

Fiscal
Year 1982

Annual Report of the U.S. Government Printing Office

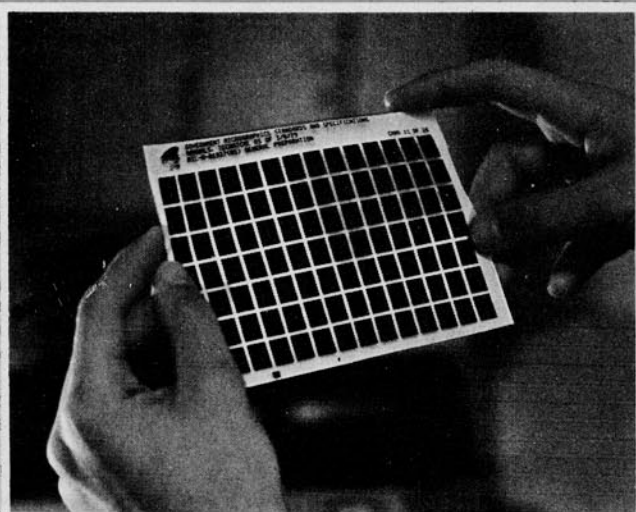


on in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes;

H.R. 5002. An act to improve fishery conservation and management;
H.R. 5027. An act to designate the building known as the U.S. Post Office and

general and permanent laws related transportation as subtitle I and chapter of subtitle II of title 48, United States Code "Transportation";

H.R. 7005. An act to amend the Federal



H.R. 7356. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending

H.R. 5410. An act to amend the Internal Revenue Code of 1954 with respect to the tax treatment of periodic payments for

credit and self-help community development programs;



H.R. 5809. An act to provide for the development of repositories for the disposal of high-level radioactive waste and spent nuclear fuel, to establish a program of research, development, and demonstration regarding the disposal of high-level radioactive

in accordance with title 23, United States Code, for highway safety, for mass transportation in urban and rural areas, and for other purposes;

H.R. 6243. An act to provide for the distribution

Federal building in Springfield, Ill., "Paul Findley Building";

H.R. 7410. An act to amend title United States Code, to transfer responsibility for the quarterly financial report from the Federal Trade Commission to the Secretary

New Technology/New Challenges

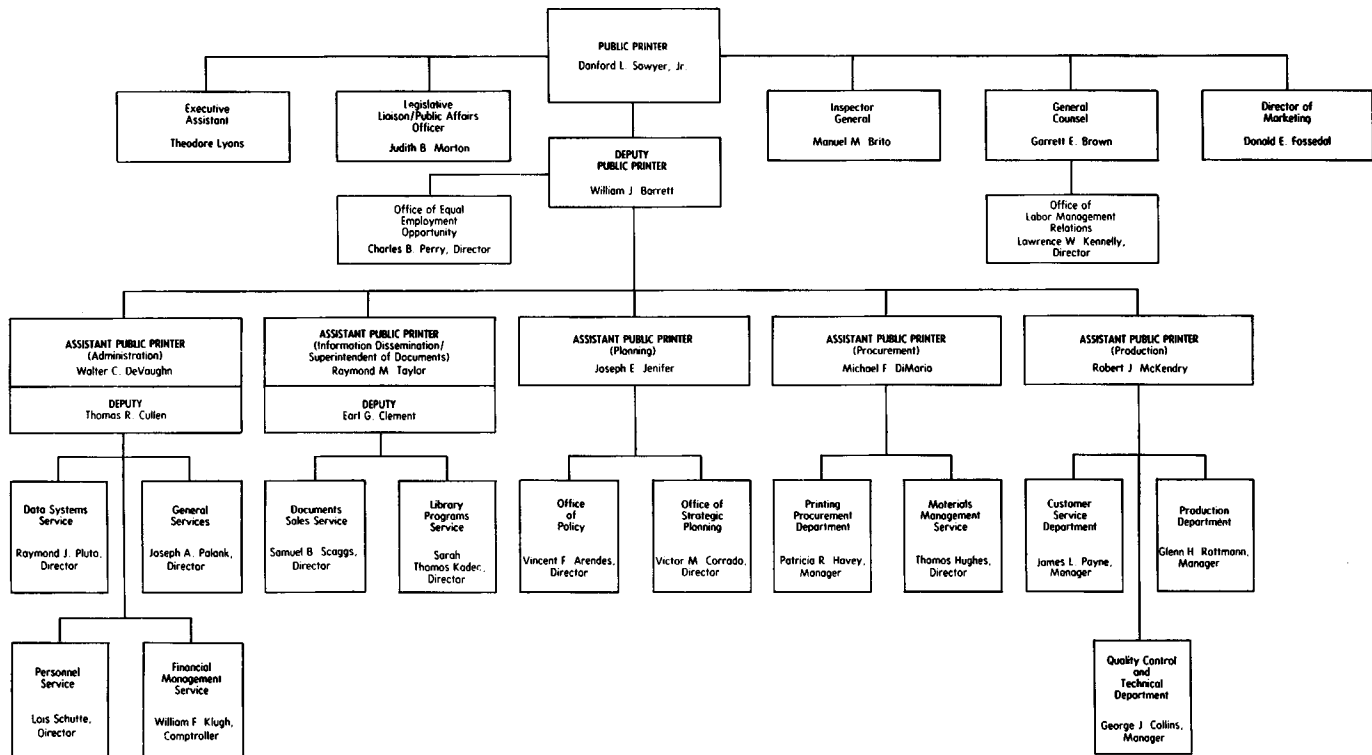
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ORGANIZATION OF THE UNITED STATES GOVERNMENT PRINTING OFFICE



