

U.S. GOVERNMENT

PRINTING OFFICE

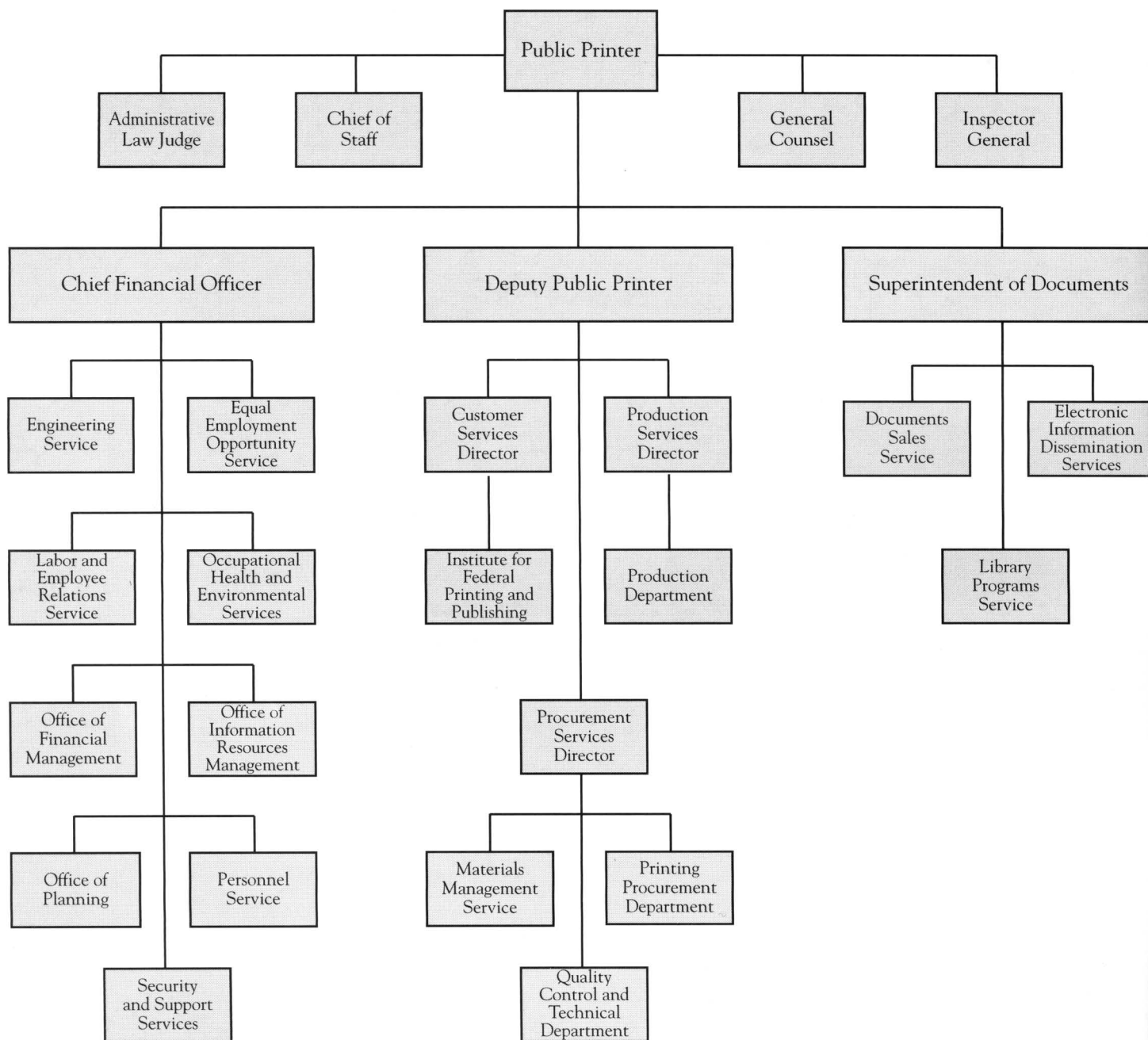


ANNUAL REPORT

1992

Government Printing Office

(as of September 30, 1992)





United States Government Printing Office
Washington, DC 20401

OFFICE OF THE PUBLIC PRINTER

May 14, 1993

The President of the Senate
The Speaker of the House of Representatives

Sirs:

I have the honor to transmit herewith the Annual Report of the Government Printing Office (GPO) for Fiscal Year 1992. The report contains the results of an audit of GPO's financial statements prepared at the request of the Joint Committee on Printing. The audit was conducted by an independent public accounting firm working under contract with the General Accounting Office.

Respectfully submitted,

A handwritten signature in cursive script that reads "Michael F. DiMARIO".

MICHAEL F. DiMARIO
Acting Public Printer

financial highlights

The public printing and documents chapters of Title 44, United States Code, require the Government Printing Office (GPO) to fulfill the printing needs of the Federal Government and distribute Government publications to the public.

GPO's printing and binding activities are performed at a Central Office printing and printing procurement facility in Washington, DC, and by 5 regional printing plants, 14 regional procurement offices, and 6 satellite procurement facilities located around the Nation.

Publications distribution activities are overseen by GPO's Superintendent of Documents, and include sales of publications, distribution to depository and international exchange libraries, agency and statutory distribution, and the cataloging and indexing of Government documents. These activities are performed at centrally located operations in Washington, DC, distribution centers in Laurel, MD, and Pueblo, CO, a Congressional Sales Office in Washington, DC, and by 23 GPO bookstores nationwide.

All GPO activities are financed through a revolving fund that is reimbursed by payments from customer agencies, sales to the public, and transfers from the Congressional Printing and Binding Appropriation and Salaries and Expenses Appropriation of the Superintendent of Documents. These annual appropriations are used to reimburse GPO for costs incurred in performing Congressional work and to fulfill statutory requirements associated with the distribution of Government publications. Reimbursements from these appropriations are included in GPO's total revenues.

Results of GPO Operations

GPO experienced a consolidated net loss of \$5.2 million in 1992, compared with a \$300,000 net loss in 1991. The change was attributable primarily to increased pay costs and a continuing freeze on charges to customer agencies.

Consolidated revenue increased by \$8.5 million to \$923.6 million. However, total expenses increased by \$13.3 million to \$928.8 million. The Sales Program generated net income of \$537,000, compared with \$903,000 the previous year.

Printing and Binding Operations

In 1992, printing and binding operations generated revenues of \$852.9 million compared with \$847.9 million in 1991, representing approximately 80.7 percent of GPO's revenues before eliminations.

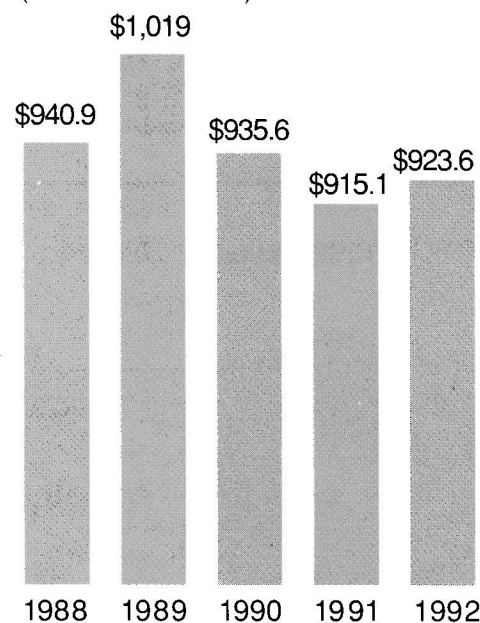
Revenue from commercially procured printing was \$629.3 million, or approximately 76 percent of total printing and binding revenue (excluding revenue from sales of blank paper and Other Operations). During the year, GPO received nearly 311,900 printing orders, an average of over 1,200 orders per day.

GPO used or sold 40,144 metric tons (44,260 short tons) of paper in 1992. Of this amount, 57 percent was used for in-plant printing and 43 percent was sold to Government agencies. Virtually all of this paper was recycled paper.

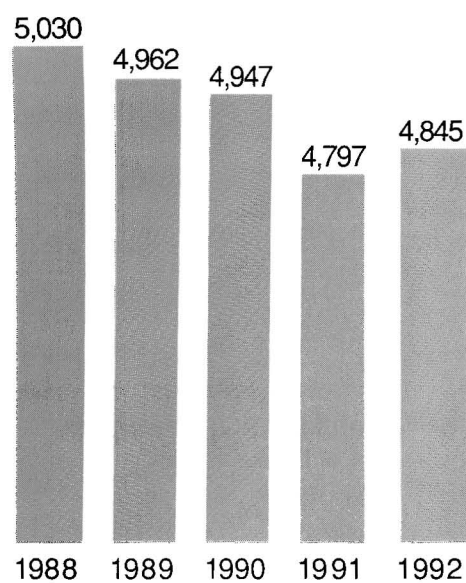
Central Office Plant Printing Operations

Combined Central Office plant printing operations, including

GPO Consolidated Revenues
(In Millions of Dollars)



GPO Staffing Levels
(FTE's as of September 30)



materials handling operations, sustained a loss of \$2.4 million in 1992, compared with a net income of \$3.8 million in 1991. Plant printing operations alone generated net income of \$1.4 million compared with net income of \$6.8 million in 1991. Materials handling operations, which directly support plant operations, recorded a loss of \$3.8 million compared with a loss of \$3 million in 1991.

Congressional Printing and Binding Operations

For 1992, reimbursements to GPO's Revolving Fund from the Congressional Printing and Binding Appropriation were \$89.6 million compared with \$89.2 million in 1991. Included were funds authorized to pay down the cumulative shortfall in the Congressional Printing and Binding Appropriation incurred in prior fiscal years.

Other Operations

Other Operations consist of the sale of waste and scrap, the sale of retired fixed assets, and the GPO Parking Program. Other Operations had a combined net income of \$794,000 in

1992, compared with a net income of \$349,000 in 1991.

Regional Printing Operations

Regional printing operations experienced a combined net loss of \$5.6 million in 1992 compared with a net loss of \$5.1 million in 1991.

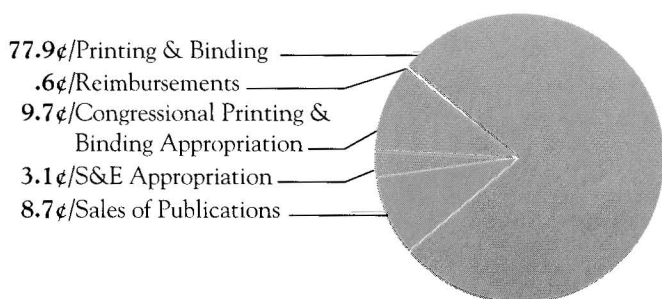
In May 1992, the printing operations at GPO's Rapid Response Center (RRC), located at the Washington, DC, Navy Yard, were closed and the resources transferred to the Central Office plant. The transfer occurred as a result of sustained losses by the RRC over many years and will reduce future losses in Regional Printing Operations.

Printing Procurement Operations

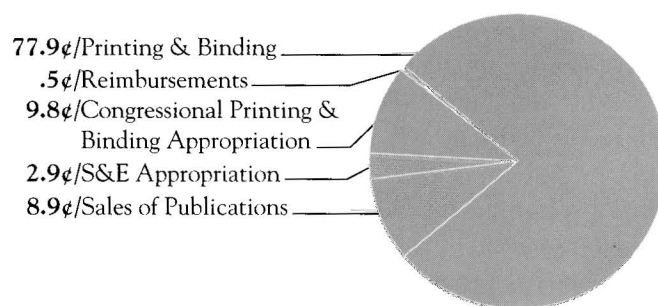
Central Office and regional printing procurement operations generated net income of \$1.3 million in 1992, compared with a loss of \$57,000 in 1991. Total revenues were \$629.3 million compared with \$623.1 million the previous year.

Revenue from Central Office printing procurement activities was \$399 million compared with \$386.7 million in 1991. Expenses, comprising primarily the cost of purchased printing

GPO's 1992 Revenue Dollar



GPO's 1991 Revenue Dollar



were \$394 million compared with \$383.5 million the previous year. Net income was \$5 million, an increase over net income of \$3.2 million in 1991.

Regional printing procurement revenues were \$230.3 million compared with \$236.4 million in 1991. Expenses decreased to \$234.1 million from \$239.7 million the previous year. The net loss in regional printing procurement increased to \$3.8 million in 1992 from \$3.3 million the previous year, due primarily to decreased workload from regional customer agencies.

Superintendent of Documents Operations

Sales Program

The Sales Program generated net income of \$537,000 in 1992, compared with net income of \$903,000 in 1991. Sales revenue decreased to \$79.9 million compared with \$81.5 million in 1991. Expenses were \$79.4 million compared with \$80.6 million the previous year.

Revenue from sales of Government publications in electronic formats was \$875,000 compared with \$900,000 in 1991. However, bookstore revenue in-

creased to \$14.2 million from \$13.2 million the previous year.

Agency Distribution Services

GPO distributes publications to recipients designated by Federal agencies and charges the agencies for the cost of services performed. In 1992, this program generated \$5.9 million in revenue on \$5.7 million in costs, yielding net income of \$243,000. A loss of \$263,000 was experienced in 1991.

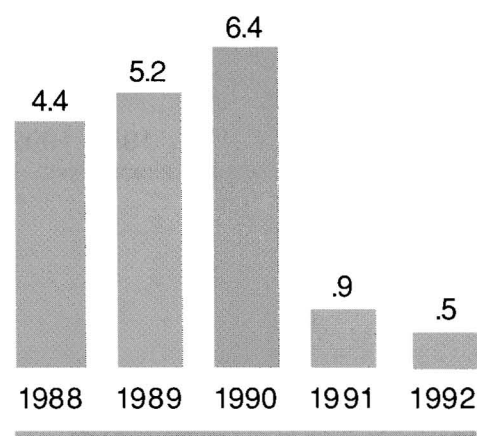
Salaries and Expenses Programs

Salaries and expenses associated with the operation of the Depository Library Program, the Statutory Distribution Program, the Cataloging and Indexing Program, and the International Exchange Program increased to \$29 million in 1992, compared with \$27.1 million in 1991.

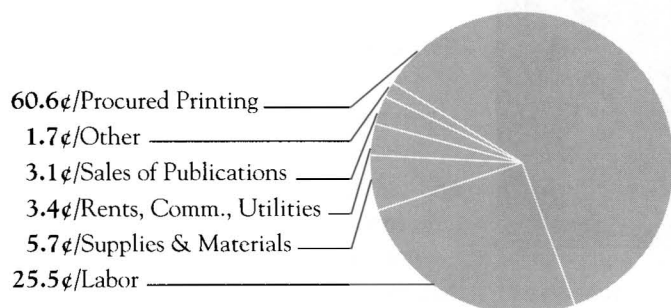
GPO Capital Expenditures

Capital expenditures for all GPO operations and programs in 1992 were \$9.1 million compared with \$5.4 million in 1991. Major expenditures included the acquisition of a sheetfed six-color press, the upgrading of the

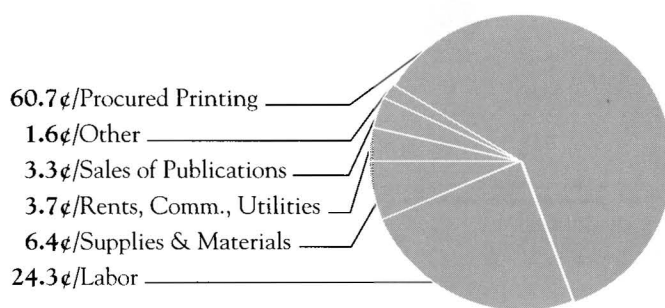
Net Income from Sales of Publications
(In Millions of Dollars)



GPO's 1992 Expense Dollar

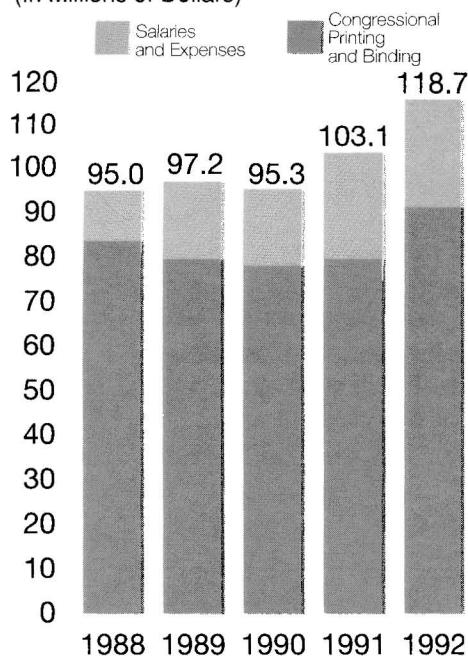


GPO's 1991 Expense Dollar



GPO Appropriations

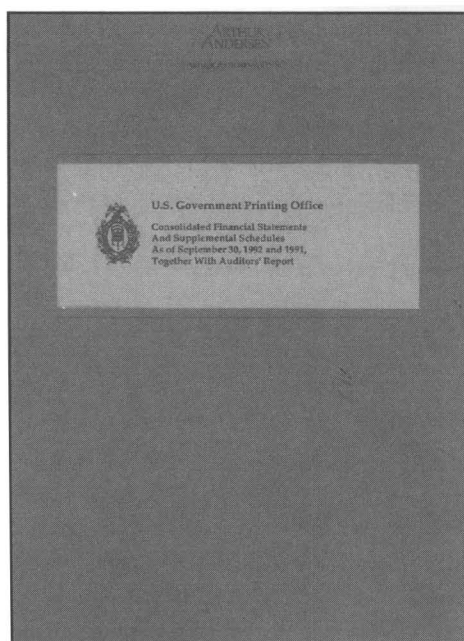
(In Millions of Dollars)



telephone system, and the capitalization of in-house-developed software. In addition, approval was received from the Joint Committee on Printing (JCP) to purchase three new offset web presses to replace the four web letterpresses currently used to produce the *Congressional Record* and the *Federal Register*.

Audit of Fiscal Year 1992 Financial Statements

An audit of GPO's financial statements for fiscal year 1992 was conducted by an independent public accounting firm working under contract for the General Accounting Office (GAO). The auditors issued an unqualified opinion on the financial statements and GPO's system of internal controls. The opinion, audit findings, and audited consolidated financial statements and supplemental schedules are included as appendices to this Annual Report.



printing for congress

GPO's primary mission is to provide Congress with printing products and services that are essential to the conduct of legislative business.

Congressional printing is performed at GPO's Central Office plant, located four blocks north of the U.S. Capitol in Washington, DC. The plant employs approximately 1,900 production personnel on three shifts and is the largest industrial employer in the District of Columbia.

The Central Office plant produced work valued at \$164.6 million (exclusive of paper issued to plant work and intraprogram eliminations, or \$30 million) in 1992. This compares with \$156.1 million in 1991. Of this amount, approximately \$89.6 million was for work reimbursed by GPO's Congressional Printing and Binding Appropriation.

Along with other Legislative Branch work (including work produced for the Superintendent of Documents), congressional printing comprised approximately 46 percent of total Central Office plant billings in 1992. The balance was for the *Federal Register* and U.S. passports and postal cards, other Executive Branch work (primarily books, pamphlets, and forms), and sales of blank paper to Federal agencies.

The Congressional Record

The most important congressional publication produced in GPO is the *Congressional Record*, which contains the daily proceedings of the Senate and the House of Representatives. The *Record* is printed and bound overnight at the Central Office plant and delivered to Capitol Hill the next morning every day that Congress is in session.

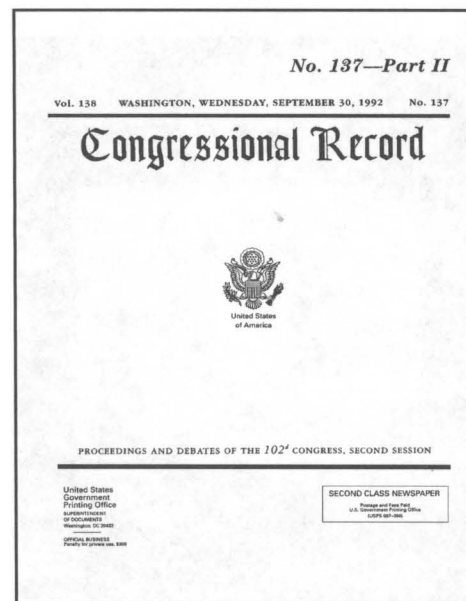
Approximately 19,500 copies of the *Record* are printed daily. About 13,500 of these copies are charged to the Congressional Printing and Binding Appropriation for distribution to recipients designated by Title 44. Six thousand of these copies are distributed for congressional use, while the other 7,500 are distributed without charge to correspondents, former Members of Congress, Federal agencies, Federal judges, State governors, public institutions designated by Members of Congress, and other recipients designated by law. The remaining 6,000 copies are requisitioned by agencies and the Superintendent of Documents for GPO's Sales and Depository Library Programs.

The size of an average issue of the *Record* in 1992 was 224 pages, and contained about the same amount of type as four to six metropolitan daily newspapers. Actual issue size varied significantly from day to day, depending on the amount of business Congress transacted. During May/June and September/October 1992, periods of intense legislative activity, the average issue exceeded 280 pages.

In 1992, GPO printed 42,160 pages of the daily *Record* compared with 37,000 pages in 1991. Forty issues contained 300 or more pages. The largest single issue for the fiscal year, totaling 688 pages, was printed on April 10, 1992. Total billings to Congress for the *Record* were \$20.1 million in 1992.

Congressional Record Delivery

The adoption of new guidelines for the production and delivery of the *Congressional Record* reduced the number of "cut" issues from 29 in 1991 to 16 in 1992. Moreover, many of the



“cut” issues were delivered within hours, usually as a same day Part II, and not days later as in the past.

While the number of issues delivered late increased to 29 from 22 the previous year, part of the increase was attributable to strict application of the new guidelines, which call for delivery by 9 a.m. regardless of whether the Senate or House of Representatives is in session. Late issues also occurred during the conversion of the composition process for the *Record* to MicroComp.

During the year, GPO also developed and implemented a contingency plan to ensure that Congress receives the *Record* on time during periods of inordinately heavy legislative activity.

On-line Congressional Record

GPO continued work on an on-line *Congressional Record* in 1992. Standard Generalized Markup Language (SGML) was adopted as the tagging scheme for producing not only the printed *Record* but for the context-oriented retrieval system for the on-line *Record*. This work, a joint effort between the Graphic Systems Development and Electronic Photo-composition Divisions, requires the modification of MicroComp software to accept SGML tags as input. The requirements for search and retrieval software for the on-line *Record* were identified in consultation with potential user groups.

Congressional Record Index

The Congressional Record Index Office creates an index of the proceedings and debates published in the daily *Congressional Record*. The Office also prepares indexes for publication in the bound *Congressional Record*.

During 1992, approximately 35,600 pages of the *Record* were indexed compared with 30,400 pages in 1991.

The annual Indexes for 1983 and 1984 were completed and released for publication. Initial work began on the 1987 and 1988 annual Indexes, and both will be released for publication during 1993.

Total billings to Congress for the Indexes and indexing were \$3.3 million in 1992.

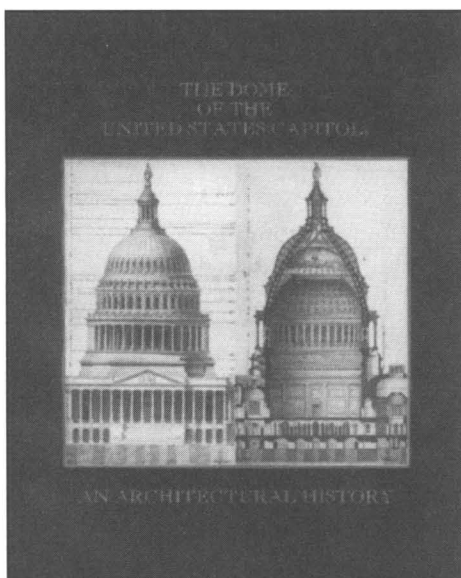
Bound Congressional Record

After the close of each session of Congress, the daily proceedings are consolidated, indexed, and printed as the permanent, or bound, edition of the *Congressional Record*.

Of the 530 bound sets printed, approximately 140 are for congressional use while another 140 are distributed to Federal agencies and other recipients designated by law. The remaining sets are requisitioned by the Superintendent of Documents for the Sales and Depository Library Programs.

Along with printed sets of the bound *Record*, additional sets are produced on microfiche and CD-ROM for distribution through the Sales, Depository Library, and International Exchange Programs.

During 1992, work continued on the production of back issues of the bound *Record*. By September 30, all volumes except the Index had been completed and delivered to Congress for the 1987 and 1988 bound *Records*. Several volumes of the 1989 bound *Record* were also completed and delivered to Congress. The remaining volumes for 1989 through 1991 are in various stages of production.



