art on Paper	301	—	—	—	—	—	—	301	301	—	—	—	—	—	—	—	301
Sub-Total: Fine Art	544	—	—	—	—	—	—	544	544	—	—	—	—	—	—	—	544
Decorative Art																	
Gilded Overmantel Mirror Frames	93	—	—	—	—	—	—	93	93	—	—	—	—	—	—	—	93
Historic Furniture	42	—	—	—	—	—	—	42	42	—	—	—	—	—	—	—	42
Antique Clocks	10	—	—	—	—	—	—	10	10	—	—	—	—	—	—	—	10
Textiles	2	—	—	—	—	—	—	2	2	—	—	—	—	—	—	—	2
Sub-Total: Decorative Art	147	—	—	—	—	—	—	147	147	—	—	—	—	—	—	—	147
Architectural Fine Art																	
Pediments	3	—	1	—	2	1	—	7	3	—	1	—	2	1	—	—	7
Statues/Sculpture	6	—	8	27	2	1	—	44	6	—	8	27	2	1	—	—	44
Plaster Models of Sculpture	1	—	27	—	—	6	—	34	1	—	27	—	—	6	—	—	34
Sculptured Stair Railings	4	—	—	2	—	—	—	6	4	—	—	2	—	—	—	—	6
Architectural Models on Display	—	—	1	—	—	4	—	5	—	—	1	—	—	4	—	—	5
Reliefs	39	—	1	74	4	51	—	169	39	—	1	74	4	51	—	—	169
Light Posts with Reliefs (exterior)	—	—	—	—	2	—	—	2	—	—	—	—	2	—	—	—	2
Bronze Doors (sets)	4	—	—	11	1	—	—	16	4	—	—	11	1	—	—	—	16
Plaques	28	—	1	—	—	—	—	29	27	—	1	—	—	—	—	—	28
Stained Glass/Mosaics	16	—	—	17	—	—	—	33	16	—	—	17	—	—	—	—	33
Rotunda Paintings	8	—	—	—	—	—	—	8	8	—	—	—	—	—	—	—	8
Rooms or Spaces with Fine Art Murals	79	—	1	32	—	1	—	113	79	—	1	32	—	1	—	—	113
Maquettes	—	—	—	—	—	1	—	1	—	—	—	—	—	1	—	—	1
Sub-Total: Architectural Fine Art	188	—	40	163	11	65	—	467	187	—	40	163	11	65	—	—	466

AOC Heritage Assets Consolidating Schedules as of September 30, 2010 and 2009 (continued)

Category	FY 2010								FY 2009								
	AOC Jurisdiction							TOTAL	AOC Jurisdiction							TOTAL	
	CB	CG	HOB	LBG	SC	SOB	USBG		CB	CG	HOB	LBG	SC	SOB	USBG		
Architectural Decorative Art																	
Mantels	167	—	—	—	—	—	—	167	167	—	—	—	—	—	—	—	167
Chandeliers	250	—	—	—	—	—	—	250	250	—	—	—	—	—	—	—	250
Pendant Lights	270	—	—	—	—	—	—	270	270	—	—	—	—	—	—	—	270
Sconces	100	—	—	—	—	—	—	100	100	—	—	—	—	—	—	—	100
Rooms/Spaces with Decorative Murals	47	—	—	—	—	—	—	47	47	—	—	—	—	—	—	—	47
Sculptural Clock	—	—	—	1	—	—	—	1	—	—	—	1	—	—	—	—	1
Sub-Total: Architectural Decorative Art	834	—	—	1	—	—	—	835	834	—	—	1	—	—	—	—	835
TOTAL	1,713	—	40	164	11	65	—	1,993	1,712	—	40	164	11	65	—	1,992	
Architectural Features																	
Outdoor Sculptures																	
Monuments/Statues	—	3	—	—	—	—	—	3	—	3	—	—	—	—	—	—	3
Fountains with Sculpture	—	2	—	2	—	—	1	5	—	2	—	2	—	—	1	—	5
Plaques	—	3	—	—	—	—	—	3	—	3	—	—	—	—	—	—	3
Sub-Total: Outdoor Sculptures	—	8	—	2	—	—	1	11	—	8	—	2	—	—	1	—	11
Landscape Features and Fixtures																	
Lighting Fixtures	—	166	—	—	—	—	—	166	—	166	—	—	—	—	—	—	166
Urns	—	20	—	—	—	—	—	20	—	20	—	—	—	—	—	—	20
Reliefs	—	n/a	—	—	—	—	—	—	—	n/a	—	—	—	—	—	—	—
Sub-Total: Landscape Features and Fixtures	—	186	—	—	—	—	—	186	—	186	—	—	—	—	—	—	186
TOTAL	—	194	—	2	—	—	1	197	—	194	—	2	—	—	1	197	
Reference and Library Materials																	
Art and Reference Files	108	—	—	—	—	—	—	108	108	—	—	—	—	—	—	—	108
Art and Reference Library	1,137	—	—	—	—	—	—	1,137	1,134	—	—	—	—	—	—	—	1,134
TOTAL	1,245	—	—	—	—	—	—	1,245	1,242	—	—	—	—	—	—	—	1,242
Records																	
Architectural and Engineering Drawings	177,200	—	—	—	—	—	—	177,200	176,000	—	—	—	—	—	—	—	176,000
Manuscripts and Other Textual Records	6,134	—	—	—	—	—	—	6,134	5,611	—	—	—	—	—	—	—	5,611
Small Architectural Models	18	—	—	—	—	—	—	18	18	—	—	—	—	—	—	—	18
Conservation Reports	237	—	—	—	—	—	—	237	224	—	—	—	—	—	—	—	224
Photographs	211,577	—	—	—	—	—	—	211,577	195,290	—	—	—	—	—	—	—	195,290
TOTAL	395,166	—	—	—	—	—	—	395,166	377,143	—	—	—	—	—	—	—	377,143
Living Heritage Assets																	
Taxa	—	—	—	—	—	—	7,547	7,547	—	—	—	—	—	—	—	7,670	7,670
Plants	—	—	—	—	—	—	15,942	15,942	—	—	—	—	—	—	—	16,333	16,333
Individual	—	—	—	—	—	—	62,079	62,079	—	—	—	—	—	—	—	66,872	66,872
Memorial Trees	—	140	—	—	—	—	—	140	—	139	—	—	—	—	—	—	139
TOTAL	—	140	—	—	—	—	85,568	85,708	—	139	—	—	—	—	—	90,875	91,014

Deferred Maintenance

The AOC is responsible for the maintenance, operation, development, and preservation of the buildings, grounds and other national treasures of the Capitol. The AOC's mission is to preserve and enhance these assets to sustain Congressional operations now and into the future. The FASAB Statement of Federal Financial Accounting Standard (SFFAS) No. 6 defines deferred maintenance as maintenance that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed for a future period.

