



**U.S. Government Publishing Office**

**CONSOLIDATED FINANCIAL  
STATEMENTS**

**FOR THE FISCAL YEARS ENDED  
SEPTEMBER 30, 2022 AND 2021**

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**MANAGEMENT  
DISCUSSION  
AND  
ANALYSIS  
(UNAUDITED)**

**U.S. Government Publishing Office**

**Management Discussion and Analysis (Unaudited)**

**As of September 30, 2022**

**Mission**

The core mission of the U.S. Government Publishing Office (GPO or Agency) is to publish trusted information for the Federal Government to the American people. GPO accomplishes its mission by producing, procuring, cataloging, indexing, authenticating, disseminating, and preserving official information products for the U.S. Government. To ensure Federal information is readily available to citizens, GPO makes information accessible in an array of communication mediums from secure digital documents that are accessible through the Internet to traditional printed ink-on-paper products. GPO was created on June 23, 1860, with the enactment of Congressional Joint Resolution 25. GPO's first day of operations was March 4, 1861.

**Basis of Financial Reporting**

GPO's consolidated financial statements are prepared pursuant to the requirements of Title 31 *United States Code* (U.S.C.), *Money and Finance*, § 3515, Financial Statements of Agencies. The consolidated financial statements have been audited by an independent external auditor in accordance with Title 44 U.S.C., *Public Printing and Documents*, § 309, Business Operations Revolving Fund (herein referred to as the "Revolving Fund") for Operation and Maintenance of Government Publishing Office.

The consolidated financial statements are prepared from GPO's financial system on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP). Under the accrual basis, revenues are recognized (recorded) when earned, and expenses are recognized when incurred, without regard to the receipt or the payment of cash.

GPO's consolidated financial statements and accompanying notes provide information on the Agency's financial position, results of operations, changes in net position, and cash flows, and disclose significant financial and economic events that may impact GPO, in conformity with applicable laws, regulations, standards, and policies relevant to financial reporting. GPO is committed to maintaining strong financial systems and internal controls to ensure accountability, integrity, and reliability. GPO's internal controls are designed to provide reasonable assurance that obligations and costs comply with applicable laws and regulations and are within budgetary limits; that funds, property, and

## Section I: Management Discussion and Analysis (Unaudited)

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other assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and that transactions are properly recorded.

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

GPO's Office of the Inspector General (OIG) monitors the Internal Control Program at GPO and keeps the Agency Director informed of management's progress in addressing internal control deficiencies identified in audits, inspections, and investigations. The OIG and occasionally the Government Accountability Office (GAO) conduct audits of GPO's programs and operations, and as such, evaluate management controls. GPO's Internal Control Program, along with recommendations from audits, inspections, and investigations, has strengthened management controls and improved the economy, efficiency, and effectiveness of GPO's programs, operations, and other activities.

### Programs and Operations

The programs and operations managed by GPO are based on various public laws codified in Title 44 U.S.C. GPO's statutory responsibilities include fulfilling the printing and information product needs of the Federal Government and distributing official Federal publications to the public.

### Funding

GPO's programs and operations are funded through a business-type revolving fund, authorized by Title 44 U.S.C. and by annual and certain no-year and multi-year appropriations provided by the U.S. Congress. GPO's Business Operations Revolving Fund (Revolving Fund) is authorized to be self-sustaining, without fiscal year limitations applicable to most annual appropriations. The Revolving Fund pays for the cost of the Agency's programs and operations and is reimbursed at rates and prices that are intended to recover the full cost of goods and services delivered to customers. GPO's rates and prices for products and services are developed using estimates of direct labor and direct material expenses, overhead expenses, and anticipated volumes.

The major sources of reimbursement to GPO's Revolving Fund are:

- Payments from Federal customers for publishing and printing and binding services, including U.S. Passports and other secure credential documents and

## Section I: Management Discussion and Analysis (Unaudited)

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cards, blank paper and paper products, and information products distribution and design services;

- Sales of Government publications and information products to the general public, bookstores, bookdealers, and businesses; and,
- Fund transfers from the Congressional Publishing Appropriation (CP) and the Public Information Programs of the Superintendent of Documents (Salaries and Expenses or S&E) Appropriation for work performed and authorized to be billed to these appropriations.

The CP and S&E appropriations reimburse the Revolving Fund for costs incurred to produce congressional work and fulfill statutory requirements to disseminate Federal Government information to the public, respectively. Reimbursements to the Revolving Fund from the CP and S&E appropriations are recorded as revenue when related liabilities are incurred. Unexpended CP and S&E appropriation balances may be authorized to be transferred to the Revolving Fund for these purposes with the approval of the House and Senate Appropriations Committees. Otherwise, unexpended annual appropriations are canceled and returned to the Department of the Treasury (Treasury) after five years.

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

### Programs and Operations Overview

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

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

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

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**Plant** – The Plant business unit publishes, in print and online, the important official journals of the Federal Government, along with many other Federal Government documents that are available to the public. For the U.S. Congress, this business unit provides all legislative publishing services, including overnight production of the *Congressional Record*, congressional bills, reports, hearings, and other documents. GPO's Plant also produces the daily *Federal Register* and the *Code of Federal Regulations* for the Executive Branch. Congressional and *Federal Register* documents created in digital formats are posted on GPO's GovInfo ([www.govinfo.gov](http://www.govinfo.gov)).

**Security and Intelligent Documents** – This business unit prints, manufactures, and distributes secure credentials and documents for other Federal agency customers. These security products and services incorporate advanced electronic technologies and integrated security features to prevent fraud and counterfeit activities. Security and Intelligent Documents (SID) products and services include the production of all U.S. Passports, Border Crossing cards (BCC), and the family of Diplomatic Security cards for the U.S. Department of State. Additionally, SID supports the U.S. Department of Homeland Security's Trusted Traveler border crossing smartcard program (TTP), the Transportation Worker Identification Credential program (TWIC), the U.S. Asian Pacific Economic Corporation (APEC) business travel card, as well as the Homeland Security Presidential Directive Personal Identity Verification (HSPD-12 PIV) card program used for access to Federal facilities and systems. SID also provides secure products and services for the U.S. Department of Health and Human Services, the U.S. Department of Defense, and the District of Columbia (DC) government.

SID operates within a certified International Organization for Standardization (ISO) 9001 production and quality control environment. SID protects the Personally Identifiable Information (PII) data of customers used in the personalization of credentials, and is certified by the General Services Administration (GSA) as the only Government entity capable of graphically personalizing the Nation's HSPD-12 PIV smart cards now used in all agencies for physical access to Federal facilities and logical access to Federal computer systems. SID accomplishes all this by leveraging GPO's long and successful security printing tradition with expertise in biometrics, advanced chip and antenna technologies, and state-of-the-art security features in inks, threads, holograms, paper, and plastic substrates.

**Customer Services** – The majority of the Federal Government's printing needs requisitioned through GPO are contracted out to the private sector using Customer Services' partnerships with commercial printers and the information industry. This business model enables the Federal Government to take full advantage of the vast

## Section I: Management Discussion and Analysis (Unaudited)

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resources, expertise, and specialization within the private sector, and ensures open market competition for publishing contracts among thousands of businesses, large and small.

The Customer Services business unit provides pre-procurement consulting, print procurement (including specification writing, bid and solicitation management, and contract awarding), as well as life-cycle contract administration and monitoring services for Federal customers which includes review of proofs, press sheets, and on-site monitoring, negotiating and issuance of contract modifications when required, and adherence to deadlines.

Customer Services teams are in continuous contact with customer agency printing officers and program managers to maintain high levels of satisfaction and to expand their expertise on each agency's specific mission, needs, and challenges. Customer Services' performance measures for on-time delivery and quality acceptance (see Performance Measures section) underscore the effectiveness of this partnership between industry and Government.

In addition, Creative and Digital Media Services, part of the Customer Services, team provides graphic design solutions and multimedia and Web services to Congress, the White House, and Federal agencies and commissions. This unit assists customer agencies by creating effective visual communications solutions for their projects using the latest technology. The team is comprised of graphic designers who specialize in art, graphic design, web design, illustration, photography, and multi-media. Digital Media Services offers website maintenance and content updates for Federal agency customers required to use within-government digital media services for information dissemination. Examples include support for the online Congressional Directory, the U.S. Government Manual and the Office of the Federal Register (OFR). The team also provides tagging of digital documents, Section 508-remediation services, and limited accessibility testing.

**Publication and Information Sales (P&IS)** – This unit increases public access to U.S. Government information through the sale of Government information products, primarily through GPO's U.S. Government Bookstore website (<https://bookstore.gpo.gov/>). This site allows the public to purchase hard-copy and eBook copies of Federal Government publications and subscriptions. This business unit also works with commercial sales channels, including book distributors nationwide, to enhance Federal information distribution. P&IS also provides customer agencies with expert advice on how to make their publications more user-friendly and commercially viable.

**Agency Distributions** – This unit provides a variety of order fulfillment, inventory, and list

## Section I: Management Discussion and Analysis (Unaudited)

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management services to Federal agencies through distribution centers in Pueblo, CO, and Laurel, MD. This unit also supports the GSA's popular Federal Citizen Information Center in Pueblo.

**Public Information Programs** – The Office of the Superintendent of Documents and Library Services & Content Management support and manage the Federal Depository Library Program (FDLP), the Cataloging and Indexing Program, the By-Law Program, and the distribution component of the International Exchange Service of the Library of Congress (LOC).

The FDLP includes about 1,110 designated Federal depository libraries throughout the United States and its territories and provides the American public free access to U.S. Government publications in tangible and electronic collections. The mission of the FDLP is to provide free, ready, and permanent public access to Federal Government information. Public Information Programs' major operational functions include cataloging, acquiring new tangible and electronic publications for the FDLP, program planning, distributing publications to libraries, continuing education through the FDLP Academy, one-on-one consultations, library technical services, and archival management.

The staff that supports these programs is focused on:

- Customer outreach and engagement.
- Continuing digital initiatives and transformation.
- Providing innovative services and tools for Federal depository libraries and the public.
- Expanding strategic partnerships with libraries, Federal agencies, and other organizations.

Working with other GPO units, these units support GPO's continued digital transformation through initiatives to enhance historic and current content on GovInfo.