Other Congressional Products and Services

Bills, Resolutions, and Amendments

GPO prints congressional bills, resolutions, and amendments as they are introduced, referred, reported, and finally passed. In 1992, GPO printed 179,000 pages of bills, resolutions, and amendments, compared with 133,400 pages in 1991. Total billings to Congress for this work were \$12.7 million.

Hearings

GPO prints hearings conducted before congressional committees. In 1992, 528,000 pages of hearings were printed, compared with 561,900 pages the previous year. Total billings were \$15.5 million.

Business and Committee Calendars

This production category covers the printing of Senate and House of Representatives business and committee calendars, which list action on pending and completed legislation. In 1992, GPO printed 36,900 pages of business and committee calendars compared with 21,800 pages in 1991. Total billings were \$2.4 million.

Committee Reports

GPO prints reports of congressional committees, including conference reports. In 1992, 67,200 pages of committee reports were printed, compared with 55,600 pages the previous year. Total billings were \$4.3 million.

Committee Prints

These include publications printed for the internal use of committees. In 1992, GPO printed 42,500 pages of

committee prints compared with 73,200 pages in 1991. Total billings were \$2.5 million.

Documents

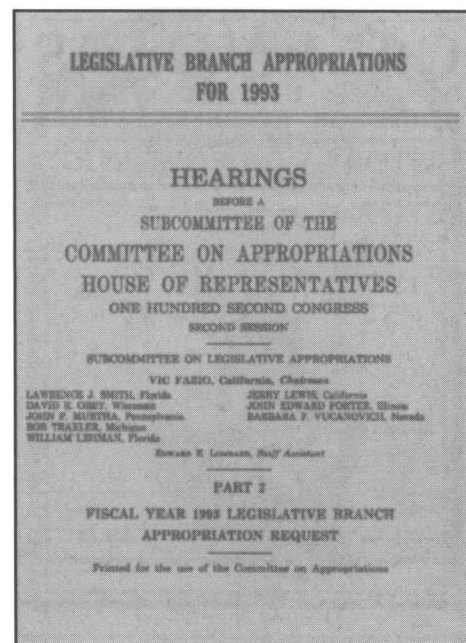
This category of publications includes all classes of Senate and House of Representatives documents ordered printed by Congress which carry a congressional number, such as annual reports, engineers' reports, special reports made by Federal agencies in response to congressional resolutions, and supplementary and deficiency estimates of appropriations. In 1992, GPO printed 33,200 pages of documents compared with 25,400 pages the previous year. Total billings were \$1.8 million.

Miscellaneous Publications

These documents include the *Congressional Directory*, which is printed every 2 years; the Journals of the Senate and House of Representatives; memorial addresses for Members; nominations; the *United States Code*, which is printed every 6 years, and annual code supplements; serial sets of congressional publications; and publications that do not carry a document or report number, such as laws and treaties. In 1992, GPO printed 38,500 pages of these publications compared with 86,600 pages in 1991. Total billings were \$4.1 million.

Miscellaneous Printing and Binding

This production category includes congressional letterheads, envelopes, blank paper, wall calendars, miscellaneous services, blank forms, and binding for the Senate and House of Representatives. In 1992, GPO produced 241.6 million units of this work compared with 185.3 million units in 1991, generating total billings of \$16.7 million.



Document Envelopes and Document Franks

GPO provides document envelopes to Senators and Representatives for the mailing of speeches and documents. Document franks are printed individually or in sheets with perforations and are furnished to Members of Congress.

In 1992, GPO provided 39.7 million envelopes and 3.1 million franks to Congress, compared with 28.6 million envelopes and 2.5 million franks in 1991, generating total billings of \$1.3 million.

Details to Congress

GPO details experts in the printing crafts to congressional committees and offices to assist in the preparation of congressional printing. In 1992, approximately 75 GPO personnel were detailed to 43 congressional sites, generating total billings of \$4.9 million. In 1991, approximately 80 GPO personnel were detailed to 46 sites.

During 1992, GPO undertook an initiative, in concert with committee staff directors and other congressional supervisory personnel, to reduce the use of overtime by GPO details. As a result, overtime used by GPO details in 1992 was reduced by over 3,000 hours compared with 1991.

Equipment Modernization

New Presses Approved

In 1992, the JCP approved GPO's request to purchase three new 64-page web offset presses to replace the four web letterpresses that have been used to print the *Congressional Record* and the *Federal Register* for the past 40 years. The new presses will modernize the production process for

printing the *Record* and *Register* by eliminating the use of photopolymer plates. They will also be capable of producing the *Record* and *Register* in metric size.

An award for the purchase of the presses was made in November 1992. The first press will be delivered in March 1994 and is scheduled to be operational within 6 months. The second and third presses will be delivered at 3-month intervals after delivery of the first.

Equipment Transfers from the Rapid Response Center

The relocation of the RRC printing operation to the Central Office plant resulted in several major equipment transfers. Equipment not transferred was surplus.

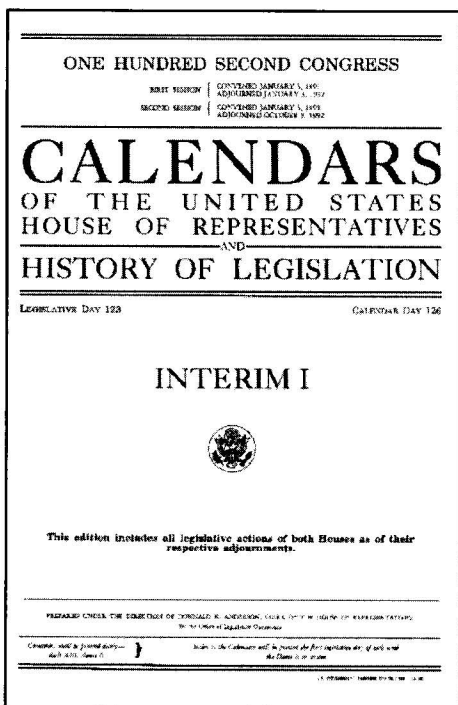
The Electronic Photocomposition Division received two high-speed copiers and various finishing machines along with equipment operators, permitting significant productivity growth in the Division's Copy Center.

The Binding Division received a number of pieces of equipment that were in excellent condition, including a 45-inch microprocessor-controlled cutting machine, an inserter, and an automated three-knife trimmer. Also acquired was a complete mailing system with label printing, addressing, and inserting capabilities.

The Press Division received a Group-92 web press.

New Vehicles for Delivery Section

Five replacement vehicles for GPO's delivery fleet were delivered in 1992. They included three 3/4-ton panel trucks, one 6-ton van, and one 1-ton hi-cube van.



Electronic Equipment Upgrades

The Electronic Systems Development Division made improvements to GPO's VAX computer system in 1992. Two VAX 6210 computers were installed in a newly constructed VAX computer room. Hardware for a DSSI/SCSI cluster was installed to allow both VAX computers to share resources. In addition, two TF-857 tape units (seven cartridge, 18.2 gigabyte capacity each) and six Seagate 41600ND disk drives (1.6 gigabyte capacity each) were installed for the common use of the two clustered VAX computers.

MicroComp and Dial-up Composition

The processing, printing, storing, and retrieval of congressional work underwent a number of changes in 1992. This was the first full year of processing several congressional publications entirely through utilization of MicroComp software and laser printers via GPO's VAX client-server network. In addition to speeding the production time for the *Congressional Record*, congressional bills processed utilizing MicroComp are now archived as both full text database files and PostScript files. The files can be retrieved as text for search and retrieval, or as on-demand print versions.

The number of congressional offices utilizing dial-up composition increased from 49 to 51 in 1992, utilizing 117 systems. The number of offices using MicroComp now totals 22 in the Senate and 18 in the House of Representatives.

The fiber optics system linking GPO to Senate dial-up customers was expanded in 1992. The installation of additional terminals in the Office of the Secretary of the Senate now

allows more files to be transmitted to GPO for use in preparing the *Congressional Record*. The Senate Appropriations Committee uses the MicroComp/laser system to create camera copy for the printing of their filed numbered reports in the Senate. That data is then transmitted to GPO for archiving and distribution.

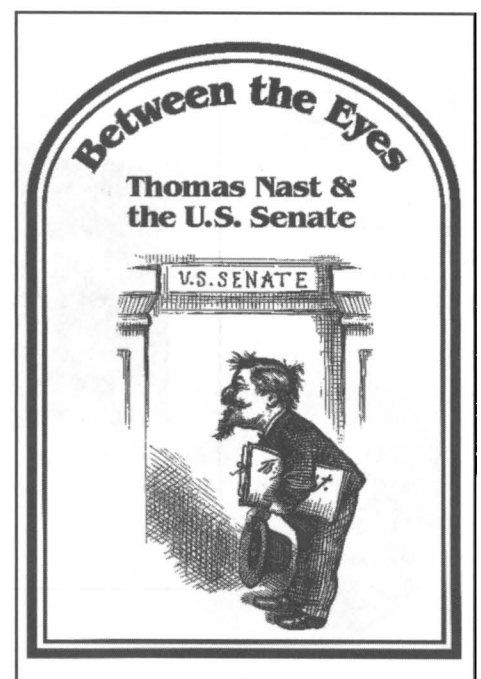
New Products and Services for Congress

Thomas Nast Exhibit

An exhibit banner commemorating the work of 19th-century American political cartoonist Thomas Nast was created by GPO for the Architect of the Capitol and the Senate Commission on Art. The Typography and Design Division produced the 2-color banner by providing computer-scanned images of Nast cartoons to the silkscreen contractor.

Style Changes for Enrolled Bills

The Senate Enrolling Clerk also initiated style changes affecting filed conference reports in 1992. The changes enable the timely conversion of GPO data files to enrolled bill style. This procedure has given the Clerk the ability to produce camera-ready copy for enrolled bills and, in some instances, the ability to produce the urgently needed finished parchment products onsite, eliminating the turnaround time spent in messengers and production cycles. GPO suggested format changes and typographic refinements to create a more design-coordinated document. In addition, GPO designed and created carrying cases to transport enrolled bills.

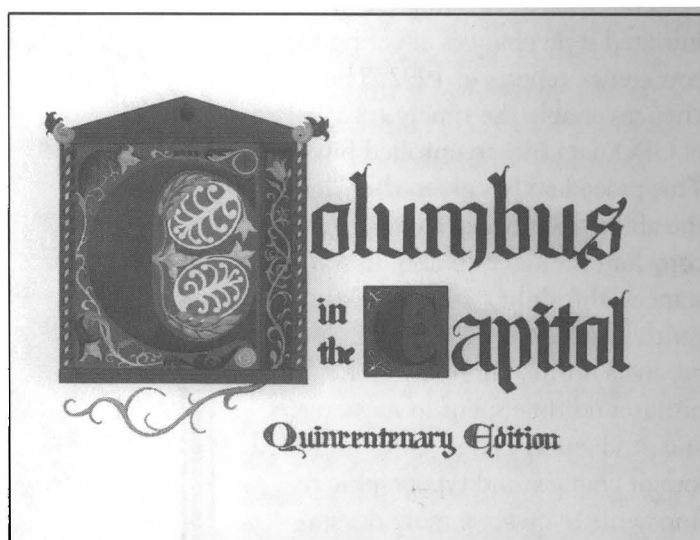


Bar Code System for House Mail

During 1992, the House of Representatives introduced a bar code accounting system for its mail. GPO coordinated the scanning of all signatures into the computer, suggested style and placement of the bar codes on envelopes, and was instrumental in the adoption of printing procedures which eliminate any chance of error. A similar bar code system for Senate mail is anticipated in the near future.

Columbus in the Capitol

Under the direction of the JCP, the Typography and Design Division provided computer-aided design services for a 48-page, 4-color book representing a congressional tribute to Christopher Columbus on the quincentenary of his first voyage to the New World. Over the years, numerous paintings by world-acclaimed artists depicting the historic voyage have been collected and housed in the U.S. Capitol. This book contains reproductions of many of these works.



Eastman American Indian Paintings

The Typography and Design Division worked closely with the House of Representatives Committee on Interior and Insular Affairs to produce a 16-page, 4-color pamphlet containing the paintings of General Seth Eastman, which are on display in the Committee's hearing room in the Longworth House Office Building. The pamphlet was designed entirely on the Division's computer system. Scanned color images were output for customer review and the approved color visuals accompanied the computer disk as an aid to the commercial contractor.

Equipment Upgrades for Senate Enrolling Clerk

The Congressional Printing Management Division coordinated an ongoing project with the Senate Enrolling Clerk's office in 1992, enabling the Enrolling Clerk to update GPO files onsite in the Senate. The Enrolling Clerk's printing equipment was also upgraded, which resulted in improved camera-ready copy for producing engrossed bills.

Inaugural Work

Preliminary discussions on the printing requirements of the Joint Congressional Committee on Inaugural Ceremonies took place early in 1992, and planning began by the end of the fiscal year. More than 100 individual items were planned, including announcements, invitations, programs, envelopes, luncheon menus, maps, photographs, vehicle passes, signs, and various tickets, most for printing on recycled stock.

printing for federal agencies

The vast majority of the work performed by GPO is on behalf of approximately 130 agencies throughout the Federal Government. In 1992, this work represented 83 percent of GPO's total printing and binding billings.

Procurement and In-Plant Production

Most of the Government's printing requisitioned from GPO is contracted out to commercial firms. GPO retains for in-plant production only certain work that cannot be procured from the private sector on a timely, cost-effective basis.

In 1992, 24 percent of GPO's printing and binding revenues (excluding sales of blank paper and other operations) was generated by work produced in-plant. By comparison, 76 percent was generated by work performed by private sector printers.

GPO's Printing Procurement Program generated revenues of \$629.3 million in 1992, an increase of approximately 1 percent over 1991. The Program earned net income of \$1.3 million for the year.

During 1992, GPO's 454 Central Office and Regional Printing Procurement personnel processed 275,400

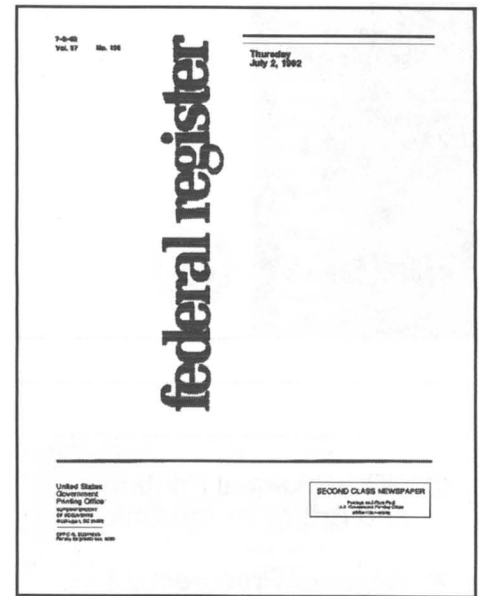
procured printing orders, compared with 269,600 orders in 1991, utilizing a Master Bid List containing information on production capabilities and other data for approximately 10,000 private sector printers.

Central Office printing procurement orders shipped increased from 81,100 in 1991 to 88,800. However, regional printing procurement office order activity decreased to 186,600 from 188,500 the previous year. The total dollar value of regional orders decreased also, from \$236.4 million in 1991 to \$230.3 million.

Approximately \$109 million worth of Federal agency printing work was produced in-plant by GPO's Central Office plant and GPO's regional plants in 1992, including 4.7 million U.S. passports and 439 million postal cards.

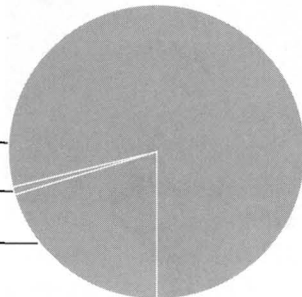
In addition, approximately 63,200 pages of the *Federal Register* were printed by GPO's Central Office plant, compared with 60,800 pages in 1991. The *Register* was produced in 268 issues and averaged 236 pages per issue. It generated billings of \$26.1 million in 1992, compared with billings of \$25.7 million in 1991.

GPO's regional printing plant workload decreased from 761 million equivalent units in 1991 to 607



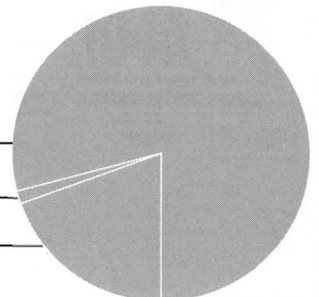
Procured Printing vs. In-House Work
Fiscal Year 1992
(In Millions of Dollars)

\$629.3/Procured Printing
\$8.7/Regional Printing
.62.3/Plant Printing*

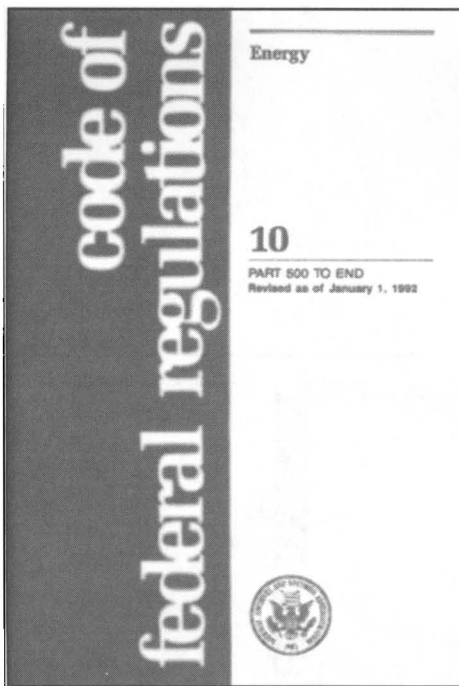


Procured Printing vs. In-House Work
Fiscal Year 1991
(In Millions of Dollars)

\$623.0/Procured Printing
\$11.8/Regional Printing
\$154.3/Plant Printing*



*Excludes Materials and Other Operations



million in 1992 (an equivalent unit is one side of printing on one sheet of 216 mm by 279 mm, or 8 1/2 x 11 inch, paper). Approximately 70 percent of the decrease was attributable to continued workload reductions in the printing operations at the RRC prior to relocation.

Workload decreases were also attributable to continued reductions in the number of subscriptions for the *Commerce Business Daily*, which is printed at GPO's Chicago Regional Printing Office.

Highlights of Operations for Federal Agencies

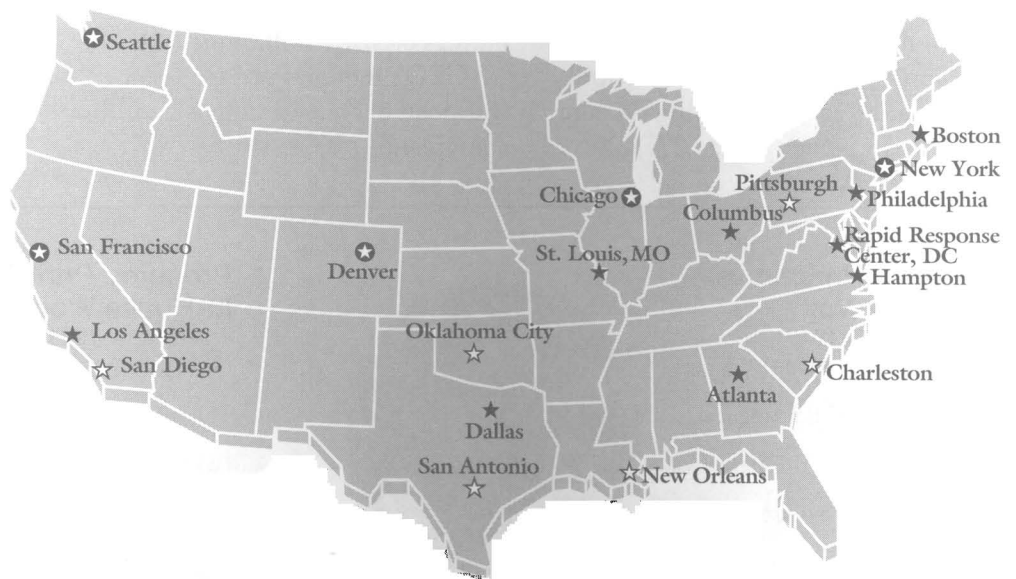
Liaison with Federal Agencies

The Departmental Account Representative Division was involved in over 400 meetings with representatives from GPO, Federal agencies, and commercial contractors in 1992. The meetings concerned all phases of project planning,

including term contracts, expedited requirements, new and revised specifications, electronic photocomposition needs, and CD-ROM services. The meetings included 120 visits made to Federal publishing agencies as part of GPO's continuing efforts to offer more effective service. Highlights of the topics discussed included:

- production of the Bureau of Labor Statistics' annual *Occupational Outlook Handbook*, comprising 484 text pages in both paper and hard-cover versions;
- a post-award conference with the contractor and the Defense Mapping Agency to discuss the critical weekly production schedule of *Notice to Mariners*;
- revisions to Program 572-C, *Commerce People*, a high-profile publication that the Department of Commerce is trying to maintain at a high quality and reasonable price, yet produce on a short schedule;

- ★ GPO Regional Printing and Procurement Office
- ★ Regional Procurement Office
- ☆ Satellite Procurement Office



- production of a new Bicentennial Commission publication, *History of the Supreme Court Justices*, comprising 106 pages, 4-color process printing, case binding, and a full-color dust cover; and

- production of millions of the forms and pamphlets required by the Internal Revenue Service for the 1992 tax season.

The number of complaints from Federal agencies about GPO's services dropped by 12 percent compared with the previous year.

Cost Reductions for In-plant Work

GPO's negotiated price policy for agency work produced in-plant continued during 1992. This work, which permits the increased utilization of plant resources at negotiated rates, resulted in cost reductions to customer agencies of over \$3 million, or 30 percent, on 246 jobs. Under GPO's commercial binding contract, which allows fuller utilization of in-plant press capacity, over \$715,000 worth of binding was procured commercially for work that had been printed in-plant. Under GPO's negotiated price policy for negatives, which allows GPO to produce negatives at a discounted rate for commercially procured printing, approximately 162,000 negatives were produced in-plant.

In addition, technical assistance on printing requisitions allowed customer agencies to realize over \$135,000 in savings and cost-avoidances as the result of recommended changes to specifications for paper and trim sizes. Savings were also achieved through the identification and correction of errors on printing requisitions submitted to GPO.

Printing Procurement Program Highlights

GPO continued to achieve significant savings for Federal agencies through its Printing Procurement Program in 1992.

The number of term contracts for printing and binding increased by the end of the year, and included the addition of five new term contracts for CD-ROM technology. The number of term contracts requiring recycled papers also increased.

GPO increased efforts to reduce lost prompt payment discounts during 1992 through the timely entry of information into its automated Procurement Information and Control System (PICS).

A pilot program was initiated to determine the feasibility of firm estimating procurement jobs for agencies. The program will be reviewed for possible expansion.

In 1992, GPO processed \$9.6 million in contract awards under its Small Disadvantaged Business (SDB) set-aside program, representing 2,192 awards out of a potential 3,462 set-asides. Administrative action was taken to ensure the inclusion of at least one SDB on other contract solicitations.

In September 1992, GPO initiated a program whereby contractors are required to pick up Government-furnished materials from GPO. It is estimated that this program will save GPO approximately \$150,000 per year.

Efforts to automate the Printing Procurement Program continued. During the year, 23 additional customer agency sites were provided with access to PICS.

GPO's small purchase specifications system, which completely auto-



mates the writing of small purchases (including the purchase order itself) and simultaneously updates PICS, continued to be refined and expanded. In addition, there was an increase in customer agency interest in the automated transmission of print orders. With this system, which applies to direct-deal, single-award term contracts, agencies enter basic job information and specifications. A GPO print order is then generated and all pertinent data are concurrently entered in PICS.

The Specialized Acquisition Office, which is responsible for contracting by negotiation for integrated printing and publishing systems, automated database management and composition systems, and other computerized information publishing media or services, had seven contracts in place during 1992. Approximately 2,500 orders were placed against these contracts, with an estimated value of \$5.8 million.

Department of Defense Printing Consolidation

In 1990, the Department of Defense (DoD) issued Defense Management Review Decision (DMRD) 998, a plan to consolidate all Defense printing functions under the Defense Printing Service, operated by the Navy Department. During 1992, GPO supported inquiries by the JCP into the cost-effectiveness of DMRD 998. The principal focus of these inquiries was to determine whether the consolidation would yield the savings projected by DoD and to ascertain whether DoD made the fullest possible use of GPO's Printing Procurement Program, as required by law, to fulfill its printing needs.

A review of DoD printing facilities in the Southern Area, conducted by GPO Regional Printing Procurement Office personnel in 1992, determined that the vast majority of printing currently being performed by DoD printing plants nationwide could be procured by GPO from private sector printers at a savings of approximately 50 percent, yielding a potential savings to DoD of over \$100 million annually, and as much as \$500 million over the next 5 years.

