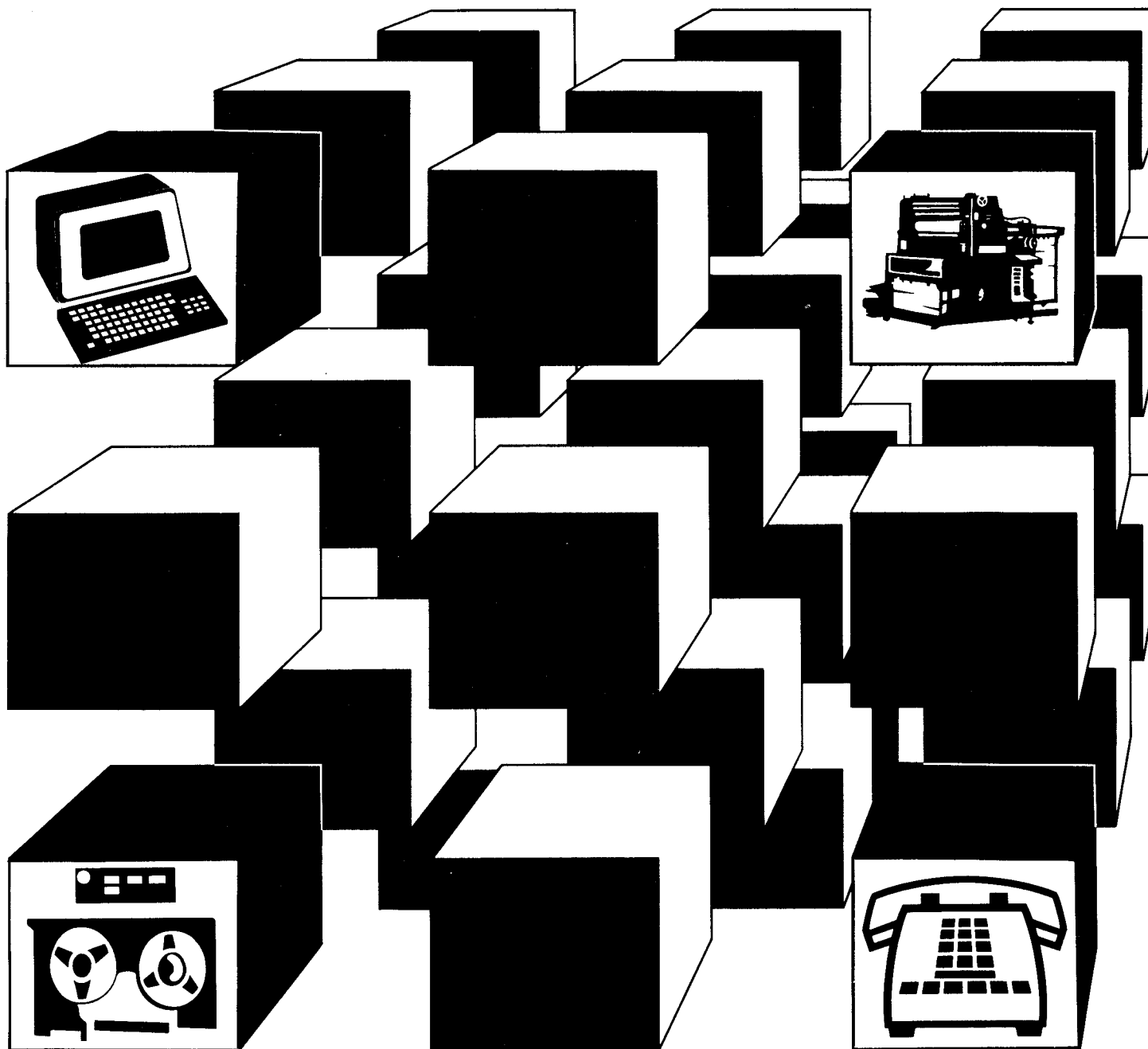


Fiscal Year
1983

Annual Report

of the U.S.
Government
Printing Office

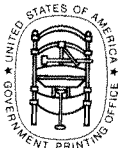


GPO in the Information Age

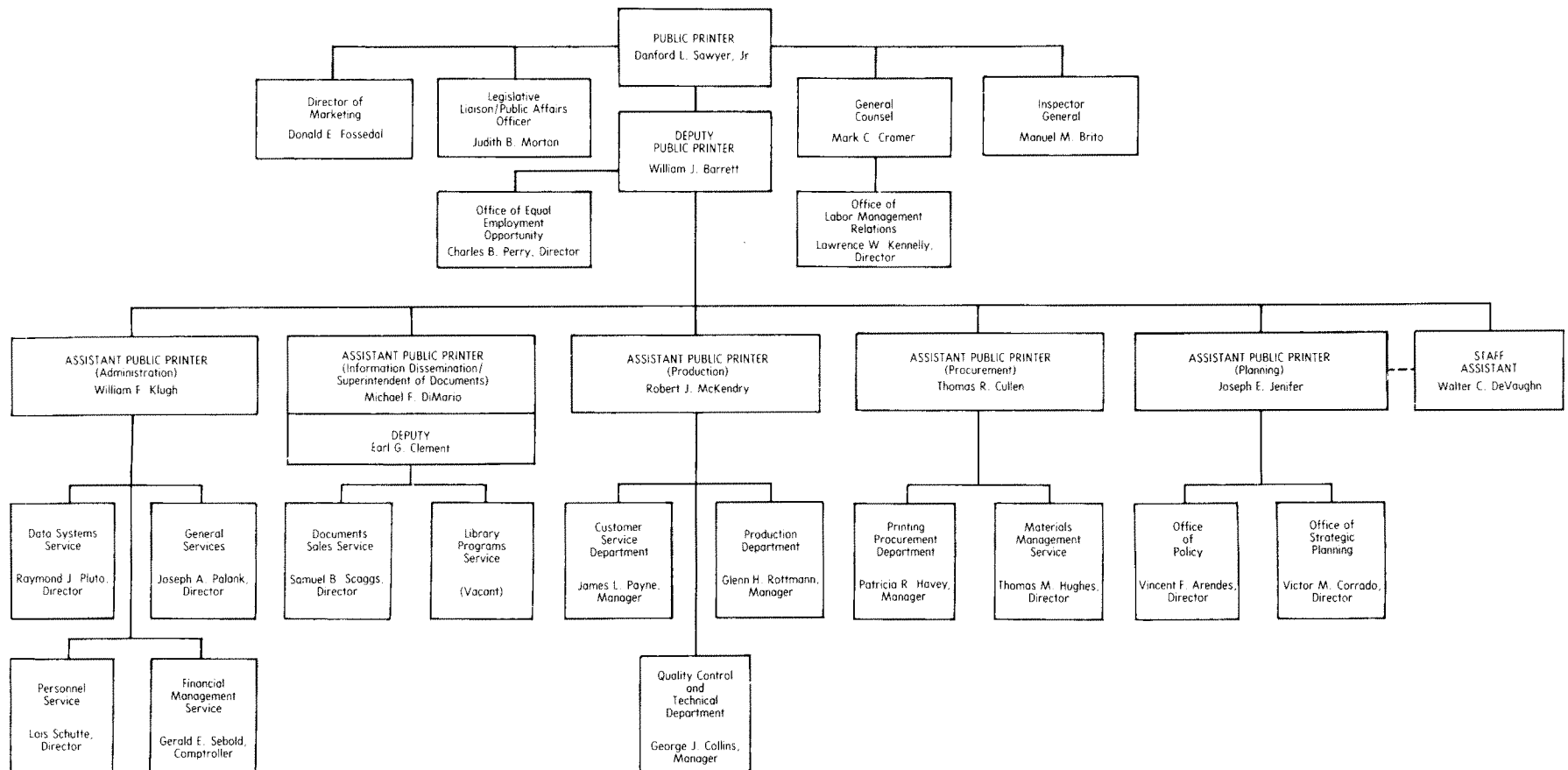
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Printing Office





ORGANIZATION OF THE UNITED STATES GOVERNMENT PRINTING OFFICE



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Public Printer's Message

Fiscal year 1983 was a period of sustained achievement and unqualified success at the U.S. Government Printing Office (GPO). Building upon last year's foundation, GPO has succeeded in providing better service at a lower cost to the taxpayer. This fundamental achievement, however, did not come easily. For the last two and one quarter years, we have addressed previously intractable long-term institutional problems. The solutions we have pursued were based upon sound private sector principles and were therefore sometimes controversial. Yet, this fiscal year's "bottom line" made it clear to all that the initiatives and programs I put in place are producing the intended result. Dedication to the President's goal of making the government more cost-effective and efficient is paying handsome dividends.

By the end of fiscal year 1983, the quantifiable positive results of these efforts became apparent: GPO's financial condition is vastly improved, as net income is up in all but two minor areas; productivity has increased markedly; unit costs are down for the first time in four years; the increases in craft and industrial wages were the lowest since 1960; the sales program has recovered much of the \$20 million deficit it suffered between 1978 and 1981; we have lowered the sales prices of the vast majority of publications; and GPO's marketing efforts have arrested years of decline in the number of publications ordered. As a result, we project a reduction in the prices charged to Congress for most classes of work, and a decrease in GPO's appropriation request for fiscal year 1985. This record is truly gratifying, and we are proud of our many successes to date.

The financial position of the GPO has greatly improved over fiscal year 1982, with net income increasing from \$4.13 million to \$10.9 million. I am particularly proud that in-plant printing operations, exclusive of materials management, produced a net income of \$1.1 million, a \$2.7 million improvement over last year's loss. Procured printing increased its net income from \$3.66 million to \$5.98 million. The publications sales program, after three years of losses

totaling almost \$20 million, earned \$11.74 million net income in the last two fiscal years with \$6.81 million of that coming this year. GPO's regional printing facilities continued to produce a net loss, with this year's shortfall exceeding \$1.2 million. Of that amount, approximately \$1 million is attributable to the Departmental Service Office (DSO) located at the Navy Yard in Washington, D.C. Overall, these figures are extremely encouraging, and they clearly indicate that our many cost-cutting initiatives are producing the desired results.