Through these units, GPO has official partnership agreements in place with over 60 organizations to advance free public access to U.S. Government information. Further, GPO collaborated, through special projects and initiatives, with another 30 organizations, to share knowledge, develop services, and continue progress toward GPO's vision of an *America Informed*.

Other online services managed by this business unit include the *Catalog of U.S. Government Publications* ([catalog.gpo.gov/](https://catalog.gpo.gov/)), FDLP.gov ([www.fdlp.gov](https://www.fdlp.gov)), and Ben's Guide to the U.S. Government ([bensguide.gpo.gov](https://bensguide.gpo.gov)).

## Section I: Management Discussion and Analysis (Unaudited)

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### Financial Position and Results for Fiscal Year 2022

The following is an overview of GPO's financial position and operating results for the fiscal year ended September 30, 2022. This information should be viewed in context with the Financial Statements and Notes. In addition, the management discussion and analysis is prepared to highlight significant financial events and trends. This information is not a compendium of all activity for GPO's fiscal year 2022.

### Selected Balance Sheet Accounts and Other Statistics

#### Cash

GPO's current cash requirements include program and operating expenses, as well as capital investment requirements. Cash (also referred to as "Fund Balance with Treasury" or "FBWT") increased by \$42.9 million (5.6 percent) to \$814.1 million as of September 30, 2022, from \$771.2 million as of September 30, 2021.

The increase was primarily due to cash increases from operating activities of \$74.0 million, offsetting investing outlays of \$29.7 million, and decreases in unexpended appropriations of \$1.4 million.

## Section I: Management Discussion and Analysis (Unaudited)

### Accounts Receivable, Net

Net accounts receivable increased from \$160.5 million as of September 30, 2021, to \$197.3 million as of September 30, 2022 (23.0 percent). Billings for work performed for Congress increased by about \$6.1 million, to \$69.9 million in fiscal 2022 from \$63.8 million in fiscal 2021. Hearings, Details to Congress, and Documents showed the most significant increases from the prior fiscal year. Billings to the State Department for passports produced decreased by \$11.3 million, to \$341.0 million in fiscal 2022, from \$352.3 million in fiscal 2021.



### Inventory, Net

Inventories, net of an allowance for surplus and obsolete stock decreased from \$83.6 million as of September 30, 2021, to \$78.9 million as September 30, 2022 (5.6 percent) primarily due to the reduction of purchases of passport materials and next generation passport supplies.

### General Property, Plant, and Equipment, Net

Net property and equipment increased by \$2.9 million (1.6 percent) in 2022 to \$185 million as of September 30, 2022. The capital additions of \$29.7 million in 2022 were primarily centered on machines for passport (\$2.2 million), computers and computer software (\$9.3 million), and capitalized software and improvements (\$15.7 million). These

## Section I: Management Discussion and Analysis (Unaudited)

additions were partially offset by \$26.8 million in depreciation expense for fiscal 2022. The capital investment trend over the last 5 years is reflective of the investment in secure products and documents, and GPO's transformation to a digital platform.



## Deferred Revenues

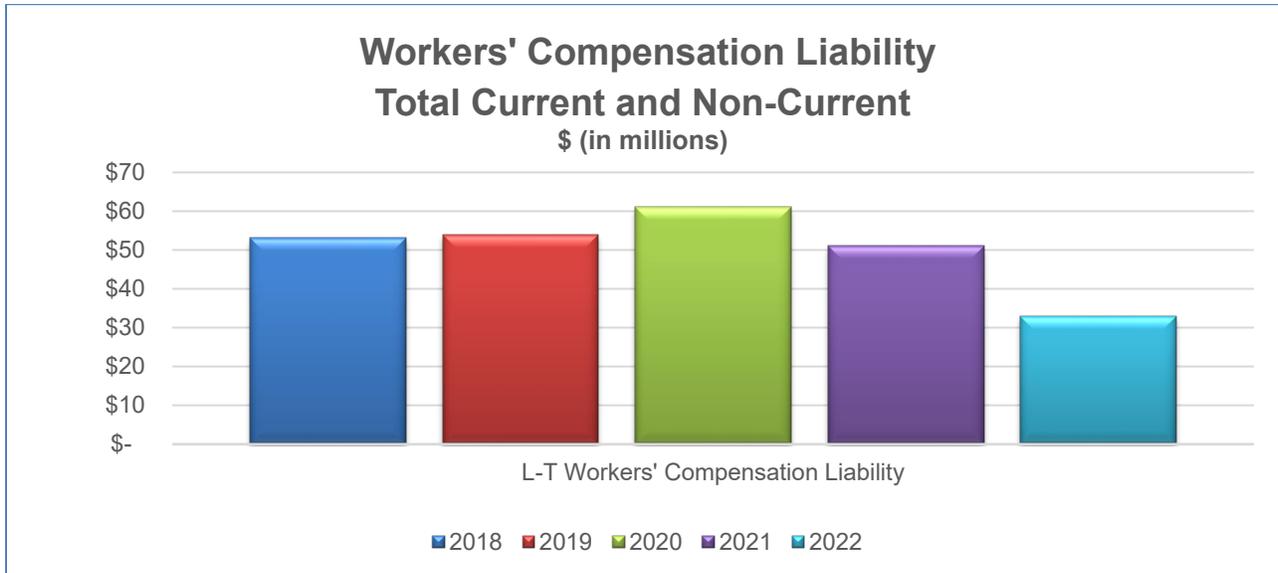
Deferred revenues are primarily comprised of customer deposits advanced from Federal agencies. The \$22.2 million (12.2 percent) increase in deferred revenues for fiscal 2022 from fiscal 2021 was primarily driven by a \$18.6 million increase in deposit accounts, and a \$3.7 million increase in advance billings.



## Section I: Management Discussion and Analysis (Unaudited)

### Workers' Compensation Liability

The actuarial workers' compensation liability decreased \$17.2 million in 2022. The projected annual payments are discounted to present value based on economic assumptions and rates published by the Department of Treasury. The discount rate increased from 1.88 percent at September 30, 2021 to 4.13 percent at September 30, 2022 causing the long-term actuarial liability to decrease.



### Consolidated Revenues

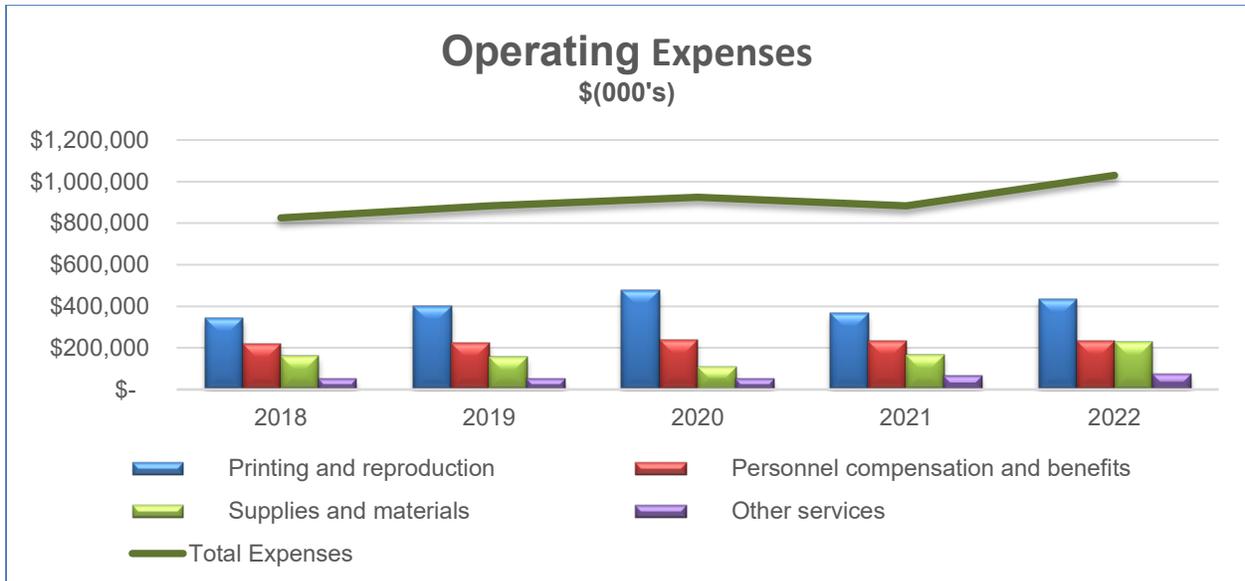
GPO's consolidated revenues (net of eliminations) are primarily derived from Printing & Binding and Appropriations. Consolidated revenues were \$1.1 billion in fiscal 2022 and \$961.9 million in fiscal 2021. FY 2022 marks the third time GPO has recorded revenues in excess of one billion dollars.

**Section I: Management Discussion and Analysis (Unaudited)**



**Operating Expenses**

Operating costs increased by \$146.2 million (16.5 percent) to \$1.0 billion in fiscal 2022, up from \$883.8 million in fiscal 2021. The increase is primarily attributable to an increase in the cost of printing and production sold to customer agencies, supplies and materials, other services and travel, transportation, postage offset by a decrease in publications sold.



## Section I: Management Discussion and Analysis (Unaudited)

### Changes in Retained Earnings

GPO's retained earnings increased by \$46.0 million (8.1 percent) to \$613.1 million at the end of fiscal 2022, compared to \$567.5 million at the end of fiscal 2021 as a result of net operating income.

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

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

As presented on the table below, adjusting GPO financial results for these two items allows GPO's management to better gauge the results of GPO operations.

| <b>Summary of Net Income</b> (in thousands)   | <b>2022</b>      | <b>2021</b>      |
|---|------------------|------------------|
| <b>Net Income</b>   | <b>\$ 46,017</b> | <b>\$ 88,181</b> |
| Reduce from Net Income:   |                  |                  |
| Passport Capital Projects Reserve   | (2,634)          | (22,542)         |
| (Decrease) in Workers' Compensation Liability   | (17,196)         | (10,082)         |
| <b>Net Income After Capital Projects Reserve and<br/>Workers' Compensation Liability Adjustment</b> | <b>\$ 26,187</b> | <b>\$ 55,557</b> |

Excluding funds planned to be invested in capital projects to support the production of U.S. Passports, and the adjustment to the long-term Workers' Compensation Liability, GPO had net income of approximately \$26.2 million in fiscal 2022, compared to net income of \$55.6 million in fiscal 2021.