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Public Printer's Message

Fiscal year 1982 was a landmark year for the U.S. Government Printing Office. GPO management addressed a number of crucial challenges generated by declining congressional and executive agency workloads, management and staffing inefficiencies, and technological changes. The successful resolution of these challenges required a critical analysis of GPO's operations, application of sound private-sector management techniques, and a willingness to make difficult decisions and to act resolutely on those decisions.

My analysis of the agency's condition convinced me that many of GPO's basic difficulties had existed for years, and that rapidly changing technology was not only making those difficulties worse, but was also creating new problems. Prior methods of dealing with GPO's long-term problems had not been effective, and were not adequate to deal with new challenges. Furthermore, revolutionary technological changes dictated structural adjustments to GPO's work force and physical plant. Dealing successfully with these realities will require a genuine recommitment to cooperation on the part of both labor and management.

Fiscal year 1982 can best be characterized, however, as the year when dedicated GPO managers and employees developed a renewed awareness of GPO's primary role—to serve the information needs of the American Government and its people in the most cost-effective and efficient manner possible.

The year saw a decline in revenue of \$36.9 million under 1981 levels, but this was more than matched by a reduction of \$39.6 million in fiscal year 1982 total operating expenses. The Office concluded the year with a consolidated net income of \$4.1 million, comprising a \$4.9 million net income in sales of publications and a \$0.8 million net loss in the printing and binding operations. The loss in combined printing and binding operations is directly attributable to a decline in volume generated by President Reagan's efforts to reduce excess Federal printing and to GPO's high cost of operation.

In the past, GPO alleviated most revenue shortfalls by simply raising the rates which it charged the Federal establishment for its services; thereby shifting the burden of its inefficiencies to the Congress, executive agencies, and subsequently to the American taxpayer. I refused to follow that course and concentrated instead on reducing GPO's operating expenses. GPO management thus developed and implemented a number of cost-cutting initiatives:

- An agencywide hiring freeze substantially reduced personnel costs. At the end of fiscal year 1982, employment stood at 6,069, a reduction of more than 6 percent over the previous year, producing a cost savings of approximately \$5.6 million.
- A strict overtime policy and improved workflow management resulted in a savings of \$6 million compared to the year before.
- A concerted effort to monitor all claims for workmen's compensation reduced the costs of claims for on-the-job injuries by roughly \$400,000.
- A number of management improvements reduced the total expenses of the Superintendent of Documents operation by \$15.9 million under fiscal year 1981 levels.
- GPO's Inspector General conducted numerous investigations into alleged waste, fraud and abuse. His actions to date have resulted in the recovery of over \$150,000 in Government funds.
- Internal review committees were established to review and limit expenditures for travel, training, capital acquisitions, office renovations, and newspaper and magazine subscriptions.
- A request for early-out retirement authority from the Office of Personnel Management, which could reduce GPO rolls by over 400 employees and save approximately \$11 million, has been made and is pending as of the date of this report.

It is crucially important to recognize that while these measures saved the American taxpayer millions of

dollars, the agency was also able to achieve a significant increase in productivity.