The GPO's productivity gains for fiscal year 1983 were equally noteworthy. The Production Department increased productivity by 9.4 percent, which was a major reason that unit labor costs declined by 3.6 percent. We achieved this unit cost reduction following three years of substantial and steady increases. In addition, the Printing Procurement Department increased productivity by 5.6 percent, the largest such increase since fiscal year 1975. The Superintendent of Documents showed a productivity gain of 10.6 percent, while GPO's regional printing plants reduced their productivity somewhat. Again, the figures indicate steady and substantial improvement.

It is not, however, a time to "rest on our laurels." Much remains to be done and many difficult problems persist. The prodigious gains of the last two and one quarter years could be reversed easily through inaction or a resumption of "status quo" management. We must continue to move resolutely forward, building upon what has been accomplished. GPO management must redouble its efforts to resolve completely GPO's core problems, excessive wage costs, overstaffing, and management inefficiencies. Only when these cease to be critical issues will GPO be able to perform its mission without unduly burdening the American taxpayer.

This year saw the continuation of concerted efforts to resolve the problem of excessive GPO craft and industrial wages. On June 3, 1983, the General Accounting Office (GAO) issued a lengthy and extensively researched report comparing GPO's pay and

“Dedication to the President’s goal of making the Government more cost-effective and efficient is paying handsome dividends.”

classification systems to other federal and private sector systems. The findings of that report confirmed the substance of what I have been stating since I became Public Printer in August of 1981:

- GPO craft and industrial workers were paid an average of *42 percent* (from \$3,222 to \$17,879 per year) *more* than other federal employees in similar occupations;
- GPO craft and industrial workers were paid approximately *31 percent* (from \$.36 to \$5.14 per hour) *more* than private sector employees in the Washington, D.C., area doing similar work;
- GPO employees earned a night shift differential of 15 percent on both the second and third shifts, whereas other federal workers earned only 7.5 percent on the second shift and 10 percent on the third. Private sector printing workers in Washington, D.C., earned, on the average, only 5 percent for the second shift and 10 percent for the third; and
- GPO’s practice of linking all craft wage levels to the highly-paid compositors violated the accepted federal pay practice of maintaining pay differentials in keeping with work and performance distinctions.

Although my 1982 wage proposal which addressed these gross inequities was rejected by GPO’s unions and the Joint Committee on Printing (JCP), 1983 saw positive action in Congress on this issue.

In late June, Congressman Jerry Lewis and Senators Steven Symms and Edward Zorinsky introduced legislation in the House of Representatives and the Senate, respectively, which would alter GPO’s craft and industrial pay practices. The bills would “grandfather” the wage levels of all present GPO workers at their present levels while compensating newly-hired employees under either the General Schedule (GS) or the Federal Wage Schedule (FWS) pay scales. All employees would be classified and “grandfathered” craft and industrial workers would receive wage increases accorded GS or FWS workers. These bills

would bring GPO pay practices into consistency with the rest of the Federal Government.

I am strongly in favor of the Lewis-Symms wage bills. They protect the wage level of all craft and industrial workers at the GPO, while instituting a long-range total wage reduction. The two-tiered wage structure embodied in those bills, with newly-hired employees paid less than existing employees, is a practice which has been adopted in a number of industries where high wage levels have driven many companies to the brink of bankruptcy. In the printing industry itself, the International Typographical Union has negotiated a number of two-tiered agreements with major newspapers throughout the United States. The advent of new printing technology has forced this adjustment, particularly in composing rooms. The printing industry is not alone, however, as the two-tiered wage pacts have been negotiated recently in the airlines, trucking, hotel, retail department stores, and retail food industries. The economic necessities of the marketplace have required a reevaluation and readjustment of excessive labor rates, both in private industry and at the GPO.

Compensation and benefits comprise over 70 percent of GPO’s in-plant printing costs, as compared to less than 40 percent in the private printing industry. GPO must have reductions in wage levels if it is to compete successfully for the taxpayer’s dollar. GPO employees and their unions must accept this fact. The Lewis and Symms GPO wage bills are a humane and effective solution to this previously intractable problem.

The excessive wage levels at GPO severely compound the economic impact of another GPO problem which I have been addressing since August of 1981, overstaffing. One of my first actions as Public Printer was to institute an agency-wide hiring freeze which has reduced GPO employment by 11 percent. GPO has realized cumulative cost savings in excess of \$28 million in salaries and benefits from this hiring freeze as of the close of fiscal year 1983. It is important to note that we achieved this staffing reduction almost entirely through

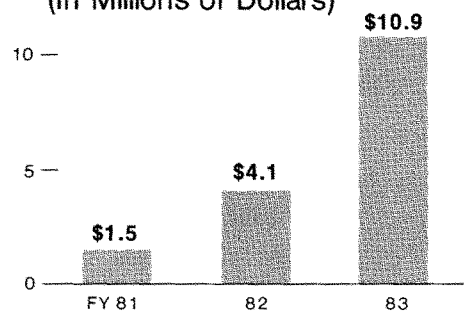
attrition, and not involuntary separations. The benefits of the hiring freeze manifest themselves throughout GPO's operation, from unit cost reductions to increased productivity.

Despite these successes, however, a great deal more must be done to bring GPO staffing levels down to their optimum. Many GPO departments still labor under bloated employee rolls, notably the Production Department. GPO must continue to reduce manpower levels, and to permit exceptions to the hiring freeze only when absolutely essential for the needs of the agency, both short- and long-term. I foresee no set of circumstances which would justify substantial outside hires into the production and procurement areas, particularly in light of GPO's many existing training and cross-training programs.

Plans have proceeded during this fiscal year for the relocation into GPO's main building of a number of operations now located in outlying, expensive rented facilities. These actions are now possible because the nearly-completed phaseout of GPO hot metal operations has freed for other use a substantial portion of the thirty-three acres which GPO has under roof in our main office. Of particular importance is the impending move of the Departmental Service Office, now in Washington's Navy Yard, which will be renamed the Rapid Response Center to emphasize its quick turnaround capabilities. It will remain a distinct unit within GPO, and a good deal of its inefficient equipment will be replaced. GPO's customer agencies are supportive of the move and our efforts to upgrade the level of service. Once accomplished, the almost \$1 million loss suffered by DSO this year will be reduced by at least the \$793,000 annual savings in rent, automated data processing, and heating costs made possible by relocating. Without this savings, we will have no choice but to raise DSO's rates charged our customer agencies. This move must be approved by the Joint Committee on Printing, and we await that approval.

GPO is also awaiting JCP approval to move the

Consolidated Net Income
(In Millions of Dollars)



Library and Statutory Distribution functions located at the Eisenhower Center in Alexandria, Virginia, into main GPO. This would result in an additional \$305,000 in annual rental savings. The immediate and continuing cost-avoidances made possible by the relocation of these facilities, and the productive use of idle space in the main office, will show impressive returns for years to come.

During this fiscal year, continuing improvements to GPO's management systems remained a top priority. Chief among the classic management inefficiencies which we corrected was a severe lack of inter- and intra-departmental communication. Managerial control, guidance, and direction were not adequate. Drawing upon tested private sector remedies for this situation, we reinstituted a series of management conferences. This series started with a gathering of GPO's top 50 managers at the Xerox Conference Center in Leesburg, Virginia and included later meetings of the procurement, production, and Superintendent of Documents divisions at various local sites. Representatives of the JCP, GPO's congressional appropriations committees, the Public Printer, top managers, and line supervisors met and held discussions ranging from basic policy to particular problems and issues. These conferences, which will become an annual activity, have fostered much greater understanding of this agency's policies and intradepartmental matters. This new awareness and dedication are reflected in GPO's much-improved financial and productivity figures.

We have also proceeded with the Quality of Worklife Program (Quality Circles), despite GPO's unions' refusal so far to participate. This Quality Circles Program is another management technique which the private sector has utilized with great success, and which a number of Federal agencies have adopted. The primary beneficiaries of the Program are GPO employees themselves. Their sense of achievement and self-worth, and their knowledge of their jobs, should all be enhanced by their participation. We will continue to solicit the participation of all GPO employees.

“When the President appointed me Public Printer, he directed me to manage this agency in a business-like fashion, in accordance with his mandate from the American people.”

While accomplishing the financial and management improvements already discussed, GPO also assisted the Office of Management and Budget (OMB) in a survey and review of the over 1,000 printing and duplicating plants in the executive branch. This review encompasses both civilian and military agencies, and the results, so far, have been startling. Many of the plants are overstaffed, their equipment is under-utilized, and they are producing readily procurable work. Unit costs in many of these plants far exceed in-house GPO unit costs, or the price of commercially procuring this work. Based upon the reports already received, OMB has already recommended closing 229 facilities, for a savings to the taxpayer of over \$51 million. As the plants continue to report, the number of plant closings is expected to increase significantly. It is estimated that close to 45 percent of the employees affected by these closings will either retire or be retained within their agencies. The Printing Industries of America, Inc. (PIA) has agreed to perform placement services for the remaining employees with private sector printing firms, whenever possible. Most of the work formerly processed in the closed plants will be purchased from the private sector by GPO's main and regional procurement offices, which stand ready and able to perform this additional work.