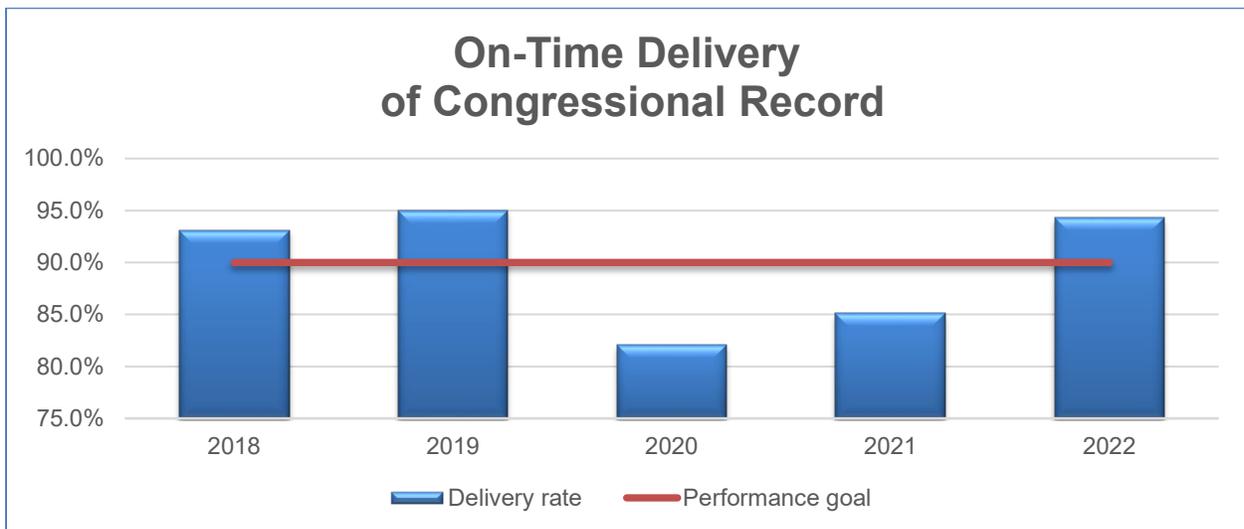
### Operating Performance Measures

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

## Section I: Management Discussion and Analysis (Unaudited)

### On-Time Delivery of *Congressional Record*

The *Congressional Record* is the official record of the proceedings and debates of the U.S. Congress. This important information product is published daily when Congress is in session. GPO uses a performance measure to evaluate the timeliness of the delivery of this core product to Congress. To measure GPO's success in delivering the *Congressional Record* to Congress on-time, GPO established a deadline of delivery to the House and Senate chambers before the start of the next day's session when 100 percent of copy is received by midnight.



### On-Time Delivery and Quality Acceptance of Procured Printing

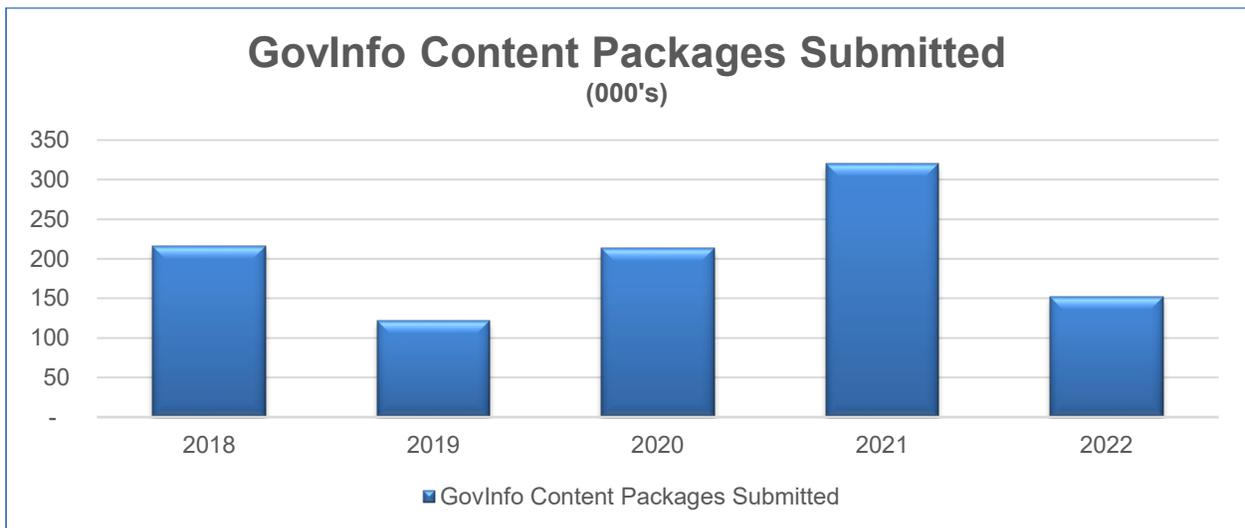
Customer Services contracted with commercial printing vendors to produce and ship orders for GPO customers, on-time and at a high standard of quality, as shown below.

## Section I: Management Discussion and Analysis (Unaudited)

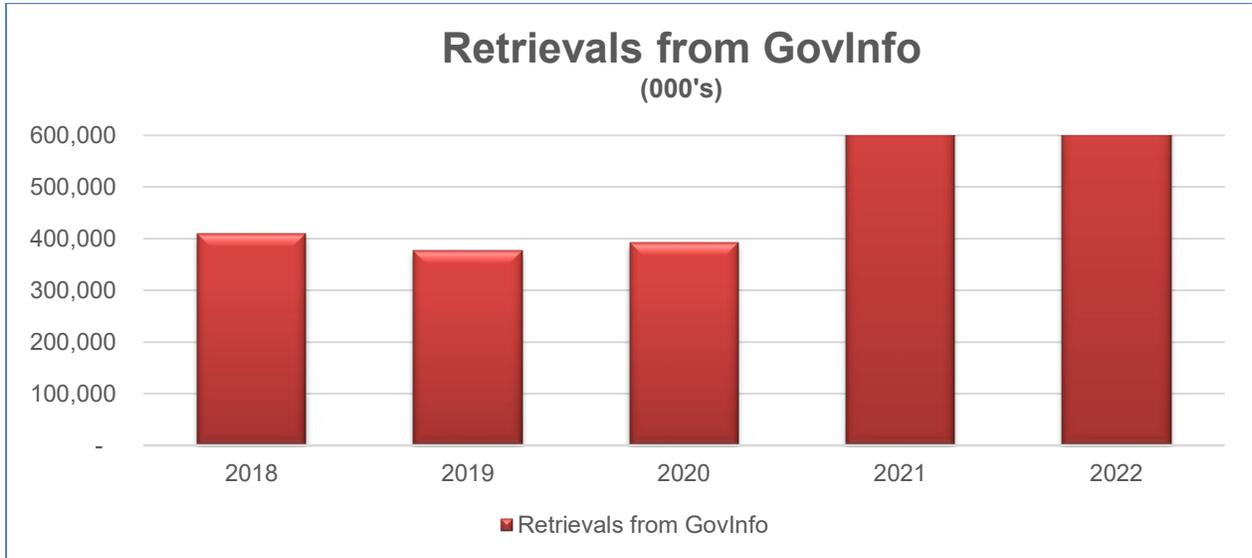


### GovInfo Content Packages Submitted and Retrievals Metrics

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

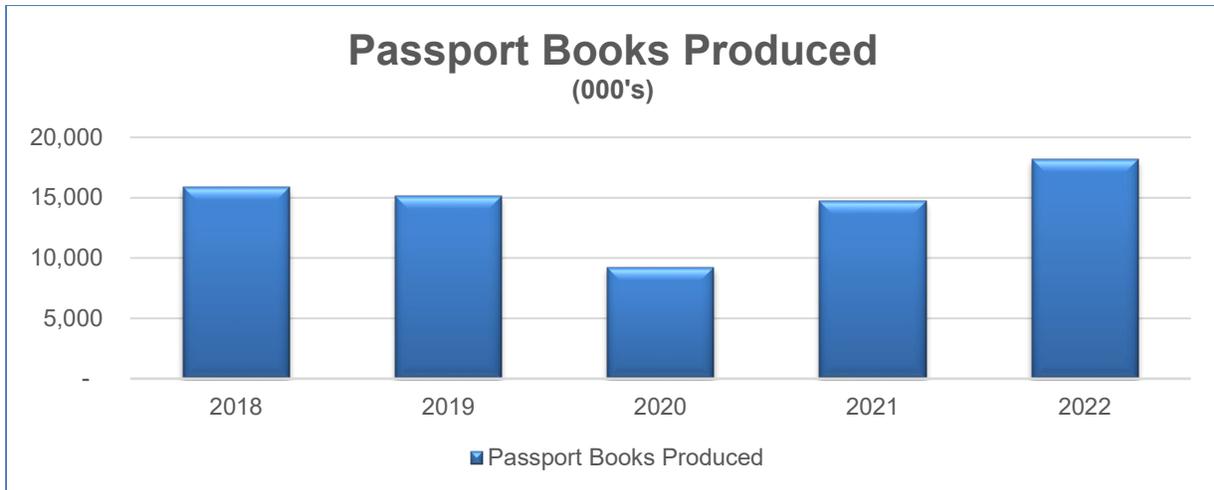


## Section I: Management Discussion and Analysis (Unaudited)



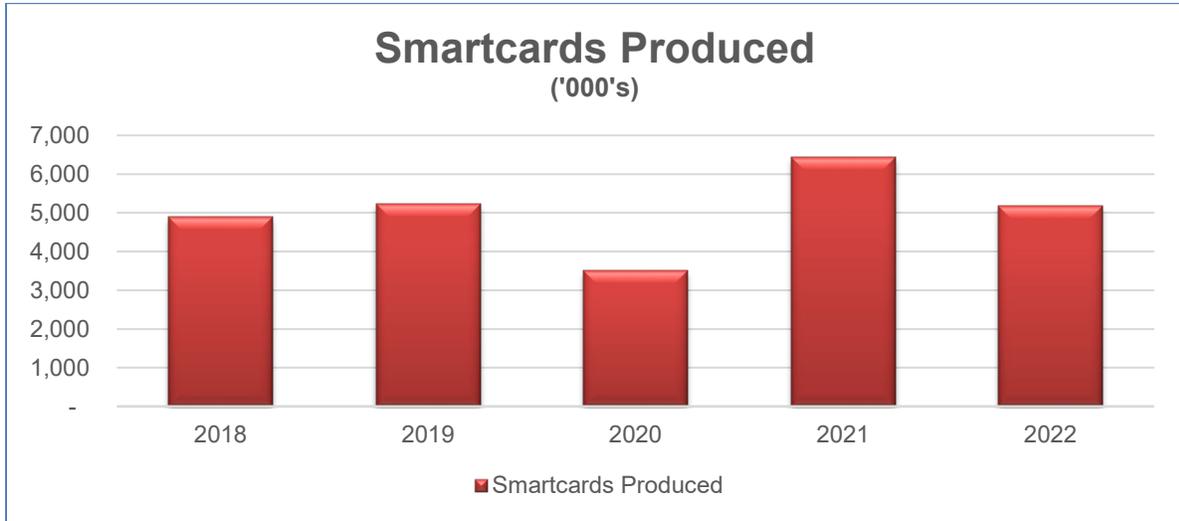
### Passport and Smartcard Metrics

SID is meeting the customer requirements for the production of secure Federal documents including U.S. Passports and smartcards.