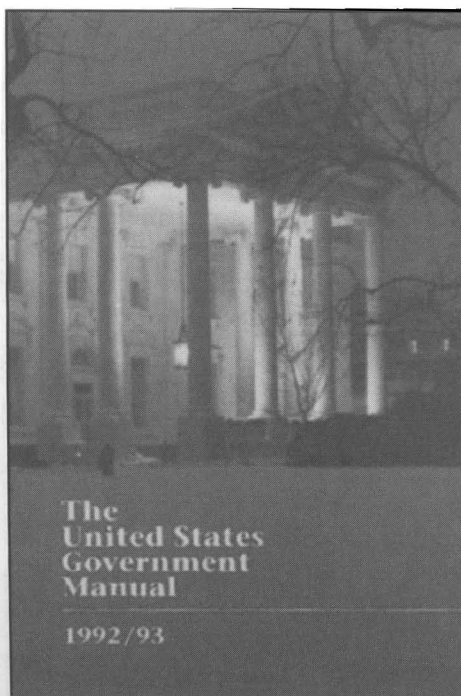
The results of this study were disclosed at a hearing on the DoD printing consolidation conducted by the JCP on August 4, 1992. The study results were also conveyed by GPO to the Office of Management and Budget (OMB). GPO will continue to work with the JCP to identify additional opportunities for savings in DoD printing.

GPO Metric Program

During 1992, GPO cooperated with the Government-wide effort to convert to the metric system of measurement, in accordance with the requirements of the Omnibus Trade and Competitiveness Act of 1988 and Executive Order 12770.

A survey of Federal agencies was conducted to determine the level of preparedness for using metric sizes in printing and publishing. In addition, GPO informed its printing contractors of the pending transition to metric. The results of this process indicate the need to conduct a phased transition to metric in Government printing in order to avoid imposing substantial economic harm on contractors.

Internally, metric training classes and events such as Metric Week helped familiarize GPO's workforce with the metric system. A GPO



directive announced that, beginning October 1, 1992, all GPO organizations will use metric, or dual metric/inch-pound, dimensions in all written communications whenever forms of measurement are referenced. The Department of Commerce, which is coordinating the Government-wide conversion to metric, invited GPO to join representatives from the General Services Administration (GSA) and the National Aeronautics and Space Administration for a press briefing stressing successful efforts in the metric transition.

SIGCAT CD-ROM Award

In 1992, GPO was honored with the third annual CD-ROM award at a presentation held during Fed Micro '92, the Federal Office Systems Microcomputer Conference and Exposition. The award is presented each year to the Federal agency making the most significant contribution to the dissemination of Government information using CD-ROM technology. The annual recipient is determined by a vote of the agency members of the largest CD-ROM user group in the Nation, the Special Interest Group on CD-ROM Applications and Technology (SIGCAT).

GPO earned the 1992 award for its "successful efforts in promoting the use of CD-ROM technology." The criteria for winning the award include saving taxpayer dollars, contributing to the public good, producing affordable CD-ROM products, and providing a friendly user interface. In presenting the award, SIGCAT highlighted the work GPO performed in providing CD-ROM products for the Environmental Protection Agency (EPA) and the GSA.

Typography and Design Support for Federal Agencies

The Typography and Design Division continued to modernize its computerized capabilities in 1992, adding three new computer design workstations to its current network. The Division is an active participant in new high-tech design and illustrative applications with this technology.

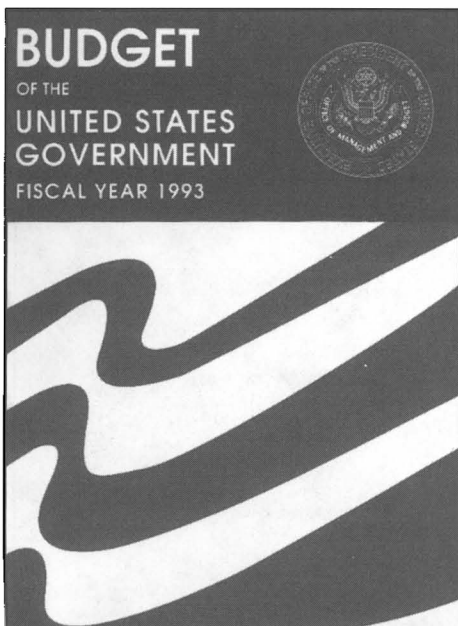
During the year, the Division was given responsibility for the design of the Department of Transportation's *FAA Aviation News*, a bimonthly four-color magazine previously produced by a private sector design firm. The Center for Naval History's 826-page publication, *Naval War of 1812*, was produced from word processing diskettes submitted by the Center.

Computer-assisted design techniques were also used for a variety of other publications, including *Our Nation's Highways* for the Department of Transportation; a series of booklets, brochures, posters, and information packages on a variety of medical subjects for the Department of Health and Human Services; and a complete redesign of two Immigration and Naturalization Service refugee travel documents. In addition, a paper sample book was created for instructional use by GPO's Institute for Federal Printing and Publishing.

GAO Review of the Federal Register

In 1992, at the request of the Chairman of the Subcommittee on Government Information, Justice, and Agriculture of the House of Representatives Committee on Government Operations, the GAO reviewed the use of electronic information technology in the production of the *Federal Register*.





The resulting GAO report, *Federal Register: Better Electronic Technology Planning Could Improve Production and Dissemination* (November 1992), pointed out the need for increased efforts to obtain input for *Register* preparation via electronic means, rather than on paper, to achieve production savings. The report also discussed the need to expand opportunities for the dissemination of *Register* data in electronic format.

GPO generally concurred with the report's findings, citing the various methods that have been implemented over the past decade to capture *Register* input in electronic format. The single greatest obstacle to that effort has been the general absence of standardization of hardware, software, and document preparation procedures throughout submitting agencies. However, these technologies are now beginning to be standardized in Federal agencies, which should expand the opportunities for achieving greater savings. GPO will continue to work with the Administrative Committee on the Federal Register, which by law oversees the compilation of the *Register*, to take advantage of these opportunities.

Late in the fiscal year, the Office of the Federal Register relocated to new space directly across H Street from GPO's Central Office plant. The move created the opportunity to install a laser link between the two operations for the transmission of *Register* production data.

Institute for Federal Printing and Publishing

GPO's Institute for Federal Printing and Publishing coordinates the development and delivery of educational courses for GPO's customer agencies. The 22 seminars held during 1992 were attended by a total of 751 individuals, representing more than 50 Federal departments and agencies. Total revenue generated by these classes was over \$110,000 compared with \$93,500 the previous year.

Five sessions of the new class, "CD-ROM Publication," were attended by a total of 186 personnel. Three CD-ROM experts from other Federal agencies joined GPO employees as instructors for this class. The Institute also sponsored a CD-ROM demonstration at the annual SIGCAT conference. "Proofs and Press Sheet Inspections" had 137 attendees at four sessions. Three sessions of each of the following new classes were also presented: "Introduction to Printing Processes and Terminology" (100 attendees); "Marginally Punched Continuous Forms" (88 attendees); and "HowTo Fill Out SF-1 and Get the Products You Need" (66 attendees).

printing papers and inks

GPO is the largest single consumer in the Government of printing and writing papers, purchasing or contracting for the purchase of approximately 37,377 metric tons (41,200 short tons) of paper for in-plant production and sales to Federal agencies in 1992, compared with 39,645 metric tons (43,710 short tons) in 1991. For 1992, the total value of GPO's procurement activities for paper and paper products was \$34.2 million compared with \$42.3 million the previous year.

GPO buys paper by the pound and by the sheet. Paper purchased by the pound totaled 19,822 metric tons (21,850 short tons) in 1992, compared with 19,868 metric tons (21,900 short tons) in 1991. Paper purchased by the sheet—primarily copier paper—totaled 2 billion sheets compared with 1.8 billion the previous year. GPO also purchased 92.9 million envelopes in 1992, compared with 102.2 million in 1991, and 2 million cartons and other containers compared with 1.2 million the previous year.

The monthly average inventory of paper in 1992 was 9,616 metric tons (10,600 short tons), with a high of 11,159 metric tons (12,300 short tons) in November 1991 and a low of 7,938 metric tons (8,750 short tons) in August 1992. On September 30, there were 8,437 metric tons (9,300 short tons) of paper in inventory.

GPO disposes of paper waste and spoilage by selling it to contractors for recycling. During 1992, income to GPO from surplus sales included \$218,700 for 8,482 metric tons (9,350 short tons) of wastepaper.

Recycled Paper

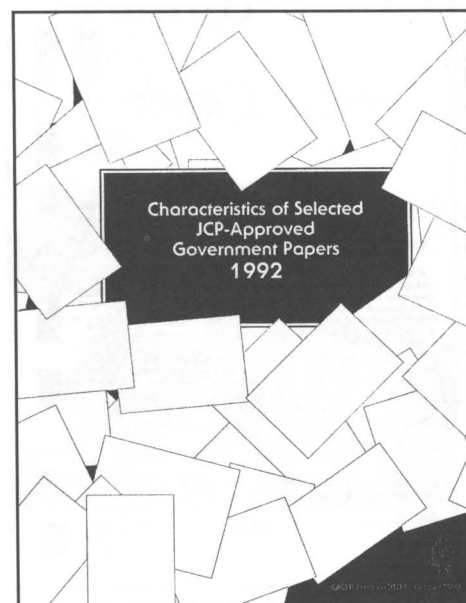
In 1992, GPO continued to operate under the *Guidelines for the Federal Procurement of Paper and Paper Products Containing Recovered Materials* issued by the EPA pursuant to the Resource Conservation and Recovery Act of 1976, as amended. The EPA guidelines establish minimum content standards for recovered materials in most grades of paper used in Government printing.

Virtually all congressional and agency printing performed in-plant by GPO in 1992 was produced on recycled paper, including the *Congressional Record* and the *Federal Register*, which are printed on recycled newsprint. During the year, a recycled newsprint contract was awarded for 4,491 metric tons (9.9 million pounds), at a value of \$2.6 million. This paper has a 100-percent post-consumer waste content. The recycled newsprint went into production use in January 1992.

In addition, GPO found that the availability of recycled coated papers increased significantly during the year where they were virtually nonexistent a year ago. Other recycled papers were also widely required in printing procured from private sector printers in 1992, and represented the vast majority of the blank paper sold to Federal agencies by GPO.

GPO conducted five mill inspections of paper suppliers during 1992 to ascertain that the mills were in compliance with the EPA's guidelines, since there are no laboratory tests to assay recycled content.

In June 1992, GPO participated in the "Buy Recycled Products Trade Fair," sponsored by the EPA, as one of



182 exhibits staffed by various representatives of Government, business, and industry to promote the use of recycled paper.

Alkaline Paper

GPO continued to emphasize the use of alkaline paper in 1992 to ensure the longevity of Government publications with enduring research and educational value. For the four quarterly contract periods between November 1, 1991, and October 31, 1992, 89 percent of the paper purchased by the pound on quarterly term contracts was alkaline. This alkaline rate was 21 percent higher than the rates experienced in the previous four quarterly contract periods.

Printing Inks

In 1992, GPO used approximately 36.3 metric tons (40 short tons) of news ink to print the *Congressional Record* and the *Federal Register*, another 36.3 metric tons of heat-set inks, and 27.2 metric tons (30 short tons) of sheetfed inks. GPO's printing contractors used an estimated 1,152 metric tons (1,270 short tons) of various inks on work procured by GPO.

GPO manufactured 53.2 metric tons (58.7 short tons) of inks in 1992 for use in printing at the Central Office plant and for use by other printing entities, such as the Senate Service Department, compared with 42.2 metric tons (46.5 short tons) during 1991. An additional 47.9 metric tons (52.8 short tons) of inks were purchased for GPO use during the year, compared with 49 metric tons (54 short tons) in 1991.

There was increased interest in 1992 in the use of vegetable oils as a substitute for petroleum-based vehicles for printing inks. Currently, vegetable oil is in 25 to 30 percent of the inks used by GPO for in-plant production. This includes linseed oil which is in the varnish of many inks. Soy-based oil is incorporated into about 5 percent of the inks used by GPO, generally in colored inks.

There is no vegetable oil in the inks currently used in the production of the *Congressional Record* and the *Federal Register*, because of the cost and difficulties experienced in using vegetable oil inks with the aging web letterpresses that print these products. However, vegetable oil inks can be used with the new offset presses being acquired to produce the *Record* and *Register*.

GPO currently has 15 term contracts in place requiring the use of vegetable oil inks. Additionally, a recent survey of the top five contractors on GPO's two most used multiple-award general-use contracts revealed that they are capable of using vegetable oil inks at no additional charge and that many are currently using such inks. The requirement to use vegetable oil inks appears to add little, if any, additional cost to a contract because the cost of ink is typically a small portion of the overall job cost.

With the JCP and the Senate Committee on Rules and Administration, GPO reviewed proposed legislation in 1992 to require the use of soy-based inks in Government printing. Similar legislation addressing the use of vegetable oil inks is expected to be introduced during the 1st Session of the 103d Congress.

United States Government

**Printing
Office
Paper
Catalog**

See Inside of Back
Cover Concerning
Pricing of Direct
Shipments

For the Quarter AUG. 1, 1992 through OCT. 31, 1992

In using this Catalog in connection with requisitioning of printing or binding, it is recommended that you indicate on the requisition only the grade, color, and substance of the stock desired. Do not specify the use of any particular property number for work requiring printing and/or binding operations as the stock specified may not be available, or the most economical size to use, for the necessary manufacturing operations involved.

Note—Various other small sheet size paper items wrapped in quantities of 500 or 1,000 sheets are available for departmental use. Consult the Blank Paper, Ink, and Services Catalog for these items.

Generally prices listed herein are in effect for the full calendar quarter indicated; however, they are subject to change without notice at any time during the quarter.

*Catalog will be furnished upon request by calling the Paper & Materials Control Section—512-0206.

All weight numbers are based on 1,000-sheet units.
All substance numbers are based on 500-sheet units.

DM ___ Oxon Markit. FS ___ Flat Sheet. R ___ Rols.
C ___ Cart. L ___ Lightweight.

MICROMETER
READINGS
Page 10

NEWSPT.
MLF.
MTCBCE
Page 1

OFFSET
Page 2

OFFSET, Col.
LETTER COPIES
MATT COATED
BELL COATED
BARKING
Page 3

WRITING
MAP
MIMICOLD
Page 4

BOND
Page 5

LEDGER
Page 6

INDEX
Page 7

COVER
Page 8

KRAFT
POSTAL CARD
Page 9

BOARDS
Page 10

BRIDGE, CARB.
MISC.
Page 11

ENVELOPES
Page 12 & 13

CARTONS
Page 14

RESTRICTED
ITEMS
Page 1

RESTRICTED
ITEMS,
CART.
Page 2 & 3

superintendent of documents

GPO's Superintendent of Documents provides public access to Government information through the sale of publications, the compilation of catalogs and indexes, the distribution of publications to depository and international exchange libraries, the distribution of publications as required by law, and the distribution of publications for other Federal agencies on a reimbursable basis.

Funding for Superintendent of Documents operations in 1992 included \$79.9 million in revenues from sales of publications, \$29 million made available by the Salaries and Expenses Appropriation of the Superintendent of Documents, and \$5.9 million in reimbursements from Federal agencies.

Employing approximately 900 personnel by the end of the year, Superintendent of Documents operations distributed a total of 125.5 million copies of Government publications in 1992, compared with 110.7 million copies the previous year.

Sales Program

The Sales Program, which is self-funded, operates primarily by telephone, fax, and mail order, although publications are also sold through the Retail Sales Outlet at GPO's warehouse in Laurel, MD; the Congressional Sales Office at GPO's Central Office in Washington, DC; the Public Documents Distribution Center in Pueblo, CO; through a network of 23 GPO bookstores nationwide; and by 13 con-signed agents in other Federal agencies.

Significant Sales Publications

In 1992, the sales inventory contained more than 12,000 titles. In

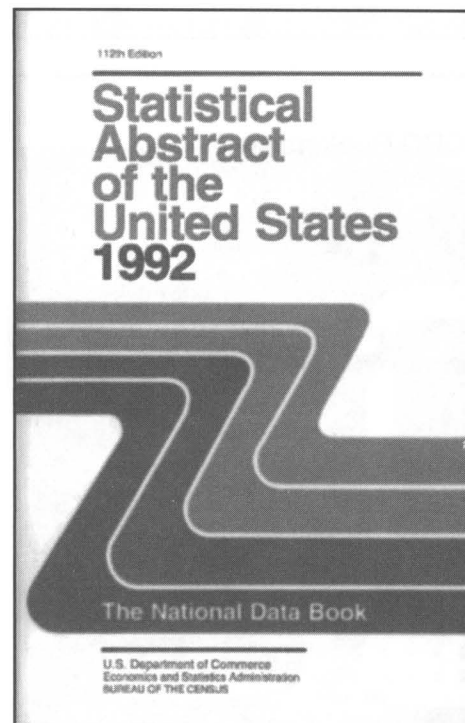
terms of revenue, the best selling publications for the year included the 1991 *Statistical Abstract*, the 1991 *Cumulated Index Medicus*, the 1991-1992 *Occupational Outlook Handbook*, the 1991/92 *U.S. Government Manual*, the 1992 *U.S. Industrial Outlook*, and the *Budget of the U.S. Government for Fiscal Year 1993*. Sales of 119,500 copies of these publications generated more than \$4 million in revenue. Other popular titles included the 1992 *Economic Report of the President*, the *Dictionary of Occupational Titles*, and the *National ZIP Code Directory*. These three publications alone sold more than 42,500 copies.

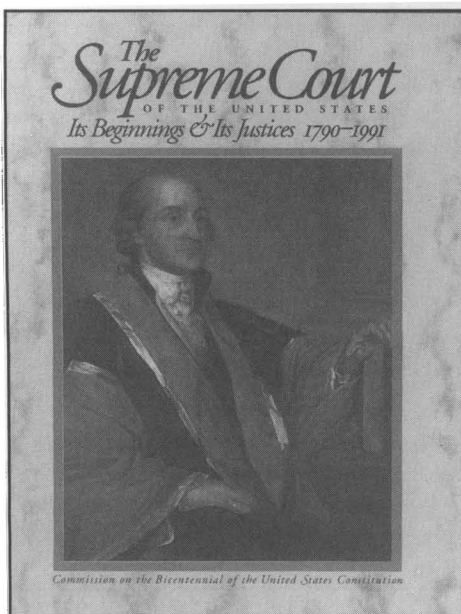
Subscription bestsellers in terms of revenue were the *Federal Register*, the *Commerce Business Daily*, the 1992 *Code of Federal Regulations*, and the *Official Gazette of Patents*, which generated over \$17.4 million in revenues. The *Federal Register*, *Commerce Business Daily*, *Harmonized Tariff Schedule Annotated*, *International Classification of Diseases (9th ed.)*, and the *Americans with Disabilities Act* were bestsellers in terms of the number of subscriptions, accounting for more than 105,000 paid subscriptions.

As required to be reported by Title 44, U.S.C., revenue from sales of *Congressional Record* subscriptions, individual copies, and bound sets in all formats was approximately \$743,000 in 1992. Revenue from sales of the *Congressional Directory* was approximately \$94,000. All money collected from sales of these publications was deposited in the Treasury.

Financial Performance

The Sales Program generated revenues of \$79.9 million at a cost of





\$79.4 million in 1992, resulting in net income of \$537,000. Bookstore revenues increased by 8 percent to their highest level ever, over \$14.2 million.

Order Activity

The Sales Program processed over 1.2 million orders in 1992. Of these, approximately 65 percent were from the business community. The remainder were from private individuals (22 percent) and various government and academic institutions (13 percent). Of all 1992 orders, 72 percent were for single-copy publications and 28 percent were for subscription services. Mail, fax, and telephone orders made up approximately 85 percent of all orders. The remaining 15 percent were walk-in purchases at the bookstores, the Congressional Sales Office, and the Retail Sales Outlet.

The total number of copies sold by the Sales Program increased from 26.4 million in 1991 to 27.3 million in 1992.

Federal Bulletin Board Inaugurated

In September 1992, GPO initiated the Federal Bulletin Board (FBB), an electronic bulletin board service. The FBB enables immediate self-service public access to Federal information in on-line format at reasonable rates. It permits users to identify, select, and transfer electronic files to their own personal computers quickly and easily, thereby offering Federal publishing agencies the opportunity to expand the dissemination of their publications in on-line format.

The FBB began service with a roster of approximately 600 files representing the electronic information products of the Department of Energy, the State Department, the Environmental Protection Agency, and the Health Care Financing Administration. Since then, several other agencies have expressed interest in adding their products to the FBB.

GPO Bookstores



Sales of Electronic Products

The number of electronic products available through the Sales Program increased in 1992. During the year, 15 new CD-ROM's and personal computer diskettes became available, bringing the number of CD-ROM and diskette products made available through the Sales Program to 236. To promote these electronic products, an Electronic Products Priority Announcement list was established. By the end of the year, the list contained over 600 addresses.

Progress was also made in the development of a return-fax capability to disseminate small publications electronically. Appropriate for 2- or 3-page documents, the Documents Express service, when it is implemented, will allow a customer with a touch-tone telephone, credit card, and fax machine to dial in an order and have the publication delivered by return fax within minutes.

Bookstore Activity

There was an increase in bookstore activity during 1992. The number of customers served rose by 4 percent over 1991, to 334,000, with 16 of the 23 stores reporting an increase in customers served. Eighteen of the nineteen bookstores outside of the Washington, DC, area experienced increased sales.

Four bookstores—in Chicago, Jacksonville, Pueblo, and Atlanta—were relocated during the year. In each case, the new store is located on the ground floor in a commercial district where it is more accessible to the public.

Four other bookstores—in Columbus, Dallas, Portland, and Seattle—were provided with dial-up access to

GPO's mainframe computer in 1992. These stores now have immediate on-line access to the Publication Reference File and other data bases, enabling the review of stock status, deposit account balances, and other sales information.

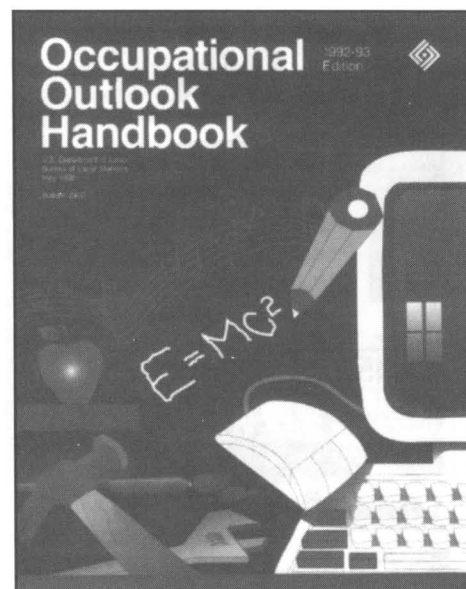
Sales Program Enhancements

In April 1992, a new express service was made available to telephone customers requesting overnight service. Customers asking for this service are charged an additional handling charge plus special postage. Since its inception, approximately 3,700 customers have requested overnight delivery.

During the year, the Sales Program established "Fill and Bill" processing to expedite the fulfillment of orders by large volume buyers. In August, the first four orders were received from account holders, with a combined value of over \$14,000. By the end of the year, five accounts had been established.

Pilot Program for Selling Surplus Documents

The Superintendent of Documents conducted a pilot program in 1992 to sell Government publications deemed surplus to the needs of the Sales Program. Approximately 66,300 copies of over 70 titles were offered for sale in four bids over a period of 6 months. More than 85 percent of the copies made available were disposed of by sale to the public at economical prices instead of being sold for scrap. In addition, revenues were returned to the Government in excess of the scrap value that otherwise would have been earned. With the authorization of the JCP, the pilot program was extended for an



additional 6 months, with provisions made for additional marketing promotions to advertise the program.

Marketing Activities

Efforts to promote products in the Sales Program through direct mail marketing continued during 1992. More than 30 separate promotions, both self-mailers and envelope mailings, were mailed to 660,000 targeted prospects. In addition, 190 Priority Announcements were sent to 150,000 customers who requested notification of the availability of new or updated publications for sale in their areas of interest.

Other Marketing efforts involved the mailing of 128,000 copies of *U.S. Government Books for Business Professionals*, a 24-page catalog listing the most popular business-oriented titles available from the Superintendent of Documents, to previous buyers of business titles. This catalog was also promoted to business professionals through trade and professional associations and newsletters, libraries, government offices that deal with the business community, and business periodicals.

Marketing completed the conversion of the *U.S. Government Books* catalog to computerized layout and design in 1992. The conversion has significantly reduced the time needed to prepare each issue while producing a more attractive and contemporary look for the catalog. A total of 200,000 copies of the catalog were produced in 1992. In addition, Marketing's Product Publicity Release Program, which disseminates information about new publications to trade and professional magazines, journals, and newspapers, issued 140 releases in 1992.

Depository Library Program

The Depository Library Program distributes Government publications to Federal depositories in approximately 1,400 public, academic, law, and Federal agency libraries nationwide. The Program ensures that all members of the public have access to information produced by the Government.