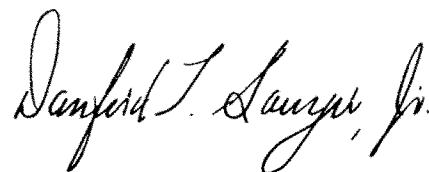
This OMB-GPO-PIA effort is of singular importance. It is an excellent example of cooperation between the legislative and executive branches of the Government and the private sector, in an effort to reduce the cost of Government-wide printing. I heartily endorse this cost-cutting initiative, and am proud that GPO is a part of it.

As with all things worth achieving, GPO's many improvements have not come without difficulty. There have been times when GPO management has been in disagreement with GPO's employees and their unions on certain fundamental issues. What must be recognized by all concerned, however, is that my goals for the GPO are

a direct result of the desires of the American public. In 1980, President Reagan was elected by an overwhelming majority of the people. He had pledged to reduce the size of Government, and to make it more cost-effective and efficient. When the President appointed me Public Printer, he directed me to manage this agency in a business-like fashion, in accordance with his mandate from the American people.

The concerns of GPO's employees and our unions, quite naturally, are much more personal and parochial and they reacted to many of my management initiatives solely from that perspective. While I am deeply concerned with the welfare of GPO employees, I am also charged with managing GPO for the good of the public at large. Therefore, the basic premises from which management and labor address issues are very different, as are the results we seek.

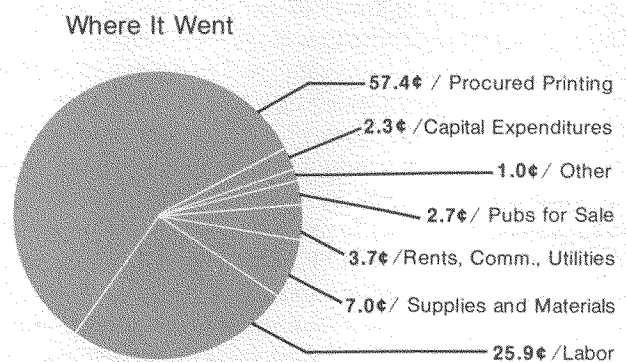
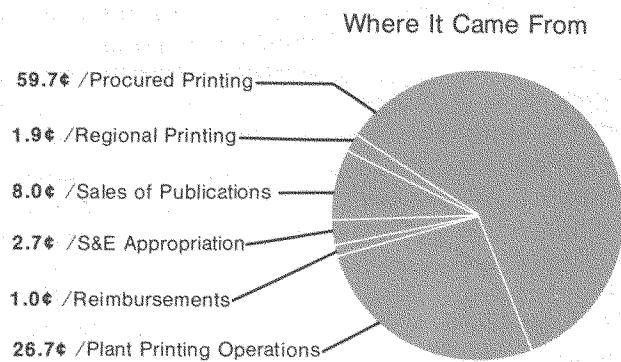
GPO employees must begin to realize that excessive wages, antiquated production methods, and overstaffing can drive GPO out of the marketplace altogether. Many companies in America's basic industries which labored under these same handicaps have recently gone out of business in the face of more efficient, and in some cases, non-union competition. The American public will not allow the GPO to continue to produce work at twice what it costs in the private sector. I am certain that this realization will lead to a new-found willingness to cooperate on these difficult issues. The continuation of GPO as an institution depends upon it.



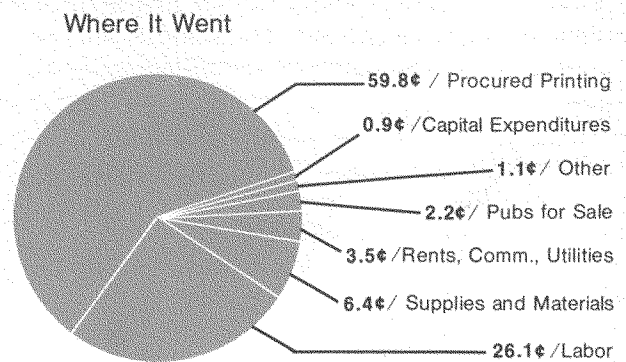
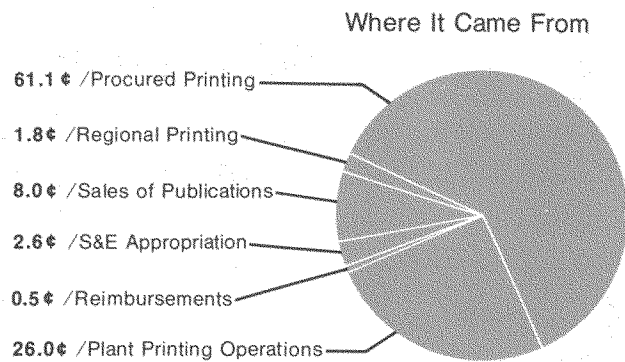
DANFORD L. SAWYER, JR.,
Public Printer
January 26, 1984

Highlights of Financial
and Operational Activities
for Fiscal Year 1983

GPO'S 1982 Revenue Dollar



GPO'S 1983 Revenue Dollar



Management's Discussion and Analysis of Financial Condition and Results of Operations

Title 44 of the U.S. Code mandates that the GPO fulfill the information reproduction requirements of the Federal Government and disseminate Government information to the general public. The printing and binding operations consist of a central industrial printing plant, six smaller regional printing plants, and the procurement of printing and binding from private sector contractors. The information dissemination operations include the sale of publications, depository library, reimbursable distribution, by-law distribution, and cataloging and indexing of all Government documents.

All activities of the GPO are financed through a revolving fund, which is reimbursed by payments from customer agencies, sales made to the general public, and transfers from various appropriations. The GPO's consolidated financial statements also include the activities and fund balances of the Congressional Printing and Binding and the Printing and Binding Appropriations. These are annual Congressional appropriations calculated and disbursed by GPO to reimburse the Office for costs incurred in performing printing and binding of Government publications authorized by law to be distributed without charge to the recipients. Total reimbursements from these appropriations are included in total printing and binding revenue.

Results of Operations

GPO achieved a consolidated net income for fiscal year 1983 of \$10.9 million, an increase of \$6.7 million over fiscal year 1982 results. This improvement can be attributed to increases in productivity, selective price increases, an aggressive marketing program, and continuing efforts to reduce expenses relative to revenues. Total revenue increased by \$32 million in fiscal year 1983 to \$717.2 million, while total expenses increased only \$25 million to a balance of \$706.3 million. The entire increase in expenses, and a major portion of the revenue increase, were generated by an increase in the dollar amount of work which GPO procures for executive agencies. Sales of publications operations continued, for the second year in a row, to produce positive net income, after incurring losses totalling \$19.4 million for fiscal years 1979 through 1981.

Central Plant Printing Operations

Central plant printing operations (excluding materials operations) in FY 1983 showed a net income gain of \$.8 million compared to a \$2 million loss in fiscal year 1982. Total revenue increased to \$141.8 million this year, an increase of \$4.2 million or 3 percent from fiscal year 1982. Total expenses from fiscal year 1983 were \$141 million, an increase of

\$1.4 million over the prior fiscal year.

The reasons for the improved financial position were a 2 percent increase in the chargeable hours relative to total workable hours, an increase of 9.5 percent in productivity as reported to the Department of Labor, and selective price increases.

Materials operations experienced a net loss of \$1.5 million in fiscal year 1982 and ended this fiscal year with a net loss of \$1.4 million. While we experienced an increase in the volume of paper handled toward the end of the fiscal year, which generates revenue for this operation, the increased volume did not offset losses experienced earlier in the fiscal year due to paper price fluctuations. However, we expect the increased volume and the increased handling charge, initiated in April 1983, to produce a net gain for this operation in fiscal year 1984.

Regional Printing Plants

Regional printing operations experienced a \$1.2 million loss in fiscal year 1983 compared to a \$1 million loss in FY 1982. The majority of this loss—almost \$1 million—can be attributed to the Departmental Service Office, which management has recommended moving to GPO's Central Office to reduce expenses of operation. Total revenue for regional printing declined from \$13.2 million in FY 1982 to \$12.6 million in FY

1983. This decrease in revenue occurred primarily because of a continuing decline in the regional printing workload. Although the number of jobs produced during the year increased by 4.5 percent, the total volume declined. The program was able to decrease expenses by \$.3 million.

Central Plant and Regional Printing Procurement Operations

For fiscal year 1983, printing procurement operations in the central plant and regional procurement offices achieved a net income of \$6 million, an increase of \$2.3 million over fiscal year 1982. The reasons for this improvement are substantial productivity gains and an increase in the number of jobs processed by GPO in fulfilling more of the printing requirements of our customer agencies.

Sales of Publications

The financial posture of the Sales of Publications Program continued to

show steady and substantial improvement. During fiscal year 1983, the Sales of Publications Program produced a net income of \$6.8 million, a 39 percent increase over the previous year. The increase in net income can be attributed to the success achieved by GPO's Marketing Department in stabilizing the number of orders received after years of steady decline, markedly increased productivity, better management of the sales publications inventory, and a price increase put into effect in May 1982. The unsaleable publications expense decreased by \$.5 million from FY 1982 to \$3.1 million for fiscal year 1983.

Salaries and Expenses

Salaries and expenses associated with information dissemination operations of the By-Law Distribution Program, the Reimbursable Distribution Program, the Depository Library Program, and the Cataloging and Indexing Program, decreased \$3.8 million from

fiscal year 1982, to a total of \$23 million in fiscal year 1983.

The decrease is mainly due to a reduction in publications distributed on a by-law basis and also the increased distribution of publications in microfiche format for depository libraries. With the reduction in by-law distribution and the increased distribution of microfiche, GPO was able to reduce labor costs for these programs in fiscal year 1983 by \$1 million, to a total of \$8.7 million.