**Section I: Management Discussion and Analysis (Unaudited)**

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## Section I: Management Discussion and Analysis (Unaudited)

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### Fiscal Year 2023 Financial Projections

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

GPO's fiscal 2023 operating budget plans for the Agency to achieve at least break-even before the long-term Federal Employees' Compensation Act (FECA) adjustment, and after adjusting for planned capital investments related to passport production. These capital investments for the Department of State are mutually agreed to and allow GPO to invest in state-of-the-art passport manufacturing technology. The GPO operating budget for fiscal 2023 also provides sufficient cash to allow continued capital investment to achieve more efficient operations and better meet customer needs.

The GPO's focus on satisfying customers, producing authentic and secure products vital to customers, and managing through change are essential to maintaining Agency operations on sound footing, both organizationally and financially. Achieving adequate financial results will help ensure that the Business Operations Revolving Fund remains financially self-sustaining, and that GPO can continue advancing toward its vision of *America Informed*.

## SECTION II

# INSPECTOR GENERAL'S REPORT



**OFFICE of the  
INSPECTOR GENERAL**  
U.S. GOVERNMENT PUBLISHING OFFICE

**Date:**

December 15, 2022

**To:**

Director, U.S. Government Publishing Office

**From:**

Inspector General, U.S. Government Publishing Office

**Subject:**

Independent Auditors' Report on the GPO Fiscal Year 2022 Financial Statements

Attached is the Independent Auditors' Report on the U.S. Government Publishing Office (GPO) fiscal year (FY) 2022 Financial Statements. We contracted with the independent public accounting firm of KPMG LLP (KPMG) to audit the financial statements of GPO for FYs ended on September 30, 2022 and 2021. The contract required that the audit be conducted in accordance with U.S. generally accepted government auditing standards (GAGAS).

KPMG's opinion on GPO's financial statements was unmodified. In connection with the contract, we monitored audit progress and reviewed KPMG's audit report and related documentation. Our review did not disclose any instances where KPMG did not comply, in all material respects, with GAGAS. Our review was not intended to enable us to express, and we do not express, an opinion on the financial statements. KPMG is responsible for the attached auditor's report dated, December 15, 2022 and the conclusions expressed therein.

We appreciate the courtesies extended to KPMG and our staff. If you have any questions or comments about this report, please do not hesitate to contact Lori Lau Dillard, Assistant Inspector General for Audit, at [llaillard@gpo.gov](mailto:llaillard@gpo.gov), or me at [mleary@gpo.gov](mailto:mleary@gpo.gov).

Digitally signed by  
Michael P. Leary  
Date: 2022.12.15  
12:49:14 -05'00'

**MICHAEL P. LEARY**  
Inspector General

Attachment

## SECTION III

# INDEPENDENT AUDITORS' REPORT



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

## Independent Auditors' Report

Director  
United States Government Publishing Office

Inspector General  
United States Government Publishing Office:

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of the United States Government Publishing Office (GPO), which comprise the consolidated balance sheets as of September 30, 2022 and 2021, and the related consolidated statements of revenues, expenses, and changes in retained earnings, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the United States Government Publishing Office as of September 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the GPO and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Other Matter – Interactive Data*

Management has elected to reference to information on websites or other forms of interactive data outside the Annual Report to provide additional information for the users of its consolidated financial statements. Such information is not a required part of the consolidated financial statements. The information on these websites or the other interactive data has not been subjected to any of our auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

#### *Responsibilities of Management for the Consolidated Financial Statements*

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



In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the GPO's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

#### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the GPO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the GPO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### *Other Information*

Management is responsible for the other information included in the Annual Report. The other information comprises the Management Discussion and Analysis section but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



## **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2022, we considered the GPO's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the GPO's internal control. Accordingly, we do not express an opinion on the effectiveness of the GPO's internal control.

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the GPO's consolidated financial statements as of and for the year ended September 30, 2022 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of the Reporting Required by *Government Auditing Standards***

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the GPO's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

Washington, DC  
December 15, 2022

## SECTION IV

# FINANCIAL STATEMENTS

## Section IV: Financial Statements

### U.S. Government Publishing Office Consolidated Balance Sheets As of September 30, 2022 and 2021 (Dollars in Thousands)

|   | 2022                | 2021                |
|---|---------------------|---------------------|
| <b>ASSETS</b>   |                     |                     |
| <b>Current assets</b>                                       |                     |                     |
| Fund balance with Treasury (Note 2)                         | \$ 814,053          | \$ 771,152          |
| Accounts receivable, net (Note 3)                           | 197,308             | 160,459             |
| Inventory, net (Note 4)                                     | 78,931              | 83,645              |
| Prepaid expenses (Note 5)                                   | 2,525               | 1,134               |
| <b>Total current assets</b>                                 | <b>1,092,817</b>    | <b>1,016,390</b>    |
| <b>General property, plant, and equipment, net (Note 6)</b> | <b>184,886</b>      | <b>181,990</b>      |
| <b>Total assets</b>   | <b>\$ 1,277,703</b> | <b>\$ 1,198,380</b> |
| <b>LIABILITIES AND NET POSITION</b>                         |                     |                     |
| <b>Current liabilities</b>                                  |                     |                     |
| Accounts payable and accrued expenses (Note 7)              | \$ 179,785          | \$ 148,392          |
| Deferred revenues (Note 8)                                  | 204,103             | 181,948             |
| Accrued annual leave  | 12,977              | 14,657              |
| Workers' compensation (Note 9)                              | 3,336               | 3,837               |
| <b>Total current liabilities</b>                            | <b>400,201</b>      | <b>348,834</b>      |
| <b>Noncurrent liabilities</b>                               |                     |                     |
| Workers' compensation (Note 9)                              | 30,106              | 46,801              |
| <b>Total liabilities</b>                                    | <b>430,307</b>      | <b>395,635</b>      |
| <b>Commitments and contingencies (Notes 10 and 11)</b>      |                     |                     |
| <b>Net position (Note 12)</b>                               |                     |                     |
| <b>Cumulative results of operations:</b>                    |                     |                     |
| Retained earnings   | 613,508             | 567,491             |
| Invested capital  | 92,879              | 92,879              |
| Unexpended appropriations                                   | 141,009             | 142,375             |
| <b>Total net position</b>                                   | <b>847,396</b>      | <b>802,745</b>      |
| <b>Total liabilities and net position</b>                   | <b>\$ 1,277,703</b> | <b>\$ 1,198,380</b> |

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

## Section IV: Financial Statements

**U.S. Government Publishing Office**  
**Consolidated Statements of Revenues, Expenses,**  
**and Changes in Retained Earnings**  
**For the Fiscal Years Ended September 30, 2022 and 2021**  
(Dollars in Thousands)

|   | 2022              | 2021              |
|---|-------------------|-------------------|
| <b>OPERATING REVENUES</b>                   |                   |                   |
| Printing and binding                        | \$ 918,176        | \$ 834,430        |
| Appropriations                              | 125,247           | 111,484           |
| Sales of publications                       | 2,640             | 2,774             |
| Agency distributions                        | 12,743            | 13,184            |
| <b>Total operating revenues</b>             | <b>1,058,806</b>  | <b>961,872</b>    |
| <b>OPERATING EXPENSES</b>                   |                   |                   |
| Printing and reproduction                   | 434,085           | 365,937           |
| Personnel compensation and benefits         | 234,044           | 232,812           |
| Supplies and materials                      | 228,421           | 166,200           |
| Other services                              | 76,443            | 65,828            |
| Depreciation and amortization               | 26,816            | 26,583            |
| Rents, communications, and utilities        | 18,524            | 17,103            |
| Travel, transportation, and postage         | 10,890            | 8,279             |
| Publications sold                           | 762               | 1,031             |
| <b>Subtotal</b>                             | <b>1,029,985</b>  | <b>883,773</b>    |
| <b>Income before other expenses</b>         | <b>28,821</b>     | <b>78,099</b>     |
| <b>OTHER EXPENSES</b>                       |                   |                   |
| Decrease in workers' compensation liability | 17,196            | 10,082            |
| <b>Net Income</b>                           | <b>\$ 46,017</b>  | <b>\$ 88,181</b>  |
| <b>Retained Earnings, beginning of year</b> | <b>567,491</b>    | <b>479,310</b>    |
| <b>Retained Earnings, end of year</b>       | <b>\$ 613,508</b> | <b>\$ 567,491</b> |