One of the most important and satisfying financial events of fiscal year 1982 was the turnaround achieved in the sales of publications program. After three consecutive years of losses—totaling in excess of \$19 million—this program achieved a net income of \$4.9 million this year, and was responsible for the overall positive net income position of the agency. Sales revenue increased by 7 percent over 1981 figures to an alltime high of \$55 million despite a drop in the number of publications sold. The new-found health of this program can be attributed to much tighter purchasing controls, improved management systems, cost-recovery pricing policies, and a new emphasis on marketing.

To increase marketing efforts, I established a marketing department which will concentrate not only on the sales of publications program, but also on the depository library, the printing and binding, and the printing procurement programs. The Director of Marketing and his staff have already prepared a series of public service advertisements for radio and television to make the public aware of GPO's newly-developed *U.S. Government Books* catalog. Other initiatives, such as a public service advertising campaign for depository libraries and direct mail campaigns, are being developed. The success of these efforts will help to hold the line on the prices of Government publications, and should greatly enhance public access to Government information.

Other major organizational changes were made during 1982 to improve the efficiency of the GPO. The Office of Legislative Liaison/Public Affairs developed into an agencywide focal point for the coordination and facilitation of GPO contacts with the Congress, Federal agencies, interest groups, and the public. I initiated the consolidation of the procurement activities of Printing Procurement and Materials Management under a new Assistant Public Printer for Procurement. This should lead to enhanced consistency and oversight of all GPO procurement activities. In addition, I upgraded the

function of the Office of Planning in order to provide a focus for the development of long-range and strategic planning. All of these management efforts will lead to better customer/client relations, or enhanced efficiency, or both.

Certain other initiatives have been proposed and await implementation. A planned 6-day furlough of all GPO employees over a 7-month period would have completely compensated for the losses in printing and binding operations. The Joint Committee on Printing, however, issued a resolution prohibiting the furloughs and asserted that the JCP has authority over "all matters involving the GPO personnel." The U.S. District Court for the District of Columbia ordered that I not conduct the furlough while the resolution was in effect. The Department of Justice appealed that decision to the U.S. Court of Appeals for the District of Columbia. I am awaiting a final decision by the courts.

The real importance of this lawsuit is not so much the money to be saved, which is substantial, but rather the issue of the management authority of the Public Printer in relation to the JCP. This issue depends upon how the courts define the scope of the Kiess Act of 1924 (44 U.S.C. § 305)—covering wage rates—versus the coverage of the Civil Service Reform Act of 1978—encompassing adverse personnel actions and conditions of employment. It is clear that Congress intended the Civil Service Reform Act to alter fundamentally the GPO personnel system. The rights, privileges, and obligations of GPO employees were fixed by that statute and are not subject to change by JCP fiat. The eventual resolution of this matter could establish the basic management framework for the GPO well into the next century. I will continue to pursue it with that in mind.

This year, GPO labor and management conducted wage negotiations under the Kiess Act for GPO's craft and industrial workers. Of central importance in these protracted negotiations and the subsequent presentations made to a factfinder were the efforts of management negotiators to establish sound and equitable criteria for the setting of GPO wage rates.

“Fiscal year 1982 can best be characterized, however, as the year when dedicated GPO managers and employees developed a renewed awareness of GPO’s primary role—to serve the information needs of the American Government and its people in the most cost-effective and efficient manner possible.”

During the 1970’s, labor and management first changed and then abandoned the use of a formula which averaged rates in certain cities for the purpose of determining wage rates. Wage negotiations became *ad hoc* events, lacking a sound starting point from which to begin serious discussions.

I proposed, however, a wage package based upon achieving eventual parity with the Federal Wage System, which establishes wages for most other Federal workers doing jobs identical or similar to GPO craft and industrial employees. The wage rates embodied in the Federal Wage System are adjusted annually and are based upon prevailing rates as determined by extensive survey data from private firms in a particular geographic area. Management’s wage proposal thus made use of more complete and accurate data than any other wage proposal in recent memory. Most importantly, our proposal established the use of the Government-wide Federal Wage System as a sound precedent for the formulation of management wage proposals in the future. Also of significance was the debate surrounding the wage issue through which the Congress and the American public were made aware of the extremely high price they pay for GPO services.