Capital Expenditures

The Government Printing Office expended \$6.3 million in fiscal year 1983 for capital expenditures compared to \$16 million for fiscal year 1982. (Of the total spent in 1982, \$8.5 million was for the acquisition from the D.C. Government of land adjacent to the central plant.) The 1983 expenditures were mainly partial payments for the secondary bindery line and mailer, the sprinkler system, and three elevators.

GPO in the Information Age

The United States is in the midst of a fundamental economic transformation from a manufacturing society to one predominantly engaged in the production and dissemination of information. Approximately 50 percent of all goods and services produced in this country are information-related. Information has become a crucial ingredient in our economy and society. A central factor in this transition is a gradual awareness that information itself—the *content* of books, reports, surveys, data bases, journals, and the myriad other information products and services—is a valued resource. The efficiency and effectiveness with which enterprises, both public and private, are able to manage their traditional capital and labor resources depends on how well they manage their information resources.

Planning Ahead

Our view of the future of the Government Printing Office and its evolving mission in the Federal establishment is based on a recognition of the importance of modern computers, telecommunications, micrographics, and other information technologies to our national development. It is a matter of highest priority that GPO managers begin to think of information technologies and resources in comprehensive,

strategic terms. Only through such analyses can GPO adequately serve the needs of the public and our customer agencies.

During fiscal year 1983, emphasis was placed on researching and analyzing the information reproduction and dissemination environment and GPO's place in that environment. From this research, GPO developed a model for forecasting the volume of congressional-related printing and binding produced in-house, based on various assumptions as to demand, productivity, and media mix for the eight major classes of congressional work. These forecasts indicate that GPO will have to introduce and implement far-reaching changes in technology throughout the projected period. A companion project—a study of requirements, current and projected, for non-congressional work—was also initiated during the fiscal year. With the needs of GPO's customers in mind, market research techniques are being applied to verify the accuracy and comprehensiveness of the projections. This will allow GPO managers to plan fully and accurately for the future information reproduction and dissemination needs of the Government.

Enhancing Communication

During this fiscal year, the GPO placed a great deal of emphasis on increasing communication within

the agency itself, with our customer agencies, and with the public. As part of the newly initiated Strategic Management Program, the Public Printer's goals and objectives for the agency were clearly transmitted to all levels of GPO management through a series of management conferences held throughout the year. Allowing for a free "give and take" of ideas and information, the conferences proved extremely useful for problem-solving, policy development, and for increasing cooperation between and within divisions.

Management also pursued a number of employee-directed communication and professional development programs. Chief among them was the restructuring of the Public Printer's EEO Council in accordance with a plan developed by three GPO employees. The newly reconstituted Council will be a mechanism for the identification and resolution of broad-based EEO concerns within GPO. The Council will depend upon the active and dedicated interaction of GPO employees and managers in a united effort to resolve EEO concerns. In addition, GPO's steadily expanding Quality Circles Program requires critical analyses by GPO employees of operational inefficiencies and the presentation of proposed solutions to GPO management. By communicating concerns, ideas, and solutions, these programs create a better and more satisfying work

environment for all GPO employees.

Management also made a concerted effort this year to increase communication with GPO's customer agencies. Teams of GPO officials visited almost all major GPO customers during fiscal year 1983 to convey GPO's dedication to providing top-quality service, to identify problem areas, and to answer questions concerning GPO practices and policies. These visits corrected many misunderstandings

and clearly have improved GPO's understanding of our customers' needs and difficulties. Only through such constructive exchanges of information can "Customer Service" be more than just a slogan.

GPO's other major communication effort was focused on the public. Primarily through the Marketing Department, GPO has made the public aware of the many publications we have for sale, the vast network of depository libraries,

and the opportunities for contracting with the GPO. That Department has used newly-developed catalogs, public service announcements on radio and television, print ads, direct mail, and various other marketing techniques. Certain Marketing Department programs have already been unqualified successes, such as the sales marketing efforts which have arrested years of decline in sales orders. We expect the other programs to be equally effective.

Staffing and Organization Improvement

Dramatic technological changes over the last two decades have transformed GPO from a hot-metal printing shop and a manually-based document distribution system into a technologically-advanced, computer-based service facility. This transition has led, inevitably, to occupational dislocation and a reassessment by management of the skills and numbers of employees necessary to fulfill GPO's mission. As of the end of this fiscal year, GPO had 5,815 employees on its rolls, reflecting a reduction of more than 11 percent under the staffing level in August of 1981. This staffing reduction was accomplished almost exclusively through attrition and an agency-wide hiring freeze.

Employees who have been dislocated by new technology are given every opportunity to be retrained in the new tasks required by advanced electronic processing systems. Since we began cross-training journeymen from crafts where excess manpower existed, 401 journeymen have entered one or more cross-training programs. In addition, 29 former monotype casters were entered in a special program to give them the opportunity to qualify as journeymen keyboard operators.

Controlling Labor Costs

In addition to the hiring freeze which has saved the agency approximately \$28 million in

personnel costs since August of 1981, management continued its strict overtime policy this year. Overtime costs for fiscal year 1983 remained well below fiscal year 1981 levels, with a total of \$10.4 million saved through overtime reductions during this period.

GPO has had a long history of high workers' compensation costs. Under Department of Labor regulations, employees on workers' compensation who are found medically capable of performing the duties of a job offered by the agency will be stricken from the compensation rolls if they do not accept the job. With the cooperation of supervisors and managers, appropriate positions in GPO were offered to 36 people who had been on the Office of Workers' Compensation rolls. Eleven of the 36 returned to GPO, thus bringing the agency more than \$170,000 in valuable services that had formerly not been available.

This fiscal year, the Labor-Management Relations Staff completed negotiations with representatives of 14 bargaining units concerning a comprehensive Master Labor Agreement. This agreement, the first of its kind ever negotiated at GPO, contains provisions applicable to all bargaining unit employees and will eliminate the necessity for duplicate negotiations with individual units. This will result in a substantial reduction in negotiating costs.

Management Initiatives

In fiscal year 1983, the Public Printer created the Information Systems Staff (ISS), establishing the appropriate organizational structures which will plan, develop, and manage internal GPO information-related activities and resources. He assigned ISS the responsibility for developing short- and long-range agency-wide plans and cost-effective programs for information systems and services. In order to carry out this mandate, the ISS has been reviewing data base systems, office automation, telecommunications networks, and paperwork management.

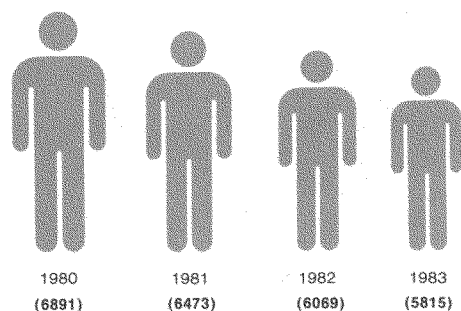
Creation of a GPO historical program

Under this new program the GPO Historian will devote his energies to the conservation, restoration, and maintenance of GPO historical records and artifacts. He will also plan and conduct continuing and long-range historical studies.

A Commitment to Equal Employment Opportunity (EEO)

Over the years the Office of Equal Employment Opportunity has enjoyed the support of top management in establishing and implementing meaningful EEO policies. During fiscal year 1983, policy statements on Equal

Staffing Levels



Employment Opportunity and Affirmative Action (EEO/AA) were issued to managers and employees, reflecting a far-reaching insightful approach toward the realization of EEO/AA in the GPO. Moreover, in the continuing effort to improve EEO/AA awareness within all organizational areas of GPO, the Director of EEO assigned specific staff persons to the Assistant Public Printers to serve as EEO liaisons. As indicated, the EEO Advisory Council to the Public Printer was reconstituted this year to increase its effectiveness and encourage employee participation.

In addition, although it had not yet been designated a national holiday, for the third year in a row GPO observed Dr. Martin Luther King's birthday with a ceremony.

The Affirmative Programs Division continued to spearhead

GPO's participation in the Adopt-A-School Program with the Dunbar High School and the Lemuel Penn Career Center of Washington, D.C. Foremost in this program was the Career Awareness Fair, which provided students of the D.C. Public Schools exposure to careers prior to their completion of high school. The principal objectives were to motivate students to stay in school, utilize their potential to the fullest, and enable them to make informed career choices. Six GPO employees served as role models at the Fair, representing various organizational areas of the GPO.

Prevention and Detection of Fraud, Waste, and Abuse

GPO's Inspector General's staff conducted numerous audits,

reviews, and investigations to determine compliance with laws and regulations and to reduce fraud, waste, and abuse. Implementation of report recommendations resulted in cost savings totalling more than \$1.6 million, increased economy and efficiency of production facilities, improved accountability of GPO staff, improved customer service, and increased management control. The audit staff played an active role on the Internal Control Task Force, which conducted a review of the Printing Procurement Department, and made recommendations for improving internal controls in the procurement cycle. Generalized audit software, procured during the year, will increase audit effectiveness and enable the Inspector General's staff to keep pace with GPO's increasingly complex technology.

GPO Information Reproduction Developments

The Government Printing Office fulfills the information reproduction needs of the Federal Government in two ways: (1) by operating a large, Central Office printing plant and six smaller regional printing plants; and (2) by procuring through the central and 13 regional offices printing, binding, and related information reproduction services and products.

In this fiscal year, these services and products generated consolidated revenue of \$637.4 million, which is 89 percent of total GPO revenue. Commercially procured printing totaled \$464.3 million, which represents about 72 percent of the dollar volume for printing and binding jobs. During the past year, printing and binding operations employed approximately 3,587 employees who produced or procured 1.4 billion publications on 471,432 printing orders. This was an average of nearly 1,863 orders per day. The average value of an order produced in the main plant was \$970 while for regional plants it was \$527. The average value for a commercially-procured job was higher at nearly \$1,662. GPO is truly one of the nation's largest small-job print shops.