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

## Section IV: Financial Statements

### U.S. Government Publishing Office Consolidated Statements of Cash Flows For the Fiscal Years Ended September 30, 2022 and 2021 (Dollars in Thousands)

|  | 2022              | 2021              |
|--|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                   |                   |
| Net Income   | \$ 46,017         | \$ 88,181         |
| <b>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</b> |                   |                   |
| Depreciation and amortization  | 26,816            | 26,583            |
| <b>Changes in assets and liabilities:</b>  |                   |                   |
| <b>(Increase) decrease in assets:</b>  |                   |                   |
| Accounts receivable  | (36,849)          | (242)             |
| Inventory  | 4,714             | (13,423)          |
| Prepaid expenses   | (1,391)           | 97                |
| <b>Increase (decrease) in liabilities:</b>   |                   |                   |
| Accounts payable, accrued expenses, and other  | 31,392            | 26,138            |
| Deferred revenues  | 22,155            | 12,002            |
| Accrued annual leave   | (1,680)           | 1,433             |
| Workers' compensation  | (17,196)          | (10,082)          |
| <b>Total adjustments</b>   | <b>27,961</b>     | <b>42,506</b>     |
| <b>Net cash provided by operating activities</b>   | <b>73,978</b>     | <b>130,687</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                   |                   |
| Capital purchases  | (29,712)          | (25,071)          |
| Proceeds from sale of general property, plant, and equipment                                       | 1                 | 2                 |
| <b>Net cash used in investing activities</b>   | <b>(29,711)</b>   | <b>(25,069)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                   |                   |
| Appropriations received  | 124,237           | 117,000           |
| Appropriations expended  | (125,603)         | (111,741)         |
| <b>Increase in unexpended appropriations</b>   | <b>(1,366)</b>    | <b>5,259</b>      |
| <b>Net cash provided by (used in) financing activities</b>   | <b>(1,366)</b>    | <b>5,259</b>      |
| <b>Net increase in fund balance with Treasury</b>  | <b>42,901</b>     | <b>110,877</b>    |
| Fund balance with Treasury, beginning of year  | 771,152           | 660,275           |
| <b>Fund balance with Treasury, end of year</b>   | <b>\$ 814,053</b> | <b>\$ 771,152</b> |

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

### U.S. Government Publishing Office Notes to the Financial Statements September 30, 2022 and 2021

#### 1. Summary of Significant Accounting Policies

##### A. Reporting Entity

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

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

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

##### B. Accounting Environment

###### Basis of Accounting

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

The Federal Accounting Standards Advisory Board (FASAB) has been designated by the

## Section IV: Notes to the Financial Statements

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

### **Basis of Presentation and Consolidation**

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

### **Funds**

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

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

The GPO Revolving Fund is a self-sustaining financial entity used primarily to finance and account for GPO's Publication Production Operations and Publication and Information Sales Programs. The two major sources of revenue to the Revolving Fund

## Section IV: Notes to the Financial Statements

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are reimbursements from the Congressional Publishing Appropriation and other Federal customers for providing printing, binding, and distribution services, including U.S. passport production, and publication and subscription sales to the public.

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

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

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

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

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

### **C. Fund Balance with Treasury**

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

## Section IV: Notes to the Financial Statements

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### **D. Accounts Receivable**

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

### **E. Inventories**

Inventories of paper, supplies, and materials are shown net of a provision for obsolescence. Inventories of paper, supplies, and materials include the cost of production material (e.g., computer chips, ink, book cloth) as well as the cost of administrative-use supplies. These inventories are valued at the lower of cost, using the weighted moving average cost method, or net realizable value. The allowance for obsolescence is determined based on historical usage of paper, supplies, and materials.

Inventories of publications held for sale are valued at the lower of cost, using the weighted average cost method, or net realizable value. Publication inventories are shown net of a provision for excess inventory that may be disposed of by the Agency in the future. The allowance for surplus publications is based on life cycle studies of product sales that provide a historical basis for determining the percentage of potential excess inventory stock items held in inventory.

### **F. Property, Plant, and Equipment**

Property, plant, and equipment purchases are generally valued at their acquisition cost. GPO capitalizes the cost of the property as an asset when the cost is \$25,000 or more and the estimated useful life is two years or more. The costs of major alterations and renovations to the GPO facility are capitalized and depreciated while the costs of maintenance and repairs are expensed when incurred. The depreciation of property, plant, and equipment is calculated on a straight-line basis over the estimated useful life of the asset. The depreciation of an asset commences the month after the asset is first placed in service.

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

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| <b>Asset Category</b>           | <b>Estimated Useful Life (Years)</b> |
|---------------------------------|--------------------------------------|
| Building Improvements           | 20                                   |
| Building Appurtenances          | 20                                   |
| Other Structures and Facilities | 20                                   |
| Furniture and Fixtures          | 20                                   |
| Leasehold Improvements          | 10                                   |
| Plant Machinery and Equipment   | 10                                   |
| Office Machinery and Equipment  | 5                                    |
| Motor Vehicles                  | 5                                    |
| Computer Software               | 3                                    |

Land has an indefinite life and is not subject to depreciation. Construction in progress and capitalized software in process are also not depreciated until completed and put into use. Leasehold improvements are generally depreciated over 10 years or the remaining duration of the lease for real property, whichever is shorter.

### **G. Deferred Revenues**

Deferred revenues (contract liabilities) are funds received in advance from customers for the future delivery of goods and services. GPO records these advances as revenue when the performance obligations are met through the delivery of goods or performance of services.

### **H. Accrued Annual Leave**

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

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

### **I. Workers' Compensation Liability**

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who

## Section IV: Notes to the Financial Statements

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have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits for GPO employees under FECA are administered by the Department of Labor (DOL) and are ultimately paid by GPO.

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

The second component, the actuarial FECA liability, is the estimated liability for future benefit payments. These future estimates were generated from an application of actuarial procedures developed to estimate the liability for future FECA benefits. The actuarial liability for future workers' compensation benefits includes the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases plus a component for incurred but not reported claims. The liability is determined using a method that utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. These annual benefit payments have been discounted to present value using a composite rate from the Department of Treasury. The current and non-current components of the actuarial FECA liability are presented separately in the balance sheet for fiscal 2022 and fiscal 2021.

### **J. Commitments and Contingencies**

FASB Accounting Standards Codification, Asset Retirement Obligations (ASC 410-20), requires a reporting entity to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can reasonably be estimated. Accordingly, GPO has estimated and recorded the asset retirement obligation in accounts payable. Liabilities from loss contingencies, including environmental remediation costs not within the scope of ASC 410-20, arising from claims, assessments, litigation, fines and penalties, and other sources, are recorded in accounts payable when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Loss contingencies that do not meet these criteria are not accrued.

### **K. Revenue Recognition**

GPO recognizes revenue when it satisfies performance obligations under the terms of its contracts both over time and at a point in time, as further discussed below. Revenue is recognized in an amount that reflects the consideration GPO expects to receive from

## Section IV: Notes to the Financial Statements

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its customers in exchange for publishing and printing and binding services and has an enforceable right to payment. Contracts with customers generally state the terms of the sale, including the quantity and price. The revenue recognition process involves identifying the customer contract, determining the performance obligations in the contract, determining the contract price, allocating the contract price to the distinct performance obligations in the contract, and recognizing revenue when the performance obligations have been satisfied.

GPO has several distinct business lines that offer a variety of services to customers, including the following:

**Printing and Binding** – GPO must be reimbursed for the cost of printing and binding services furnished to customers at rates set by the Director in accordance with 44 U.S.C. § 309. Revenues from in-house printing and binding work are recognized on a value-added basis, as work is performed and direct supplies and materials are used, while revenues from commercially procured printing and binding are recognized on the date the contract requirements are fulfilled, which is generally the date of shipment by the commercial printer to the customer agency. Revenues related to the manufacture of passports by GPO for the Department of the State are recognized at annually negotiated rates per passport at the time that the printing and binding process is completed and the passports are delivered to the on-site designated vault.

**Appropriations** – Appropriation revenues, primarily related to in-house Congressional printing and binding, are recorded on a value-added basis, as work is performed and direct supplies and materials are used or when a liability is incurred for purposes permitted by the appropriations act and program legislation. Unexpended appropriations are recorded as a component of net position. Unexpended appropriation balances are generally canceled after 5 years, unless authorized for transfer by appropriations committees.

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

**Agency Distributions** – Revenues from the storage, packaging, and distribution of publications for other Federal agencies are recorded when services have been performed.

## Section IV: Notes to the Financial Statements

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Shipping and handling costs associated with outbound freight of completed products to customers are accounted for as a fulfillment cost and are included in transportation cost as incurred.

### L. Expense Recognition

**Printing and Reproduction** – This expense includes the cost of printing, duplicating, and reproduction orders that are procured by GPO from the private sector to satisfy the needs of the Federal Government. The expense is generally recorded on the date of shipment by the contractor and is shown net of vendor prompt payment discounts earned by the Agency.

**Personnel Compensation and Benefits** – Personnel compensation consists of the wages and salaries, including overtime premium and night differential, paid to GPO employees on a biweekly cycle. Personnel benefits include the Agency's share of contributions towards Federal Employees Health Benefits, Federal Employees' Group Life Insurance, and two Federal Government civilian employee retirement programs. The two retirement programs are the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), which includes the related Thrift Savings Plan (TSP). Personnel benefits also include the current cost of workers' compensation expense, transit benefits provided by GPO to employees, and the cost of incentive and performance awards to employees. Personnel compensation and benefits are recorded as expenses when earned by employees.

**Supplies and Materials** – Computer chips required for passport production are the most significant cost component within the category of supplies and materials. Passport supplies and materials are recorded as an expense when the printing and binding process is completed. The second most significant component is paper and paper products that are commercially procured to satisfy GPO's in-plant printing requirements and customer orders for blank paper. The expense is recorded when paper is drawn from inventory to fulfill an order or delivered to the customer, in the case of direct mill-to-customer shipments. This expense category also includes all other supplies and materials that are not capitalized as property, such as personal computers, furniture, and office supplies. The allowance for obsolete inventory is based on historical usage of supplies and materials.

## Section IV: Notes to the Financial Statements

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**Other Services** – This expense category includes the costs of professional services by contractors and also the expenses related to a provision for uncollectible accounts receivable. The expenses for professional services are recognized when the contracted services have been performed. The expenses for uncollectible accounts receivable are recognized when receivables are deemed as potentially uncollectible, based on GPO’s collection experience.

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

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

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

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

## Section IV: Notes to the Financial Statements

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### **M. Consolidated Statements of Cash Flows**

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

### **N. Use of Estimates**

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

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

### **O. Fair Value Measurement**

GPO applies FASB Accounting Standards Codification, Fair Value Measurements and Disclosures (ASC 820-10) for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820-10 defines "fair value" as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted price quote in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). GPO's financial instruments consist of cash, accounts receivable, accounts payable, and accrued liabilities as of September 30, 2022, and September 30, 2021. The carrying amounts of these financial instruments approximate fair value because of the short-term nature of these instruments. GPO holds no financial instruments that are measured at fair value on a recurring basis.