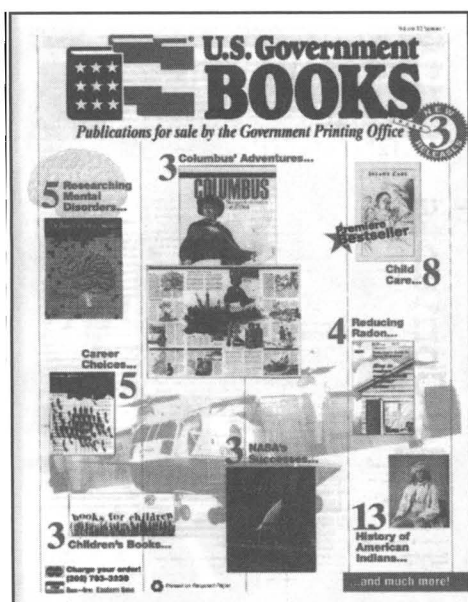
Libraries are designated as depositories for Government publications by Senators and Representatives and by law. GPO sends these libraries copies of Government publications that are not of a purely administrative nature, cooperatively sponsored, or classified for reasons of national security.

Nine libraries were added to the Program in 1992 while four relinquished their depository status.

The publications printed for depository libraries are funded by the Salaries and Expenses Appropriation of the Superintendent of Documents and are distributed without charge to the libraries. In return, the libraries are required to make the publications available for the free use of the public.

Fifty-three regional depository libraries receive every publication distributed and provide inter-library loan and other services to other depositories in their regions. The remaining selective depositories tailor their Government publication acquisitions to local needs, choosing from over 7,000 organizational and series categories.

Over 167,000 persons utilize Federal depository library collections nationwide each week.



Distribution to Depository Libraries

During 1992, GPO distributed 29.7 million copies of 70,700 publications to depository libraries. The number of titles distributed by GPO increased by approximately 25 percent over 1991, while the number of copies increased by 12.5 percent. Including distributions to depository libraries performed on behalf of GPO by the Department of Energy and the U.S. Geological Survey, a total of 34.5 million copies of approximately 90,000 titles were distributed to depository libraries during 1992.

Seventy-one percent of the copies distributed by GPO were in microfiche format while 29 percent were distributed in paper format. Less than 1 percent were in electronic format. However, GPO continued to increase the distribution of Government publications in electronic formats to depository libraries in 1992. During the year, 95,400 copies

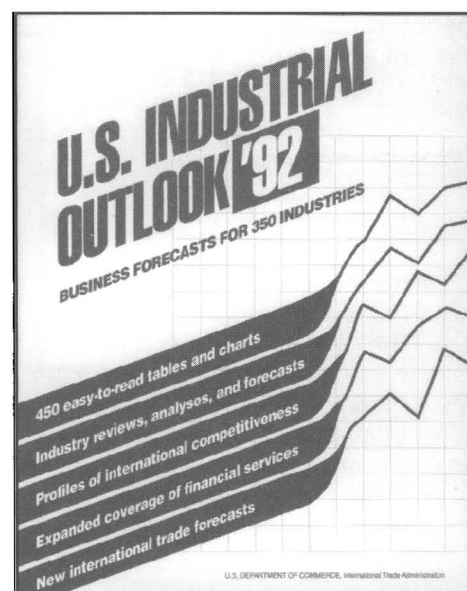
of 180 titles were distributed electronically.

Distribution of microfiche also increased in 1992, with more than 21 million copies of 51,200 titles distributed, compared with 17 million copies of about 35,300 titles in 1991. The bulk of this increase was due to the elimination of the microfiche conversion backlog.

Distribution Efficiencies

This year marked the first full year of usage of the Mail Manifest System in the Depository Library Program. The system allows the determination of the least expensive carrier for depository shipments. Annual postage savings resulting from the use of this system are estimated at \$470,000.

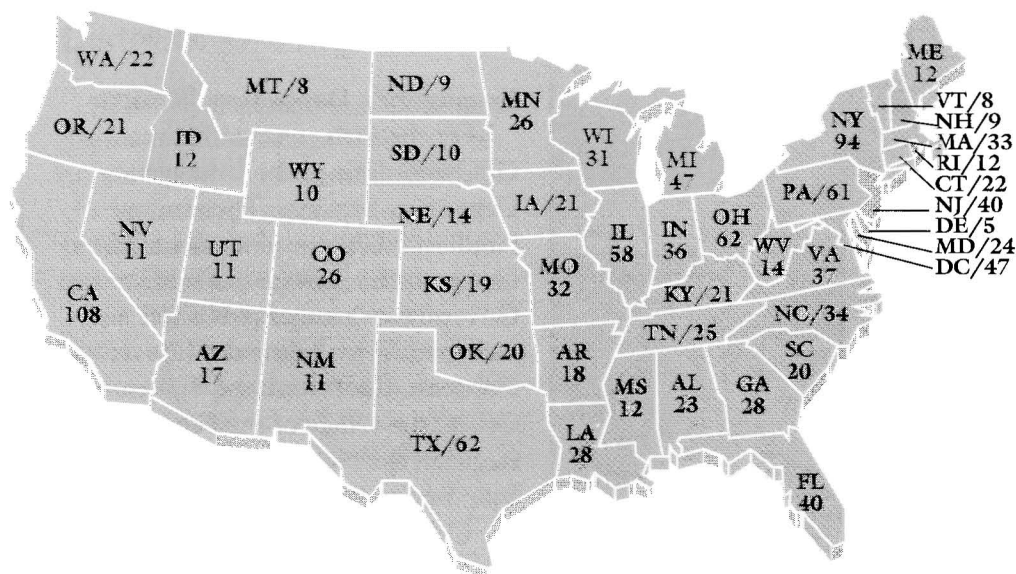
A new padlocker carton sealer was purchased and installed, replacing a unit nearly 20 years old. The replacement reduced downtime on the distribution line and improved the



Federal Depository Libraries, by State and Territory, as of September 30, 1992 (total=1,404)

Alaska/9
Hawaii/11

American Samoa/1
Panama Canal Zone/1
Guam/2
Micronesia/1
Puerto Rico/5
Virgin Islands/2
Northern Mariana Islands/1



throughput of materials being distributed.

Measured by the number of claims as a percentage of the number of copies distributed, the distribution accuracy rate of the Depository Library Program was over 99 percent during 1992.

Federal Depository Conference

The first annual Federal Depository Conference, with the theme "Public Service in the 1990's," was held in April 1992 in Washington, DC. The conference was attended by nearly 400 depository librarians from across the Nation, and encompassed many of the continuing education functions formerly associated with meetings of the Depository Library Council to the Public Printer.

Plans were presented for incorporating new electronic technologies into GPO operations and the Depository Library Program. Guest speakers from other Federal agencies, the depository community, and academia spoke of different aspects of providing depository library service to the public.

Interagency Depository Seminar

For the fifth consecutive year, GPO coordinated the Interagency Depository Seminar. The seminar familiarized 70 new documents librarians with the activities of some of the Government's major publishers and distributors, including the Library of Congress, the Patent and Trademark Office, the Office of the Federal Register, the National Technical Information Service, the Bureau of the Census, the Copyright Office, and the Bureau of Labor Statistics.

Depository Library Inspections

Under Title 44, GPO inspects the Government documents collections of depository libraries to ensure that standards of accessibility, maintenance, and publications retention are upheld. In 1992, 205 depository libraries were inspected, a 27-percent increase over the previous year. The increase was a direct result of hiring and training two additional library inspectors, bringing the total number of inspectors up to four. Of the libraries inspected, five were placed on probation and ten were removed from probationary status.

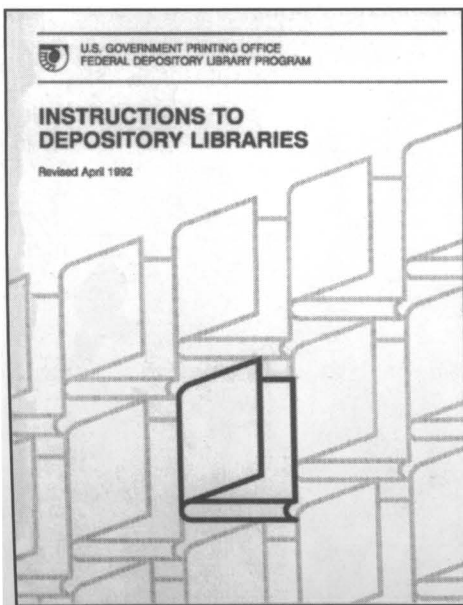
Electronic Pilot Project Evaluations

Efforts continued in 1992 to complete the final reports of the five depository library electronic pilot projects, the first of which was initiated in 1988. Staff resources devoted to the evaluations were augmented at the direction of the Superintendent of Documents, resulting in the completion of the final report for the *Congressional Record* CD-ROM project. The four remaining reports are scheduled for completion by the end of June 1993.

GPO WINDO and Electronic Gateway Legislation

In July 1992, GPO testified before the Senate Committee on Rules and Administration and the House of Representatives Committee on House Administration in support of S. 2813, the GPO Gateway to Government Act of 1992, and H.R. 2772, the GPO Wide Information Network for Data Online (WINDO) Act of 1992.

This legislation proposed to establish in GPO a central point of on-line access to a wide range of Federal



data bases containing public information. GPO would either house the information for direct access by the public or provide an electronic gateway to the information held by Federal agencies, providing users with a system of "one-stop shopping" to Federal data bases. Access to the system would be provided free to depository library users. Following the hearing, modified legislation passed the House of Representatives but was not brought up in the Senate. Similar legislation is expected to be introduced during the 1st Session of the 103d Congress.

Cataloging and Indexing Program

The Superintendent of Documents indexes and classifies Government publications and prepares the *Monthly Catalog of U.S. Government Publications*, which contains complete and authoritative descriptions of Government publications.

GPO received approximately 88,900 publications for classification in 1992, compared with 91,000 in 1991. Of those publications received, approximately 30,300 were identified as duplicates and removed from processing. Over 58,600 were assigned classification numbers.

During the year, nearly 31,800 items were cataloged compared with 29,400 items in 1991. However, over 50,600 new publications were received for cataloging in 1992, compared with approximately 26,600 new publications the previous year, increasing the backlog of publications awaiting cataloging to approximately 19,700 by the end of the year. The large number of receipts in 1992 resulted from the processing of

the microfiche conversion backlog.

Several strategies were implemented to reduce the cataloging backlog:

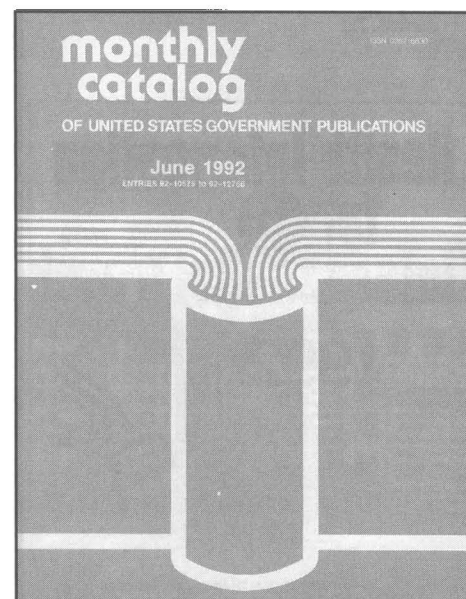
- priority cataloging was accorded to publications received during 1992 in an effort to improve the timeliness of bibliographic control;
- additional titles were chosen to receive abridged cataloging, including low priority material such as ERIC microfiche, Department of Defense technical manuals, and Nuclear Regulatory Commission technical reports; and
- labor-intensive subject and name authority work was confined to certain congressional publications, public laws, and maps.

Additionally, a cataloging service contract for two select groups of 1,000 titles was initiated. This contract will allow GPO to gain contracting experience, test an enhanced quality control and sampling plan, and establish a foundation for a proposed large-scale contract effort intended to eliminate the cataloging backlog by the end of 1994.

Statutory and Agency Distribution Programs

The Superintendent of Documents distributes publications which are required by law to be distributed free of charge to designated recipients, and provides distribution services on a reimbursable basis for Federal agencies.

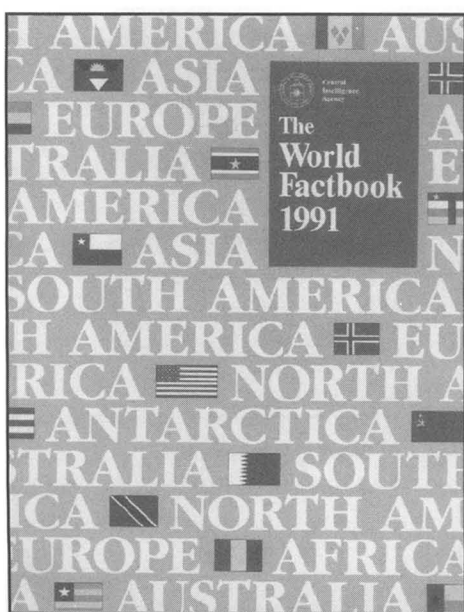
In 1992, the Superintendent of Documents received 4.3 million copies of publications which were distributed free in accordance with statutory requirements, compared with 4.7 million copies received and distributed in 1991. Approximately 62 million copies of publications were



received and mailed on behalf of other Federal agencies in 1992, compared with 39.7 million copies in 1991.

Consumer Information Center

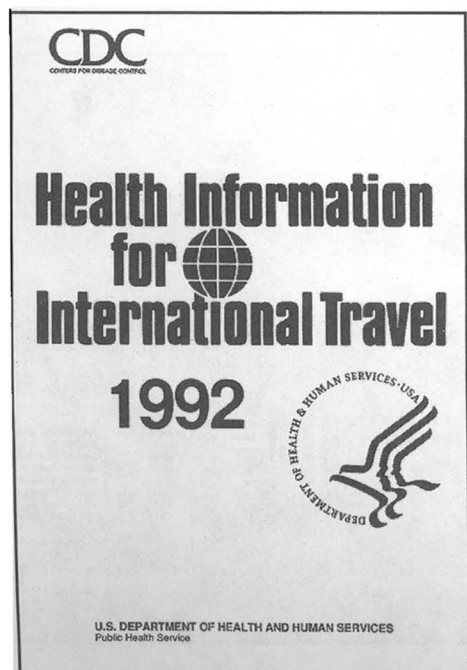
GPO's largest reimbursable operation is the Consumer Information Center (CIC), located at the Public Documents Distribution Center in Pueblo, CO. In 1992, 23.8 million free and paid consumer publications were distributed on behalf of the GSA through the CIC, compared with 21.5 million publications the previous year



Distribution to International Exchange Libraries

Under international treaty, the International Exchange Program provides for the distribution of U.S. Government publications to foreign libraries in exchange for publications produced by their governments, which are sent to the Library of Congress. The Library of Congress administers the Program and the Superintendent of Documents distributes the publications.

Approximately 1.4 million copies of U.S. Government publications were distributed to 66 nations in 1992. Virtually all of the copies were in microfiche, again reflecting the processing of the microfiche backlog.



administrative operations

GPO's primary services—in-plant printing, printing procurement, and publications distribution—are supported by several organizations which administer GPO's facilities, materials and supplies, employee programs, information systems, and financial resources.

Facilities

During 1992, GPO completed several projects at the Central Office plant which eliminated environmental hazards and improved hazardous waste management. These included the replacement of all remaining PCB-filled transformers and associated high voltage electrical equipment. The new PCB-free units are in service and the contaminated units have been properly disposed of, marking the end of a \$3 million project which took 2 years to complete. Additionally, all underground storage tanks have been replaced, legally abandoned, or removed in compliance with EPA regulations.

Central Office space was modified during 1992 to include a specimen collection room in support of GPO's Drug-Free Workplace Program. Also constructed was a computer room for the Electronic Photocomposition Division's VAX computers.

Maintenance and upgrading of Central Office utilities included the installation of an industrial air system for the Building 4 paper warehouse, the replacement of the waste and vent pipes in an elevator shaft, the installation of an 8-ton air conditioning unit in Building 1, and the provision of electrical power to the newly constructed VAX computer room and the new six-color press in the Passport

Section. Assistance was also provided to AT&T during the installation of the telephone system.

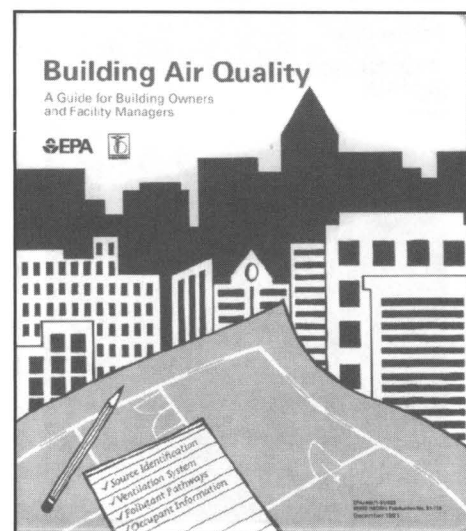
GPO continued efforts to improve the utilization of Central Office space during 1992 by consolidating activities performed elsewhere. The transfer of the RRC printing operation to the Central Office plant necessitated the removal and reinstallation of various pieces of printing equipment. Plans for consolidating Superintendent of Documents operations in the Central Office plant were also developed. These operations, as well as some operations of the Office of Information Resources Management, will be relocated from commercial space in Union Center Plaza in 1994, when the current lease expires.

During 1992, several relocations of regional facilities were completed. The Chicago, Pueblo, Jacksonville, and Atlanta bookstores were relocated, as well as the Atlanta Regional Printing and Procurement Office. The relocations were accompanied by the purchase and installation of new furniture and bookshelves. In addition, the Columbus bookstore was renovated.

Materials and Supplies Management

A number of changes in the management of materials and supplies were instituted during 1992, resulting from enhancements to the automated Materials Management Procurement and Control System (MMPCS).

Inventory management was improved through the implementation of an automated inventory tracking system, which uses hand-held terminals on the warehouse floor to capture physical inventory data. The majority



of manually prepared paper documents related to inventory-taking have been eliminated. No additional data entry is required unless the system detects a discrepancy requiring human intervention. The system generates daily and monthly inventory status reports along with a complete audit trail.

The MMPCS was further enhanced by the addition of a new reporting capability, the Capitalized Tracking Report, which provides information on the status of expenditures over \$20,000. The progress of high-dollar-value contracts through the procurement process is now readily available.

A new automated function now notifies the warehouse when paper stock has been rejected. This allows the warehouse to immediately identify the defective stock and prevents its delivery to the pressroom. The manual card file maintained by the Paper and Specialized Procurement and Sales Division also was integrated into the MMPCS, enabling automatic generation of the Quarterly Paper and Semiannual Envelope Term Contract Summary Reports.

The total value of 1992 procurement activities, other than for printing, amounted to \$83.4 million, compared with \$89.5 million in 1991. Of this, \$34.2 million was for paper, envelopes, and cartons; \$34.9 million was for services, transportation, communications, and travel; \$12.2 million was for materials and supplies; and \$2.1 million was spent on machinery, equipment, and building appurtenances.

Income to GPO from surplus sales included \$218,700 for wastepaper, \$500 for scrap iron, \$72,900 for nonferrous metals, and \$189,300 for various spot sales of type metal, silver and scrap

film, surplus paper, office furniture and equipment, and miscellaneous printing and binding equipment.

Human Resources

Employment

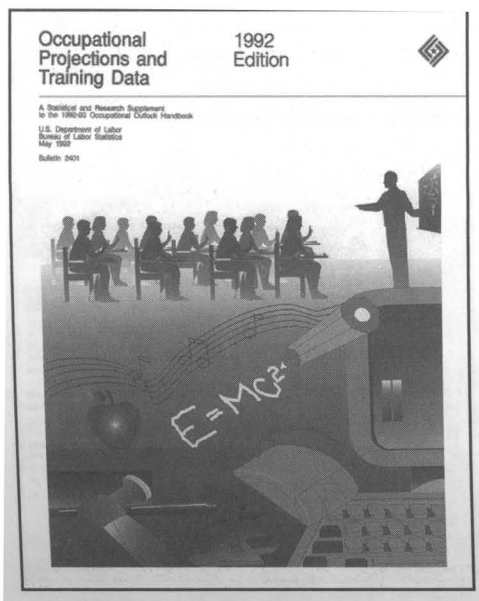
The utilization of full-time equivalent employment (FTE's) by GPO increased in 1992 for the first time in several years. Total FTE utilization, however, remained below the ceiling of 4,950 established by Congress for GPO for fiscal year 1992.

Approximately 25 college graduates were appointed to entry-level positions during 1992. In addition, nearly 60 craft positions were filled, including 20 Printer Proofreaders, 5 Bookbinders, 2 Offset Photographers, 15 Offset Platemaker Strippers, and 14 Offset Strippers.

During the year, Personnel staff worked with the Office of Personnel Management (OPM) to administer an examination for approximately 120 candidates for Printer Proofreader vacancies. Arrangements were also finalized with OPM for GPO to begin giving the Automated Typing Proficiency Test on-site beginning in 1993.

For the seventh consecutive year, GPO sponsored a Summer Youth Employment Program in cooperation with the Government of the District of Columbia. The program provided work opportunities at GPO for approximately 60 District of Columbia youths between the ages of 14 and 21.

GPO's Voluntary Leave Transfer Program continued during 1992, with increases in both the number of leave applicants and leave donors. This program permits the use of leave by employees requiring additional time away from work due to medical emergencies.



Labor and Employee Relations

GPO recognizes 16 unions which represent employees in 24 bargaining units around the Nation. Under the provisions of the Federal Service Labor-Management Relations Statute, GPO deals with the unions on all personnel policies, practices, and matters affecting working conditions other than wages. Wages are negotiated under the provisions of section 305 of Title 44, U.S.C., known as the Kiess Act, with 13 unions representing 18 bargaining units serving approximately 4,000 employees.

During the year, the wage agreement with GPO's machinists was resolved by a fact finder who recommended that the machinists be accorded a contract comparable with the other craft unions. Also, one new bargaining unit was added when two telephone installers became represented by the International Brotherhood of Electrical Workers, Local 121.

GPO's Drug-Free Workplace Program was fully implemented in 1992, as the result of cooperation between unions and management. Central Office employees received a comprehensive manual explaining the program at the orientation program given to all employees. All supervisors also received a 4-hour training session along with a detailed manual. All prospective GPO employees are now tested for illegal drug use.

The 1992 Combined Federal Campaign exceeded its goal by \$15,000 when GPO raised over \$240,000. The 1992 GPO Savings Bond Campaign also reached its goal by raising the employee participation rate to 32 percent. Over 1,600 GPO employees are now buying U.S. Savings Bonds regularly.

Training

GPO sponsored a Training Exposition in 1992 to increase employee awareness of educational opportunities. Nineteen colleges and universities participated and provided information concerning their various programs.

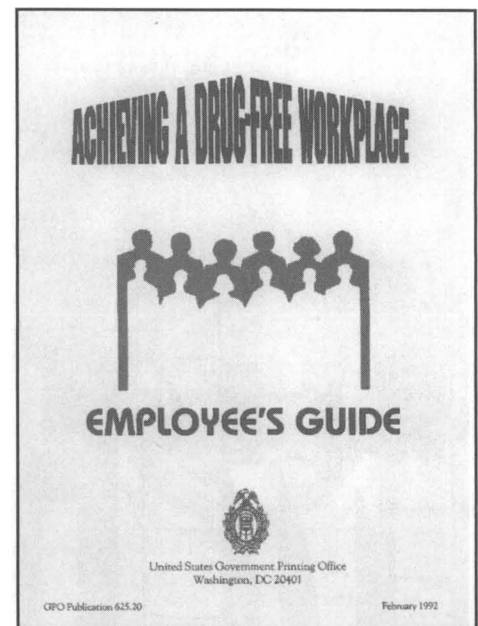
Other training highlights included: training for 950 employees in GPO's Computer Learning Center; training for 200 employees in GPO's Interactive Video Learning Center; and training for 110 employees regarding the SI-Metric System and metrication. Various types of apprentice training were also provided to 37 employees. In addition, GPO's Bookbinding Apprenticeship Program was revised during the year.

Equal Employment Opportunity

GPO maintains a work environment which promotes equal employment opportunity without regard to race, color, religion, sex, national origin, age, or physical or mental handicap.

During 1992, the Accomplishment Report of the Affirmative Employment Plan for Fiscal Year 1991 was submitted to, and approved by, the Equal Employment Opportunity Commission. This report noted changes in the GPO workforce by race, gender, position, and the accomplishments made based on the Affirmative Employment Plan completed in 1988.

Staff of the Equal Employment Opportunity (EEO) Office visited five field locations during the year to review EEO conditions and procedures. In addition, the Americans with Disabilities Act was implemented at GPO in 1992. A Disability Program Manager and a sign language interpreter were hired, in compliance with the act.



Health and Safety

GPO continued efforts during 1992 to increase awareness of health issues and encourage preventive measures through sponsorship of the 5th Annual GPO Health Fair. Activities were conducted in conjunction with World AIDS Day and Federal Fitness Day.