The office uses or sells in excess of 100 million pounds of paper each year. Of the paper purchased by GPO, 42 percent was sold to agencies and 58 percent was used for in-house printing.

Central Office Printing Plant

The Central Office printing plant, located four blocks north of the U.S. Capitol, employs about 2,738 production personnel to provide a full line of information reproduction services for the Federal Government. The plant operates on three shifts, with almost 1,256 employees serving on the intermediate and night shifts. In fiscal year 1983, the central plant produced \$186.5 million in revenue, representing 26 percent of GPO's total consolidated revenue.

The Central Office printing plant primarily serves the short turnaround printing requirements of the U.S. Congress. Major congressional products of the central office plant include the Congressional Record, congressional bills, resolutions, amendments, reports and hearings.

On August 4, 1983, GPO printed one of the largest partial editions of the Congressional Record ever, consisting of 408 pages. In all, 23 daily editions of the Congressional Record totaled more than 300 pages each. For the fiscal year as a whole, GPO processed 34,811 Congressional Record pages. Billings for this daily publication totaled \$13.2 million.

In addition to this congressional work, the central plant this year produced almost 5.4 million U.S. passports for the State Department,

yielding approximately \$3.6 million in revenue.

High Technology Production

GPO continues to make extensive use of information reproduction and dissemination technologies in its daily production processing activities. We are working closely with the Congress and customer agencies on developing procedures to transfer information in machine recognizable form. This year, the Office of Management and Budget, the Office of the Federal Register, Law Revision Counsel, National Labor Relations Board, Bureau of the Census, and the Departments of Energy, Transportation, Labor, and Agriculture electronically transmitted in excess of 3 billion characters to and from GPO. However, much more than a mere conversion from one process to another has been accomplished. The product line at GPO has been expanded. GPO is selling machine-readable data bases, as well as the printed version of many publications. Because the system was originally designed to accept logically structured input, Government agencies and firms in the private sector are presently able to utilize GPO's full text data bases in their information retrieval systems.

GPO has now completed its first full year of photocomposing the

entire Congressional Record. Over 250,000 pages of manuscript were keyed, producing 34,811 printed pages. All hearings and reports of Congress were photocomposed by GPO this year. All hot metal operations have been reduced to one section of the Production Department. Only 91 employees remain in hot metal operations, as opposed to a high of 1,558 in 1975. Thirty-five of these former hot metal employees completed video keyboard training this year.

There were a number of additional noteworthy achievements this year, such as:

- The ability to record vector graphics on our phototypesetters has been operational since the middle of the fiscal year;
- Software development for our text edit system has been completed;
- Production of photopolymer plates using water wash-out material began this year;
- Initial work has begun on a system to capture original keystrokes from "floppy disks" produced by customer word processing systems;
- The automated Congressional Record Index data base system has been adopted for use in an information retrieval system;
- The Bound Record Index for 1983 will be produced in a totally automated manner; and
- Binding operations have become increasingly efficient and cost-

effective with the installation of new adhesive binding and mailing systems in 1983.

Efforts to Decrease In-House Printing Costs

This year, GPO implemented various procedures for increasing efficiency and decreasing in-house printing costs. In the press area, the installation of additional waste monitoring equipment has resulted in substantial savings and greatly reduced back-to-press operations. We are investigating the handling of rollers, and the cost involved, in order to determine if the purchase of peripheral equipment to regrind press rollers might result in cost savings to the agency. A major effort is underway to develop a system to determine the delinquency rate for in-house jobs and to eliminate the causes for such delinquencies. Substantial progress was made this year in developing and installing an automated planning, scheduling, and tracking system—the Production Estimating and Planning System (PEPS)—in the Production area. Functions installed during phase one of the project should save about \$12,000 annually in the cost of manual reporting, typing, and record keeping. Additional savings of more than \$195,000 were realized with the purchase of a 70 mm projection platemaker.

Technical Assistance to our Customers

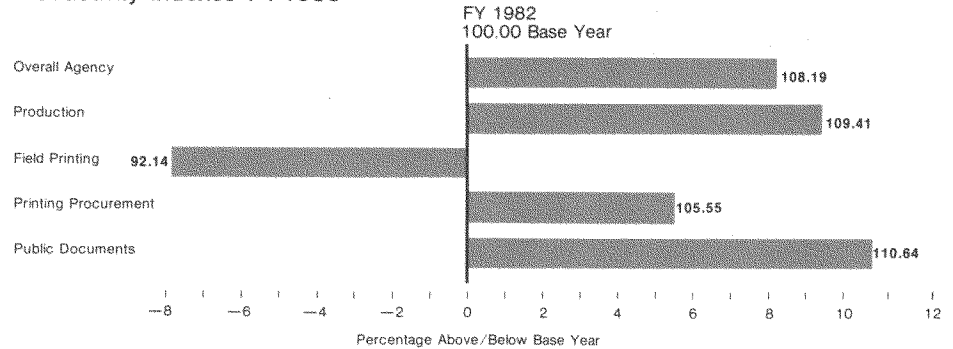
GPO's Customer Service Department analyzes the needs of and makes recommendations to the Congress and Federal agencies regarding specifications, electronic photocomposition, term contracts, material, and all other aspects of their information reproduction and dissemination requirements.

As a result of recommendations made by GPO personnel, the Senate decided to cease printing its amendments to bills as separate products and now only prints them in the Congressional Record. This procedural change will result in savings of several hundred thousand dollars each congressional term.

Technical advice to our customer agencies from GPO Customer Service personnel contributed to significant savings in printing costs for many of those agencies:

- A suggestion to the Army to utilize existing topographic maps in lieu of creating new ones for a war game resulted in a superior product and a savings of \$100,000;
- By suggesting that the data base tape for Customs Regulations be purchased and revised to GPO format for future use, rather than creating a new one each year, GPO personnel saved the Treasury Department \$25,000;
- A suggestion to the Department of Health and Human Services that, rather than thin tissue, regular

Productivity Indexes FY 1983



carbon paper could be used on 5.4 million snapout sets saved \$139,000;

- In another instance, a GPO planner recommended a method of producing fold-ins which saved \$108,000 on one job alone.

GPO's Quality Control and Technical Department develops, coordinates, and monitors quality systems for products procured and produced by GPO. These systems encompass specifications and standards, inspection and sampling, process controls, quality studies, and information feedback. Department personnel implemented system controls which resulted in a reduction in the number of passport rejections, saving GPO more than \$18,000 and the State Department over \$200,000 in fiscal year 1983. A number of procedures were also developed for the Central Office Waste Paper Reduction Project, resulting in cost avoidances estimated at over \$300,000. This year

the Office recovered nearly \$89,000 from the sale of recovered silver and \$91,000 from the sale of scrap film.

Commercially Procured Printing

In fulfilling the information reproduction needs of the Federal Government, GPO adheres to the Government-wide policy of maximum utilization of private sector contractors to obtain goods and services at the most competitive price. As a result, GPO contracts out to the private sector about 59 percent of its total printing and binding jobs, which account for approximately 72 percent of total GPO printing and binding revenue. This year, GPO's Printing Procurement Department processed 279,445 jobs valued at more than \$464.3 million. Approximately 33 percent of these jobs were procured through the Central Office, with GPO's regional offices procuring the remainder.

The expansion of the Procurement Information and Control System (PICS), a comprehensive automated tracking and reporting system for commercially procured printing jobs, to all regional offices was completed in fiscal year 1983. Plans are being developed to provide on-line access to the PICS data base by customer agencies. Training is now underway in the use of new telecommunications equipment for two PICS subsystems, the Automated Bid List System and the Printing Cost Calculating System.

In addition to the current practice of providing single copies of individual bid solicitations, prepackaged copies of all posted GPO solicitations and abstracts for commercial printing contracts are being provided daily on a cost-recovery basis to those persons who are interested in obtaining this comprehensive service. Under this new program, requesters may select the GPO offices from which they wish to receive solicitation copies.

GPO Information Dissemination Developments

During fiscal year 1983, GPO pursued the dual objectives of increasing the American public's knowledge of the Superintendent of Documents information dissemination programs, and of developing a multi-media dissemination capability to provide Government information to the public in the most efficient and cost-effective manner possible.

The Assistant Public Printer (Information Dissemination/Superintendent of Documents) is responsible for the sale of Government publications, compilation of catalogs and indexes of Government publications, distribution of Government publications to depository libraries, distribution of Government publications as required by law, and reimbursable mailings. Funding for these programs in fiscal year 1983 included \$57 million in revenue from the sale of publications, \$19 million from the salaries and expenses appropriation, and \$3.8 million in reimbursements from other Government agencies for distribution services.

Staffing for Superintendent of Documents operations was reduced from 1,097 in fiscal year 1982 to 1,027 in fiscal year 1983, a 6 percent decrease in personnel. The Superintendent of Documents also achieved a 10.6 percent increase in productivity this fiscal year, the highest such figure in the entire agency.

Documents Pricing Task Force

In April 1983, the Public Printer endorsed the recommendations of a "blue ribbon" task force he established to examine the pricing and distribution of Government publications. The task force was chaired by the Assistant Public Printer (Information Dissemination/Superintendent of Documents) and included representatives from the Joint Committee on Printing, customer agencies, and other GPO areas. The recommendations will increase the public's access to lower cost Government information while permitting GPO to recover all sales program costs as required by law.