SFFAS No. 6, "Accounting for Property, Plant, and Equipment," as amended by SFFAS No. 14, "Amendments to Deferred Maintenance Reporting," requires annual disclosure of the estimated cost to remedy accumulated deferred maintenance on the AOC's property, plant, and equipment (PP&E). In its *Strategic Plan*, the AOC has defined its acceptable level of condition of PP&E to be "good" to "excellent" based on the Facility Condition Index. PP&E of less than "good" condition are determined to require significantly more maintenance than facilities in better condition. The three major classes of assets for which maintenance was deferred are: buildings and other structures; grounds, and heritage assets. To evaluate the condition of buildings, other structures, and grounds, the AOC uses a combination of the FCA and the CCMP to identify deferred maintenance, capital renewal projects, capital improvements, and capital construction projects. The focus of this disclosure is solely deferred maintenance, as identified through the FCA and does not include capital renewal projects, capital improvements, and capital construction projects. The AOC has

completed the initial FCA on all the buildings and grounds under its purview with some exceptions (see footnotes). As a result, estimates for these facilities have not been included in the figures. Deferred maintenance calculations are based on projected replacement values. The AOC continues to complete and update the FCA for all Capitol facilities. As a result, the FCA for some of these facilities are underway or in the planning stage and will be reported in subsequent reports.

The AOC's estimate of the amount of accumulated deferred maintenance required to improve its PP&E to an acceptable general condition level³⁸ is over \$280 million. The table depicts the deferred maintenance costs by category at the beginning and ending of the fiscal year.

Deferred Maintenance (\$ in Thousands required to achieve good condition)			
Category	As of 10/01/09	As of 9/30/10*	Change
Buildings and Other Structures	\$ 282,210	\$ 276,622	\$ (5,588)
Grounds	172	288	116
Heritage Assets	3,066	3,147	81
Total	\$ 285,448	\$ 280,057	\$ (5,391)

* The deferred maintenance figure for September 30, 2010 excludes the Library of Congress' Packard Campus for Audio-Visual Conservation, Ft. Meade Book Storage Modules, and Special Service Facilities Center, the Supreme Court Building areas under renovation, pedestrian tunnels, miscellaneous Capitol Police buildings, the CVC, and major equipment related to the Capitol Power Plant. Deferred maintenance calculations are based on projected replacement values, completed in April 2010.

For further information on deferred maintenance costs, plus data on the capital renewal costs, please see the *Management Challenges and Looking Ahead* section of this report.

³⁸ The AOC aims to maintain its assets in at least "good" condition. Condition is defined by the Facility Condition Index, which is calculated as the cost of deferred maintenance divided by the current replacement value. A ratio of less than 0.02 is considered "excellent." A ratio of 0.02 to 0.05 is judged "good." A ratio of 0.05 to 0.10 is deemed "fair." A ratio more than 0.10 is considered "poor." The AOC's goal is to attain a ratio of less than 0.05 (or "good" condition) for its assets. Although an asset may be rated as being in acceptable condition, individual systems within that asset may require deferred maintenance to return the system to an acceptable operating condition.





SECTION IV

OTHER ACCOMPANYING INFORMATION

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

TABLE 23: Summary of Financial Statement Audit

Audit Opinion Type	Unqualified				
Restatement (Yes/No)	Yes				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated/ Reassessed	Ending Balance
Internal Control Assessment	1	0	0	0	1
National Finance Center SAS 70 Payroll Reconciliation	1	0	1	0	0
Financial Statement Restatement	0	1	0	0	1
Total Material Weaknesses	2	1	1	0	2

TABLE 24: Summary of Management Assurances

Effectiveness of Internal Control Over Financial Reporting (FMFIA, para. 2)					
Statement of Assurance	No Assurance				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated/ Reassessed	Ending Balance
Total Material Weaknesses					*

Effectiveness of Internal Control Over Operations (FMFIA, para. 2)					
Statement of Assurance	No Assurance				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated/ Reassessed	Ending Balance
Total Material Weaknesses					*

Conformance with Financial Management System Requirements (FMFIA, para. 4)					
Statement of Assurance	No Assurance				
Nonconformances	Beginning Balance	New	Resolved	Consolidated/ Reassessed	Ending Balance
Total Nonconformances					*

* The AOC is still in the early stages of establishing a program that fully meets the intent of OMB Circular A-123, Appendix A. Therefore, at this time, the AOC is unable to test for: the effectiveness of internal controls over financial reporting, the effectiveness of internal controls over operations, and the conformance with financial management system requirements.

IMPROPER PAYMENTS INFORMATION ACT

The Improper Payments Information Act of 2002 defines requirements to reduce improper and erroneous payments made by the Federal government. In addition, the OMB also has established specific reporting requirements for Executive Branch agencies with programs that have a significant risk of erroneous payments and for reporting on the results of recovery auditing activities. A significant erroneous payment, as defined by OMB guidance, is an annual erroneous program payment that exceeds both 2.5 percent of the program payments and \$10 million.

The AOC is a Legislative Branch office and, as such, is not subject to this act or the related OMB guidance. As a result, the AOC has not adopted policies implementing this law. Nonetheless, as part of its multi-year effort for implementing its internal controls program and conducting reviews of its internal controls and financial systems (using FMFIA as a general reference tool), a formal annual assessment will also be developed to identify any programs where significant erroneous payments may have occurred within the AOC. As part of this multi-year effort, the AOC will refer to the Improper Payments Information Act for general guidance.



The AOC is committed to the accomplishment of its mission and accountability for its financial resources to the Congress, Supreme Court, public and other stakeholders. The AOC strives to abide by the applicable financial policies, regulations and laws.