Health and safety activities also continued to focus on the prevention of accidents and injuries during 1992. A weekly inspection of all hazardous noise areas was begun in order to ensure that employees are wearing hearing protection. A vision screening program for keyboard operators was also implemented.

Total work injury and accident cases decreased by 42 percent from 1991. Additionally, total medical claims and total lost workday injuries declined by 62 and 36 percent, respectively, from the previous year.

Security and Support Services

The number of GPO police incident reports increased from 88 in 1991 to 109 in 1992. The number of reports of loss or theft also increased.

Four physical security surveys of GPO were completed by GPO's Security Service during the year. The survey recommendations are currently being implemented. GPO's electronic cardkey security alarm system was expanded during 1992 and extended to the Springbelt warehouse. Other automated improvements were made to security reporting procedures.

Numerous personal computers within GPO were scanned for the highly publicized "Michelangelo" computer virus that was supposed to activate on March 6, 1992. Although

no damage was reported as the result of the virus, its presence was detected on one floppy diskette. The presence of the "Stoned" computer virus was discovered on another diskette. Both viruses were effectively eradicated.

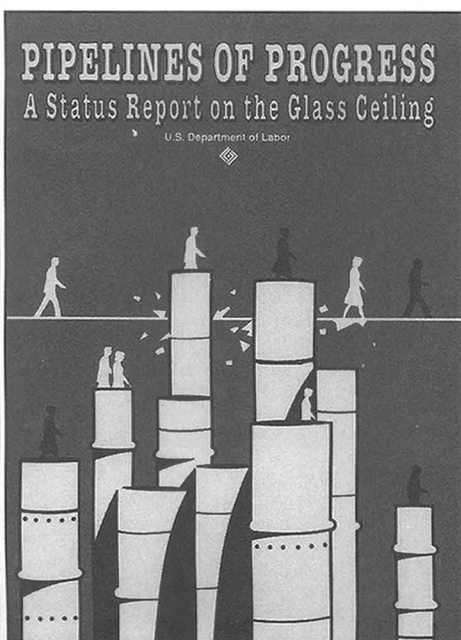
Computer security awareness training mandated by P.L. 100-235, the Computer Security Act of 1987, was provided to all new employees during their GPO orientation. Approximately 50 managers and supervisors attended computer security awareness courses, and 16 selected employees received a one-day training course in computer security awareness and risk management.

In GPO's Support Services, improvements were made to GPO's mail management program. Other improvements were made to the management of travel, correspondence, records storage and disposition, internal printing, and office copiers. Support Services also participated in the development of a request for proposal to contract out cafeteria services for GPO employees.

Information Systems

Improvements in GPO's automated information systems and procedures during 1992 included the implementation of a new Automated Leave Card System, use of the Internal Revenue Service's GOALS system for electronic funds transfer of employee withholding taxes, streamlining procedures for gathering PROBE data, and the development of a reporting system to track the costs of GPO employees detailed to various congressional committees.

The automated Acquisition, Classification and Shipment Information



System was implemented in September 1992, enabling management of the acquisition and distribution of publications for the Depository Library Program. Additionally, a system was developed for tracking obligations of the Salaries and Expenses Appropriation as they are incurred.

Two new on-line functions were added to the PICS system, which enabled the Quality Assurance Section of the Printing Procurement Department to track the status of jobs for which random samples had been ordered. New screens allow users to identify those orders shipped without the required random samples. Use of the system will result in cost savings to the Government from penalty discounts that will be assessed against printing contractors for substandard work.

A Local Area Network (LAN) expansion included GPO's executive offices, the Office of Financial Management, the Office of Information Resources Management, and certain areas in Customer Services. This network enables users to exchange electronic mail and share common resources, including software, files and printers. Installation of the LAN is the first step in developing a GPO-wide LAN.

Two AT&T Private Branch Exchanges replaced GPO's telephone system in Washington, DC, during 1992. The new system conforms to the Legislative Branch Telecommunications Plan as approved by Congress. It implements current technology, improves communications services, and provides 5-digit dialing capabilities to other Legislative Branch agencies. Additionally, it will serve as a platform for the future expansion of communications

capabilities which, with the implementation of digital transmission capabilities, will reduce operating costs.

In a related development, the changeover from switched to dedicated digital lines to access the MCI VNET long-distance network reduced GPO's telecommunications costs by over \$2,000 per month.

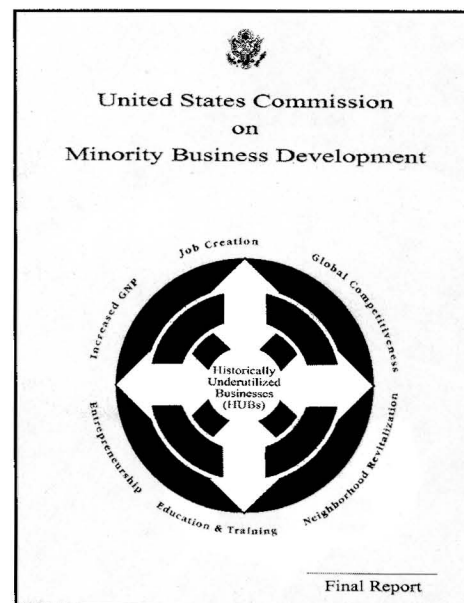
Improvements in GPO's computer center included replacement of both the disk and computer tape systems. The new disk system provides significant increases in storage capacity, speed, and reliability, and eliminates disk maintenance. The transition from tape to cartridge technology reduced job failures by approximately 75 percent.

Financial Management

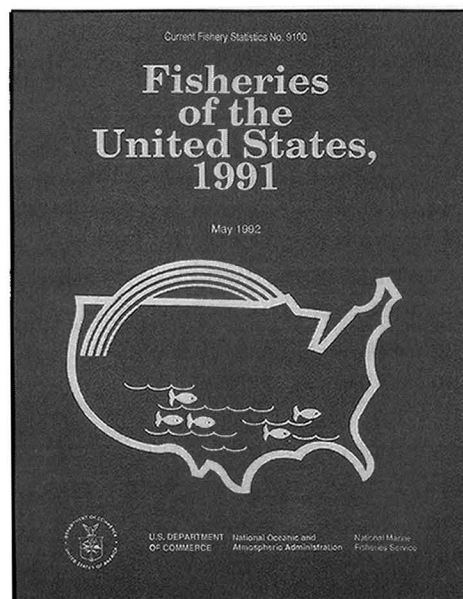
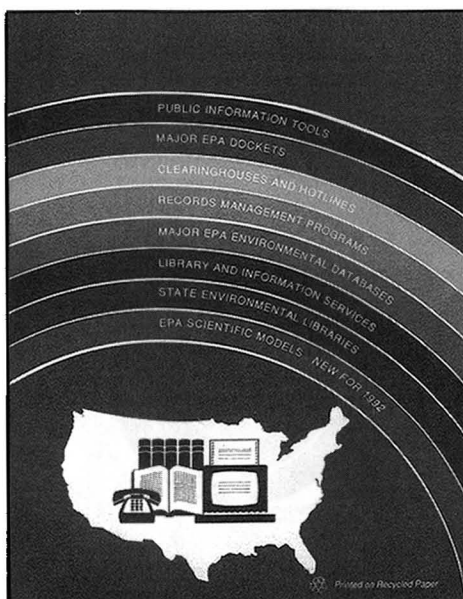
Improvements in GPO's Office of Financial Management during 1992 included increased automation to reduce costs while improving service to customer agencies, commercial contractors, and other GPO organizations.

The new automated leave reporting system permitted a reduction in staff costs without adversely affecting the accuracy of employee leave records. In addition, work began on developing the capability to use GPO's MMPCS system to pay suppliers through the Electronic Funds Transfer System, thereby decreasing payment time. This project will automate a process that currently is almost entirely manual.

The Office of Planning continued to support GPO's role in the Federal budget and Congressional appropriations processes during 1992, in addition to providing support for GPO's capital investment program. During



the year, conversion of GPO's budget development process from a cost/expenditure basis to revenue-based control was completed. In addition, Planning provided coordination and support for the teams responsible for developing the tactical plans to implement GPO's strategic direction.



appendix

**Comptroller General
of the United States**

B-204646

May 11, 1993

To the President of the Senate and the
Speaker of the House of Representatives

As requested by the Chairman of the Joint Committee on Printing in his October 11, 1991, letter we have audited the U.S. Government Printing Office's (GPO) Principal Financial Statements for the year ended September 30, 1992. The audit is in response to 44 U.S.C. 309 (d), which requires the General Accounting Office to audit GPO at least once every 3 years. The basic purpose of the audit was to determine whether the Principal Statements were free of material misstatement and were presented fairly, in conformity with generally accepted accounting principles. A related purpose was to determine whether the system of internal accounting control was sufficient to meet established objectives of such a system and whether GPO complied, in all material respects, with selected provisions of certain laws and regulations and its budget authority.

To help fulfill our responsibility for the audit, we contracted with the independent certified public accounting firm of Arthur Andersen & Company to perform a full-scope (coverage of all Principal Statements) financial audit of GPO for fiscal year 1992. We determined the scope of the audit work, monitored its progress at all key points, reviewed Arthur Andersen's audit working papers, and performed other procedures as we deemed necessary. The audit was conducted in accordance with generally accepted government auditing standards. The results of our last financial audit of GPO for the year ended September 30, 1989, were presented in GAO/AFMD-91-1, dated November 8, 1990.

We found, consistent with the opinion of Arthur Andersen,

- GPO's 1992 Principal Statements to be reliable in all material respects;
- the internal controls in effect at September 30, 1992, although needing improvement, to be effective in protecting assets, assuring material compliance with laws and regulations we tested, and assuring that there were no material misstatements in the financial statements; and
- no material noncompliance with budget authority and with laws and regulations tested.

The 1991 financial statements, which are presented for comparative purposes, have not been audited and, thus, an opinion is not expressed on them.

Internal Control and Operation Weaknesses

The audit disclosed the need for GPO to improve internal controls and operational procedures in several areas. In particular, GPO should take steps to assess its internal controls on a regular basis, strengthen security and contingency planning for its financial management and electronic text processing systems, improve its accounting for inventory, and streamline its financial reporting, particularly on matters of interest to the Joint Committee on Printing. The areas are not material to the consolidated financial statements, but nevertheless warrant management's attention because they could adversely affect GPO's ability to record, process, summarize, and report financial data consistent with the assertions of management in the statements.

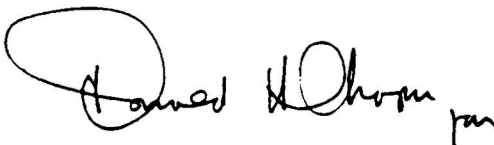
These areas are summarized in the enclosed Arthur Andersen report and discussed in more detail in a separate letter from Arthur Andersen to the Public Printer. That letter also includes a number of additional suggested improvements in operations and internal controls which, although not material or significant to the consolidated financial statements, warrant consideration by GPO management. Each of the issues was discussed with GPO management and their comments were incorporated in the report and letter where warranted. GPO plans to provide comments on actions it has taken, or plans to take, on the audit suggestions at a later date.

Additional Financial Information

Although GPO is not covered by the Chief Financial Officers Act of 1990, Public Law 101-576, it elected to pattern certain aspects of its 1992 financial statement package after the requirements of the act and the associated Office of Management and Budget implementing regulations. Specifically, GPO included in its financial statement package an Overview section that describes operational and financial performance measures for GPO and management's comments on actions taken and being considered for reversing the declining trend in GPO's financial position. Consolidated net losses amounted to nearly \$.3 million in fiscal year 1991, about \$5.2 million in fiscal year 1992, and are projected by management to increase to as much as \$11 million to \$13 million for fiscal year 1993.

The Overview, which is presented for purposes of further analysis of the Principal Financial Statements, is not a required part of the Principal Statements and, as such, the information presented therein was not subjected to the auditing procedures applied by Arthur Andersen in its audit of the statements. However, Arthur Andersen stated that it read the information as required by Statement on Auditing Standards no. 8, Other Information in Documents Containing Audited Financial Statements, issued by the American Institute of Certified Public Accountants. That standard requires the auditor to consider whether such information, or the manner of its presentation, is materially inconsistent with the information, or the manner of its presentation, appearing in an entity's Principal Statements. If based on such reading the auditor concludes that there is a material inconsistency, the auditor should determine whether the Principal Statements, his report, or the other information requires revision. Arthur Andersen reported no material inconsistencies between the Overview and the Principal Statements.

We are sending copies of this report to the Secretary of the Treasury, the Acting Public Printer, the Joint Committee on Printing, the Senate Committee on Governmental Affairs, the House Committee on Government Operations, the Director of the Office of Management and Budget, and other interested parties. Copies will be made available to others upon request.

A handwritten signature in dark ink, appearing to read "Charles A. Bowsher". The signature is fluid and cursive, with a large initial "C" and "B".

Charles A. Bowsher
Comptroller General
of the United States

Report of Independent Public Accountants

To the Comptroller General of the United States
and the Public Printer:

This report presents our unqualified opinions on the fiscal year 1992 consolidated financial statements and supplemental schedules of the United States Government Printing Office ("GPO") and on its system of internal accounting control at September 30, 1992. This report also presents our findings about GPO's compliance with certain laws and regulations and its system of internal accounting control. Finally, this report describes management's responsibilities for financial reporting and the system of internal accounting control and our responsibility for examining GPO's consolidated financial statements and its system of internal accounting control.

Consolidated Financial Statements

In our opinion, the accompanying consolidated balance sheet of GPO as of September 30, 1992, and the related consolidated statements of revenues and expenses, cash flows, and budget and actual expenses for the year then ended present fairly, in all material respects, the financial position of the GPO as of September 30, 1992, and the results of its operations, its cash flows, and its budget and actual expenses for the year then ended, in conformity with generally accepted accounting principles. The financial statements of GPO as of September 30, 1991, were not audited by us, and accordingly, we do not express an opinion on them.

As more fully discussed in Note 5, as of September 30, 1992, there was an estimated \$24.9 million shortfall in the Congressional Printing and Binding Appropriation for fiscal years through 1992. Of the total shortfall, \$10.1 million is included in accounts receivable. The balance of \$14.8 million represents outstanding obligations for which the work has been ordered by Congress, related to 1992 and prior appropriations, but has not been completed by GPO. No provision for any loss that would result should Congress not appropriate funds to satisfy this receivable has been made in the accompanying consolidated financial statements.

Supplemental Schedules

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental schedules as of and for the year ended September 30, 1992, are presented for purposes of additional analysis and are not a required part of the basic financial

statements. This information has been subjected to the auditing procedures applied in our audit of the 1992 consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 1992 consolidated financial statements taken as a whole.

Overview of GPO

Our audit was performed for the purpose of expressing an opinion on the 1992 consolidated financial statements of GPO. The information contained in the Overview of GPO (Performance Measures and Management Comments) is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in our audit of the consolidated financial statements, and accordingly, we express no opinion on it. However, we have read this information as required by Statement on Auditing Standards No. 8, "Other Information in Documents Containing Audited Financial Statements," issued by the American Institute of Certified Public Accountants.

System of Internal Accounting Control

In our opinion, the system of internal accounting control of GPO in effect at September 30, 1992, taken as a whole, was sufficient to meet the objectives stated below insofar as those objectives pertain to the prevention or detection of errors or irregularities in amounts that would be material in relation to GPO's consolidated financial statements.

For the purpose of this report, we have classified the significant internal accounting control structure policies and procedures in the following categories.

- o Revenue -- Printing and Binding
- o Revenue -- Commercial Sales
- o Treasury
- o Expenditure -- Payroll
- o Expenditure -- Purchasing
- o Fixed Assets
- o Inventory
- o Financial Reporting
- o Budget

The objectives of a system of internal accounting control are to provide management with reasonable, but not absolute, assurance that:

- o Assets are safeguarded against loss from unauthorized use or disposition.
- o Transactions are executed in accordance with budget authority and with the laws and regulations to which GPO is subject.

- o Transactions are recorded properly to permit the preparation of the consolidated financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Findings About Compliance With Certain Laws and Regulations

The results of our tests of GPO's compliance with the provisions of laws and regulations with which it is required to comply as stated below indicate that, with respect to the items tested, GPO complied in all material respects. With respect to items not tested, nothing came to our attention that caused us to believe that GPO had not complied, in all material respects, with those provisions.

However, the objective of our audit of the consolidated financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

As part of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement, we performed tests of GPO's compliance with the following provisions of laws and regulations.

- | | |
|---|---|
| o Title 44, U.S. Code | o Civil Service Reform Act of 1978 |
| o Fair Labor Standards Act of 1938 | o Federal Employees' Group Life Insurance Act of 1980 |
| o Civil Service Retirement Act of 1930 | o Federal Employees Health Benefits Act of 1959 |
| o Debt Collection Act of 1982 | o Anti-Deficiency Act |
| o Federal Employees' Compensation Act | o Budget and Accounting Procedures Act of 1950 |
| o Congressional Operations Appropriations Act, 1992 (Public Law 102-90) | |

Management has voluntarily committed to comply with certain provisions of the Federal Managers' Financial Integrity Act of 1982 ("FMFIA") and the Chief Financial Officers Act of 1990 ("CFO Act"). While compliance with these acts by GPO is voluntary, we noted that compliance with two of these provisions, performing regular internal control assessments (FMFIA) and conducting an annual audit of the consolidated financial statements (CFO Act) for 1991, has not been met.

Findings About the System of Internal Accounting Control

Under standards established by the American Institute of Certified Public Accountants, reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the system of internal accounting control that, in our judgment, could adversely affect GPO's ability to record, process, summarize, and report financial data consistent with the assertions of management in the consolidated financial statements.

A material weakness is a reportable condition in which the design or operation of the system of internal accounting control does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the consolidated financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the system of internal accounting control would not necessarily disclose all matters in the system of internal accounting control that might be reportable conditions. However, we noted the following seven reportable conditions described below. We believe that none of the reportable conditions described below is a material weakness. These reportable conditions are more fully described in a separate letter to management of GPO dated January 15, 1993.

Material Weaknesses:

None

Reportable Conditions:

1. GPO has not performed a regular assessment of internal controls such as those required by OMB Circular A-123 and by the Federal Managers' Financial Integrity Act. In response to a 1990 GAO report recommendation, GPO stated that it would comply with these requirements. Performing regular assessments will assist management in identifying potential deficiencies and strengthening its systems of internal controls.
2. There is inadequate security over access to the financial management and text processing EDP systems. This has occurred due to a lack of a central security administration function. As a result, existing security weaknesses could allow for unauthorized updates to customer data to go unnoticed by management.
3. Inadequate contingency and back-up planning exists for the financial management and text processing EDP systems. This has occurred due to a lack of a central security administration function. In the event of a disaster, GPO may not be able to recover critical processes in a timely manner.

4. GPO recorded a \$2.0 million adjustment in September 1992 to increase inventory and decrease cost of sales. This year-end adjustment was significant to the 1992 results of operations. In addition, interim cost of sales were overstated, potentially resulting in incorrect management decisions. GPO should establish procedures to record the inventory adjustment on an interim basis.
5. GPO's procedures for determining the amount of excess or obsolete paper and material and supplies inventories are inadequate. This has occurred due to historically low levels of excess or obsolete paper and material and supplies inventories which, in the past, has not required the need for identifying such excess. However, these levels have increased which could result in inventories being overstated and the cost of goods understated in the consolidated financial statements.
6. The GPO, working together with the Joint Committee on Printing, should improve the periodic reporting of financial management information to the members and staff of the JCP. Financial management reports, prepared in a concise and comprehensive format, should focus on significant matters such as the organization's actual and budgeted operating results, key performance measures, operational issues, and adherence to strategic plans and goals. Our observation is that the majority of this data is currently being produced; however, the information is not being regularly communicated in an organized, effective and coordinated manner.
7. GPO does not maintain a formalized, automated subsidiary ledger for miscellaneous commercial accounts payable. A subsidiary ledger was developed as of September 30, 1992, in connection with the 1992 audit. Reconciliation to this subsidiary ledger resulted in an audit adjustment which was recorded.

These matters were considered by us during our audit and our study and evaluation of GPO's system of internal accounting control and do not modify the opinions expressed above. We also noted other matters involving the system of internal accounting control and its operation that we have reported to the management of GPO in a separate letter dated January 15, 1993.

Management's Responsibilities

Management is responsible for:

- o Preparing the consolidated financial statements and supplemental schedules referred to above in conformity with generally accepted accounting principles and for preparing the Overview of GPO.
- o Establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures.

- o Complying with laws and regulations applicable to GPO.

Auditors' Responsibilities

We have audited the accompanying consolidated financial statements of GPO as of and for the year ended September 30, 1992. We conducted our audit in accordance with generally accepted auditing standards and **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have made a study and evaluation of the system of internal accounting control of GPO in effect at September 30, 1992. Our study and evaluation was conducted in accordance with standards established by the American Institute of Certified Public Accountants and with **Government Auditing Standards**.

This report is intended for the information of the Comptroller General of the United States, Public Printer, Joint Committee on Printing, and management of GPO. However, this report is a matter of public record, and its distribution is not limited.

Arthur Andersen & Co.

Washington, D.C.,
January 15, 1993

PERFORMANCE MEASURES

OPERATING PERFORMANCE MEASURES

Congressional Record Delivery

The Congressional Record is the primary product of GPO's central plant. One important measure of the plant's performance is the percentage of time the Congressional Record is delivered on time, that is, by 8 A.M. the following day. During fiscal year 1992, the Record was delivered on time 92 percent of the time, including instances when late-evening Congressional sessions and other reasons caused the copy to be furnished to GPO later than the scheduled time. Although there was no established benchmark for delivering the Congressional Record, we feel that our on-time delivery record shows we were successful in this effort, yet we are still seeking to improve our delivery record. The agency's goal is to achieve a 94 percent rate of on-time delivery during fiscal year 1993.

Overtime Management

The Government Printing Office has an ongoing effort to minimize overtime hours. However, in fiscal year 1992, overtime hours increased 11.2 percent from 467,000 hours in fiscal year 1991 to 519,000 in fiscal year 1992. The cost of overtime increased 13.8 percent from \$12,800,000 in fiscal year 1991 to \$14,600,000 in fiscal year 1992. The increases can be directly attributed to the demands placed on GPO due to Operation Desert Storm and Congress, which was working toward an early recess for the upcoming elections. To further the agency's progress in reducing overtime, GPO is actively seeking enabling legislation in 1993 for the altered workweek for the production department. This change would permit employee work schedules to include Saturday and would yield a nonpremium-pay, weekend workforce to provide quick turnaround on important Congressional and Agency work. The agency's goal in fiscal year 1993 is a maximum of 467,000 agencywide overtime hours (fiscal year 1991's level).

Production Chargeable Hours

Chargeable hours increased from 1,365,000 in fiscal year 1991 to 1,410,000 in fiscal year 1992, an increase of 45,000, or 3.2 percent. Two factors which contributed to this increase were Operation Desert Storm and the push to adjourn in this, an election year. The results for 1992 compare unfavorably to our goal of 1,426,000 hours that we estimate are needed to fully recover our production costs. In fiscal year 1993, our goal is to equal or exceed the chargeable hour target necessary to achieve breakeven operations.

On-Time Delivery of Procured Printing

The Printing Procurement Department contracted with commercial printing firms to ship 271,000 jobs in fiscal year 1992 and 270,000 jobs in fiscal year 1991. For fiscal year 1992, GPO's goal was to have at least 95 percent of

procured printing orders delivered on time and a quality acceptance rate of at least 99 percent. GPO attained a 95.1 percent on-time delivery rate and a 98.9 percent quality acceptance rate. The goals for fiscal year 1993 remain the same as those for fiscal year 1992.

FINANCIAL PERFORMANCE MEASURES

Cash Management

Payment Performance

In fiscal year 1992, GPO continued its strong payment performance by taking advantage of prompt payment discounts when it was to the government's advantage. GPO's total purchased printing expense for fiscal year 1992 was \$585.9 million for commercial printing, after prompt payment discounts of \$7.9 million. The ratio of discounts to net purchased printing was 1.37 percent. These results compare favorably to fiscal year 1991 results of \$581.4 million in net commercial printing expense and \$7.6 million in prompt payment discount ratio of 1.31 percent. Discounts lost were \$302,000 and \$430,000 in fiscal years 1992 and 1991, respectively. The agency goal for fiscal year 1993 is 1.4 percent ratio of discounts to net purchased printing and a maximum of \$275,000 in discounts lost.

Electronic Payments

GPO phased in the U.S. Treasury electronic funds transfer ("EFT") in fiscal year 1988 for payments to commercial printing contractors and in fiscal year 1989 for the payment of GPO payroll and savings allotments. The use of electronic payments results in a savings for the GPO and the U.S. Treasury, since paper checks do not have to be produced and processed. Approximately 23,700 EFT payments were made monthly during fiscal year 1992, compared to 23,600 EFT payments per month in fiscal year 1991. The agency goal for fiscal year 1993 is to increase the average number of monthly EFT transactions to 24,000.