In response to the Task Force's recommendations, the Public Printer did the following:

- Directed that a new pricing formula be developed for implementation on October 1, 1983, and implemented a 10 percent reduction in the cost elements included in the formula to be used for pricing new publications between May and October of 1983.
- Directed that commercial printing and binding rates be used in setting the sales prices of publications printed by contractors.
- Adopted a new reprint policy under which GPO bears the costs of reprint orders up to 6 months after the publication is purchased

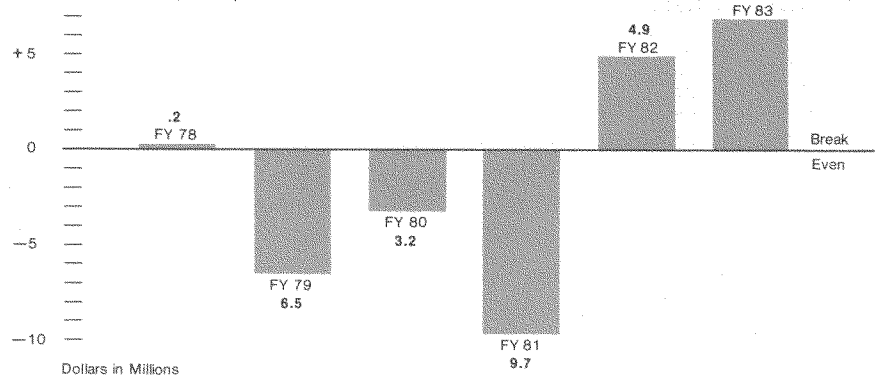
for sale by the Superintendent of Documents; after 6 months, reprint costs must be paid by the ordering agency.

- Adopted a policy that prices of hard copy publications remain unchanged over an 18-month cycle.
- Established a separate mechanism for selling small publications at a price commensurate with their size.
- Authorized the placement of selected subscriptions with total fulfillment contractors as a cost-effective alternative to in-house fulfillment.
- Developed and pursued a plan to sell diazo duplicate microfiche and other information media to the public; and, with the approval of the Joint Committee on Printing, began the acquisition of equipment to "blow back" hard copy publications from microfiche on demand. This equipment will make it possible to offer to the public as many as 24,000 additional titles which ordinarily would not be selected for inclusion in the sales program because of their limited sales potential. By offering microfiche and hard copy "blow back" sales, the sales program can reduce future reprint costs and avoid disposals of excess inventory.

Sales of Publications

The sales program operates primarily by mail order, but

Net Income/(Loss) from Sales of Publications



publications are also distributed through 24 GPO bookstores nationwide and by consigned agents in other Federal agencies. The sales inventory comprises over 17,500 titles, including publications and subscriptions, an increase of 1,500 titles over fiscal year 1982.

In 1983, the sales program produced revenues of \$57.1 million at a cost of \$50.3 million in expenses, resulting in a net income of \$6.8 million. Fiscal year 1983 was the second consecutive year in which the sales program revenues exceeded costs, a dramatic turnabout from \$19.4 million in program losses that were accumulated between 1978 and 1981. Order volume for the year was mixed. The sales program experienced a 3 percent increase in paid subscription orders, reversing the declining trend of the previous year. The previous decline in sales publication order volume was arrested during fiscal year 1983, and the order volume remained roughly stable for most of the remainder of the year.

During the year, GPO's Marketing Department continued to concentrate many of its efforts on the sales program. The *U.S. Government Books* and bimonthly *New Books* catalogs, designed in the previous year, were put into production. One issue of *U.S. Government Books* was distributed via leased mail lists to 1 million book buyers and other individuals.

To improve the distribution of *U.S. Government Books*, the Marketing Department produced and distributed to television and radio stations across the country a series of electronic media public service announcements (PSAs). This highly successful program, using Ad Council formulas, generated between \$4.5 and \$5.5 million in free radio and TV advertising for GPO's sales program. A related series of print media PSAs was produced and distributed to newspapers, magazines, and journals nationwide, generating close to \$1 million in free print advertising. Cooperation also continued with the Armed Forces Radio and Television Network to advertise Government publications to overseas military installations. Arrangements were made through the Armed Forces Publications Service to list Government publications in base newspapers.

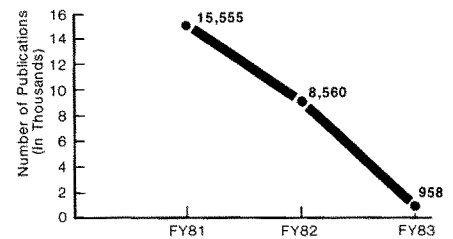
Other marketing activities during the year included the continuation of a program of periodic meetings with publishing agencies in order to foster greater cooperation with the sales program. During fiscal year 1983, a direct mail marketing program was established. A number of prototype direct mail formats were developed and used to sell monographs and subscriptions and to enhance subscription renewal rates. In a related effort, a system for the distribution of product publicity releases was developed to reach targeted audiences. Through this

program, professional and technical publishers were sent announcements of new Government publications in their specialized fields. In fiscal year 1983, 87 such releases were distributed, reaching an estimated 1 million readers. The Marketing Department also continued a limited test of paid-space print advertisements. In addition, new ADP systems were developed and existing systems modified to capture and report data that can be used to design and evaluate sales program marketing campaigns.

Two bookstores in the Washington, D.C., area were closed in fiscal year 1983 because the agencies housing the bookstores required the occupied space for their own use. Plans are being developed to open a new bookstore in the same general area to benefit customers of the closed stores. While the number of customers served by all bookstores was down 3 percent to 363,300, sales revenue was actually up 6 percent to \$7.5 million.

The consigned agent sales program includes more than 80 consigned agents in other Government agencies who sell certain publications on GPO's behalf. Agreements to establish two new agents with the Overseas Private Investment Corporation and National Oceanic Services were made and the agents are scheduled to begin operation in the coming year. This project is receiving

Backlog of Uncataloged Publications



increased interest from the European community. For example, the new agent in Paris, France, under the sponsorship of the United States Information Agency, generated \$70,200 in sales revenue in fiscal year 1983.

Distribution to Depository Libraries

At the end of fiscal year 1983, there were 1,381 libraries serving as depositories and thus required by law to make Government publications available for the free use of the public. Seventeen new libraries were brought into the program during the year, while three relinquished their designation. Almost 32 million publications, in both microfiche and hard copy formats, were distributed to depository libraries in 1983, an increase of 54 percent over the previous year.

During fiscal year 1983, the Library Programs Service continued to convert publications for the depository library program to microfiche whenever practicable. Microfiche conversion lowers considerably the printing and binding costs of these publications and helps alleviate the space problems that confront many depository libraries. In 1983, nearly 72 percent of the publications distributed to depositories were in microfiche format, compared to 66 percent in 1982.

The Marketing Department continued to work closely with the Superintendent of Documents to enhance the public's awareness of the broad range of Governmental information available from depository libraries. A nationwide multi-media campaign for this purpose was designed and developed in cooperation with national library associations. The campaign featured a series of television and radio public service announcements as well as a variety of print media promotional materials (including brochures, bookmarks, and fact sheets) that are made available to both depository and non-depository librarians for local distribution.

A plan to move the Library Programs Service from its present location in Alexandria, Va. to available space in the main GPO building in Washington, D.C. was forestalled in 1983. The relocation is now planned for 1984, subject to JCP approval. When completed, the move will result in annual savings of \$305,000 in lease and utility costs.

Cataloging and Indexing of Publications

The Superintendent of Documents indexes all Government publications and prepares the *Monthly Catalog*, which is a comprehensive listing of these documents. During 1983, production of the *Monthly Catalog* was kept on schedule for the first time in over 4 years. Beginning with

the June 1983 issue, the production of the *Monthly Catalog* was brought in-house. As the result of an intensive study of the *Monthly Catalog's* format and contents, plans were developed to offer it in a GPO-produced computer output microfilm format as well as in hard copy, beginning next year.

During 1983, an outside contractor continued to assist the Library Programs Service in cataloging documents and helped to reduce the backlog of uncataloged publications from 15,555 in fiscal year 1981 to 958 at the end of this fiscal year. A new product, the *Government Printing Office Cataloging Guidelines*, was published and distributed to depository librarians.

Major emphasis was placed on the Library Programs Service's classification function throughout the year. The classification backlog was reduced from 11,464 items to 4,545. A contract was awarded to develop a classification manual which will be distributed, along with guidelines, to depository librarians. A task force was formed to identify classification problems and suggested several promising solutions. In addition, a telephone "hotline" was established on an experimental basis to allow depository libraries to alert program personnel to classification errors. The "hotline" produced such a positive response that it is being continued as a permanent part of the classification operation.

Statutory Distribution and Reimbursable Mailing

During fiscal year 1983, the Superintendent of Documents experienced a marked reduction in the number of copies of free Government publications distributed in accordance with statutory requirements, down to 7.8 million from the 17 million that were distributed in 1982. This decrease was attributed to the Administration's reductions in Federal printing, a reduction in file copy distribution, and the loss of 17 foreign libraries participating in the International Exchange Service Program. In addition, the Department of Agriculture discontinued distribution for its Extension Agents program and the Department of Health and Human Services discontinued its free distribution program.

The Superintendent of Documents received and mailed over 27 million

publications for other Government agencies during the year, an increase of 7 percent over the previous year, and received \$3.8 million in reimbursement for this service.

GPO's largest reimbursable operation is the Consumer Information Center, which GPO processes through its Public Documents Distribution Center in Pueblo, Colorado. In 1983, 23 million free and paid consumer publications were distributed on behalf of the General Services Administration through this facility, a 10 percent decrease from the previous year. The implementation of user fees and absence of Department of Agriculture and Department of Transportation publications in the Consumer Information Program contributed to the decline in the Pueblo facility's regular workload in 1983. Part of the decline was offset, however, by a new activity which

was inaugurated during the year. The Department of Education (DOE) agreed to use the facility to distribute bulk quantities of DOE Federal Aid Program materials to high schools, libraries, state scholarship agencies, post-secondary institutions, and congressional offices. Over 57,000 cartons of these materials were distributed by the Pueblo facility.