## Section IV: Notes to the Financial Statements

### P. Tax Status

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

## 2. Fund Balance with Treasury

A table of items included in GPO's fund balance with Treasury, including funds on-hand or in-transit to the Treasury, as of September 30, 2022, and September 30, 2021, follows:

|                             | (Dollars in thousands) |                   |
|-----------------------------|------------------------|-------------------|
|                             | 2022                   | 2021              |
| <b>Fund Balances:</b>       |                        |                   |
| <b>Revolving fund:</b>      |                        |                   |
| Unrestricted                | \$ 432,988             | \$ 410,391        |
| <b>Restricted:</b>          |                        |                   |
| Customer deposit accounts   | 192,023                | 173,411           |
| Other                       | 45,790                 | 42,558            |
| <b>Total revolving fund</b> | <b>670,801</b>         | <b>626,360</b>    |
| <b>General funds:</b>       |                        |                   |
| Congressional publishing    | 63,800                 | 61,061            |
| Salaries and expenses       | 13,816                 | 16,261            |
| Supplemental and other      | 65,636                 | 67,470            |
| <b>Total general funds</b>  | <b>143,252</b>         | <b>144,792</b>    |
| <b>Total</b>                | <b>\$ 814,053</b>      | <b>\$ 771,152</b> |

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

## Section IV: Notes to the Financial Statements

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

The total fund balance with Treasury increased by \$42.9 million (5.6 percent) to \$814.1 million in fiscal 2022 from \$771.2 million in fiscal 2021, primarily due to net income of \$46.0 million. Total general funds available decreased \$1.5 million. These funds are allocated to approved future projects.

### 3. Accounts Receivable, Net

Accounts receivable, net of an allowance for doubtful accounts, as of September 30, 2022, and September 30, 2021, consisted of the following:

|                                       | (Dollars in thousands) |                   |
|---------------------------------------|------------------------|-------------------|
|                                       | 2022                   | 2021              |
| <b>Federal agencies:</b>              |                        |                   |
| Unbilled accounts receivable          | \$ 167,890             | \$ 134,827        |
| Billed completed work                 | 29,390                 | 25,575            |
| <b>Subtotal</b>                       | <b>197,280</b>         | <b>160,402</b>    |
| <b>Other receivables:</b>             |                        |                   |
| The public                            | 24                     | 152               |
| GPO employees                         | 476                    | 416               |
| <b>Subtotal</b>                       | <b>500</b>             | <b>568</b>        |
| <b>Total accounts receivable</b>      | <b>197,780</b>         | <b>160,970</b>    |
| Less: Allowance for doubtful accounts | (472)                  | (511)             |
| <b>Total accounts receivable, net</b> | <b>\$ 197,308</b>      | <b>\$ 160,459</b> |

The majority of accounts receivable are due from other Federal agencies for goods and services provided by GPO. By law, these customers are required to reimburse the Revolving Fund for the cost of products provided by GPO.

Unbilled accounts receivable results from the delivery of the goods and performance of services for which bills have not been presented to the customer for payment. Unbilled accounts receivable includes the value of work in process and completed work for customer orders as of September 30, 2022, and September 30, 2021.

## Section IV: Notes to the Financial Statements

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The majority of employee accounts receivable is owed by current and former employees who were advanced leave. Employees generally repay their leave indebtedness through biweekly installments from their earned leave or from leave donations from other employees under the GPO Leave Donation Program.

Net accounts receivable increased by \$36.8 million (23.0 percent) in fiscal 2022 from fiscal 2021.

### 4. Inventory, Net

Inventory, net of an allowance for surplus and obsolete stock decreased by \$4.7 million (5.6 percent) as of September 30, 2022 from the prior year. Inventory, net is detailed as follows:

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|  | (Dollars in thousands) |                  |
|--|------------------------|------------------|
|  | 2022                   | 2021             |
| Supplies and materials                             | \$ 59,713              | \$ 64,293        |
| Publications for sale                              | 3,173                  | 3,006            |
| Paper  | 10,731                 | 12,166           |
| Work in process                                    | 7,914                  | 7,120            |
| <b>Total inventory</b>                             | <b>81,531</b>          | <b>86,585</b>    |
| Less: Allowance for surplus and obsolete inventory | (2,600)                | (2,940)          |
| <b>Inventory, net</b>                              | <b>\$ 78,931</b>       | <b>\$ 83,645</b> |

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### 5. Prepaid Expenses

Prepaid expenses or advances to others were \$2.5 million as of September 30, 2022, and \$1.1 million as of September 30, 2021. The current and prior year balances were primarily comprised of employee transportation benefits and information technology. Most of fiscal 2021 prepaid expenses were expensed in fiscal 2022.

### 6. General Property, Plant, and Equipment, Net

General property, plant, and equipment, net as of September 30, 2022, and September 30, 2021, consisted of the following:

## Section IV: Notes to the Financial Statements

|  | (Dollars in thousands) |                   |
|--|------------------------|-------------------|
|  | 2022                   | 2021              |
| Land   | \$ 9,971               | \$ 9,971          |
| Buildings and improvements                         | 122,570                | 121,407           |
| Plant machinery and equipment                      | 190,282                | 203,978           |
| Computers and computer software                    | 168,057                | 158,724           |
| Furniture and fixtures                             | 4,898                  | 5,056             |
| Motor vehicles                                     | 720                    | 720               |
| Leasehold improvements                             | 15,265                 | 14,919            |
| Capitalized software in process                    | 47,311                 | 33,963            |
| Capital improvements in process                    | 7,073                  | 4,746             |
| <b>Total</b>                                       | <b>566,147</b>         | <b>553,484</b>    |
| Less: Accumulated depreciation and amortization    | (381,261)              | (371,494)         |
| <b>General property, plant, and equipment, net</b> | <b>\$ 184,886</b>      | <b>\$ 181,990</b> |

Depreciation expense was \$26.8 million in fiscal 2022 and \$26.6 million in fiscal 2021.

### 7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of September 30, 2022, and September 30, 2021, were composed of the following:

|  | (Dollars in thousands) |                   |
|--|------------------------|-------------------|
|  | 2022                   | 2021              |
| <b>Accounts payable:</b>                           |                        |                   |
| Commercial printing                                | \$ 126,071             | \$ 96,094         |
| U.S. Government agencies                           | 10,120                 | 6,373             |
| Other  | 22,862                 | 26,561            |
| <b>Total accounts payable</b>                      | <b>159,053</b>         | <b>129,028</b>    |
| Accrued salaries and payroll taxes                 | 20,732                 | 19,364            |
| <b>Total accounts payable and accrued expenses</b> | <b>\$ 179,785</b>      | <b>\$ 148,392</b> |

As of September 30, 2022, amounts recorded in the Other category include \$1.0 million payable to vendors for E-passport microchip integrated circuits and smart cards, \$6.7 million for other passport and smart card related expenses, \$1.5 million accrued for fixed assets, and \$9.7 million for other operating expenses. As of September 30, 2021, amounts recorded in the Other category include \$7.1 million payable to vendors for E-passport

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microchip integrated circuits and smart cards, \$11.3 million for other passport and smart card related expenses, \$1.7 million accrued for fixed assets, and \$6.4 million for other operating expenses

### 8. Deferred Revenues

As of September 30, 2022, and September 30, 2021, deferred revenues from customers consisted of the following:

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|                  | (Dollars in thousands) |                   |
|------------------|------------------------|-------------------|
|                  | 2022                   | 2021              |
| Deposit accounts | \$ 192,023             | \$ 173,411        |
| Advance billings | 11,610                 | 7,928             |
| Subscriptions    | 355                    | 447               |
| Unfilled orders  | 115                    | 162               |
| <b>Total</b>     | <b>\$ 204,103</b>      | <b>\$ 181,948</b> |

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GPO held \$192.0 million and \$173.4 million in customer deposit accounts as of September 30, 2022, and September 30, 2021, respectively. Of these amounts, Federal Government customers had advanced funds of \$187.8 million and \$169.0 million for printing and binding deposit accounts, and customers advanced \$4.3 million and \$4.4 million for publication and information sales program deposit accounts as of September 30, 2022, and September 30, 2021, respectively. The funds in these deposit accounts will be applied to future orders placed by customers or refunded on request.

Advance billings are occasionally requested by customer agencies or used to finance high-dollar orders until work is completed. GPO defers the recognition of revenues for advance billings to customers. This amount increased to \$11.6 million in fiscal 2022 from \$7.9 million in fiscal 2021.

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

## Section IV: Notes to the Financial Statements

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

### 9. Workers' Compensation Liability

Claims incurred and paid by DOL as of September 30, 2022, and September 30, 2021, but not reimbursed to DOL by GPO, are approximately \$4.4 million and \$5.0 million, respectively. This liability is included in accounts payable and accrued expenses.

As of September 30, 2022, GPO estimated discounted current actuarially derived future workers' compensation liability of approximately \$3.3 million and estimated discounted non-current actuarially derived future workers' liability of approximately \$30.1 million. As of September 30, 2021, GPO estimated discounted current actuarially derived future workers' compensation liability of approximately \$3.8 million and estimated discounted non-current actuarially derived future workers' liability of approximately \$46.8 million. These annual benefit payments have been discounted to present value using a composite rate from the Department of Treasury. The discount rates as of September 30, 2022, and September 30, 2021, were 4.13 percent and 1.88 percent, respectively. GPO's total estimated, undiscounted actuarially derived future workers' compensation liability was approximately \$33.4 million and \$50.6 million as of September 30, 2022, and September 30, 2021, respectively.