Debt Management

Federal Receivables

During fiscal year 1992, GPO billed Federal agencies \$836.7 million for printing and binding services. Of this amount \$464.5 million, or 56 percent, was collected using the Treasury's On-Line Payment and Collection system. For receivables not collected using the Treasury system, GPO was required to mail invoices, receive and deposit checks, and update the accounts receivable system. During fiscal year 1992, the average monthly delinquent receivables were \$8 million, or 21.3 percent, of the average amount outstanding. The Department of Defense ("DoD") and the military services, with a monthly average delinquent receivable balance of \$6.18 million, were GPO's largest delinquent accounts. The agency's goal for fiscal year 1993 is to reduce the average monthly delinquent receivables to 20 percent or less of total accounts receivable.

MANAGEMENT COMMENTS

The accompanying 1992 consolidated financial statements of the U.S. Government Printing Office ("GPO") have been audited by Arthur Andersen & Co., an independent public accounting firm, under contract with the General Accounting Office ("GAO"). GAO, most recently in fiscal year 1989, directly performed all previous independent financial statement audits.

The consolidated financial statements are prepared in accordance with generally accepted accounting principles for Federal agencies. Based on the accrual method of accounting, the statements provide reliable information which has been applied in a manner consistent with that of the previous year. Transactions of GPO are executed and recorded in conformity with established procedures. The financial statements provide information concerning events and other economic affairs of the GPO, fairly reflecting GPO's financial position. Furthermore, the statements supply information that demonstrates management's ability to use its resources effectively in achieving GPO's primary goals and objectives.

GPO's accounting system includes internal controls designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are properly recorded. To ensure that adequate internal controls are maintained, management monitors the accounting system and initiates any modifications or improvements deemed necessary to promote operational efficiencies and encourages adherence to prescribed managerial policies.

Budgetary Issues

The GPO's mission is to assist Congress and Federal agencies in the cost-effective creation and replication of information products and services and to provide the public with the most efficient, effective, and economical means of acquiring government information products and services. GPO strives to operate and manage its resources as efficiently as any large corporation, although the Federal budget process presents a number of challenges not faced by the private sector.

Neither Congress nor GPO has control over the amount of printing that may be needed for the legislative process. Estimates of the funds required cannot fully predict future legislative printing. As a result, the costs of Congressional printing have exceeded available appropriations for a number of years. While an agreement has been worked out to fund the existing shortfall over future years, there is no assurance that the funds will be appropriated.

This problem manifests itself again in the Superintendent of Documents' Depository Library Program. The program exists to provide to designated libraries such government publications as they elect or are required to receive. Again, GPO has little control over the volume of publications disseminated. This creates management challenges, since the program is required to execute its responsibilities within the limitation of funding provided.

A decline in the conventional printing and binding market due to governmentwide budget reductions is anticipated. GPO plans to respond to these reductions by obtaining a larger share of the market and by offering new products and services using more cost effective electronic data technology. One other way GPO's share of printing has been reduced is from the centralization by DoD of its printing and publications management and consolidation of printing and duplicating operations. This has reduced the value of work coming from DoD to GPO. The DoD centralized operations is currently producing many of the duplicating services that, in the opinion of GPO management, should be procured by GPO. GPO believes that the vast majority of these service could be procured by GPO at a lower price and thereby save money for the taxpayer.

GPO is faced with the need to invest heavily in equipment modernization, new technology, land, and facilities improvements. While these expenditures will be capitalized and depreciated over as long as 20 years, funds will be necessary to refinance these investments. GPO has reported financial losses for the last two years, making it difficult to generate funds through operations.

Fiscal Year 1992 Results

The public printing and documents chapters of Title 44, United States Code, require GPO to fulfill the printing needs of the Federal government and distribute government publications to the public. All GPO activities are financed through a revolving fund which is reimbursed by payments from client agencies, sales to the public, and transfers from the Congressional Printing and Binding Appropriation and the Salaries and Expenses Appropriation of the Superintendent of Documents. These annual appropriations are used to reimburse GPO for costs incurred in performing Congressional work and to fulfill statutory requirements associated with the distribution of government publications. Reimbursements from these appropriations are included in GPO's total revenues.

GPO experienced a consolidated net loss before amounts due the U.S. Treasury for fiscal year 1992 of \$5.2 million, compared to a \$.3 million loss for fiscal year 1991. The change is attributable primarily to negotiated wage increases for GPO employees and a freeze on prices GPO charges its customers. Consolidated revenue increased by \$8.5 million in 1992 to \$923.6 million but total expenses increased by \$13.3 million to \$928.8 million primarily as a result of increases in personnel compensation and benefits. A summary schedule (in thousands) of revenue and net income or loss in the major operations of GPO shows the following.

	1992		1991	
	<u>Revenue</u>	<u>Net Income or Loss</u>	<u>Revenue</u>	<u>Net Income or Loss</u>
REVOLVING FUND:				
Printing and binding operations-				
Purchased printing:				
Central	\$399,006	\$ 5,058	\$386,707	\$ 3,236
Regional	230,281	(3,800)	236,369	(3,293)
Subtotal	629,287	1,258	623,076	(57)
Plant printing	212,591	(2,412)	211,207	3,830
Regional printing	8,710	(5,575)	11,775	(5,098)
Other	2,324	794	1,814	349
Subtotal of printing and binding operations	852,912	(5,935)	847,872	(976)
Information Dissemination-				
Sales of publications	79,907	537	81,527	903
Agency distributions	5,912	243	4,652	(263)
Subtotal	85,819	780	86,179	640
APPROPRIATIONS:				
Salaries and expenses	28,990	-	27,094	-
Congressional printing and binding	89,580	-	89,207	-
Subtotal	118,570	-	116,301	-
ELIMINATIONS	(133,672)	-	(135,230)	-
Total	\$923,629	\$(5,155)	\$915,122	\$ (336)

PRINTING AND BINDING OPERATIONS

In 1992, GPO's Printing and Binding Operations contributed revenue of \$852.9 million, compared to \$847.9 million in 1991, representing 77.9 percent of GPO's total revenue. Revenue from commercially procured printing was \$629.3 million, or 69.7 percent of total GPO revenue (excluding revenue from sales of blank paper and other operations).

Purchased Printing -- GPO's central and regional printing procurement operations contributed revenue of \$629.3 million in 1992 compared to revenue of \$623.1 million in 1991. The procurement operations experienced net income of \$1,300,000 compared to last year's net loss of \$57,000.

Central Office Printing Procurement -- Revenue from Central Office printing procurement activities was \$399.0 million, compared to \$386.7 million in 1991. Expenses for Central Office printing procurement activities were \$394.0 million, compared to \$383.5 million to previous year. Net income for the Central Office printing procurement was \$5.0 million, an increase over fiscal year 1991's net income of \$3.2 million.

Regional Printing Procurement -- Regional printing procurement revenue was \$230.3 million, compared to \$236.4 million the previous year, while expenses decreased to \$234.1 million from \$239.7 million in 1991. The net loss in regional printing procurement increased to \$3.8 million in fiscal year 1992 from \$3.3 million in fiscal year 1991.

Plant Printing Operations -- Plant Printing showed a loss of \$2.4 million in 1992, compared to net income of \$3.8 million in 1991. The decrease in net income was due to price concessions to executive agency customers in order to keep the plant occupied and because of a decline of paper orders from Federal agencies.

Regional Printing Operations -- GPO's regional printing operations experienced a combined net loss of \$5.6 million in 1992, compared to a net loss of \$5.1 million in 1991. During the year, the Rapid Response Center ("RRC"), National Capital Area, was closed and consolidated with the Central Plant Operations because of sustained irreversible losses over many years. RRC was responsible for approximately 70 percent of the regional printing operations loss in fiscal years 1992 and 1991.

SUPERINTENDENT OF DOCUMENTS OPERATIONS

Sales of Publications Program -- GPO's Sales of Publications Program generated net income of \$537,000 in 1992, a 41 percent decrease from net income of \$903,000 generated in 1991. Total sales revenue decreased to \$79.9 million compared to \$81.5 million in 1991, due primarily to decreased demand for publications. Revenue from sales of government publications in electronic formats was \$875,000 in 1992, compared to \$900,000 in 1991. Bookstore revenue increased to \$14.2 million, compared to \$13.2 million in 1991.

Agency Distribution Services -- Under contract with customer agencies, GPO performs distributions of publications to recipients designated by those agencies and charges for the cost of services performed. This program earned \$5.9 million and \$4.7 million in revenue and yielded net income (loss) of \$243,000 and \$(263,000) in fiscal years 1992 and 1991, respectively.

Salaries and Expenses Programs -- Salaries and expenses associated with the operation of the Statutory Distribution Program, the Depository Library Program, the Cataloging and Indexing Program, and the International Exchange Program increased to \$29.0 million in 1992, compared to \$27.1 million in 1991. The additional funds were used to distribute many 1990 Decennial Census publications and to reduce the backlog of microform copies of publications in the Depository Library.

Congressional Printing and Binding Operations -- Printing and binding expenses for work performed for Congress are reimbursed to the Printing and Binding Operations Revolving Fund upon billing. For fiscal year 1992, reimbursements from the appropriation were \$89.6 million, compared to \$89.2 million in fiscal year 1991. Included in both are amounts authorized (\$6.0 million) in those two years to fund the shortfall in appropriations resulting from prior years.

Other Operations -- Other operations consists primarily of the sale of waste and scrap and the sale of retired fixed assets. This group of miscellaneous operations had net income of \$794,000, compared to net income of \$349,000 in 1991.

Eliminations -- Eliminations consist of revenues for publications sold and other services provided to internal GPO organizations. Eliminations decreased to \$133.7 million in fiscal year 1992 from \$135.2 in fiscal year 1991, primarily due to a \$2.7 million decrease in the cost of publications purchased by the Sales of Publications program from GPO's printing and binding operations.

FISCAL YEAR 1993 PROJECTIONS

GPO's Financial Plan for fiscal year 1993 was developed to satisfy the legal requirement of the GPO Revolving Fund to recover all costs for current operations and to self-fund all capital improvements. The plan projected an overall consolidated surplus of \$2.0 million (net of a \$2.6 million loss for Printing and Binding Operations and a \$4.6 million gain for Information Dissemination Operations). GPO planned to utilize the expected surplus to finance initial actions to open electronic dissemination gateways to Federal agency databases, disseminate an on-line version of the **Congressional Record** and the **Federal Register** to sales customers and depository libraries, and create a Federal information locator service. The two major components of the plan were an increase to GPO's revenues as the result of more proactive customer service initiatives and a reduction to overall operational costs through the implementation of nearly \$10.0 million in cost cutting initiatives.

GPO's revenues for fiscal year 1993 were estimated to increase \$28.0 million over fiscal year 1992. The increase in revenues from Printing and Binding Operations was predicated on a combined increase in the procurement of Federal agencies' copier paper requirements through GPO and an influx of more procured printing from work that is being done by plants in the Department of Defense ("DoD"), the General Services Administration ("GSA"), and other Federal agencies. The increase in revenues from Information Dissemination Operations was projected on a growth in the sale of additional CD-ROMs and computer diskettes, plus an increased use of the Federal Bulletin Board system to transmit publication sales orders.

Events so far for fiscal year 1993 indicate not only will there be no increase in printing and binding revenues from DoD and GSA workload but a substantial reduction in GPO's workload has resulted. At the same time, the Comptroller

General's recent decision that GPO currently lacks specific statutory authority to offer retirement incentives has eliminated any possibility for accomplishing nearly \$4.6 million of the planned cost cutting initiatives. Current projections indicate the GPO's consolidated operations could show a loss for 1993 in the range of \$11.0 to \$13.0 million.

Facing a loss of this magnitude, all efforts to further expand GPO's operations into electronic products and services using the expected surplus of profits may have to be postponed. GPO management, with the guidance and approval of the Joint Committee on Printing, will have to consider the following possible actions: 1) raising the scale of prices and/or the surcharges on GPO products and services; 2) directing a selective freeze on agency hires; 3) reviewing a realignment of the workweek and shift times of the work force to reduce or eliminate overtime requirements; and 4) conducting some organizational reductions-in-force. These or other difficult decisions will be required to reverse the current loss pattern and maintain the financial stability of the Revolving Fund.

U.S. GOVERNMENT PRINTING OFFICE

CONSOLIDATED STATEMENTS OF REVENUES AND EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 1992 AND 1991

(Dollars in Thousands)

	1992		1991 (Unaudited)	
	<u>Amount</u>	<u>Percent of Revenues</u>	<u>Amount</u>	<u>Percent of Revenues</u>
REVENUES:				
Printing and binding	\$719,640	77.9 %	\$712,973	77.9 %
Sales of publications	79,907	8.7	81,527	8.9
Appropriations	118,170	12.8	115,970	12.7
Reimbursements	5,912	.6	4,652	.5
	-----	-----	-----	-----
Total revenues	923,629	100.0	915,122	100.0
	-----	-----	-----	-----
EXPENSES:				
Printing and reproduction	562,175	60.9	554,938	60.7
Personnel compensation and benefits	237,165	25.7	222,508	24.3
Supplies and materials	52,802	5.7	58,563	6.4
Rents, communications and utilities	32,032	3.5	34,246	3.7
Publications sold	23,769	2.6	26,482	2.9
Depreciation and amortization	5,838	.6	5,965	.7
Other services	5,830	.6	4,628	.5
Surplus publications	4,918	.5	4,108	.4
Travel and transportation	4,255	.5	4,020	.4
	-----	-----	-----	-----
Total expenses	928,784	100.6	915,458	100.0
	-----	-----	-----	-----
NET LOSS	\$ (5,155)	(.6)%	\$ (336)	- %
	=====	=====	=====	=====

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

U.S. GOVERNMENT PRINTING OFFICE

CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30, 1992 AND 1991
(Dollars in Thousands)

ASSETS

	<u>1992</u>	<u>1991</u> <u>(Unaudited)</u>
CURRENT ASSETS:		
Funds with U.S. Treasury (Note 2D)	\$126,700	\$149,621
Accounts receivable (Note 4)	200,776	176,371
Inventories (Note 2E)	32,933	36,167
Prepaid expenses	148	76
	<u>360,557</u>	<u>362,235</u>
PROPERTY AND EQUIPMENT (Note 2F):		
Land and buildings	18,633	18,633
Equipment and building improvements	132,653	123,912
	<u>151,286</u>	<u>142,545</u>
Total acquisition value		
	151,286	142,545
Less- Accumulated depreciation and amortization	(96,091)	(90,572)
	<u>55,195</u>	<u>51,973</u>
Total property and equipment		
	55,195	51,973
LONG-TERM ACCOUNTS RECEIVABLE (Note 5)	6,613	16,783
	<u>\$422,365</u>	<u>\$430,991</u>
Total assets	<u>=====</u>	<u>=====</u>

The accompanying notes are an integral part of
these consolidated balance sheets.

U.S. GOVERNMENT PRINTING OFFICE

CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30, 1992 AND 1991
(Dollars in Thousands)

LIABILITIES AND INVESTMENT OF U.S. GOVERNMENT

	<u>1992</u>	<u>1991</u> <u>(Unaudited)</u>
CURRENT LIABILITIES:		
Accounts payable and accrued expenses (Note 6)	\$ 80,354	\$ 86,144
Deferred revenue (Note 7)	34,238	31,386
Due U.S. Treasury (Note 2K)	544	-
	-----	-----
Total current liabilities	115,136	117,530
	-----	-----
OTHER LIABILITIES:		
Accrued annual leave	12,155	10,723
Due U.S. Treasury (Note 2K)	-	544
	-----	-----
Total other liabilities	12,155	11,267
	-----	-----
Total liabilities	127,291	128,797
	-----	-----
COMMITMENTS AND CONTINGENCIES (Note 8)		
INVESTMENT OF U.S. GOVERNMENT (Notes 2K and 9):		
Revolving fund-		
Cumulative results of operations, beginning of year	171,074	171,410
Net loss	(5,155)	(336)
	-----	-----
Cumulative results of operations, end of year	165,919	171,074
Invested capital	109,949	109,993
	-----	-----
Total	275,868	281,067
Appropriated funds	19,206	21,127
	-----	-----
Total investment of U.S. government	295,074	302,194
	-----	-----
Total liabilities and investment of U.S. government	\$422,365	\$430,991
	=====	=====

The accompanying notes are an integral part of
these consolidated balance sheets.

U.S. GOVERNMENT PRINTING OFFICE

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 1992 AND 1991
(Dollars in Thousands)

	<u>1992</u>	<u>1991</u> (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (5,155)	\$ (336)
Adjustments to net loss-		
Depreciation and amortization	5,838	5,965
Loss on retirement of assets	10	6
Provision for losses on accounts receivable	427	1,033
Provision for losses on surplus publications	(922)	1,068
Provision for obsolete inventory	300	-
Changes in assets and liabilities-		
(Increase) decrease:		
Accounts receivable	(14,662)	39,275
Inventories	3,857	707
Prepaid expenses	(72)	44
Increase (decrease):		
Accounts payable and accrued expenses	(5,792)	2,050
Deferred revenue	2,851	(3,563)
Accrued annual leave	1,432	16
Total adjustments	(6,733)	46,601
Net cash (used in) provided by operating activities	(11,888)	46,265
CASH FLOWS FROM INVESTING ACTIVITIES-		
Capital expenditures	(9,112)	(5,350)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (decrease) in unexpended appropriations	102	(13,192)
Funds returned to U.S. Treasury-		
From Salaries and Expenses Appropriation	(2,023)	-
From Sales of Publications Operations	-	(8,686)
From Congressional Printing and Binding Appropriation	-	(150)
Net cash used in financing activities	(1,921)	(22,028)
NET (DECREASE) INCREASE IN FUNDS WITH U.S. TREASURY	(22,921)	18,887
FUNDS WITH U.S. TREASURY, beginning of year	149,621	130,734
FUNDS WITH U.S. TREASURY, end of year	\$126,700	\$149,621

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

U.S. GOVERNMENT PRINTING OFFICE

STATEMENT OF BUDGET AND ACTUAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 1992

(Dollars in Thousands)

	<u>Total</u>	<u>Budget</u>		
	<u>Resources</u>	<u>Obligations</u>		<u>Actual</u>
		<u>Direct</u>	<u>Reimbursed</u>	<u>Expenses</u>
REVOLVING FUND	\$ 938,731	\$ -	\$940,740	\$ 943,886
CONGRESSIONAL PRINTING AND BINDING APPROPRIATION	91,591	91,591	-	89,580
SALARIES AND EXPENSES APPROPRIATION	27,082	27,082	-	28,990
	<u>\$1,057,404</u>	<u>\$118,673</u>	<u>\$940,470</u>	<u>\$1,062,456</u>
	=====	=====	=====	=====

BUDGET RECONCILIATION (Note 21)

TOTAL EXPENSES, accrual basis	\$1,062,456
ADD:	
Capital acquisitions	9,112
Other expended budget authority:	
Increase in accounts receivable	14,749
Increase in prepaid expense	72
Decrease in accounts payable	9,977
Increase in deferred revenue	(2,851)
LESS:	
Depreciation and amortization	5,838
Accrued annual leave	1,432
Other expenses	3,671
	<u>1,082,574</u>
ACCRUED EXPENDITURES, budgetary basis	1,082,574
LESS- Revolving Fund revenue	938,731
	<u>\$ 143,843</u>
ACCRUED EXPENDITURES, direct	=====

See accompanying Schedule of Budget and Actual Expenditures by Fund Type.

The accompanying notes are an integral
part of this statement.

U.S. GOVERNMENT PRINTING OFFICE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 1992 AND 1991

1. ORGANIZATION:

The U.S. Government Printing Office ("GPO") was created by the Printing Act of 1860. The U.S. Congress ("Congress") enacted this legislation to provide to the Federal government an economic and efficient means for the production and procurement of Congressional and agency printing and binding and for the dissemination of information to the public.

The Public Printer, appointed by the President of the United States with the advice and consent of the U.S. Senate, oversees the operations of the GPO. GPO carries out its responsibilities through the operation of a revolving fund and Congressional appropriations.

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Accounting

The consolidated financial statements are prepared on the accrual basis of accounting following generally accepted accounting principles.

B. Basis of Consolidation

The accompanying consolidated financial statements of GPO include the accounts of all funds under GPO control that have been established and maintained to account for the resources of GPO. A discussion of these funds is included in the remarks immediately preceding the supplemental schedules.

General and administrative expenses have been distributed among the various expense categories. To the extent practicable, general and administrative expenses were allocated to the various programs based on the estimated level of effort associated with each program.

All significant intra-agency balances and transactions have been eliminated in consolidation. Revenue and expense eliminations for the years ended September 30, 1992 and 1991, consist of the following.

	<u>1992</u>	<u>1991</u>
Printing and reproduction services	\$130,446,000	\$131,698,000
Data processing services	2,826,000	3,201,000
Miscellaneous services	400,000	331,000
	-----	-----
Total	\$133,672,000	\$135,230,000
	=====	=====

In addition to the above eliminations, there is an intraprogram elimination of revenues and expenses for services provided between and among the In-House Printing Program organizations. The eliminations are \$6,034,000 and \$5,008,000 for the years ended September 30, 1992 and 1991, respectively.

C. Revenue Recognition and Expended Appropriations

Revolving Fund revenue for printing and binding is recognized on the basis of work performed by the GPO due to the fact that all printing and binding work is required by law to be reimbursed on the basis of services rendered. Revolving Fund revenue from commercially procured printing and binding is recognized on the date the contract requirements are fulfilled (constructive-receipt concept). Revolving Fund revenue from distributing and selling publications to the public is recognized when publications have been shipped or when services have been performed. Appropriation revenue is recorded when expenses are accrued.

The amount of appropriations expended and the programs funded are presented in Note 10A. Unexpended appropriations are recorded as Investment of U.S. Government (see Note 10B).

D. Funds With U.S. Treasury

This total represents all undisbursed balances for GPO's accounts with the U.S. Treasury and cash and other negotiable instruments on hand and in transit for deposit. Funds are based on the balances recorded by the Treasury in their Government On-Line Accounting Link System ("GOALS"). A breakdown of items included in this category as of September 30, 1992 and 1991, is as follows.

	<u>1992</u>	<u>1991</u>
Revolving funds	\$105,315,000	\$130,104,000
Appropriations	20,568,000	18,216,000
On hand and in transit	817,000	1,301,000
	-----	-----
Total	\$126,700,000	\$149,621,000
	=====	=====

E. Inventories

Operating supplies, which are consumed in operations, are valued using the weighted-average cost method. Supplies include paper and materials for the production of client products as well as administrative supplies and are shown net of a provision for obsolescence.

Inventories of publications held for sale are valued using the first-in, first-out cost method and are shown net of an allowance for surplus publications. The allowance for surplus publications is established to estimate the value of potentially obsolete or excess publications held in inventory. As of September 30, 1992 and 1991, the components of inventories are as follows.

	<u>1992</u>	<u>1991</u>
Publications for sale	\$17,736,000	\$18,572,000
Allowance for surplus publications	(4,245,000)	(5,168,000)
	-----	-----
Publications for sale, net	13,491,000	13,404,000
Paper	8,889,000	12,650,000
Materials and supplies	10,853,000	10,113,000
Allowance for obsolescence	(300,000)	-
	-----	-----
Inventories, net	<u>\$32,933,000</u>	<u>\$36,167,000</u>
	=====	=====

F. Property and Equipment

Property and equipment is valued at cost. Printing equipment transferred to GPO from other Federal agencies is valued in accordance with Regulation Number 26 published by the Joint Committee on Printing ("JCP"), which approximates historical cost. Expenditures which substantially increase the useful lives of the assets are capitalized. Normal repair and maintenance costs are expensed as incurred.

Depreciation and amortization of property and equipment is calculated on a straight-line basis. Plant machinery and equipment are depreciated in accordance with JCP guidelines, which approximates their useful lives. Leasehold improvements are amortized over the lesser of their useful lives or the lease term. A table of the ranges of depreciable and amortizable lives of GPO assets follows.

<u>Category</u>	<u>Depreciable or Amortizable Life</u>
Buildings and improvements	42 to 50 years
Plant machinery and equipment	5 to 20 years
Office machinery and equipment	5 years
Computer software	3 years
Computer hardware	5 years
Furniture and fixtures	5 years
Vehicles	3 to 6 years

Property, plant, and equipment as of September 30, 1992, consisted of the following:

	<u>Acquisition Value</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Net Book Value</u>
Land	\$ 9,977,000	\$ -	\$ 9,977,000
Buildings	8,656,000	8,656,000	-
Building improvements	47,259,000	25,843,000	21,416,000
Leasehold improvements	1,509,000	989,000	520,000
Plant machinery and equipment	67,264,000	50,997,000	16,267,000
Office machinery and equipment	11,479,000	7,962,000	3,517,000
Computer software	1,414,000	731,000	683,000
Furniture and fixtures	573,000	239,000	334,000
Vehicles	982,000	674,000	308,000
Capital improvements in process	450,000	-	450,000
Software development in process	1,723,000	-	1,723,000
Total	<u>\$151,286,000</u>	<u>\$96,091,000</u>	<u>\$55,195,000</u>

Property, plant, and equipment as of September 30, 1991, consisted of the following.