THE AOC INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES



Office of Inspector General Statement of Management Opportunities and Performance Challenges

Introduction

The Office of Inspector General (OIG) is pleased to present this initial OIG Statement of Management Opportunities and Performance Challenges to briefly identify the Architect of the Capitol's (AOC) most significant challenges and opportunities for improvement. This Statement is based primarily upon the results of our own audit and investigative efforts, as well as the AOC contracted Annual Financial Statements Audit. We appreciate this opportunity to provide the Architect and the entire Senior Leadership Team with our unique perspective on areas that we believe require increased senior management attention. In their recurring Statements, OIGs typically provide the agency with an assessment of management's progress in addressing previously identified challenges and opportunities. Similarly, our future Statements will assess the AOC's progress on each of these baseline challenges, and will also include new opportunities and challenges as they are developed.

The AOC's mission is to be responsible to the United States Congress and Supreme Court for the maintenance, operation, construction, and preservation of the buildings and land throughout the Capitol complex. The AOC also provides professional expertise for preserving architectural and artistic elements entrusted to its care. By all measureable internal performance standards the AOC has executed its primary mission in a stellar manner. Hosting the most recent inaugural ceremonies, as well as numerous other events held in the buildings and on the grounds, demonstrates a strong degree of professional commitment; with excellence in serving the needs and requirements of Congress and the Supreme Court, as well as the many people who visit the Capitol.

While recognizing AOC's accomplishments in executing the core mission, this Statement also recognizes that with limited resources, much work remains to be done. Notably, AOC developed the Capitol Complex Master Plan, along with a Five-Year Capital Improvement Plan, which includes a rank-ordered, deferred maintenance project list. This significant backlog of construction and maintenance is dependent upon increased funding to continue the path of progress which has been started. Because the AOC budget constraints are an already known challenge we did not repeat it in this document.

THE AOC INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)

The OIG believes that focusing senior leadership attention on the four initial challenges below will help improve operations, promote efficiency and effectiveness, and reduce the potential for fraud, waste, and abuse. Most importantly, this leadership focus, combined with resolute management action, will help ensure that finite AOC appropriations are used to the maximum extent possible to perform the core mission.

Challenges and Opportunities

The overarching thread which ties all four of the baseline performance challenges together is that the AOC has been unable to sustain sufficient momentum to fully implement and enforce the varying components of its Internal Controls Program, combined with a fledgling Ethics Program. There are a number of promising initiatives underway to improve internal controls and heighten ethics awareness, but progress has been slow, and these concerns are discussed in more detail below. Efforts have begun to establish an Ethics Program, but increased senior leadership momentum is needed, combined with agency-wide Ethics training. Our four baseline challenges, with associated opportunities for performance improvement are identified in broad terms as follows:

- Risk Assessments and the Internal Controls Program
- Policy Atrophy and Enforcement
- Delays in Implementing OIG Corrective Actions
- Establishing an Ethics Program with AOC-Wide Ethics Training

Risk Assessments and the Internal Controls Program

There is no statutory requirement for the AOC to have its financial statements audited. However, AOC management recognized the value of these annual audits and has submitted its financial statements to audit each year beginning with Fiscal Year (FY) 2003, which was well before the advent of the statutory Inspector General (2008). It is commendable that the AOC always receives “clean” audit opinions. However, the financial statements reports consistently include the lack of an agency-wide risk assessment and internal controls program as a material weakness. In FY 2009, the AOC formed a Senior Advisory Team (SAT) to communicate the internal controls assessment objectives throughout the Agency, to oversee progress of the program, and ensure timely implementation. A framework for the program is established, but there has been limited progress to move the framework and checklists into a robust, actionable program. The SAT needs to take an active role to move the AOC Internal Controls Program forward to begin seeing measureable results. The SAT needs to set deadlines for the Internal Control Working Groups to complete initial risk assessments and to determine if control activities are in place and are working effectively. The SAT needs to communicate its expectations for the frequency and scope of internal control monitoring activities, reports, and corrective actions. In short, completion of the risk assessments and internal controls need a boost of emphasis to take this program from a promising initiative, to an

THE AOC INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)

actionable tool that improves efficiency and effectiveness across the broad spectrum of all AOC jurisdictions and programs.

Policy Atrophy and Enforcement

The Architect's policies, commonly referred to within the AOC as "Orders," are also a key component of the AOC internal controls program. Although the AOC has issued many Orders, significant improvement is needed in this area. When reviewing Orders to determine the expected minimum standards, we have found that many are seriously outdated, some are ambiguous, and some have expectations and standards that conflict with other published Orders. Also, there are some key AOC financial processes, such as employee Time and Attendance, which have no AOC Order to guide employees in submitting complete, honest, and accurate timecards each pay period. Our initial audits and investigations have found that employees, supervisors, and senior managers are not fully aware of, or choose not to follow existing Orders. As part of its comprehensive Internal Controls Program, accountability should be established in one office for the currency and completeness of all Orders. All Orders should be reviewed on a periodic basis to ensure they are up to date, complete, easy to follow, do not conflict with other Orders, and at a minimum cover all major financial processes. The monitoring phase of the Internal Controls Program is one method for the AOC to test compliance with its Orders and whether written policy is being adequately enforced.

Slow Progress in Implementing OIG Corrective Actions

AOC management concurred with the findings in the annual Financial Statement Audits and has either concurred with, or suggested a suitable alternative action for all OIG recommendations. Despite management concurrence, final mediation of the deficiencies is slow. Many of the Financial Statements Audit Notices of Findings and Recommendations, as well as reported material weaknesses and significant deficiencies, are repeated in multiple Financial Statements Reports. The SAT monitors the corrective action plan for the Financial Statement Audits and many are reported as complete, when the problems still exist. The internal controls program monitoring activity can help the SAT to determine when the recommendations are truly implemented and thus complete. To have a complete list of already identified internal control weaknesses, the SAT should consider tracking all OIG recommendations in addition to the Financial Statements Audit recommendations. This information will also help the Internal Controls Working Groups identify risks in their areas of responsibility. AOC leadership should focus increased attention and accountability on whether prior audit findings have been adequately addressed to prevent repeat findings.