The International Exchange Service Program, pursuant to international treaty, provides for the distribution of U.S. Government publications to certain libraries in foreign countries. The Library of Congress administers the program and GPO distributes the publications. During 1983, the number of libraries in the program declined from 85 to 68. Congressional bills and resolutions in microfiche form were distributed to participating libraries for the first time in 1983.

Appendixes



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

B-204646

January 26, 1984

To the Public Printer
U.S. Government Printing Office

We have examined the consolidated balance sheets of the U.S. Government Printing Office as of September 30, 1983 and 1982, and the related consolidated statements of revenue and expense by function and retained earnings and changes in financial position for the years then ended. Our examinations were made pursuant to the audit authority contained in the U.S. Government Printing Office's enabling legislation (44 U.S.C. 309(c)) and in accordance with generally accepted government auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. As a result of the work performed during our examination of the U.S. Government Printing Office's financial statements we have also issued separate reports dated January 26, 1984, on compliance with laws and regulations, and internal accounting controls.

In our opinion, the financial statements referred to above present fairly the financial position of the U.S. Government Printing Office as of September 30, 1983 and 1982, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.


Comptroller General
of the United States

U.S. GOVERNMENT PRINTING OFFICE
CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 1983 AND 1982 (NOTES 1 and 2)
(IN THOUSANDS OF DOLLARS)

ASSETS			LIABILITIES AND INVESTMENT		
	<u>1983</u>	<u>1982</u>		<u>1983</u>	<u>1982</u>
Current Assets:			Current Liabilities:		
Cash:			Accounts payable (NOTE 6)	\$ 72,837	\$ 59,906
On-hand and in-transit	\$ 1,328	\$ 738	Advances from customers (NOTE 7)	30,766	26,710
Revolving fund	52,058	51,470	Accrued salaries and wages	6,182	6,135
Appropriations	82,807	77,473	Taxes and other withholdings	<u>786</u>	<u>1,079</u>
Accounts receivable (NOTE 3)	214,030 ✓	182,037 ✓	Total Current Liabilities	<u>110,571</u>	<u>93,830</u>
Inventories (NOTE 4):			Other Liabilities:		
Publications for sale, net	9,717	12,534	Accrued annual leave	7,882	7,693
Paper, material and supplies	<u>18,185</u>	<u>19,726</u>	Income from sales of publications payable to U.S. Treasury (NOTE 8)	<u>2,090</u>	<u>---</u>
			Total Other Liabilities	<u>9,972</u>	<u>7,693</u>
Total Current Assets	<u>378,125</u>	<u>343,978</u>	Total Liabilities	<u>120,543</u>	<u>101,523</u>
Property, Plant, and Equipment (NOTE 5):			Investment of U.S. Government:		
Land and buildings	17,638	17,594	Appropriations obligated but unexpended (SCHEDULE 1)	<u>85,016</u>	<u>77,972</u>
Equipment and building improvements	<u>85,709</u>	<u>84,280</u>	Revolving fund:		
	103,347	101,874	Contributed capital (NOTE 9)	111,355	111,745
Less accumulated depreciation	<u>48,613</u>	<u>47,490</u>	Retained earnings	<u>115,945</u>	<u>107,122</u>
Net Property, Plant, and Equipment	<u>54,734</u>	<u>54,384</u>	Total Revolving Fund	<u>227,300</u>	<u>218,867</u>
			Total Investment	<u>312,316</u>	<u>296,839</u>
Total Assets	<u>\$432,859</u>	<u>\$398,362</u>	Total Liabilities and Investment	<u>\$432,859</u>	<u>\$398,362</u>

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

U. S. GOVERNMENT PRINTING OFFICE
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE BY FUNCTION AND RETAINED EARNINGS
FISCAL YEARS 1983 AND 1982 (NOTES 1 AND 2)
(IN THOUSANDS OF DOLLARS)

	Plant Printing Operations	Procured Printing	Regional Printing	Total Printing And Binding Operations	Supt. of Documents Sale of Publications	S&E Programs	Eliminations	Total GPO	
								1983	1982
Revenue:									
Printing & Binding	\$186,463	\$464,320	\$12,611	\$663,394	---	---	(\$25,984)	\$637,410	\$604,808
Sales of Publications	---	---	---	---	\$57,060	---	---	57,060	55,001
Appropriation	---	---	---	---	---	\$19,209	(282)	18,927	18,541
Reimbursements	---	---	---	---	---	3,797	---	3,797	6,954
Total Revenue	\$186,463	\$464,320	\$12,611	\$663,394	\$57,060	\$23,006	(\$26,266)	\$717,194	\$685,304
Expenses:									
Publications sold	---	---	---	---	\$12,714	---	---	\$ 12,714	\$ 15,189
Unsaleable publications	---	---	---	---	3,115	---	---	3,115	3,607
Personnel comp. & benefits	\$131,796	\$ 17,182	\$ 9,078	\$158,056	20,323	\$ 8,674	(\$ 2,444)	184,609	179,289
Transportation	841	2,744	79	3,664	366	285	(33)	4,282	3,774
Rents, comm. & utils.	7,987	1,328	1,449	10,764	10,704	3,988	(489)	24,967	25,755
Printing & reproduction	---	435,743	---	435,743	1,137	8,874	(22,725)	423,029	397,464
Other services	1,597	577	173	2,347	659	473	(347)	3,132	2,901
Supplies & materials	40,505	466	2,852	43,823	891	626	(130)	45,210	48,319
Depreciation	4,364	304	225	4,893	342	86	(98)	5,223	4,876
Total Expenses	\$187,090	\$458,344	\$13,856	\$659,290	\$50,251	\$23,006	(\$26,266)	\$706,281	\$681,174
NET INCOME/(LOSS)	(\$ 627)	\$ 5,976	(\$ 1,245)	\$ 4,104	\$ 6,809			\$ 10,913	\$ 4,130
Retained Earnings at Start of Year								<u>107,122</u>	<u>102,992</u>
Retained Earnings Before Payable to U.S. Treasury								\$118,035	\$107,122
Less:									
Income from Sales of Publications									
Payable to U.S. Treasury								<u>2,090</u>	<u>---</u>
Retained Earnings at End of Year								\$115,945	\$107,122

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

U.S. GOVERNMENT PRINTING OFFICE
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FISCAL YEARS ENDED SEPTEMBER 30, 1983 AND 1982 (NOTES 1 and 2)
(IN THOUSANDS OF DOLLARS)

	<u>1983</u>	<u>1982</u>
Funds Provided:		
Net income	\$10,913	\$ 4,130
Add expenses not requiring working capital:		
Depreciation	5,223	4,876
Other	390	416
Total Funds Provided by Operations	<u>16,526</u>	<u>9,422</u>
Proceeds from sale of fixed assets	296	240
Increase in unexpended appropriations	34,435	27,938
Increase in contributed capital	---	4,600
Increase in accrued annual leave	189	748
Increase in funds payable to U.S. Treasury	<u>2,090</u>	<u>---</u>
Total Funds Provided	<u>53,536</u>	<u>42,948</u>
Funds Applied:		
Purchase of fixed assets	6,259	16,020
Funds returned to U.S. Treasury	27,391	15,340
Decrease in contributed capital	390	380
Decrease in retained earnings	<u>2,090</u>	<u>---</u>
Total Funds Applied	<u>36,130</u>	<u>31,740</u>
Increase in Working Capital	<u>\$17,406</u>	<u>\$11,208</u>

CHANGES IN WORKING CAPITAL

	<u>1983</u>	<u>1982</u>
Current Assets:		
Cash:		
On-hand and in-transit	\$ 590	(\$ 361)
Revolving fund	588	28,778
Appropriations	5,334	(5,145)
Accounts receivable	31,993	(17,381)
Publications for sale	(2,817)	(4,324)
Paper, materials and supplies	(1,541)	605
Current Liabilities:		
Accounts payable	(12,931)	12,714
Advances from customers	(4,056)	(1,965)
Accrued salaries and wages	(47)	(1,388)
Taxes and other withholdings	<u>293</u>	<u>(325)</u>
Increase in Working Capital	<u>\$17,406</u>	<u>\$11,208</u>

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

U.S. GOVERNMENT PRINTING OFFICE
STATUS OF APPROPRIATED FUNDS
FISCAL YEARS ENDED SEPTEMBER 30, 1983 and 1982 (NOTES 1 and 2)
(IN THOUSANDS OF DOLLARS)

	<u>Congressional Printing and Binding</u>	<u>Printing and Binding</u>	<u>Salaries and Expenses</u>	<u>Total Appropriated Funds 1983</u>	<u>1982</u>
Unexpended Appropriations at Beginning of Year	\$ 50,507	\$11,219	\$16,246	\$ 77,972	\$ 65,373
Funds Provided:					
Appropriations	81,747	12,791	27,291	121,829	129,851
Reimbursements	---	---	3,797	3,797	6,954
Other	---	---	---	---	342
Total Funds Provided	<u>132,254</u>	<u>24,010</u>	<u>47,334</u>	<u>203,598</u>	<u>202,520</u>
Funds Applied:					
Amounts transferred to the revolving fund for:					
Printing and Binding(Schedule 2)	56,038	12,147	---	68,185	77,846
Federal Register	---	---	309	309	1,198
Distributions for other agencies	---	---	6,233	6,233	8,165
Depository library distribution	---	---	13,848	13,848	14,387
Cataloging and indexing	---	---	2,616	2,616	3,012
Purchase of land	---	---	---	---	4,600
Funds returned to U.S. Treasury	<u>17,331</u>	<u>3,160</u>	<u>6,900</u>	<u>27,391</u>	<u>15,340</u>
Total Funds Applied	<u>73,369</u>	<u>15,307</u>	<u>29,906</u>	<u>118,582</u>	<u>124,548</u>
Appropriations Obligated but Unexpended at End of Year	\$ <u>58,885</u>	\$ <u>8,703</u>	\$ <u>17,428</u>	\$ <u>85,016</u>	\$ <u>77,972</u>