A proposal to close all GPO bookstores outside of the Washington, D.C. area was postponed pending a study of the sales of publications program by the General Accounting Office. GPO’s sales program could have saved almost \$1 million by closing these poorly-located and under-utilized facilities, while studies show that GPO would retain most of the business generated by the bookstores. The sales program is now primarily a \$48 million per year mail order operation, with excellent computerized order-processing and fulfillment capabilities. The strength of GPO’s sales program lies in the mail-order system, and once the General Accounting Office issues its report, the bookstore issue will be reexamined with the information then available.

Fiscal year 1982 also marked the beginning of what was to have been a far-reaching evaluation by the GPO and the JCP of the network of JCP-chartered field

printing plants run by executive agencies. A study of the Federal printing needs and facilities in the New York area was used as a pilot program, and the recommendations which resulted were very promising. Most of the executive agency plants in the area could be closed or down-graded to duplicating facilities, and regional GPO facilities could produce or procure the work previously done in those agency plants. The efficiencies and savings possible in New York could be replicated throughout the country if the JCP continues to evaluate critically the executive agency field printing program. I strongly encourage this activity, and will continue to make GPO resources and expertise available for that purpose. The entire Federal establishment and the American taxpayer would benefit from the cost savings possible through these evaluations and the resultant consolidations.

All of these distinct programs and initiatives are noteworthy, but as Public Printer, I also have the responsibility of addressing the long-range future of the GPO and its evolving mission. That future lies in computer-based information processing, printing, and distribution systems, as well as in more highly mechanized binding operations. The GPO, of course, is not unique in this regard. It only mirrors the changes, the problems, and the challenges now facing the rest of the industrial economy. The computer, in one form or another, is making millions of jobs obsolete almost overnight. Economic and vocational dislocation inevitably results.

The GPO has almost completed the final changeover to electronic photocomposition from the old hot metal process. This transition changed forever many of the tasks that the traditional printer has performed for nearly 80 years. Indeed, it appears that computer data bases may soon supplant the printed page completely for some purposes. If a printed page is desired, then one need only push a button, and a printed product will appear.

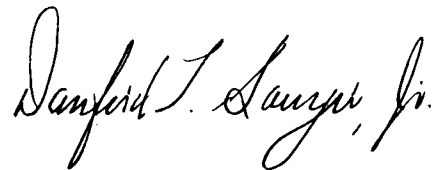
The installation of a new adhesive binding and mailing system began at GPO this year, and will be

completed in fiscal year 1983. This is only the latest in a long line of computer/machinery-based advances in the printing and binding process. Printing as an industrial factory process will become less and less of a reality. To appreciate this, one need only compare the workplace of a linotype operator 10 years ago to the air-conditioned quiet of an electronic photocompositor's work station today.

We must enter the future with this inexorable change in the printing/information industry foremost in mind. Advancing technologies will make the printing industry less labor-intensive. Traditional craft-oriented jobs will continue to be overtaken by modern processes requiring very different skills. Thus, GPO will need fewer employees, and the skills required will change dramatically. Labor and management must work together to meet these challenges. We must not lose

sight of the fact that the changes are technological, but the problems are human. Therefore, the solutions we devise must be not only cost-effective, but also equitable.

Meeting these challenges with cost-effective and efficient solutions in order to serve the information needs of the American Government and its people will be the keystone of my efforts as Public Printer for fiscal year 1983 and beyond.

A handwritten signature in cursive script, reading "Danford L. Sawyer, Jr.".

DANFORD L. SAWYER, JR.,
Public Printer

Highlights of Financial
and Operational Activities
for Fiscal Year 1982

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 and by-law distribution, and cataloging and indexing of all Government documents.

All activities of the Office are financed through the Government Printing Office Revolving Fund, which is reimbursed by payments from the 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 work directly for Congress, and for the printing and binding of Government publications authorized by law to be distributed without charge to the recipients. Total reimbursements from these

appropriations are reflected in the total printing and binding revenues.

Results of Operations

GPO's consolidated net income of \$4.1 million for fiscal year 1982 nearly tripled 1981's net income of \$1.5 million. This gain was achieved despite a sharp decline in total revenues. Fiscal year 1982 revenues totaled \$688.7 million, a reduction of \$36.9 million, or 5 percent, from 1981 levels. This decrease in revenues is entirely attributable to the continued decline in Federal printing requirements resulting from general budgetary constraints and specific Reagan administration initiatives to curtail excessive Government publishing activities. We anticipate that this trend will continue throughout fiscal year 1983. The decline in revenues, however, was more than offset by a reduction of \$39.6 million in fiscal year 1982 total operating expenses.