THE AOC INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)

Establishing an Ethics Program with AOC-Wide Ethics Training

The AOC Standards of Conduct were most recently issued in 1989 and with the exception of minor clarification memos, have not been updated since that date. The AOC Core Values (Service Excellence, Stewardship, Integrity, Professionalism, Creativity, Loyalty, Respect and Diversity, Teamwork, and Flexibility) were issued in conjunction with the FY 2007 – FY 2011 Strategic Plan. An initial Ethics Order is currently being drafted, which will form the foundation for AOC's inaugural Ethics Program. The AOC should update its 20 plus year old Standards of Conduct Order, and also incorporate the AOC Core Values into a comprehensive Ethics Program that will instill a culture of ethics at every level of the organization. The Ethics Program should clearly outline the expectations of all AOC employees serving in our Nation's Capitol complex. Once the policy is issued, all employees should have initial ethics training with refresher training on an annual basis. The Ethics Program will serve as the guide for all employees as they do their vital work in support of Congress.

To conclude, a robust Internal Controls Program, clear policy, implementing agreed-to OIG recommendations and Ethics Program will help establish a culture of compliance ensuring the entire AOC workforce will serve its clients efficiently for decades.

FINANCIAL MANAGEMENT SYSTEM SUMMARY

Financial Management System Framework

The AOC's core financial management system (FMS) centrally accounts for over \$500 million through the processing of approximately 240,000 transactions annually by 330 users (400 user licenses). Figure 45 depicts the current FMS architecture and the end-state planned for FY 2011.

The AOC's primary accounting and reporting system follows:

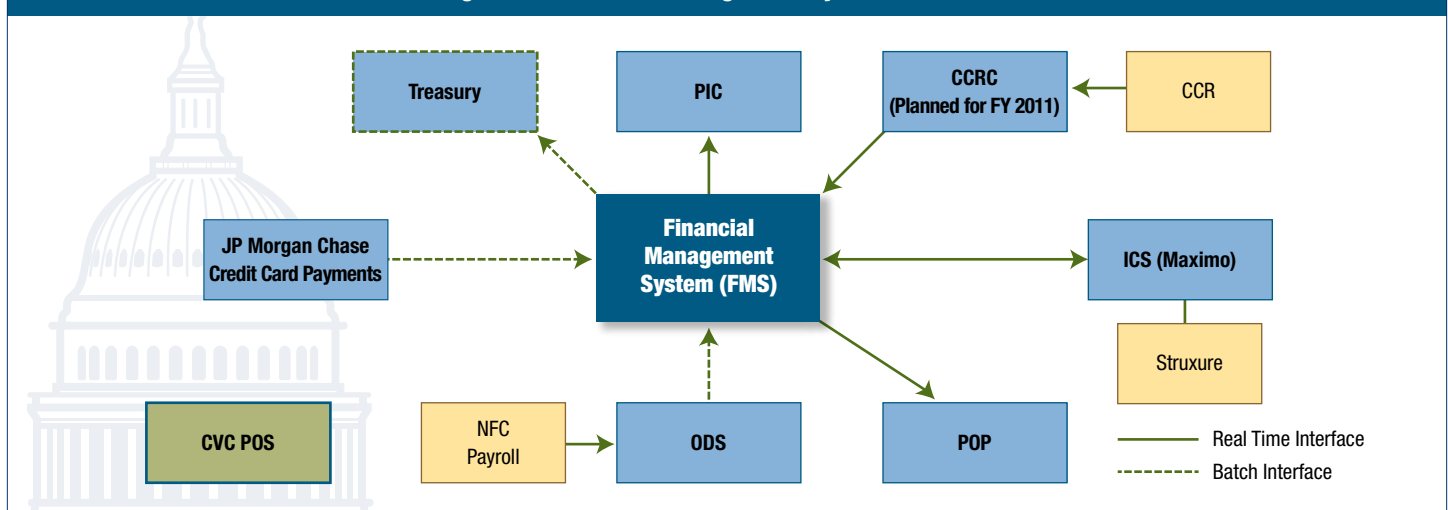
- **Financial Management System (FMS)** is AOC's core financial system utilizing commercial software for federal agency use. FMS provides the core financial management systems functionality to the AOC that encompasses the following modules: Budget Execution, Acquisitions, Purchasing, Receiving, Accounts Payable/Disbursements, Credit Card Module, Fixed Assets, and General Ledger.

In addition, the inventory of AOC's key accounting and reporting systems includes:

- **Capitol Visitor Center Point of Sale System (CVC POS)** is a standalone back office retail inventory management system used to record CVC gift shop sales and inventory transactions. The financial data contained in the CVC POS system is not interfaced with AOC's FMS. Inventory and sales data must be manually reconciled between the two systems.
- **Central Contractor Registration Connector (CCRC)** provides for the download of vendor records from the government-wide Central Contractor Registration (CCR) system with a direct update to the FMS vendor file. The implementation of the CCRC at the AOC is scheduled for FY 2011.

- **Computer Aided Facilities Management System (CAFM)** is used by the AOC Jurisdictions to track facility maintenance work orders and preventive maintenance.
- **Inventory Control System (ICS)** is used to track AOC's inventory of materials, supplies and accountable property. With 175 users, ICS uses a lifecycle and asset management system and is operated by the AOC's Information Technology Division (ITD). FMS obligations, receiving transactions and the drawdown of inventories are integrated real time with ICS. There is also real time integration between ICS and Struxure for accessing the commodity codes.
- **JP Morgan Chase** credit card interface is used to transmit credit card payment data via a batch file to the FMS.
- **National Finance Center (NFC)**, as part of a cross-servicing agreement with the Department of Agriculture, provides payroll and personnel services to AOC. Managed by the Human Capital Management Division, payroll transactions are interfaced via a batch file through the Operational Data Store to the FMS.
- **Operational Data Store (ODS)**, maintained by the ITD, is AOC's payroll and personnel data base and is used as a warehouse for detailed employee payroll information. The ODS receives a batch file of payroll data from the NFC and outputs a batch file of payroll transactions for interface to the FMS. The ODS automatically reconciles its data to the FMS summary payroll.
- **Procurement Overview Portal (POP)** receives notifications of commitments from FMS for use by the procurement staff.
- **Project Information Center (PIC)** is an AOC developed system used to track the status of projects. Budget and obligation transactions are interfaced from FMS to PIC.