### 10. Commitments

#### 10. A. Operating Leases

As of September 30, 2022, GPO was committed to various non-cancelable operating leases, primarily covering warehouse and office space. Some of these leases contain escalation clauses and renewal options. Annual lease and rental expenses for real and personal property were \$5.3 million in fiscal 2022 and \$5.1 million in fiscal 2021. A schedule of future minimum rental payments required under operating leases by type, that have initial or remaining non-cancelable lease terms in excess of one year, follows:

## Section IV: Notes to the Financial Statements

### Future Minimum Rental Payments Required Under Operating Leases

| Fiscal Year                         | (Dollars in thousands) |               |                  | Total |
|-------------------------------------|------------------------|---------------|------------------|-------|
|                                     | Warehouse              | Office        |                  |       |
| 2023                                | \$ 1,716               | \$ 327        | \$ 2,043         |       |
| 2024                                | 1,203                  | 10            | 1,213            |       |
| 2025                                | 1,236                  | 0             | 1,236            |       |
| 2026                                | 1,270                  | 0             | 1,270            |       |
| 2027 & Thereafter                   | 7,381                  | 0             | 7,381            |       |
| <b>Total Minimum Lease Payments</b> | <b>\$ 12,806</b>       | <b>\$ 337</b> | <b>\$ 13,143</b> |       |

#### 10. B. Obligations

GPO had unliquidated obligations of \$425.9 million at September 30, 2022, and \$312.8 million at September 30, 2021, of which \$141.0 million and \$142.4 million, respectively, were for unexpended appropriations (see Note 12. B.), \$20.7 million and \$19.4 million, respectively, for salaries and \$264.2 million and \$151 million, respectively, were undelivered orders related to commercial printing. The latter obligations include purchase orders and contractual obligations by GPO to acquire goods and services from the private sector and other sources. These orders are scheduled for delivery or performance in the future.

#### 11. Contingencies

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

GPO is a party in various administrative proceedings, legal actions, and claims brought against the Federal Government by employees, contractors, and other parties. The uncertainty involving the outcome of these pending matters will be resolved when future events occur or fail to occur. In some cases, legal matters relate to contractual arrangements GPO has entered into for goods and services procured on behalf of other Federal entities. The costs of administering, litigating, and resolving these actions are borne by the Revolving Fund unless the costs are recovered from another Federal entity. As of September 30, 2022 and 2021, GPO had \$538,000 and \$1.2 million recorded in estimated probable liabilities, respectively. Estimated probable liabilities are included in accounts payable and accrued expenses in the financial statements.

## Section IV: Notes to the Financial Statements

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Contingencies where the risk of loss is reasonably possible are approximately \$690,000 and \$5.6 million, as of September 30, 2022, and September 30, 2021, respectively.

Management believes that the ultimate disposition of these matters will not have a material, adverse effect on GPO's consolidated financial position, results of operations, and cash flows.

The Department of Justice (DOJ) represents the GPO in all litigation in Federal court. In these cases, amounts paid under any judgment, compromise settlement, or award are funded from the Judgment Fund administered by the Department of the Treasury (31 U.S.C. § 1304). As a Legislative branch agency, GPO is not required to reimburse the fund for amounts paid on its behalf. The Judgment Fund paid about \$11,000 in fiscal 2022 and \$2,000 in fiscal 2021 on behalf of GPO.

### 11. B. Environmental Liabilities

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

The estimated costs to remove or remediate the visible and non-visible presumed asbestos containing material, both friable and non-friable, within the GPO facility, were \$1.1 million as of September 30, 2022, and \$1.4 million as of September 30, 2021. The decreased liability is the result of recently conducted investigative asbestos mappings and surveys. These amounts are included in accounts payable and accrued expenses on the financial statements.

## 12. Net Position

### 12. A. Cumulative Results of Operations

***Retained Earnings*** – Retained earnings include the net operating results of the Revolving Fund, since inception, less certain required transfers to other Federal agencies.

## Section IV: Notes to the Financial Statements

**Invested Capital** – Invested capital represents the resources of the Federal Government that were directly appropriated to the Agency by Congress for investment in GPO assets (land, buildings, equipment, and capital).

### 12. B. Unexpended Appropriations

The following table presents unexpended appropriation balances from September 30, 2020, through September 30, 2022, for appropriations made available to GPO:

| <b>Unexpended Appropriations</b>                |                   |                             |                             |                   |
|---|-------------------|-----------------------------|-----------------------------|-------------------|
| Appropriations (Dollars in thousands)           | Revolving<br>Fund | Salaries<br>and<br>Expenses | Congressional<br>Publishing | Total             |
| <b>Unexpended balance at September 30, 2020</b> | <b>\$ 75,743</b>  | <b>13,617</b>               | <b>47,756</b>               | <b>\$ 137,116</b> |
| <b>2021 fiscal year appropriation activity:</b> |                   |                             |                             |                   |
| Received  | 6,700             | 32,300                      | 78,000                      | 117,000           |
| Transferred                                     | 941               | 0                           | (941)                       | 0                 |
| Expended  | (15,911)          | (32,077)                    | (63,753)                    | (111,741)         |
| <b>Unexpended balance at September 30, 2021</b> | <b>67,473</b>     | <b>13,840</b>               | <b>61,062</b>               | <b>\$ 142,375</b> |
| <b>2022 fiscal year appropriation activity:</b> |                   |                             |                             |                   |
| Received  | 11,345            | 34,020                      | 78,872                      | 124,237           |
| Transferred                                     | 6,852             | (606)                       | (6,246)                     | 0                 |
| Expended  | (20,031)          | (35,685)                    | (69,887)                    | (125,603)         |
| <b>Unexpended balance at September 30, 2022</b> | <b>\$ 65,639</b>  | <b>\$ 11,569</b>            | <b>\$ 63,801</b>            | <b>\$ 141,009</b> |

As of September 30, 2022, GPO had obligated all of the \$63.8 million of the unexpended appropriations available for Congressional Publishing, and all of the \$11.6 million of the unexpended appropriations available for Salaries and Expenses. The obligations are based on the estimated cost of open orders as of September 30, 2021. As of September 30, 2021, the obligations were \$61.1 million in Congressional Publishing Appropriations and \$13.8 million in Salaries and Expenses Appropriations.

The Revolving Fund unexpended appropriations balances at September 30, 2022, and September 30, 2021, were \$65.6 million and \$67.5 million, respectively. The Revolving Fund unexpended appropriations balances are primarily the result of the following appropriation activities:

## Section IV: Notes to the Financial Statements

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- In fiscal 2014, Congress appropriated \$8.1 million to the Revolving Fund for information technology development. As of September 30, 2022, GPO expended cumulatively about \$8.0 million from the appropriation leaving a balance of \$74,000 available. As of September 30, 2021, the unexpended balance was \$74,000.
- In fiscal 2015, GPO transferred approximately \$1.2 million from the Congressional Publishing Appropriations remaining from fiscal year 2010 to the Revolving Fund, and \$6.1 million from the Salaries and Expenses Appropriations from fiscal year 2010 to the Revolving Fund. As of September 30, 2022, GPO had expended the entire appropriation. As of September 30, 2021, the unexpended balance was \$4.1 million.
- In fiscal 2015, Congress appropriated \$8.8 million to the Revolving Fund for information technology development and facilities upgrades. As of September 30, 2022, GPO expended cumulatively about \$7.6 million from the appropriation leaving a balance of \$1.2 million available. As of September 30, 2021, the unexpended balance was \$1.3 million.
- In fiscal 2016, GPO transferred approximately \$2.0 million from the Congressional Appropriation remaining from fiscal year 2011 to the Revolving Fund, and \$760,000 from the Salaries and Expenses Appropriation remaining from fiscal year 2011. These amounts are available to Congressional Publishing and Salaries and Expenses, respectively to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. As of September 30, 2022, GPO expended the entire appropriation. As of September 30, 2021, the unexpended balance was \$1.2 million.
- In fiscal 2017, Congress appropriated \$7.8 million to the Revolving Fund for information technology development and facilities upgrades. As of September 30, 2022, GPO expended cumulatively about \$7.6 million from the appropriation leaving a balance of \$183,000 available. As of September 2021, the unexpended balance was \$1.1 million.
- In fiscal 2017, GPO transferred approximately \$13.3 million from the Congressional Publishing Appropriation remaining from fiscal 2012 to the Revolving Fund, and \$3.4 million from the Salaries and Expenses Appropriation remaining from fiscal 2012. These amounts are available to Congressional Publishing and Salaries and Expenses, respectively to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. As of

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September 30, 2022, GPO expended cumulatively about \$7.5 million from the appropriation leaving a balance of \$9.2 million available. These amounts were unexpended as of September 30, 2021.

- In fiscal 2018, Congress appropriated \$8.5 million to the Revolving Fund for information technology development and facilities upgrades. As of September 30, 2022, GPO expended cumulatively about \$7.6 million from the appropriation leaving a balance of \$900,000 available. As of September 2021, the unexpended balance was \$3.0 million.

In fiscal 2018, GPO transferred approximately \$5.8 million from the Congressional Publishing Appropriation remaining from fiscal 2013 to the Revolving Fund. These amounts are available to Congressional Publishing to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. These amounts were unexpended as of September 30, 2022.

- In fiscal 2019, Congress appropriated \$6 million to the Revolving Fund for information technology development. As of September 30, 2022, GPO expended cumulatively about \$5 million from the appropriation leaving a balance of \$1.0 million available. As of September 2021, the unexpended balance was \$1.0 million.
- In fiscal 2019, GPO transferred approximately \$9 million from the Congressional Publishing Appropriation remaining from fiscal 2013 to the Revolving Fund, and \$4.1 million from the Salaries and Expenses Appropriation remaining from fiscal 2013. These amounts are available to Congressional Publishing and Salaries and Expenses, respectively to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. As of September 30, 2022, GPO expended cumulatively about \$1.6 million from the appropriation leaving a balance of \$11.5 million available. As of September 2021, the unexpended balance was \$11.5 million.
- In fiscal 2020, Congress appropriated \$6.7 million to the Revolving Fund for information technology development. As of September 30, 2022, GPO expended cumulatively about \$5.6 million from the appropriation leaving a balance of \$1.1 million available. As of September 2021, the unexpended balance was \$4.2 million.
- In fiscal 2020, GPO transferred approximately \$5.9 million from the Congressional Publishing Appropriation remaining from fiscal 2014 to the Revolving Fund, and \$4.4 million from the Salaries and Expenses Appropriation remaining from fiscal 2014. These amounts are available to Congressional Publishing and Salaries and

## Section IV: Notes to the Financial Statements

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Expenses, respectively to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. As of September 30, 2022, GPO expended cumulatively about \$570,000 from the appropriation leaving a balance of \$9.7 million available. As of September 2021, the unexpended balance was \$9.7 million.

- In fiscal 2021, Congress appropriated \$6.7 million to the Revolving Fund for information technology development. As of September 30, 2022, GPO expended cumulatively about \$100,000 from the appropriation leaving a balance of \$6.6 million available. This amount was unexpended as of September 30, 2021.