In addition, fiscal year 1982 saw the reversal of a 3-year trend of incurring losses in the sales of publications program and producing positive net income in the printing and binding operations. This year, the sales of publications program earned \$4.9 million in net income, while the printing and binding operation actually lost \$0.8 million. We expect this loss in printing and binding to continue if total labor costs continue to increase while

printing revenues continue to decrease.

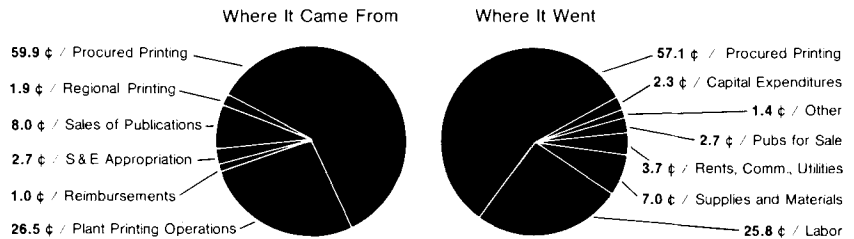
Central Plant Printing Operations

The operations of our central plant recorded a loss of \$3.5 million in fiscal year 1982, compared to a \$5 million net income in 1981. Total revenue for the plant printing operations dropped to \$184.2 million this year, a reduction of \$11.5 million, or 6 percent under last year. This decrease in revenues occurred primarily because of a decline in the volume of printing ordered by Congress, the major customer of central plant work. Although we anticipated the decreased workload, the decision was made early in the year to hold the line on the printing rates charged Congress and GPO's other customers. Instead of raising GPO printing rates we endeavored to reduce excessive costs in order to attempt to break even in this program.

Regional Printing Plants

Our regional printing operations showed a combined loss of nearly \$1 million in fiscal year 1982, compared to the \$66,000 loss incurred in 1981. Total revenues for this program decreased to \$13.2 million from the 1981 level of \$14.3 million. Although we were able to hold total operating costs for this program stable, the

GPO'S 1982 Revenue Dollar



decrease in printing workload did not allow the full recovery of costs at our prevailing chargeable rates.

Central Plant and Regional Printing Procurement Operations

Due to the decrease in executive agency printing requirements, total revenues for GPO printing procurement activities fell to \$437.5 million, a decline of \$27.3 million, or 6 percent from fiscal year 1981 revenues of \$464.8 million. Because of this decline in total revenues, GPO's net income from printing procurement activities fell to \$3.7 million for the fiscal year, as opposed to the \$6.2 million generated by this activity last year.

Sales of Publications

This year, our sales of publications program produced a net

income of \$4.9 million after 3 successive years of serious losses. In fiscal year 1981 alone, the program lost \$9.7 million. However, total revenues increased this year to a new high of \$55 million, exceeding the previous year's total revenues by \$3.7 million, or 7 percent. A number of factors contributed to this much improved financial posture in the sales program, including across-the-board price increases on all sales publications, aggressive marketing, management restructuring, and lower personnel costs.

Salaries and Expenses

The total expenditures in this category decreased \$5 million from 1981 to a total of \$26.8 million in 1982. Of this decrease, \$3.4 million, or 68 percent, was recorded in printing and reproduction costs. This reduction resulted from the increased use of less-expensive microfiche for distribution of

publications to Federal depository libraries, and from efforts to encourage these libraries to be more selective when choosing publications. A decline in volume in GSA's Consumer Information Program, which is processed by GPO's distribution facility, in Pueblo, Colo., produced a decrease of \$400,000 in reimbursable revenues.

Capital Expenditures

During fiscal year 1982, capital acquisitions totaled over \$16 million. Of this total, GPO spent \$8.5 million on the acquisition from the D.C. Government of land adjacent to our central plant. A modern adhesive binding and mailing system for producing the Congressional Record, Federal Register, and other documents was purchased for \$6 million. Nearly \$8 million worth of proposals were deferred.

Staffing and Organization Improvement

For more than two decades, GPO has been in the midst of a transformation from a hot-metal printing shop and a manually-operated document distribution system to a high-technology, computer-based operation. This transition has led to occupational dislocation and has required a reassessment of the skills and numbers of employees necessary to fulfill GPO's mission. As of the end of this fiscal year, GPO had 6,069 employees on its rolls, reflecting a reduction of 6 percent under the previous year's level. Almost this entire staffing reduction was accomplished through attrition and an agencywide hiring freeze.