Figure 45: Financial Management System Framework



- **Struxure**, hosted by AOC, maintains the commodity codes for inventory items purchased with a real time interface with ICS.
- **Treasury** reporting is currently a manual process. A disbursement file is routinely produced by FMS to electronically send disbursements to Treasury. The planned Momentum upgrade will provide the capability to interface FACTS I and FACTS II data to Treasury.

Financial Management System Strategies

AOC plans to upgrade FMS in FY 2011. This upgrade will provide additional functionality including full integration of ICS with FMS and improvements in the acquisition process. The functions currently included in Struxure will be implemented into ICS as part of this upgrade, eliminating the need for Struxure. This upgrade will also implement the automated match functionality in FMS for obligations and receipts, which will allow for the electronic generation of payments to Treasury. Future plans also provide for the interface of FACTS I and FACTS II data from FMS to Treasury and, potentially, the interface of CAFM with FMS and/or ICS.

The AOC is also scheduled to implement a Central Contractor Registration Connector (CCRC) in FY 2011. The CCRC will provide vendor records from the government-wide Central Contractor Registration (CCR) system with a direct update to the FMS vendor file.

Outstanding Financial Management System Issues or Problems

There are significant deficiencies related to FMS concerning information system general controls and application controls that will likely repeat in FY 2011. To resolve these significant deficiencies, the AOC intends to: perform a financial system security profile evaluation to determine user access data and security events that should be routinely captured; implement system controls by materiality threshold to ensure proper approval of documents; and develop and review system security reports to ensure that best practices, including segregation of duties, have been implemented and are maintained.

SMALL BUSINESS PROGRAM ACCOMPLISHMENTS AT THE AOC

In August 2009, the AOC entered into a three-year agreement with the Small Business Administration (SBA) to implement small business programs at the AOC. The program was established to award contracts to companies that reflect the diversity of our country and to ensure that the AOC receives the best value for taxpayers' dollars while supporting employment opportunities and businesses in our community. The relationship with the SBA establishes the support activities and roles and responsibilities necessary for the AOC to utilize small businesses to the greatest extent possible when awarding contracts.

As shown in Table 25, the AOC exceeded the goals for every category of small business concerns through increased visibility in the small business community, consultations with small business concerns seeking information regarding the AOC's procurements, on-going data collection efforts on the type of business of our vendors, and actively seeking small business concerns for small purchases.

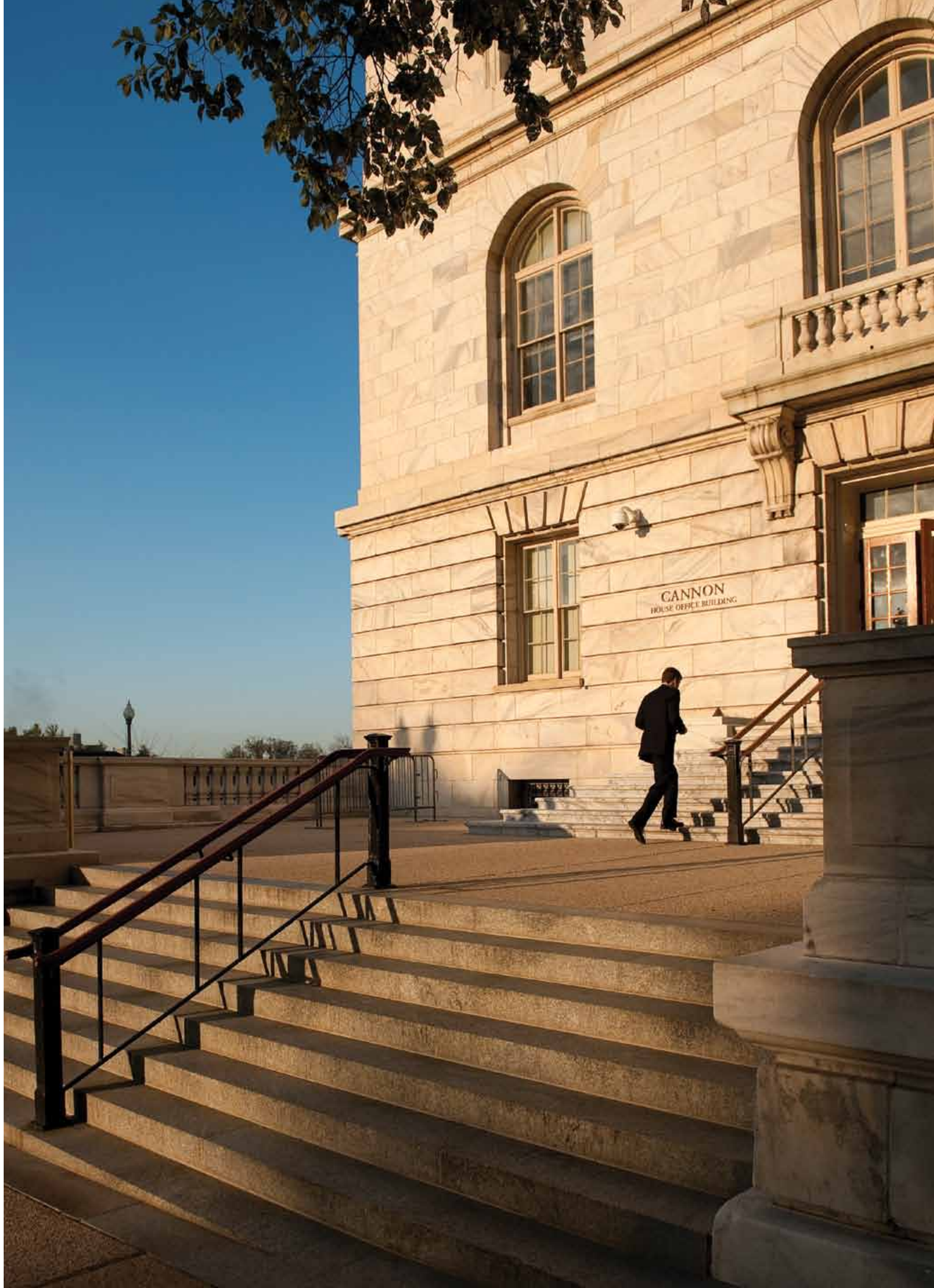


Stephen T. Ayers, AIA, LEED AP, Architect of the Capitol, and Karen Mills, Administrator of the Small Business Administration, signed a memorandum of understanding in August 2009 to establish the roles and responsibilities of each agency in the implementation of the use of small business programs at the AOC.