	<u>Acquisition Value</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Net Book Value</u>
Land	\$ 9,977,000	\$ -	\$ 9,977,000
Buildings	8,656,000	8,656,000	-
Building improvements	46,062,000	24,347,000	21,715,000
Leasehold improvements	1,394,000	866,000	528,000
Plant machinery and equipment	64,129,000	48,145,000	15,984,000
Office machinery and equipment	9,457,000	7,223,000	2,234,000
Computer software	970,000	471,000	499,000
Furniture and fixtures	366,000	218,000	148,000
Vehicles	823,000	646,000	177,000
Capital improvements in process	264,000	-	264,000
Software development in process	447,000	-	447,000
Total	<u>\$142,545,000</u>	<u>\$90,572,000</u>	<u>\$51,973,000</u>

G. Annual, Sick and Other Types of Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current pay rates.

Sick leave and other types of nonvested leave are expensed as taken.

H. Accounting for Interagency Activities

Other Federal agencies make financial decisions and report certain financial matters on behalf of the Federal government as a whole, including matters in which individual agencies may be an indirect party in interest. This concept of having Federal agencies record or report only those governmentwide financial matters for which they are directly responsible is consistent with the U.S. General Accounting Office's **Policies and Procedures Manual for Guidance of Federal Agencies**, Title 2, which seeks to identify financial matters with the agency having budgetary authority and resources to manage them.

Financial matters maintained or reported by other Federal agencies in which GPO is indirectly involved include employee pension plan benefits (see Note 3) and certain legal situations (see Note 8C).

I. Statements of Cash Flows

Beginning with the fiscal year 1992 consolidated financial statements, GPO has adopted the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 95, "Statement of Cash Flows." Under this standard, the former statement of changes in financial position is superseded by the new statement of cash flows. The statement of cash flows identifies cash receipts and payments and classifies them into operating, financing and investing activities. This additional disclosure of information is intended to help assess the ability to generate funds from current operations, to identify financing acquired from outside sources, and to identify the major nonoperating (investing) uses of funds. For the purposes of this statement, cash equals Funds with U.S. Treasury as defined in Note 2D. For comparative purposes, a fiscal year 1991 statement of cash flows was also prepared.

J. Statement of Budget and Actual Expenses

The purpose of the statement of budget and actual expenses is to provide a reconciliation from the consolidated financial statements, which are prepared on an accrual basis, to related reports on budget execution, which are prepared on an obligational basis, as reported to the Office of Management and Budget.

Total resources include new budget authority granted GPO for fiscal year 1992 for the Revolving Fund and for the Congressional Printing and Binding and Salaries and Expenses Appropriations, as discussed in Note 10, as well as unexpended amounts for these two appropriations from prior years, as shown in the supplemental schedule of appropriated funds.

Budget obligations, direct, represents the amount of orders placed, contracts awarded, services rendered, and similar transactions incurred against appropriations which have resulted or will result in an outlay of funds.

Budget obligations, reimbursed, represents the amount of orders placed, contracts awarded, services received, and similar transactions incurred

against authority reimbursed to the Revolving Fund through the performance of services or sale of goods to others.

K. Change in Accounting Policy

The fiscal year 1991 consolidated balance sheet and statement of revenues and expenses have been restated due to retroactively applying a change in accounting policy. GPO defined for past years the net annual income of its Sales of Publications Program (the "Program") as constituting excess receipts and, as such, was by law payable to the U.S. Treasury. During fiscal year 1992, the Public Printer defined excess receipts as net annual income of the Program adjusted for accrued depreciation less actual capital assets purchased or committed to during the fiscal year. Previously, the Program was only permitted to recover the cost of purchased capital assets through depreciation.

The effect of this change on the fiscal year 1991 consolidated balance sheet and statement of revenues and expenses was to reduce the amount due the U.S. Treasury and increase retained earnings approximately \$359,000. It is also GPO's policy that excess receipts due the U.S. Treasury are payable in the second year following the year earned. Therefore, these amounts will be paid in fiscal year 1993. There is no amount due U.S. Treasury relating to the Program's fiscal year 1992 activities.

L. Reclassification of Fiscal Year 1991 Balances

Certain reclassifications have been made to fiscal year 1991 balances to present them consistently with fiscal year 1992 statements and schedules.

M. Public Law 99-177 Reductions

As a result of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), funds were sequestered from GPO during fiscal year 1991. These amounts are referred to as Public Law 99-177 reductions, in the accompanying statements, schedules, and footnotes.

3. EMPLOYEE BENEFIT PLANS:

GPO funds a portion of pension benefits for its employees under the Civil Service Retirement System and the Federal Employees Retirement System and also makes the necessary payroll deductions for employees for their pension contribution. GPO is not required to disclose the assets of the system or the actuarial data with respect to accumulated plan benefits of the unfunded pension liability relative to its employees. Reporting such amounts is the direct responsibility of the Office of Personnel Management ("OPM"). The cost of health care benefits for retired employees and the reporting of such amounts are also the direct responsibility of OPM.

A. Civil Service Retirement System

The majority of GPO's employees were covered by the Civil Service Retirement System ("CSRS") during 1992 and 1991. Total GPO matching contributions

(7.5 percent for **Congressional Record** indexers, investigators, and law officers and 7 percent for all other employees) to CSRS for all employees covered by CSRS were approximately \$10.7 million and \$10.4 million for the years ended September 30, 1992 and 1991, respectively.

B. Federal Employees Retirement System

On January 1, 1987, the Federal Employees Retirement System ("FERS"), a defined contribution plan, commenced pursuant to Public Law 99-335. Employees 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. One primary difference between FERS and CSRS is that FERS offers the Thrift Saving Plan ("TSP"), a savings plan that requires GPO to contribute 1 percent of an enrolled employee's base pay and match any employee contribution up to 5 percent of base pay. For the years ended September 30, 1992 and 1991, total GPO (employer) contributions to FERS (18.8 percent for **Congressional Record** indexers, 27.3 percent for investigators and law officers and 12.9 percent for all other employees) were \$3.9 million and \$3.2 million, respectively. Additional contributions of GPO's share to the TSP for the years ended September 30, 1992 and 1991, totaled \$800,000 and \$600,000, respectively.

C. Social Security System

GPO also makes matching contributions to the Social Security Administration ("SSA") under the Federal Insurance Contributions Act ("FICA"). For employees covered by FERS, GPO contributes matching amounts of 6.2 percent of gross pay (up to \$55,500) 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 (up to \$130,200) to SSA's Medicare Hospital Insurance program. Payments to these programs for the years ended September 30, 1992 and 1991, amounted to \$5.2 million and \$4.4 million, respectively.

4. ACCOUNTS RECEIVABLE:

Accounts receivable as of September 30, 1992 and 1991, are comprised of the following.

	1992	1991
Federal agencies:		
Unbilled completed work	\$122,298,000	\$111,942,000
Unbilled work in process	62,194,000	58,046,000
Billed completed work	22,584,000	22,227,000
Subtotal	207,076,000	192,215,000
Other receivables:		
The public	1,812,000	1,788,000
The employees	1,018,000	1,241,000
Subtotal	2,830,000	3,029,000
Total accounts receivable	209,906,000	195,244,000
Allowance for doubtful accounts	(2,517,000)	(2,090,000)
Total accounts receivable, net	207,389,000	193,154,000
Accounts receivable -- long-term, net	(6,613,000)	(16,783,000)
Accounts receivable -- current, net	\$200,776,000	\$176,371,000

The majority of GPO's accounts receivable are due from other Federal agencies for products or services provided. Unbilled completed work results from the delivery of goods or the performance of services for which bills have not been rendered. Included in this balance as of September 30, 1992, is unbilled commercial printing valued at \$57.5 million, unbilled direct mill-to-customer agency paper shipments valued at \$800,000, finished work in the process of being billed valued at \$42.2 million, finished work for which invoices have not been prepared as of September 30, 1992, valued at \$18.3 million, and \$3.5 million due from the Congress (Note 5).

Unbilled work in process represents the value of work performed on customer orders as of September 30 that, by law, must be reimbursed by GPO customers.

Employees accounts receivable for fiscal year 1992 includes \$969,000 and \$49,000 owed by current and former employees, respectively, who were advanced annual and sick leave. Both types of leave for current employees will be repaid by these employees in biweekly installments or by other GPO employees on their behalf through the donated leave program.

5. LONG-TERM ACCOUNTS RECEIVABLE --
CONGRESSIONAL PRINTING AND BINDING
APPROPRIATION CUMULATIVE SHORTFALL:

At the end of fiscal year 1992, there was an estimated \$24.9 million shortfall in the Congressional Printing and Binding appropriation for fiscal years through 1992, of which \$3.5 million was provided in the Legislative Branch

Appropriations Act, 1993 (Public Law 102-392). Of the total shortfall, \$10,113,000 is included in accounts receivable. The balance of \$14,822,000 represents the estimated cost to provide work that has been ordered by Congress, related to 1992 and prior appropriations, but which GPO has not initiated. Of the total receivable, \$3.5 million is current, and the balance of \$6,613,000 is long term. As of September 30, 1991, \$19,783,000 was included in receivables, of which \$3.0 million was current and the balance of \$16,783,000 was long term.

	<u>Accounts Receivable</u>	<u>Outstanding Obligations</u>	<u>Cumulative Shortfall</u>
Balance, September 30, 1990	\$13,596,000	\$ -	\$13,596,000
Congressional expenses in excess of appropriation	6,187,000	-	6,187,000
Increase in outstanding obligations	-	3,167,000	3,167,000
	-----	-----	-----
Balance, September 30, 1991	19,783,000	3,167,000	22,950,000
Installment appropriation on shortfall	(3,019,000)	-	(3,019,000)
Congressional appropriation in excess of expenses	(6,651,000)	-	(6,651,000)
Increase in outstanding obligations	-	11,655,000	11,655,000
	-----	-----	-----
Balance, September 30, 1992	<u>\$10,113,000</u>	<u>\$14,822,000</u>	<u>\$24,935,000</u>
	=====	=====	=====

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

Accounts payable and accrued expenses are comprised of the following as of September 30, 1992 and 1991.

	<u>1992</u>	<u>1991</u>
Accounts payable:		
Commercial printing	\$53,792,000	\$54,640,000
U.S. government agencies	11,391,000	10,507,000
Other	5,458,000	4,885,000
	-----	-----
Total accounts payable	70,641,000	70,032,000
Accrued salaries and wages	8,266,000	15,287,000
State and local payroll taxes	1,447,000	825,000
	-----	-----
Total accounts payable and accrued expenses	<u>\$80,354,000</u>	<u>\$86,144,000</u>
	=====	=====

7. DEFERRED REVENUE:

As of September 30, 1992 and 1991, deferred revenue is comprised of the following.

	<u>1992</u>	<u>1991</u>
Deferred subscription revenue	\$22,032,000	\$20,273,000
Customer deposits -- held on accounts	8,776,000	8,688,000
Customer deposits -- unfilled orders	1,979,000	1,548,000
Advanced billings to customer agencies	1,451,000	877,000
	<u>-----</u>	<u>-----</u>
Total	\$34,238,000	\$31,386,000
	<u>=====</u>	<u>=====</u>

Deferred revenue results from the receipt of customer remittances for future products or services. Deferred subscription revenue for products such as the **Congressional Record**, **Federal Register**, and **Commerce Business Daily**, is recognized as the periodicals are delivered. Customer deposits for publication orders are recognized when customer orders against this account are filled.

8. COMMITMENTS AND CONTINGENCIES:

A. Operating Leases

As of September 30, 1992, GPO was committed to various noncancelable operating leases primarily covering administrative office space, retail space, and warehouse space. Many of these leases contain escalation clauses and renewal options. The following is a schedule of future minimum rental payments (in thousands) required under operating leases by type of lease, which have initial or remaining noncancelable lease terms in excess of one year. Rent expenses for the years ended September 30, 1992 and 1991, were \$7,400,000 and \$7,500,000, respectively.

<u>Fiscal Year</u>	<u>Warehouse</u>	<u>Office</u>	<u>Retail</u>	<u>Parking</u>	<u>Vehicles</u>	<u>Total</u>
1993	\$2,036	\$ 676	\$ 426	\$164	\$18	\$3,320
1994	1,987	637	373	27	-	3,024
1995	1,454	282	329	-	-	2,065
1996	182	194	265	-	-	641
1997	-	78	120	-	-	198
1998 and thereafter	-	6	-	-	-	6
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total minimum lease payments	\$5,659	\$1,873	\$1,513	\$191	\$18	\$9,254
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

B. Commitments

GPO is committed under obligations for goods and services which have been ordered but not received (undelivered orders) at fiscal year-end. Aggregate undelivered orders for all GPO activities were \$100.3 million and \$101.7 million as of September 30, 1992 and 1991, respectively. Undelivered orders at the end of fiscal years 1992 and 1991 included approximately \$10 million for the acquisition of land adjacent to the main building.

C. Contingencies

GPO is a party to various administrative proceedings, legal actions, and claims brought by or against it. In the opinion of GPO management and legal counsel, the ultimate resolution of these proceedings, actions, and claims will not materially affect GPO's financial position or results of operations.

Occasionally, GPO may be the named party, but another agency may administer and litigate the case. Amounts to be paid under any decision, settlement, or award pertaining thereto may be funded by those agencies. In most cases, tort claims are administered and resolved by the U.S. Department of Justice, and any amounts necessary for resolution are obtained from a special Judgment Fund maintained by the U.S. Treasury. Amounts paid from this fund on behalf of the GPO were \$943,000 and \$96,000 for the years ended September 30, 1992 and 1991, respectively, and are not reflected in GPO's consolidated financial statements.

9. INVESTMENT OF U.S. GOVERNMENT

Invested Capital and Fund Balances

Invested capital represents U.S. government resources invested in certain GPO assets, principally, land, buildings and equipment, and working capital. Increases to invested capital are recorded only when such assets are acquired with direct appropriations or with moneys transferred or when printing equipment is donated to GPO.

Investment of U.S. government as of September 30, 1992, consisted of the following.

	<u>Revolving Fund</u>	<u>Appropriations</u>	<u>Total</u>
INVESTED CAPITAL:			
Beginning net worth when the Revolving Fund was established	\$ 33,807,000	\$ -	\$ 33,807,000
Book value of contributed buildings and land	415,000	-	415,000
Appropriations for improvements to air conditioning and electrical systems	12,900,000	-	12,900,000
Appropriations for working capital and site acquisition	62,600,000	-	62,600,000
Donated equipment	227,000	-	227,000
	<hr/>	<hr/>	<hr/>
Total	109,949,000	-	109,949,000
	<hr/>	<hr/>	<hr/>
UNEXPENDED APPROPRIATIONS— Obligated	-	19,206,000	19,206,000
	<hr/>	<hr/>	<hr/>
CUMULATIVE RESULTS OF OPERATIONS:			
Retained earnings	165,382,000	-	165,382,000
Designated for capital projects	537,000	-	537,000
	<hr/>	<hr/>	<hr/>
Total	165,919,000	-	165,919,000
	<hr/>	<hr/>	<hr/>
Total investment of U.S. government	\$275,868,000	\$19,206,000	\$295,074,000
	<hr/>	<hr/>	<hr/>

Investment of U.S. government as of September 30, 1991, consisted of the following.

	<u>Revolving Fund</u>	<u>Appropriations</u>	<u>Total</u>
INVESTED CAPITAL:			
Beginning net worth when the Revolving Fund was established	\$ 33,807,000	\$ -	\$ 33,807,000
Book value of contributed buildings and land	415,000	-	415,000
Appropriations for improvements to air conditioning and electrical systems	12,900,000	-	12,900,000
Appropriations for working capital and site acquisition	62,600,000	-	62,600,000
Donated equipment	271,000	-	271,000
	<hr/>	<hr/>	<hr/>
Total	109,993,000	-	109,993,000
	<hr/>	<hr/>	<hr/>

	<u>Revolving Fund</u>	<u>Appropriations</u>	<u>Total</u>
UNEXPENDED APPROPRIATIONS-			
Obligated	\$ -	\$21,127,000	\$ 21,127,000
CUMULATIVE RESULTS OF OPERATIONS:			
Retained earnings	170,715,000	-	170,715,000
Designated for capital projects	359,000	-	359,000
Total	171,074,000	-	171,074,000
Total investment of			
U.S. government	\$281,067,000	\$21,127,000	\$302,194,000
	=====	=====	=====

10. APPROPRIATIONS:

A. Expended Appropriations

Total appropriations made available through Congressional appropriations for fiscal years 1992 and 1991 were \$91,591,000 and \$77,365,000 for Congressional printing and binding and \$27,082,000 and \$25,745,000 for salaries and expenses, respectively.

Descriptions of program activities funded by these appropriations are in the notes preceding the supplemental schedules. Expended appropriations for program operations for the years ended September 30, 1992 and 1991, were as follows.

	<u>1992</u>	<u>1991</u>
Congressional printing and binding:		
Congressional Record products	\$ 23,353,000	\$ 20,283,000
Miscellaneous publications and printing and binding	20,738,000	21,782,000
Hearings	15,510,000	16,893,000
Bills, resolutions, and amendments	12,664,000	12,041,000
Details to Congress	4,959,000	5,757,000
Other	12,356,000	12,451,000
Total congressional printing and binding	89,580,000	89,207,000
Salaries and expenses:		
Depository library distribution	25,022,000	23,403,000
Cataloging and indexing	2,597,000	2,464,000
By-law distribution	644,000	726,000
International exchange	727,000	501,000
Total salaries and expenses	28,990,000	27,094,000
Total expended appropriations	\$118,570,000	\$116,301,000
	=====	=====

	<u>1992</u>	<u>1991</u>
Reconciliation of expended appropriations to the consolidated statements of revenues and expenses:		
Total expended appropriations	\$118,570,000	\$116,301,000
Eliminations (interagency)	(400,000)	(331,000)
	-----	-----
Consolidated revenues from appropriations	\$118,170,000	\$115,970,000
	=====	=====

For fiscal year 1993, Public Law 102-392 made available \$89,591,000 and \$29,082,000 for Congressional Printing and Binding and Salaries and Expenses, respectively.

B. Unexpended Appropriations

As of September 30, 1992 and 1991, GPO had unexpended appropriations, which were obligated for salaries and expenses and congressional printing and binding services of \$19,206,000 and \$21,127,000, respectively.

11. RELATED-PARTY TRANSACTIONS -- REFECTORY CAFE LIMITED:

The GPO Cafeteria is operated by the Refectory Cafe Limited ("Cafeteria"), a nonprofit corporation chartered in the District of Columbia in 1985. The Board of Directors of the Cafeteria is comprised of three senior-level GPO managers. Also, since July 1991, a GPO employee has been detailed to manage the Cafeteria. As of September 30, 1992, the Cafeteria had incurred a cumulative operating loss of approximately \$451,000. The cafeteria also has working capital, as of September 30, 1992, of approximately \$31,000. GPO has funded the cafeteria the total of these amounts, or approximately \$482,000. Of this amount, approximately \$102,000 was funded by GPO prior to 1992.

At September 30, 1992, GPO assumed, with the approval of the Joint Committee on Printing, approximately \$380,000 of the Cafeteria's current and long-term liabilities. GPO recorded an expense for this amount in the accompanying 1992 consolidated financial statements. These items consisted of the following.

- o GPO forgave approximately \$163,000 in loans it made to the Cafeteria between 1985 and 1991.
- o GPO paid approximately \$135,000 which represented the Cafeteria's delinquent and paid past-due contributions to the Cafeteria employee's pension plan.

- o GPO assumed approximately \$82,000 in overdue trade payables and unfunded annual leave.

In addition, based on the actuarial report prepared by Massachusetts Mutual Life Insurance Company, the pension plan trustee, the Cafeteria had a projected unfunded pension liability of approximately \$172,000 as of July 1, 1992.

U.S. Government Printing Office

Supplemental Schedules

The supplemental schedules present GPO's financial position, results of operations and cash flows, by fund type and by program within the fund. A description of each fund type and the programs operated from the fund follows.

Revolving Fund accounts are established by law to finance a continuing cycle of operations with receipts derived from such operations usually available in their entirety for use by the fund without further action by Congress. The GPO Printing and Binding Revolving Fund is used to finance operations of the following two major operating programs.

Printing and Binding Operations which includes the financial transactions related to printing and binding and distribution services to the Congress and Federal agencies. Printing and binding operations are reimbursed by payments from agencies and the Congressional Printing and Binding and Salaries and Expenses appropriations.

Sales of Publications Operations which includes the financial transactions related to sales of publications and distributing publications to the public. The sales of publications operations is reimbursed by receipts from sales of publications, and by agencies for distribution services provided.

Programs of note in this fund are In-House Printing Operations, which includes one central and five regional printing plants; Printing Procurement Operations, which includes 1 central, 14 regional, and 6 satellite procurement offices; and the General Sales Program, which operates through the Central Office, 2 distribution centers, 1 Congressional sales office, 23 GPO bookstores nationwide, and 27 consigned sales agents.

General Fund accounts are used to record financial transactions arising under Congressional appropriations. Congress has authorized two general funds that GPO administers:

Salaries and Expenses Appropriation for necessary expenses incurred by the Superintendent of Documents for depository library distributions, international exchange, and other statutory distribution of publications, and for the cataloging and indexing of Government publications.

Congressional Printing and Binding Appropriation for printing and binding performed for Congress and for printing and binding publications authorized by law to be distributed without charge to recipients.

U.S. GOVERNMENT PRINTING OFFICE

SCHEDULE OF REVENUES AND EXPENSES BY FUND TYPE

FOR THE YEAR ENDED SEPTEMBER 30, 1992
(Dollars in Thousands)

	<u>Revolving Fund</u>		<u>General Funds</u>		<u>Total Before</u> <u>Eliminations</u>	<u>Eliminations</u>	<u>Consolidated</u>
	<u>Printing</u> <u>and Binding</u> <u>Operations</u>	<u>Sales of</u> <u>Publications</u> <u>Operations</u>	<u>Salaries and</u> <u>Expenses</u> <u>Appropriation</u>	<u>Congressional</u> <u>Printing</u> <u>and Binding</u> <u>Appropriation</u>			
REVENUES:							
Printing and binding	\$852,912	\$ -	\$ -	\$ -	\$ 852,912	\$(133,272)	\$719,640
Sales of publications	-	79,907	-	-	79,907	-	79,907
Appropriations	-	-	28,990	89,580	118,570	(400)	118,170
Reimbursements	-	5,912	-	-	5,912	-	5,912
Total revenues	852,912	85,819	28,990	89,580	1,057,301	(133,672)	923,629
EXPENSES:							
Printing and reproduction	585,945	1,002	16,094	89,580	692,621	(130,446)	562,175
Personnel compensation and							
benefits	198,460	33,198	7,836	-	239,494	(2,329)	237,165
Supplies and materials	50,366	1,942	618	-	52,926	(124)	52,802
Rents, communications and							
utilities	12,063	17,481	2,784	-	32,328	(296)	32,032
Publications sold	-	23,769	-	-	23,769	-	23,769
Depreciation and amortization	5,430	331	77	-	5,838	-	5,838
Other services	4,286	1,112	909	-	6,307	(477)	5,830
Surplus publications	-	4,918	-	-	4,918	-	4,918
Travel and transportation	2,297	1,286	672	-	4,255	-	4,255
Total expenses	858,847	85,039	28,990	89,580	1,062,456	(133,672)	928,784
NET (LOSS) INCOME	\$ (5,935)	\$ 780	\$ -	\$ -	\$ (5,155)	\$ -	\$ (5,155)

The accompanying notes are an integral part of this schedule.