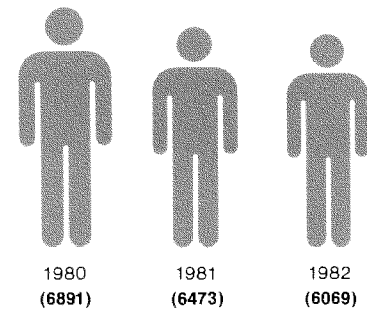
Controlling Labor Costs

In addition to the hiring freeze which saved the agency approximately \$5.6 million in personnel costs, management instituted a new stricter overtime policy. The overtime reduction, saving nearly \$6 million, was achieved primarily through greater cooperation in managing congressional workloads and setting deadline requirements. Management also reduced the costs of claims for on-the-job injuries by \$400,000 through greater monitoring of workmen's compensation claims. In addition, a request for early-out retirement authority is pending at the Office of Personnel Management, and between 300 and

400 employees indicated an interest in taking advantage of this voluntary program.

Of primary importance this year in our efforts to control total GPO labor costs were the wage negotiations conducted with GPO's craft and industrial workers under the authority of the Kiess Act. Management proposed a graduated reduction of wages over a 3-year period until parity was reached with the wage rates paid under the Federal Wage System to other Federal workers in the Washington, D.C. area. The labor unions countered with a compounded 20.6 percent wage increase over a 2-year period. The negotiations reached impasse and the matter was appealed to the Joint Committee on Printing which appointed a factfinder. After extensive presentations by management and labor before the factfinder, he recommended an uncapped cost-of-living increase for a 2-year period. The Joint Committee on Printing, however, passed a resolution effective for 3 years providing for a 3-percent increase in wages retroactive to June 18, 1982, plus a maximum cost-of-living increase of 2 percent effective December 18, 1982, and for maximum cost-of-living increases of 5 percent effective on June 18 of 1983 and 1984. This JCP resolution could lead in the next few years to as much as \$13 million in additional personnel costs. We consider these negotiations to have

Staffing Levels



been singularly important primarily because management established Federal Wage System rates and wage parity with comparable Federal workers as fundamental tenets for future management wage proposals.

Management Improvements

In adapting to its evolving role as the Federal Government's provider of information reproduction and dissemination services, this year GPO altered its key staff offices, management structure, and personnel programs.

Development of Three Key Offices

In recognition of GPO's service relationship with Congress, Federal agencies, and the general public, the Legislative Liaison/Public Affairs Office has developed into a principal coordinating staff for the entire Office. It is responsible for providing direct liaison between GPO and the Joint Committee on Printing, and it is GPO's principal contact with the rest of Congress, the news media, other Government agencies, private sector organizations, and the general public.

Reflecting his determination to improve GPO's service to the Federal Government and the American taxpaying public, in December 1981, the Public Printer appointed the first Marketing Director in the history of the agency.

During the year, the marketing department developed and implemented a marketing program for the sale of publications; and began work on programs for the depository library, the printing and binding, and the printing procurement operations. The department also established liaison with issuing agencies and sought to improve the interagency coordination of publication marketing activities.

The Public Printer's commitment to serve the Federal Government's changing information dissemination needs through the use of advanced technology and in the face of fiscal constraints was manifest in his revitalization and expansion of the Office of the Assistant Public Printer (Planning). That Office will now engage in more extensive long-range and strategic planning.

Integrating Procurement and Contract Administration Functions and Processes

During the year, the Public Printer determined that GPO's procurement and contract administration functions could be handled more expeditiously if they were integrated under a single official. Therefore, he initiated steps to place the entire GPO procurement process, including the Materials Management Service and the Printing Procurement Department, under the control of a new Assistant Public Printer for Procurement.

A Commitment to Equal Employment Opportunity

During this fiscal year, a full-time Director was appointed to head the Office of Equal Employment Opportunity and that Office was placed under the direct supervision of the Deputy Public Printer. Moreover, GPO's EEO program was favorably reviewed in a report issued by the Equal Employment Opportunity Commission on Federal EEO pre-complaint counseling and complaint processing. GPO ranked first out of all reporting agencies in the average number of days for rejections; first again in average number of days for cancellation; first in average number of days for settlement; and fourth in average number of days to agency decision. Our EEO staff conducted on-site reviews of GPO programs in Boston, Philadelphia, New York, Columbus, Denver, Chicago, and Pueblo.