TABLE 25: Small Business Program Accomplishments, October 1 to September 30, 2010

Category	Actual (\$)	Actual (%)	Goal (%)	Goal Met?
Small Business	\$24,640,400	66	60	Yes
Small Disadvantaged Business	3,362,199	9	8	Yes
Women-Owned Small Business	4,931,920	13	5	Yes
Veteran-Owned Small Business	1,949,584	5	2	Yes
Service-Disabled Veteran-Owned Small Business	424,444	1	1	Yes
HUBZone Small Business	508,937	2	1	Yes
Total Small Business	35,817,484	96		
Other	1,496,019	4		
Total Procurement	\$37,313,503	100		

Note: All amounts reflect the total of purchase orders and purchase card transactions.



CANNON
HOUSE OFFICE BUILDING

APPENDICES

LIST OF MAJOR AOC FACILITIES

The Architect of the Capitol has served the Nation as builder, caretaker and curator of many of the Nation's most iconic

landmark buildings. The major AOC facilities, organized by Jurisdiction, are listed in Table 26 with their location and their construction completion or acquisition dates.

TABLE 26: List of Major AOC Facilities

Facility	Location	Date of Construction Completion (or Acquisition)
Botanic Garden		
Administration Building	Washington, DC	1932
United States Botanic Garden Conservatory	Washington, DC	1933
Plant Production and Support Facility	Anacostia, MD	1994 and various dates
Capitol Building		
United States Capitol	Washington, DC	1793 and various dates
Capitol Grounds		
Summer House	Washington, DC	1880–1881
Capitol Police Buildings, Grounds, and Security		
Eney, Chestnut, Gibson Memorial Building (USCP Headquarters)	Washington, DC	Transferred from General Services Administration (GSA) 1986
Courier Acceptance Site	Washington, DC	1996
Vehicle Maintenance/Hazardous Device Unit Facility	Washington, DC	Leased facility space since 2001
Canine Facility at D.C. Village	Washington, DC	2003–2004
Chemical/Explosive Storage Facility	Washington, DC	2004
Fairchild Building	Washington, DC	Leased a portion of facility space since 2004
Alternate Computer Facility	Location Withheld	2005
Interim Offsite Delivery Facility	Washington, DC	2005
Government Printing Office	Washington, DC	Leased a portion of facility space since 2006
USCP Radio Mirror Site	Washington, DC	Leased a portion of facility space since 2010

TABLE 26: List of Major AOC Facilities (continued)

Facility	Location	Date of Construction Completion (or Acquisition)
Capitol Power Plant		
Old Generator Building	Washington, DC	1907
Main Boiler Building	Washington, DC	1910
East Refrigeration Plant	Washington, DC	1938
Capitol Power Plant Administration	Washington, DC	1978
West Refrigeration Plant	Washington, DC	1978, expanded 2007
Capitol Visitor Center		
Capitol Visitor Center	Washington, DC	2008
House Office Buildings		
Cannon House Office Building	Washington, DC	1908
Longworth House Office Building	Washington, DC	1933
Rayburn House Office Building	Washington, DC	1965
East and West House Underground Garages	Washington, DC	1965
Ford House Office Building	Washington, DC	Transferred from GSA 1974
House Page Dormitory	Washington, DC	Transferred from GSA 1986
Library Buildings and Grounds		
Thomas Jefferson Building	Washington, DC	1897 (Transferred to AOC 1922)
John Adams Building	Washington, DC	1938
James Madison Memorial Building	Washington, DC	1980
Special Services Facility Center	Washington, DC	Purchased 1991
Congressional Campus, which includes:	Fort Meade, MD	Transferred from U.S. Army 1993
Book Storage Modules 1 and 2	Fort Meade, MD	2005
Book Storage Modules 3 and 4	Fort Meade, MD	2009
Packard Campus for Audio-Visual Conservation	Culpeper, VA	2008
Senate Office Buildings		
Russell Senate Office Building	Washington, DC	1909
Senate Underground Garage	Washington, DC	1935
Monocle Building	Washington, DC	Purchased 1935
Dirksen Senate Office Building	Washington, DC	1958
Hart Senate Office Building	Washington, DC	1982
Daniel Webster Page Dormitory	Washington, DC	Purchased 1993
Senate Childcare Center	Washington, DC	1999
Senate Long-Term Mail Facility	Columbia Park, MD	2008
Supreme Court and Judiciary Office Building		
Supreme Court Building	Washington, DC	1935
Thurgood Marshall Federal Judiciary Building	Washington, DC	1993

GOVERNMENT ACCOUNTABILITY OFFICE GENERAL MANAGEMENT REVIEW RECOMMENDATIONS

The general management review (GMR) recommendations listed below have been generated through a series of Government Accountability Office (GAO) reviews of AOC operations and have included a focus on overall management, human capital management, financial management, information technology management, project management, facilities management, worker safety, Capitol Power Plant operations, and recycling. These recommendations are summarized by issue area and include a brief synopsis of GAO's issue and progress assessment.

The AOC has made significant progress over the last fiscal year implementing GAO's recommendations. The AOC fully implemented an additional eight GMR recommendations, bringing the total number closed to 64 out of 67. The three remaining open recommendations involve: staffing and sourcing strategies for the Capitol Power Plant and implementation of a system to track worker certifications and training. The GAO is satisfied with the AOC's progress. Open recommendations will be monitored for official closure in GAO's tracking system but will no longer need to be reported. Table 27 summarizes the AOC's FY 2010 progress and the actions remaining to fully implement the three open recommendations.