GOVERNMENT PRINTING OFFICE

SCHEDULE OF ASSETS, LIABILITIES AND INVESTMENT OF U.S. GOVERNMENT BY FUND TYPE

AS OF SEPTEMBER 30, 1992
(Dollars in Thousands)

	Revolving Fund		General Funds				
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation	Total Before Eliminations	Eliminations	Consolidated
<u>ASSETS</u>							
CURRENT ASSETS:							
Funds with U.S. Treasury	\$ 71,091	\$35,042	\$12,205	\$ 8,362	\$126,700	\$ -	\$126,700
Accounts receivable-							
From other Federal agencies	213,587	2,120	141	10,113	225,961	(27,162)	198,799
From the public	672	293	-	-	965	-	965
From employees	1,012	-	-	-	1,012	-	1,012
Inventories-							
Publications for sale, net	-	13,492	-	-	13,492	-	13,492
Paper	8,889	-	-	-	8,889	-	8,889
Materials and supplies, net	10,552	-	-	-	10,552	-	10,552
Prepaid expenses	148	-	-	-	148	-	148
Total current assets	305,951	50,947	12,346	18,475	387,719	(27,162)	360,557
PROPERTY AND EQUIPMENT:							
Land and buildings	18,633	-	-	-	18,633	-	18,633
Building improvements	47,259	-	-	-	47,259	-	47,259
Leasehold improvements	1,509	-	-	-	1,509	-	1,509
Plant machinery and equipment	67,264	-	-	-	67,264	-	67,264
Office machinery and equipment	11,479	-	-	-	11,479	-	11,479
Computer software	1,414	-	-	-	1,414	-	1,414
Furniture and fixtures	573	-	-	-	573	-	573
Vehicles	982	-	-	-	982	-	982
Capital improvements in progress	450	-	-	-	450	-	450
Software development in progress	1,723	-	-	-	1,723	-	1,723
Less- Accumulated depreciation amortization	(96,091)	-	-	-	(96,091)	-	(96,091)
Total property and equipment	55,195	-	-	-	55,195	-	55,195
LONG-TERM ACCOUNTS RECEIVABLE	6,613	-	-	-	6,613	-	6,613
Total assets	\$367,759	\$50,947	\$12,346	\$18,475	\$449,527	\$(27,162)	\$422,365

The accompanying notes are an integral part of this schedule.

	Revolving Fund		General Funds				
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation	Total Before Eliminations	Eliminations	Consolidated
<u>LIABILITIES AND EQUITY</u>							
<u>OF U.S. GOVERNMENT</u>							
CURRENT LIABILITIES:							
Accounts payable and accrued expenses	\$ 81,378	\$14,523	\$ 1,502	\$10,113	\$107,516	\$(27,162)	\$ 80,354
Deferred revenue	1,439	32,799	-	-	34,238	-	34,238
Due U.S. Treasury	-	544	-	-	544	-	544
	-----	-----	-----	-----	-----	-----	-----
Total current liabilities	82,817	47,866	1,502	10,113	142,298	(27,162)	115,136
OTHER LIABILITIES:							
Accrued annual leave	12,155	-	-	-	12,155	-	12,155
	-----	-----	-----	-----	-----	-----	-----
Total liabilities	94,972	47,866	1,502	10,113	154,453	(27,162)	127,291
	-----	-----	-----	-----	-----	-----	-----
INVESTMENT OF U.S. GOVERNMENT:							
Revolving fund	272,787	3,081	-	-	275,868	-	275,868
Appropriated funds	-	-	10,844	8,362	19,206	-	19,206
	-----	-----	-----	-----	-----	-----	-----
Total investment of U.S. government	272,787	3,081	10,844	8,362	295,074	-	295,074
	-----	-----	-----	-----	-----	-----	-----
Total liabilities and investment of U.S. government	\$367,759	\$50,947	\$12,346	\$18,475	\$449,527	\$(27,162)	\$422,365
	=====	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this schedule.

U.S. GOVERNMENT PRINTING OFFICE

SCHEDULE OF CASH FLOWS BY FUND TYPE

FOR THE YEAR ENDED SEPTEMBER 30, 1992

(Dollars in Thousands)

	Revolving Fund		General Funds		Total Before Eliminations	Eliminations	Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation			
CASH FLOWS FROM OPERATING ACTIVITIES:							
Net (loss) income	<u>\$ (5,935)</u>	<u>\$ 780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,155)</u>	<u>\$ -</u>	<u>\$ (5,155)</u>
Adjustments to net (loss) income-							
Depreciation and amortization	5,838	-	-	-	5,838	-	5,838
Loss on retirement of assets	10	-	-	-	10	-	10
Provision for losses on accounts receivable	392	35	-	-	427	-	427
Provision for losses on surplus publications	-	(922)	-	-	(922)	-	(922)
Provision for losses on inventory	300	-	-	-	300	-	300
Changes in assets and liabilities-							
(Increase) decrease in accounts receivable	(13,583)	(1,166)	(141)	4,831	(10,059)	(4,603)	(14,662)
(Increase) decrease in inventories	3,022	835	-	-	3,857	-	3,857
(Increase) decrease in prepaid expenses	(72)	-	-	-	(72)	-	(72)
Increase (decrease) in accounts payable and accrued expenses	(9,622)	(355)	413	(831)	(10,395)	4,603	(5,792)
Increase (decrease) in deferred revenue	574	2,277	-	-	2,851	-	2,851
Increase (decrease) in accrued annual leave	1,432	-	-	-	1,432	-	1,432
Total adjustments	<u>(11,709)</u>	<u>704</u>	<u>272</u>	<u>4,000</u>	<u>(6,733)</u>	<u>-</u>	<u>(6,733)</u>
Net cash (used in) provided by operating activities	<u>(17,644)</u>	<u>1,484</u>	<u>272</u>	<u>4,000</u>	<u>(11,888)</u>	<u>-</u>	<u>(11,888)</u>
CASH FLOWS FROM INVESTING ACTIVITIES-							
Capital expenditures	<u>(9,112)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,112)</u>	<u>-</u>	<u>(9,112)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:							
Increase (decrease) in unexpended appropriations	-	-	(1,908)	2,010	102	-	102
Funds returned to U.S. Treasury	-	-	(2,023)	-	(2,023)	-	(2,023)
Net cash (used in) provided by financing activities	<u>-</u>	<u>-</u>	<u>(3,931)</u>	<u>2,010</u>	<u>(1,921)</u>	<u>-</u>	<u>(1,921)</u>
NET INCREASE (DECREASE) IN FUNDS WITH U.S. TREASURY	<u>(26,756)</u>	<u>1,484</u>	<u>(3,659)</u>	<u>6,010</u>	<u>(22,921)</u>	<u>-</u>	<u>(22,921)</u>
FUNDS WITH U.S. TREASURY, beginning of year	<u>97,847</u>	<u>33,558</u>	<u>15,864</u>	<u>2,352</u>	<u>149,621</u>	<u>-</u>	<u>149,621</u>
FUNDS WITH U.S. TREASURY, end of year	<u>\$ 71,091</u>	<u>\$ 35,042</u>	<u>\$ 12,205</u>	<u>\$ 8,362</u>	<u>\$ 126,700</u>	<u>\$ -</u>	<u>\$ 126,700</u>

The accompanying notes are an integral part of this schedule.

U.S. GOVERNMENT PRINTING OFFICE

SCHEDULE OF BUDGET AND ACTUAL EXPENSES BY FUND TYPE

FOR THE YEAR ENDED SEPTEMBER 30, 1992
(Dollars in Thousands)

	<u>Budget</u>			
	<u>Total</u> <u>Resources</u>	<u>Obligations</u>		<u>Actual</u> <u>Expenses</u>
		<u>Direct</u>	<u>Reimbursed</u>	
PRINTING AND BINDING	\$ 852,912	\$ -	\$855,673	\$ 858,847
SALES OF PUBLICATIONS	85,819	-	84,797	85,039
Total Revolving Fund	938,731	-	940,470	943,886
CONGRESSIONAL PRINTING AND BINDING	91,591	91,591	-	89,580
SALARIES AND EXPENSES	27,082	27,082	-	28,990
	<u>\$1,057,404</u>	<u>\$118,673</u>	<u>\$940,470</u>	<u>\$1,062,456</u>
	=====	=====	=====	=====

BUDGET RECONCILIATION

	<u>Revolving Fund</u>		<u>General Funds</u>		
	<u>Printing</u> <u>and Binding</u> <u>Operations</u>	<u>Sales of</u> <u>Publications</u> <u>Operations</u>	<u>Salaries and</u> <u>Expenses</u> <u>Appropriation</u>	<u>Congressional</u> <u>Printing</u> <u>and Binding</u> <u>Appropriation</u>	<u>Total</u>
EXPENSES:					
Printing and binding	\$858,847	\$ -	\$ -	\$ -	\$ 858,847
Sales of publications	-	79,370	-	-	79,370
Agency distributions	-	5,669	-	-	5,669
Salaries and expenses-					
Fiscal year 1992	-	-	20,052	-	20,052
Prior fiscal years	-	-	8,938	-	8,938
Congressional printing and binding-					
Fiscal year 1992	-	-	-	83,228	83,228
Prior fiscal years	-	-	-	6,352	6,352
Total expenses	<u>858,847</u>	<u>85,039</u>	<u>28,990</u>	<u>89,580</u>	<u>1,062,456</u>
ADD:					
Capital acquisitions	9,112	-	-	-	9,112
Other expended budget authority-					
Increase in accounts receivable	13,583	1,166	-	-	14,749
Increase in prepaid expense	72	-	-	-	72
Decrease in accounts payable	9,622	355	-	-	9,977
Increase in deferred revenue	(574)	(2,277)	-	-	(2,851)
LESS:					
Depreciation and amortization	5,838	-	-	-	5,838
Accrued annual leave	1,432	-	-	-	1,432
Other expenses	3,723	(52)	-	-	3,671
ACCRUED EXPENDITURES	<u>879,669</u>	<u>84,335</u>	<u>28,990</u>	<u>89,580</u>	<u>1,082,574</u>
LESS- Revenue	<u>852,912</u>	<u>85,819</u>	<u>-</u>	<u>-</u>	<u>938,731</u>
ACCRUED EXPENDITURES, direct	<u>\$ 26,757</u>	<u>\$(1,484)</u>	<u>\$28,990</u>	<u>\$89,580</u>	<u>\$ 143,843</u>
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The accompanying notes are an integral part of this schedule.

U.S. GOVERNMENT PRINTING OFFICE

SCHEDULE OF APPROPRIATED FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 1992,

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1991
(Dollars in Thousands)

	Congressional Printing and Binding Fund	Salaries and Expenses Fund	Total Appropriated Funds	
			1992	1991 (Unaudited)
APPROPRIATIONS, beginning of year (On cash basis)	\$ 2,352	\$15,864	\$ 18,216	\$ 28,437
FUNDS PROVIDED- Appropriations	91,591	27,082	118,673	103,110
Total funds available	93,943	42,946	136,889	131,547
FUNDS APPLIED:				
Obligated appropriations-				
Current year	83,228	18,984	102,212	92,172
Prior years	2,352	9,734	12,086	21,008
Funds returned to U.S.				
Treasury	-	2,023	2,023	150
Public Law 99-177 Reductions (Note 2M)	-	-	-	1
Total funds applied	85,580	30,741	116,321	113,331
APPROPRIATIONS, end of year (On cash basis)	8,363	12,205	20,568	18,216
ADJUSTMENTS:				
Interagency accounts receivable	10,113	140	10,253	4,831
Interagency accounts payable	(10,113)	(1,502)	(11,615)	(1,920)
APPROPRIATIONS, end of year (On accrual basis)	\$ 8,363	\$10,843	\$ 19,206	\$ 21,127
	=====	=====	=====	=====

The accompanying notes are an integral part of this schedule.

U.S. GOVERNMENT PRINTING OFFICE

CONDENSED BALANCE SHEETS FOR REVOLVING FUND

AS OF SEPTEMBER 30, 1992 AND 1991
(Dollars in Thousands)

	Printing and Binding Operations		Sales of Publications Operations		Total Revolving Fund 1992			Total Revolving Fund 1991 (Unaudited)		
	1992	1991 (Unaudited)	1992	1991 (Unaudited)	Before Eliminations	Eliminations	Consolidated	Before Eliminations	Eliminations	Consolidated
<u>ASSETS</u>										
CURRENT ASSETS:										
Funds with U.S. Treasury	\$ 71,091	\$ 97,847	\$35,042	\$33,558	\$106,133	\$ -	\$106,133	\$131,405	\$ -	\$131,405
Accounts receivable	215,271	191,910	2,413	1,281	217,684	(27,162)	190,522	193,191	(21,651)	171,540
Inventories	19,441	22,763	13,492	13,404	32,933	-	32,933	36,167	-	36,167
Prepaid expenses	148	76	-	-	148	-	148	76	-	76
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Total current assets	305,951	312,596	50,947	48,243	356,898	(27,162)	329,736	360,839	(21,651)	339,188
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PROPERTY AND EQUIPMENT:										
Land and buildings	18,633	18,633	-	-	18,633	-	18,633	18,633	-	18,633
Building improvements	47,259	46,062	-	-	47,259	-	47,259	46,062	-	46,062
Leasehold improvements	1,509	1,394	-	-	1,509	-	1,509	1,394	-	1,394
Plant machinery and equipment	67,264	64,129	-	-	67,264	-	67,264	64,129	-	64,129
Office machinery and equipment	11,479	9,457	-	-	11,479	-	11,479	9,457	-	9,457
Computer software	1,414	970	-	-	1,414	-	1,414	970	-	970
Furniture and fixtures	573	366	-	-	573	-	573	366	-	366
Vehicles	982	823	-	-	982	-	982	823	-	823
Capital improvements in progress	450	264	-	-	450	-	450	264	-	264
Software development in progress	1,723	447	-	-	1,723	-	1,723	447	-	447
Less- Accumulated depreciation and amortization	(96,091)	(90,572)	-	-	(96,091)	-	(96,091)	(90,572)	-	(90,572)
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total property and equipment	55,195	51,973	-	-	55,195	-	55,195	51,973	-	51,973
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LONG-TERM ACCOUNTS RECEIVABLE	6,613	16,783	-	-	6,613	-	6,613	16,783	-	16,783
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total assets	\$367,759	\$381,352	\$50,947	\$48,243	\$418,706	\$(27,162)	\$391,544	\$429,595	\$(21,651)	\$407,944
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The accompanying notes are an integral part of these condensed balance sheets.

	Printing and Binding Operations		Sales of Publications Operations		Total Revolving Fund 1992			Total Revolving Fund 1991 (Unaudited)		
	1992	1991 (Unaudited)	1992	1991 (Unaudited)	Before Eliminations	Eliminations	Consolidated	Before Eliminations	Eliminations	Consolidated
LIABILITIES AND INVESTMENT										
OF U.S. GOVERNMENT										
CURRENT LIABILITIES:										
Accounts payable and accrued expenses	\$ 81,378	\$ 90,997	\$14,523	\$14,878	\$ 95,901	\$(27,162)	\$ 68,739	\$105,875	\$(21,651)	\$ 84,224
Deferred revenue	1,439	865	32,799	30,521	34,238	-	34,238	31,386	-	31,386
Due U.S. Treasury	-	-	544	-	544	-	544	-	-	-
Total current liabilities	82,817	91,862	47,866	45,399	130,683	(27,162)	103,521	137,261	(21,651)	115,610
OTHER LIABILITIES:										
Accrued annual leave	12,155	10,723	-	-	12,155	-	12,155	10,723	-	10,723
Due U.S. Treasury	-	-	-	544	-	-	-	544	-	544
Total other liabilities	12,155	10,723	-	544	12,155	-	12,155	11,267	-	11,267
Total liabilities	94,972	102,585	47,866	45,943	142,838	(27,162)	115,676	148,528	(21,651)	126,877
INVESTMENT OF U.S. GOVERNMENT:										
Revolving fund	272,787	278,767	3,081	2,300	275,868	-	275,868	281,067	-	281,067
Appropriated funds	-	-	-	-	-	-	-	-	-	-
Total investment U.S. government	272,787	278,767	3,081	2,300	275,868	-	275,868	281,067	-	281,067
Total liabilities and investment of U.S. government	\$367,759	\$381,352	\$50,947	\$48,243	\$418,706	\$(27,162)	\$391,544	\$429,595	\$(21,651)	\$407,944
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The accompany notes are an integral part of these condensed balance sheets.

U.S. GOVERNMENT PRINTING OFFICE

CONDENSED SCHEDULES OF REVENUES AND EXPENSES BY MAJOR PROGRAM

FOR THE YEARS ENDED SEPTEMBER 30, 1992 AND 1991
(Dollars in Thousands)

	Printing and Binding Operations		Information Dissemination Operations		Congressional Printing and Binding		Other Operations		Total GPO Before Eliminations		Eliminations		Total GPO	
	FY 1991 (Unaudited)	FY 1992 (Unaudited)	FY 1991 (Unaudited)	FY 1992 (Unaudited)	FY 1991 (Unaudited)	FY 1992 (Unaudited)	FY 1991 (Unaudited)	FY 1992 (Unaudited)	FY 1991 (Unaudited)	FY 1992 (Unaudited)	FY 1991 (Unaudited)	FY 1992 (Unaudited)	FY 1991 (Unaudited)	FY 1992 (Unaudited)
REVENUES:														
Printing and binding	\$832,060	\$822,749	\$ -	\$ -	\$ -	\$ -	\$2,324	\$1,814	\$ 834,384	\$ 824,563	\$(133,272)	\$(134,899)	\$701,112	\$689,664
Sales of blank paper	18,255	22,910	-	-	-	-	-	-	18,255	22,910	-	-	18,255	22,910
Sales of waste and scrap	273	399	-	-	-	-	-	-	273	399	-	-	273	399
Sales of publications	-	-	79,907	81,527	-	-	-	-	79,907	81,527	-	-	79,907	81,527
Appropriations	-	-	28,990	27,094	89,580	89,207	-	-	118,570	116,301	(400)	(331)	118,170	115,970
Reimbursements	-	-	5,912	4,652	-	-	-	-	5,912	4,652	-	-	5,912	4,652
Total revenues	850,588	846,058	114,809	113,273	89,580	89,207	2,324	1,814	1,057,301	1,050,352	(133,672)	(135,230)	923,629	915,122
EXPENSES:														
Personnel compensation and benefits	197,933	185,605	41,033	39,041	-	-	527	411	239,493	225,057	(2,329)	(2,549)	237,164	222,508
Travel and transportation	2,295	2,462	1,958	1,555	-	-	2	3	4,255	4,020	-	-	4,255	4,020
Rents, communications and utilities	11,204	12,094	20,266	21,701	-	-	859	875	32,329	34,670	(296)	(424)	32,033	34,246
Printing and reproduction	585,945	581,421	17,096	16,008	89,580	89,207	-	-	692,621	686,636	(130,446)	(131,698)	562,175	554,938
Other services	4,244	3,640	2,021	1,380	-	-	42	32	6,307	5,052	(477)	(424)	5,830	4,628
Supplies and materials	50,269	56,512	2,560	2,045	-	-	97	141	52,926	58,698	(124)	(135)	52,802	58,563
Depreciation and amortization	5,427	5,649	408	313	-	-	3	3	5,838	5,965	-	-	5,838	5,965
Publications sold	-	-	23,769	26,482	-	-	-	-	23,769	26,482	-	-	23,769	26,482
Surplus publications	-	-	4,918	4,108	-	-	-	-	4,918	4,108	-	-	4,918	4,108
Total expenses	857,317	847,383	114,029	112,633	89,580	89,207	1,530	1,465	1,062,456	1,050,688	(133,672)	(135,230)	928,784	915,458
NET (LOSS) INCOME	\$ (6,729)	\$ (1,325)	\$ 780	\$ 640	\$ -	\$ -	\$ 794	\$ 349	\$ (5,155)	\$ (336)	\$ -	\$ -	\$ (5,155)	\$ (336)

The accompanying notes are an integral part of these schedules.

U.S. GOVERNMENT PRINTING OFFICE

CONDENSED SCHEDULES OF REVENUES AND EXPENSES FOR PRINTING AND BINDING OPERATIONS

FOR THE YEARS ENDED SEPTEMBER 30, 1992 AND 1991
(Dollars in Thousands)

	Plant Printing Operations		Regional Printing		Total In-House Printing				Purchased Printing				Total Printing and Binding Operations			
	FY 1991 (Unaudited)	FY 1992	FY 1991 (Unaudited)	FY 1992	Percent of Revenues	FY 1991 (Unaudited)	Percent of Revenues		Percent of Revenues	FY 1991 (Unaudited)	Percent of Revenues		Percent of Revenues	FY 1991 (Unaudited)	Percent of Revenues	
REVENUES:																
Printing and binding	\$187,898	\$194,063	\$11,775	\$8,710	92	\$199,673	90	\$629,287	100	\$623,076	100	\$832,060	98	\$822,749	97	
Sales of blank paper	22,910	18,255	-	-	8	22,910	10	-	-	-	-	18,255	2	22,910	3	
Sales of waste and scrap	399	273	-	-	-	399	-	-	-	-	-	273	-	399	-	
Total revenues	211,207	212,591	11,775	8,710	100	222,982	100	629,287	100	623,076	100	850,588	100	846,058	100	
EXPENSES:																
Personnel compensation and benefits	140,217	153,170	10,563	8,820	74	150,780	68	35,943	6	34,825	6	197,933	23	185,605	22	
Travel and transportation	479	562	70	73	-	549	-	1,660	-	1,913	-	2,295	-	2,462	-	
Rents, communications and utilities	6,634	6,352	2,659	2,363	4	9,293	4	2,489	-	2,801	-	11,204	1	12,094	1	
Printing and reproduction	-	-	-	-	-	-	-	585,945	94	581,421	94	585,945	70	581,421	69	
Other services	2,537	3,079	408	422	2	2,945	1	743	-	695	-	4,244	-	3,640	-	
Supplies and materials	52,885	47,035	2,626	2,143	22	55,511	25	1,091	-	1,001	-	50,269	6	56,512	7	
Depreciation and amortization	4,625	4,805	547	464	2	5,172	3	158	-	477	-	5,427	1	5,649	1	
Total expenses	207,377	215,003	16,873	14,285	104	224,250	101	628,029	100	623,133	100	857,317	101	847,383	100	
NET (LOSS) INCOME	\$ 3,830	\$ (2,412)	\$(5,098)	\$(5,575)	(4)	\$ (1,268)	(1)	\$ 1,258	-	\$ (57)	-	\$ (6,729)	(1)	\$ (1,325)	-	

The accompanying notes are an integral part of these schedules.

U.S. GOVERNMENT PRINTING OFFICE

CONDENSED SCHEDULES OF REVENUES AND EXPENSES FOR INFORMATION DISSEMINATION

FOR THE YEARS ENDED SEPTEMBER 30, 1992 AND 1991
(Dollars in Thousands)

	Sales of Publications Programs				Agency Distribution Services				Salaries and Expenses Programs				Total Information Dissemination			
	FY 1992	Percent of Revenues	FY 1991 (Unaudited)	Percent of Revenues	FY 1992	Percent of Revenues	FY 1991 (Unaudited)	Percent of Revenues	FY 1992	Percent of Revenues	FY 1991 (Unaudited)	Percent of Revenues	FY 1992	Percent of Revenues	FY 1991 (Unaudited)	Percent of Revenues
REVENUES:																
Sales of publications	\$79,907	100	\$81,527	100	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 79,907	70	\$ 81,527	72
Appropriations	-	-	-	-	-	-	-	-	28,990	100	27,094	100	28,990	25	27,094	24
Reimbursements	-	-	-	-	5,912	100	4,652	100	-	-	-	-	5,912	5	4,652	4
Total revenues	79,907	100	81,527	100	5,912	100	4,652	100	28,990	100	27,094	100	114,809	100	113,273	100
EXPENSES:																
Personnel compensation and benefits	30,417	39	28,647	36	2,781	46	2,849	61	7,835	27	7,545	28	41,033	35	39,041	35
Travel and transportation	1,190	1	995	1	96	2	64	1	672	2	496	2	1,958	2	1,555	1
Rents, communications and utilities	15,126	19	17,208	21	2,355	40	1,666	36	2,785	10	2,827	10	20,266	18	21,701	19
Printing and reproduction	841	1	714	1	161	3	57	1	16,094	56	15,237	56	17,096	15	16,008	14
Other services	1,057	1	808	1	55	1	88	2	909	3	484	2	2,021	2	1,380	1
Supplies and materials	1,752	2	1,437	2	190	3	166	4	618	2	442	2	2,560	2	2,045	2
Depreciation and amortization	300	0	225	0	31	1	25	1	77	-	63	-	408	-	313	0
Publications sold	23,769	30	26,482	32	-	-	-	-	-	-	-	-	23,769	21	26,482	23
Surplus publications	4,918	6	4,108	5	-	-	-	-	-	-	-	-	4,918	4	4,108	4
Total expenses	79,370	99	80,624	99	5,669	96	4,915	106	28,990	100	27,094	100	114,029	99	112,633	99
NET (LOSS) INCOME	\$ 537	1	\$ 903	1	\$ 243	4	\$ (263)	(6)	\$ -	-	\$ -	-	\$ 780	1	\$ 640	1
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The accompanying notes are an integral part of these schedules.

PRODUCTION NOTES

The text for this publication was originally keyed in WordPerfect for DOS and translated to Macintosh Microsoft Word. It was designed by GPO's Typography and Design Division utilizing a Macintosh IIfx computer and Quark XPress software. The book photos were scanned on a Howtek Scanmaster III and brought into the program as TIFF files for positioning. Proofs were generated on the Canon Laser Copier 500.

Negatives were generated from T&D to the Linotronic Imagesetter in GPO's Electronic Job Section.

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