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

U.S. GOVERNMENT PRINTING OFFICE
 TRANSFERS TO REVOLVING FUND FROM
 PRINTING AND BINDING APPROPRIATIONS
 FISCAL YEARS ENDED SEPTEMBER 30, 1983 AND 1982 (NOTES 1 AND 2)
 (IN THOUSANDS OF DOLLARS)

	<u>1983</u>	<u>1982</u>
Hearings	\$16,684	\$20,730
Miscellaneous printing and binding	8,720	8,267
Bills, resolutions and amendments	7,552	5,826
Miscellaneous publications	4,130	6,410
Committee prints	2,956	3,879
House and Senate calendars	1,256	1,918
Documents	1,571	2,315
Committee reports	2,827	2,613
Franked envelopes	759	1,054
Publications for International Exchange	531	1,654
Document franks	102	109
Details to Congress	5,324	5,311
Government Manual <u>1/</u>	-0-	109
Weekly Compilation of Presidential Documents <u>1/</u>	-0-	77
Public Papers of the President <u>1/</u>	78	123
Congressional Record Daily	11,794	13,093
Congressional Record Index	797	817
Congressional Record Bi-Weekly	104	465
Congressional Record Bound	<u>3,000</u>	<u>3,076</u>
Total Transfers	<u>\$68,185</u>	<u>\$77,846</u>

1/ Beginning with Fiscal Year 1982 these publications are financed by the Revolving Fund with reimbursement made by the customer agencies. Transfers in 1982 and 1983 are for prior years.

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

U.S. GOVERNMENT PRINTING OFFICE
NOTES TO FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 1983 AND SEPTEMBER 30, 1982

(1) ORGANIZATION

The Government Printing Office provides printing, binding, and distribution services to the Congress and Federal agencies and distributes publications to the public. Title 44 of the U.S. Code established the Government Printing Office Revolving Fund to finance operations. The Revolving Fund is reimbursed by payments from the agencies and by transfers from the following appropriations:

--The Congressional Printing and Binding Appropriation is for printing and binding performed directly for Congress.

--The Printing and Binding Appropriation is for printing and binding of Government publications authorized by law to be distributed without charge to the recipients.

--The Salaries and Expenses Appropriation is for expenses incurred by the Superintendent of Documents' operations for depository library and other by-law distribution of publications and for the cataloging and indexing of Government publications.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The consolidated financial statements include all funds of the Government Printing Office. Inter-fund and inter-operational transactions and balances have been eliminated and the Fiscal Year 1982 amounts for inter-office transfers and eliminations have been restated to conform to Fiscal Year 1983 statement presentation.

Basis of Accounting - Assets, liabilities, revenue and expenses are recognized on the accrual basis of accounting following generally accepted accounting principles.

Expense Allocation - 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.

Revenue Recognition - Printing and binding revenue is recognized on the basis of work performed by the Printing Office due to the fact that all printing and binding work is required by law to be reimbursed on the basis of services rendered. Revenue on work procured from commercial printers is recognized when work is delivered. The Superintendent of Documents, which distributes and sells publications to the public, recognizes revenue when publications have been shipped, or when services have been performed.

Inventories - Inventories are priced at the lower of cost or market. Various inventory valuation methods are used to determine their cost; publications for sale are computed using the average cost method; materials and supplies are computed using the moving average method; and paper is computed using the first-in, first-out method.

Property, Plant, and Equipment - Property, plant, and equipment is carried at cost. Expenditures which substantially increase the useful life of the assets are capitalized. Maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method with estimated useful lives ranging from 42 to 50 years for buildings and from 3 to 30 years for equipment and building appurtenances. Fully depreciated assets still in use totaled \$15,407,848 in 1983. Retirements are removed from the accounts.

Pensions - The Government Printing Office employees are covered by the Civil Service Retirement and Disability Fund. Consequently, the Government Printing Office has the responsibility for withholding seven percent of each employee's salary and for contributing a matching amount to the plan. The Government Printing Office's matching amounts were \$10,686,915 and \$11,327,797 in 1983 and 1982, respectively.

(3) ACCOUNTS RECEIVABLE

Accounts receivable as of September 30, 1983 and 1982, is comprised of the following:

<u>Accounts Receivable</u>	<u>1983</u>	<u>1982</u>
Billed to Government		
Agencies	\$ 25,626,098	\$ 27,492,736
Unbilled completed work	164,791,404	134,356,404
Unbilled work in process	21,718,800	19,315,204
Other	1,893,981	872,765
Totals	<u>\$214,030,283</u>	<u>\$182,037,109</u>

The Government Printing Office does not establish an Allowance for Doubtful Accounts because Government agencies are required to reimburse it for all work performed on their behalf. Prior accounts receivable loss experiences do not justify the need for an allowance.

(4) INVENTORIES

The inventory of publications for sale is net of an allowance for unsaleable publications amounting to \$2,780,613 and \$2,570,777 for Fiscal Years 1983 and 1982, respectively. For 1983 and 1982, paper, materials and supplies are comprised of \$11,030,833 and \$12,860,295 for paper, and \$7,153,737 and \$6,865,127 for materials and supplies, respectively.

(5) PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of September 30, 1983 and 1982 is as follows:

		1983		1982
	Acquisition	Accumulated	Net	Net
	Value	Depreciation	Book Value	Book Value
Land	\$ 8,982,726	---	\$ 8,982,726	\$ 8,938,326
Buildings	8,655,859	\$ 8,077,021	578,838	677,646
Building improvements	26,208,048	11,378,778	14,829,270	18,537,634
Leasehold improvements	96,864	33,297	63,567	---
Plant machinery and equipment	53,831,285	26,788,672	27,042,613	22,764,742
Office machinery and equipment	3,369,300	1,680,057	1,689,243	2,106,222
Furniture and fixtures	261,118	162,909	98,209	151,591
Motor vehicles	657,143	492,693	164,450	235,263
Capital improvements in progress	1,285,483	---	1,285,483	973,047
Totals	<u>\$103,347,826</u>	<u>\$48,613,427</u>	<u>\$54,734,399</u>	<u>\$54,384,471</u>

Purchases of land, equipment, and other property for Fiscal Years 1983 and 1982 were \$6,258,852 and \$16,020,307, respectively. Land adjacent to the Government Printing Office was acquired for \$8,509,012 during Fiscal Year 1982. Acquisition value includes \$4,122,279 in percentage completion payments for equipment that is not fully operational and, therefore, not being depreciated. Repairs and maintenance costs are expensed; and in Fiscal Year 1982, included \$618,000 for renovation of offices of the Personnel Service. Depreciation expense for Fiscal Years 1983 and 1982 was \$5,223,000 and \$4,876,000 respectively.

Depreciation expense for equipment and building improvements is recovered from billings to customer agencies. Buildings and structures have been paid for from Congressional appropriations. Accordingly, depreciation is recorded but not reimbursed on these items.

(6) ACCOUNTS PAYABLE

Accounts payable as of September 30, 1983 and 1982 is comprised of the following:

<u>Accounts Payable</u>	<u>1983</u>	<u>1982</u>
Commercial printing	\$62,735,815	\$52,152,145
Other	<u>10,101,545</u>	<u>7,752,785</u>
Totals	<u>\$72,837,360</u>	<u>\$59,904,930</u>

Accounts payable for commercial printing is recorded on the constructive date of delivery. Other accounts payable is also recorded when services are rendered or when the goods are received.

(7) ADVANCES FROM CUSTOMERS

Advances from customers as of September 30, 1983 and 1982 are comprised of the following:

<u>Advances</u>	<u>1983</u>	<u>1982</u>
Advance billings to customer agencies for printing services	\$ 4,132,229	\$ 3,035,561
Customer deposits for publications	7,526,742	6,971,533
Subscriptions	17,850,987	15,091,072
Undelivered publication orders	<u>1,256,302</u>	<u>1,612,084</u>
Totals	<u>\$30,766,260</u>	<u>\$26,710,250</u>

Advances from customers represent amounts which have been received by the Government Printing Office but not earned. In 1982, the procedure for estimating deferred subscription revenue was improved in order to more closely match revenues with delivery of publications. Net income of the Superintendent of Documents Sales of Publications operation was increased in 1982 by \$1,947,285 due to this change in estimate.

(8) AMOUNT DUE U.S. TREASURY

Title 44 requires the Government Printing Office to deposit in the U.S. Treasury receipts from sales of publications in excess of total costs and expenses incurred in connection with the publication and the sale thereof, as determined by the Public Printer. This amount for 1983 is \$2,090,000 determined as follows:

Cumulative (loss) of Sales Program less payments made to U.S. Treasury as of September 30, 1981	(\$9,650,000)
Net income from sales of publications, 1982	4,931,000
Net income from sales of publications, 1983	<u>6,809,000</u>
Amount due U.S. Treasury, September 30, 1983	<u>\$2,090,000</u>

(9) CONTRIBUTED CAPITAL

Contributed capital as of September 30, 1983 and 1982 was derived from the following:

<u>Contributed Capital</u>	<u>1983</u>	<u>1982</u>
Appropriations for improvements to air conditioning and electrical system	\$ 12,900,000	\$ 12,900,000
Appropriations for working capital	62,600,000	62,600,000
Beginning net worth when the Revolving Fund was established	33,807,127	33,807,127
Donated equipment	1,039,859	1,330,512
Book value of contributed buildings and land	<u>1,008,152</u>	<u>1,106,960</u>
Totals	<u>\$111,355,138</u>	<u>\$111,744,599</u>