TABLE 27: AOC Progress by Issue Area

Issue Area	Status
Strategic Management	
Improve strategic planning and organizational alignment; establish meaningful performance measures; improve the process to obtain feedback from employees and customers; and strengthen the relationship between AOC and Congressional stakeholders.	Status: ● All recommendations have been implemented.
Human Capital Management	
Strengthen performance measurement and strategic human capital management by developing annual goals and measuring performance; link senior executive and employee performance management systems to mission-critical goals; establish AOC-wide core and technical competencies; develop capacity to collect and analyze workforce data; strengthen human capital policies, procedures, and processes; improve communications with employees.	Status: ● All recommendations have been implemented.
Financial Management	
Develop strategies to institutionalize financial management practices that will support budgeting, financial, and program management; provide strong and visible support for efforts to prepare auditable financial statements and implement an effective internal control framework; work with managers to assess usefulness of financial statement-level information; monitor the implementation and milestones of making AOC-wide system, procedural, and cultural changes to provide managers with timely financial, cost, and performance information.	Status: ● All recommendations have been implemented.
Information Technology Management	
Establish a chief information officer (or comparable senior executive) with the authority, responsibility, and resources for managing IT AOC-wide; plan for and implement practices in GAO's investment management guide associated with corporate, portfolio-based investment decision making; develop, implement, and maintain an enterprise architecture (EA); leverage EA for AOC transformation; require rigorous processes for managing the development and acquisition of IT systems; and establish and implement an IT security program.	Status: ● All recommendations have been implemented.
Key to Recommendation Status: ● Recommendations have been implemented ● Steps have been taken to implement the recommendation, but more work is needed ○ Recommendations have not been implemented	

TABLE 27: AOC Progress by Issue Area (continued)

Issue Area	Status
Project Management	
<p>Develop a Capitol Complex Master Plan (CCMP) and complete condition assessments of all facilities; engage Congress and other stakeholders through CCMP development; develop a process for assigning project priorities; inform and obtain agreement from Congress and other stakeholders on how and why specific projects are submitted for funding; define performance measures; align project management staff and resources with mission-critical goals; develop method to establish and track more accurate budget targets; expedite the development of a construction services satisfaction survey; clarify staff roles and duties; revise project management manuals; develop or modify information systems to track cost, schedules, and reasons for changes.</p>	<p>Status: ● All recommendations have been implemented.</p>
Facilities Management	
<p>Develop more specific timeliness measures that more accurately reflect the amount of time required to complete tasks; develop the capability to comprehensively and routinely track cost performance measures; benchmark performance measures against those of similar institutions; and use the new facilities management information system to track preventive maintenance and demand work orders across all jurisdictions.</p>	<p>Status: ● All recommendations have been implemented.</p>
Worker Safety	
<p>Identify performance measures for safety goals and objectives; establish clearly defined and documented policies and procedures for reporting hazards; establish a consistent, AOC-wide, system for investigations and follow-up; establish a safety training curriculum; assign clear responsibility for tracking and recording employee training; clarify and explore the possibility of expanding the role of the Attending Physician; establish a senior management work group to routinely discuss workers' compensation cases and costs; and expand safety perception survey.</p>	<p>Status: ◐ <i>Progress:</i> All components of these recommendations have been implemented except for tracking of licenses and certifications. <i>Remaining Actions:</i> Complete the development of a reporting tool to track required certifications and licenses.</p>
Capitol Power Plant Management	
<p>Develop implementation plan for adopting recommendations to use the most economically priced fuel to operate the steam boilers and reduce CPP staff; not wait to implement prudent operational and incremental organizational changes in anticipation of a more permanent organization when the West Refrigeration Plant Expansion project is complete; evaluate the training provided to operators and use the results in the staffing plan; quantify cost savings and efficiencies for Congress; and establish procedures to guide future sourcing decisions.</p>	<p>Status: ◐ <i>Progress:</i> ■ Equipment inventory is complete, and ■ Workload study completed November 2009. <i>Remaining Actions:</i> ■ Complete skills assessment, and ■ Develop procedures and guidelines for sourcing decisions. A contract is in place to address all remaining GMR recommendations. Completion is expected in FY 2011.</p>
Recycling	
<p>Develop a clear mission and goals for the AOC's recycling program with input from key Congressional stakeholders; obtain preliminary Congressional stakeholder input on environmental program plan.</p>	<p>Status: ● All recommendations have been implemented.</p>
<p>Key to Recommendation Status: ● Recommendations have been implemented ◐ Steps have been taken to implement the recommendation, but more work is needed ○ Recommendations have not been implemented</p>	

WEBSITES OF INTEREST

TABLE 28: AOC Websites

Name	Website
Architect of the Capitol	http://www.aoc.gov/
The Attending Physician	http://attendingphysician.house.gov:806/index.shtml
Library of Congress	http://www.loc.gov/index.html
The Supreme Court of the United States	http://www.supremecourt.gov/
U.S. Botanic Garden	http://www.usbg.gov/
U.S. Capitol Flags Program	http://www.capitolflags.gov/
U.S. Capitol Police	http://www.uscapitolpolice.gov/home.php
U.S. Capitol Superintendent's Office	http://capitol.aoc.gov/
U.S. Capitol Visitor Center	http://www.visitthecapitol.gov/
U.S. House of Representatives	http://www.house.gov/
U.S. House Superintendent's Office	http://house.aoc.gov/
U.S. Senate	http://www.senate.gov/
U.S. Senate Restaurants	http://www.senaterestaurants.gov/
U.S. Senate Superintendent's Office	http://senate.aoc.gov/

As part of the ongoing efforts to provide transparency and clarity about the role of the AOC, the AOC has launched a YouTube channel. To view the AOC channel, please visit: <http://www.youtube.com/aocgov>.

If planning a visit to the Capitol, tours may be booked in advance online at: <http://www.visitthecapitol.gov/>.

Capitol tours may also be booked through the offices of your Senators or Representative or through the Office of Visitor Services by calling (202) 226-8000.

ACKNOWLEDGEMENTS

This Performance and Accountability Report was produced with the energies and talents of the staff of the AOC. To these dedicated individuals, we offer our sincerest thanks and acknowledgement.