In fiscal 2021, GPO transferred approximately \$941,000 from the Congressional Publishing Appropriation remaining from fiscal 2016 to the Revolving Fund. This amount is available to Congressional Publishing Expenses to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. As of September 30, 2022, this amount was unexpended.

- In fiscal 2022, Congress appropriated \$11.3 million to the Revolving Fund for information technology development. This amount was unexpended as of September 30, 2022.
- In fiscal 2022, GPO transferred approximately \$6.2 million from the Congressional Publishing Appropriation remaining from fiscal 2017 to the Revolving Fund, and \$600,000 from the Salaries and Expenses Appropriation remaining from fiscal 2017. These amounts are available to Congressional Publishing and Salaries and Expenses, respectively to offset requirements for new budget authority, and to liquidate obligations incurred in subsequent years. These amounts were unexpended as of September 30, 2022.

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### 13. Appropriated Funds

#### 13. A. Total Appropriations Made Available

The total appropriations made available to GPO for fiscal 2022 and 2021 were as follows:

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|                                       | (Dollars in thousands) |                   |
|---------------------------------------|------------------------|-------------------|
|                                       | 2022                   | 2021              |
| Congressional publishing              | \$ 78,872              | \$ 78,000         |
| Salaries and expenses                 | 34,020                 | 32,300            |
| Revolving fund                        | 11,345                 | 6,700             |
| <b>Total available appropriations</b> | <b>\$ 124,237</b>      | <b>\$ 117,000</b> |

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## Section IV: Notes to the Financial Statements

### 13. B. Expended Appropriations

The total appropriations expended by GPO during fiscal 2022 and 2021 were as follows:

#### Expended Appropriations

|  | (Dollars in thousands) |                   |
|--|------------------------|-------------------|
|  | 2022                   | 2021              |
| <b>Congressional publishing:</b>   |                        |                   |
| Congressional record publications  | \$ 22,024              | \$ 21,928         |
| Miscellaneous publishing and services  | 16,136                 | 15,776            |
| Hearings   | 11,731                 | 9,007             |
| Details to Congress  | 6,251                  | 4,899             |
| Bills, resolutions, and amendments   | 4,454                  | 3,917             |
| Business and committee calendars   | 3,848                  | 3,270             |
| Miscellaneous publications   | 1,854                  | 2,388             |
| Committee reports  | 1,455                  | 1,066             |
| Documents  | 1,265                  | 567               |
| Committee prints   | 460                    | 619               |
| Document envelopes & franks  | 409                    | 316               |
| <b>Total Congressional publishing</b>  | <b>69,887</b>          | <b>63,753</b>     |
| <b>Salaries and expenses:</b>  |                        |                   |
| Depository library distribution  | 25,530                 | 22,660            |
| Cataloging and indexing  | 9,422                  | 8,759             |
| International exchange   | 538                    | 456               |
| By-law distribution  | 195                    | 202               |
| <b>Total salaries and expenses</b>   | <b>35,685</b>          | <b>32,077</b>     |
| <b>Revolving Fund:</b>   |                        |                   |
| Infrastructure and systems improvements  | 20,031                 | 15,911            |
| <b>Total revolving fund</b>  | <b>20,031</b>          | <b>15,911</b>     |
| <b>Total expended appropriations</b>   | <b>125,603</b>         | <b>111,741</b>    |
| <b>Reconciliation of expended appropriations to the consolidated statements of revenues, expenses, and changes in retained earnings:</b> |                        |                   |
| <b>Total expended appropriations</b>   | <b>125,603</b>         | <b>111,741</b>    |
| Eliminations (Intra-agency)  | (356)                  | (257)             |
| <b>Consolidated revenues from appropriations</b>   | <b>\$ 125,247</b>      | <b>\$ 111,484</b> |

### 14. Employee Benefit Plans

GPO funds a portion of pension contributions for its employees under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), and makes payroll deductions from employees for their pension contributions. The Office of Personnel Management (OPM) determines the employer contributions for these defined benefit plans that are required to be paid by GPO. OPM is responsible for Government-wide reporting of CSRS and FERS assets, accumulated plan benefits, and unfunded liabilities. In accordance with FASB, and consistent with multi-employer pension plans, GPO has reflected only the required contribution to these programs in its financial statements. OPM is responsible for funding any other costs. Therefore, GPO is not required to record in the consolidated financial statements the unfunded pension liability and post-employment benefits relative to its employees.

Other OPM administered programs provide health, life, and long-term care insurance benefits to active, inactive, and retired employees. Permanent employees of GPO may participate in the Federal Employees Health Benefit Program, Federal Employee Group Life Insurance Program, and/or Federal Long Term Care Insurance Program before and after their retirement from the Agency.

#### **Civil Service Retirement System**

The CSRS is a defined benefit plan. Generally, it covers GPO employees first hired before 1984. Total GPO (employer) contributions to CSRS for employees covered under this retirement program were 7.5 percent of basic pay in both 2022 and 2021 for investigators and law-enforcement officers, and 7.0 percent of basic pay in both years for all other employees. GPO contributions were \$500,000 and \$600,000 for the years ended September 30, 2022, and September 30, 2021, respectively.

#### **Federal Employees Retirement System**

Using Social Security benefits as a base, FERS provides a defined benefit plan (Basic Benefit Plan) and a voluntary defined contribution plan. GPO employees first hired after December 31, 1983, were automatically covered by FERS and Social Security, while employees hired prior to January 1, 1984, were able to choose between joining this plan or remaining in CSRS.

The employer contribution rate to FERS for GPO law enforcement officers was 40.8 percent of basic pay in fiscal 2022 and 38.2 percent in fiscal 2021. The FERS contribution rate for all other employees was 19.7 percent in fiscal 2022 and 18.5 percent in fiscal

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2021. GPO contributions to FERS totaled \$26.7 million for fiscal 2022 and \$24.6 million for fiscal 2021.

### **Thrift Savings Plan**

The Thrift Savings Plan (TSP) allows employees to defer the recognition of income tax on contributions made to the plan. The TSP elective deferral limit for employees was \$20,500 for fiscal 2022 and \$19,500 for fiscal 2021. Employees who were 50 years old or older were allowed additional catch-up contributions of \$6,500 for both fiscal 2022 and fiscal 2021. For FERS employees, the employer is required to contribute 1 percent of the employee's base pay to the TSP, and to match voluntary employee contributions dollar-for-dollar for the first 3 percent of pay and 50 cents on the dollar for the next 2 percent of pay. Thus, the employer contribution to the TSP can be up to 5 percent for FERS employees. Employees participating in CSRS may contribute to the TSP, but they do not receive any matching contributions from the employer. GPO made employer contributions to the TSP of \$6.5 million in fiscal 2022 and \$6.2 million in fiscal 2021.

### **Social Security System**

As an employer, GPO matches employee contributions to the U.S. Social Security Administration (SSA) under the Federal Insurance Contributions Act (FICA) for employees in the FERS. GPO contributes 6.2 percent of gross pay (up to \$147,000 in 2022 and \$142,800 in 2021) to SSA's Old Age, Survivors, and Disability Insurance (OASDI) Program. Additionally, GPO makes matching contributions for all employees of 1.45 percent of gross pay, without limit, to SSA's Medicare Hospital Insurance Program. Contributions to these SSA programs for the years ended September 30, 2022, and September 30, 2021, totaled \$12.0 million and \$11.2 million, respectively.

## **15. Major Customers**

GPO's primary customers are the Congress and large Federal agencies in the Executive Branch of the Federal Government. The following reflects GPO's top customers in fiscal years 2022 and 2021:

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|  | (Dollars in thousands) |            |            |            |
|--|------------------------|------------|------------|------------|
|  | 2022                   |            | 2021       |            |
|  | Billings               | % of Total | Billings   | % of Total |
| U.S. Department of State                   | \$ 341,001             | 35.3%      | \$ 352,289 | 38.7%      |
| U.S. Department of Veterans Affairs        | 101,688                | 10.5%      | 78,951     | 8.7%       |
| U.S. Department of Health & Human Services | 78,146                 | 8.1%       | 72,539     | 8.0%       |
| U.S. Congress                              | 71,253                 | 7.4%       | 63,149     | 6.9%       |
| Defense Logistics Agency                   | 66,328                 | 6.9%       | 70,102     | 7.7%       |
| U.S. Department of Treasury                | 60,305                 | 6.2%       | 52,378     | 5.8%       |
| U.S. Department of Homeland Security       | 59,193                 | 6.2%       | 47,009     | 5.2%       |
| U.S. Social Security Administration        | 31,166                 | 3.2%       | 26,013     | 2.9%       |

### 16. Subsequent Events

GPO has evaluated subsequent events through December 15, 2022, the date which the financial statements were available to be issued, and found there were no material events that required financial adjustment, accrual, or further disclosure.

## Abbreviations List

### ABBREVIATIONS LIST

|               |  |
|---------------|--|
| ASC           | Accounting Standards Codification              |
| CP            | Congressional Publishing                       |
| CSRS          | Civil Service Retirement System                |
| DOJ           | Department of Justice                          |
| DOL           | U.S. Department of Labor                       |
| FASAB         | Federal Accounting Standards Advisory Board    |
| FASB          | Financial Accounting Standards Board           |
| FDLP          | Federal Depository Library Program             |
| FECA          | Federal Employees' Compensation Act            |
| FERS          | Federal Employees Retirement System            |
| FICA          | Federal Insurance Contributions Act            |
| GAAP          | U.S. Generally Accepted Accounting Principles  |
| GAO           | U.S. Government Accountability Office          |
| GPO or Agency | U.S. Government Publishing Office              |
| GSA           | General Services Administration                |
| ISO           | International Organization for Standardization |
| JCP           | Joint Committee on Printing                    |
| LOC           | Library of Congress                            |
| OASDI         | Old Age, Survivors, and Disability Insurance   |
| OFR           | Office of the Federal Register                 |
| OIG           | Office of the Inspector General                |
| OPM           | Office of Personnel Management                 |
| PII           | Personal Identifiable Information              |
| S&E           | Salaries and Expenses                          |
| SID           | Security and Intelligent Documents             |
| SSA           | U.S. Social Security Administration            |
| Treasury      | U.S. Department of the Treasury                |
| TSP           | Thrift Savings Plan                            |
| U.S.C.        | United States Code                             |