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LIST OF ABBREVIATIONS AND ACRONYMS

A&E	Architectural and Engineering	EA	Enterprise Architecture
ACF	Alternate Computer Facility	EAMMF	Enterprise Architecture Management Maturity Framework
ADA	Americans with Disabilities Act	EEO/DP	Equal Employment Opportunity/Diversity Planning
AIA	American Institute of Architects	EIS	Executive Information System
AICPA	American Institute of Certified Public Accountants	EISA2007	Energy Independence and Security Act of 2007
AOC	Architect of the Capitol	EPAAct2005	Energy Policy Act of 2005
BIM	Building Information Modeling	ESPC	Energy Savings Performance Contract
BOW	Building Occupancy Wastes	FASAB	Federal Accounting Standards Advisory Board
BSCSS	Building Services Customer Satisfaction Survey	FCA	Facility Condition Assessment
CAFM	Computer Aided Facilities Management	FCI	Facility Condition Index
CAO	Chief Administrative Officer	FECA	Federal Employees' Compensation Act
CB	Capitol Building jurisdiction	FERS	Federal Employees' Retirement System
CCMP	Capitol Complex Master Plan	FFMIA	Federal Financial Management Improvement Act
CCR	Central Contractor Registry	FGGM	Fort George G. Meade
CCRC	Central Contractor Registration Connector	FIFO	First-In, First-Out
CFC	Combined Federal Campaign	FISCAM	Federal Information Systems Controls Audit Manual
CFL	Compact Fluorescent Lamp	FMFIA	Federal Managers' Financial Integrity Act
CFO	Chief Financial Officer	FMS	Financial Management System
CG	Capitol Grounds jurisdiction	FM	Facility Management
CGFM	Certified Government Financial Manager	FTEs	Full-Time Equivalents
CHIP	Congressional Historical Interpretive Program	FY	Fiscal Year
CIP	Capitol Improvements Plan	GAAP	Generally Accepted Accounting Principles
CMMI	Capability Maturity Model Integration	GAO	Government Accountability Office
COO	Chief Operating Officer	GC	General Counsel
CPA	Certified Public Accountant	GMR	General Management Review
CPBG&S	Capitol Police Buildings, Grounds and Security jurisdiction	GPO	Government Printing Office
CPP	Capitol Power Plant jurisdiction	GPRA	Government Performance and Results Act
CRV	Current Replacement Value	GSA	General Services Administration
CVC	Capitol Visitor Center	GTCI	Green the Capitol Initiative
CVC POS	Capitol Visitor Center Point of Sale System	HOB	House Office Buildings jurisdiction
DDC	Direct Digital Controls	HVAC	Heating, Ventilation and Air Conditioning
DOL	Department of Labor		
DWO	Demand Work Orders		

APPENDICES

I&I	Injury and Illness	PAR	Performance and Accountability Report
ICP	Internal Control Program	PDC	Phoenix Data Center
ICS	Inventory Control System	PIC	Project Information Center
IDP	Individual Development Plan	PL	Public Law
IG	Inspector General	PM	Preventive Maintenance
ISP	Internal Service Provider	POP	Procurement Overview Portal
IT	Information Technology	POS	Point of Sale
ITD	Information Technology Division	PP&E	Property, Plant, and Equipment
ITIM	Information Technology Investment Management	PPM	Planning and Project Management
JAB	John Adams Building	SAT	Senior Advisory Team
JMMB	James Madison Memorial Building	SBA	Small Business Administration
kWh	Kilowatt-Hour	SC	Supreme Court jurisdiction
LBG	Library Buildings and Grounds jurisdiction	SFEP	Safety, Fire and Environmental Programs
LED	Light-Emitting Diode	SFFAS	Statement of Federal Financial Accounting Standard
LEED	Leadership in Energy and Environmental Design	SITES	Sustainable Sites
MD&A	Management's Discussion and Analysis	SOHB	Safety and Occupational Health Branch
MOR	Management Operations Reporting	SSI	Sustainable Sites Initiative
MY	Multi-Year	SNC	Statement of Net Cost
NFC	National Finance Center	SOB	Senate Office Buildings jurisdiction
NIST	National Institute of Standards and Technology	TJB	Thomas Jefferson Building
ODS	Operational Data Store	TMFJB	Thurgood Marshall Federal Judiciary Building
OMB	Office of Management and Budget	USBG	United States Botanic Garden jurisdiction
OOC	Office of Compliance	USC	United States Code
OPM	Office of Personnel Management	USCP	United States Capitol Police
OSH	Occupational Safety and Health Program Plan	YTD	Year-to-Date
OSHA	Occupational Safety and Health Administration		
OSP	Office of Security Programs		



LEGEND

1	U.S. Capitol
2	Capitol Visitor Center (underground)
3	Russell Senate Office Building
4	Dirksen Senate Office Building
5	Hart Senate Office Building
6	Webster Hall
7	Cannon House Office Building
8	Longworth House Office Building
9	Rayburn House Office Building
10	Ford House Office Building
11	House Page Dorm
12	Botanic Garden Conservatory
13	Botanic Garden Administration Building
14	National Garden
15	Thomas Jefferson Building
16	John Adams Building
17	James Madison Memorial Building
18	Special Facilities Center
19	Supreme Court Building
20	Thurgood Marshall Federal Judiciary Building
21	Capitol Power Plant Complex
22	Eney, Chesnut, Gibson Memorial Building
23	Childcare Center (Senate)
FACILITIES NOT SHOWN:	
Alternate Computer Facility	
Botanic Garden Production Facility and Various Support Facilities Postal Square (leased)	
GPO Building (leased)	
Library of Congress Buildings	
Ft. Meade Book Storage Modules	
Packard Campus for Audio-Visual Conservation	
U.S. Capitol Police Buildings	
Dog Kennel and Training Facility	
Maintenance Facility (leased)	
Fairchild Building (leased)	
Delivery Center (owned)	



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<http://www.aoc.gov/>

To request copies of this annual Performance and Accountability Report, or to send comments or obtain additional information about this report, please contact the AOC's Accounting Division at the following address:

ARCHITECT OF THE CAPITOL

Ford House Office Building, H2-205

2nd & D Street, SW

Washington, D.C. 20515

ATTN: Accounting Division—PAR

Additional copies may also be requested by phone.

Place orders by calling (202) 226-2552.

The AOC's preference is to use readily available, environmentally-friendly materials for printing of the Performance and Accountability Report. This fiscal year, the report was printed using soy-based inks on 30 percent post consumer waste recycled paper.





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