Quality of Worklife Program

In a major effort to enhance the morale and job satisfaction of GPO employees, GPO instituted a quality of worklife program in 1982. In this program, small groups of workers voluntarily meet to identify, analyze and solve problems experienced on their jobs. The program focuses on enabling employees to become more effective and enhancing an employee's sense of self-worth. Reported results show employee

satisfaction, reduced absenteeism, and improved performance. Management is continuing actively to solicit union participation in the program.

Cafeteria Improvements

A special task group was established to study and monitor the overall operations of the GPO's Cafeteria, Recreation, and Welfare Association. This group was responsible for significant improvements to the facilities and service of the cafeteria, for the addition of a gift shop, and for a new in-plant vending machine service.

Prevention and Detection of Fraud, Waste, and Abuse

GPO's Inspector General's staff conducted numerous investigations into allegations of fraud, waste, and abuse, leading in some cases to legal action against GPO employees and commercial contractors, and to the recovery of over \$150,000 in Government funds. A new Vulnerability Assessment Plan requires biennial review of each GPO program, activity, or function to determine its susceptibility to loss, unauthorized use of resources, error, illegal or unethical conduct, or unfavorable public opinion. The programs, activities, and functions identified are being subjected to detailed reviews of their internal control systems.

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 a central and regional offices printing, binding, and related information reproduction services and products.

In this fiscal year, these information reproduction services and products generated revenue of \$635 million, which is 92 percent of total GPO funding. Commercially procured printing totaled \$437 million, which represents about 71 percent of the dollar volume for printing and binding jobs. During the past year, printing and binding operations employed approximately 3,500 employees who produced or procured 1.4 billion publications on 444,000 printing orders. This was an average of nearly 1,800 orders per day. The average value of an order produced in the main plant was \$1,000, while for regional plants it was \$577. The average value for a commercially procured job was higher at nearly \$1,700. GPO is truly one of the nation's largest small-job print shops.

The Office uses or sells in excess of 90 million pounds of paper each year, and, if each sheet of paper were laid end to end, they would circle the earth nearly 15 times. Of the paper purchased by GPO, 44 percent was sold to agencies and 56

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 2,900 production personnel to provide a full line of information reproduction services for the Federal Government. The plant operates on three shifts, with almost 1,600 employees serving on the intermediate and night shifts. In fiscal year 1982, the central plant produced \$184 million in revenue, representing 27 percent of GPO's total revenue.

The central office printing plant places primary emphasis on 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 20, 1982, GPO printed the largest single edition of the Congressional Record ever produced, consisting of 432 pages. During the week of September 27, 1982, the plant produced 2,504 pages of the Congressional Record, exceeding the number of pages produced for any previous 1-week period. In all, 21 daily editions of the Congressional Record totaled more than 300 pages each. For the fiscal

year as a whole, GPO processed 38,184 Congressional Record pages, 8,076 more pages than were printed the previous year. Billings for this daily publication totaled \$13 million.

GPO's other major daily product, the Federal Register, which contains proposed and final regulations and announcements of Federal agencies, decreased in the number of pages produced by 15 percent under the previous year. The total number of Register pages in fiscal year 1982 was 60,528. An additional 3,700 Finding Aids pages were photocomposed, including the Monthly and Cumulative Index and the List of CFR Sections Affected. Despite the heavy demands placed on GPO by daily fluctuations in the number of folios submitted and tight production schedules, almost 45,000 copies of the Register were produced each day. During the fiscal year, billings to agencies for their printing in the Federal Register exceeded \$22 million.

In addition to this Congressional work, the central plant this year produced almost 4.3 million U.S. passports for the State Department, yielding approximately \$3 million in revenue, and nearly 723 million postcards for the U.S. Postal Service, generating almost \$4 million in revenue.

Harnessing Technological Innovation

The most revolutionary development this century in the

graphic arts industry may be the use of computers and automated typesetting machines for copy composition. GPO has made extensive use of these cost-effective new technologies to service the printing needs of the Congress and the rest of the Federal Government. The transition of the Congressional Record from the traditional hot metal production to the photocomposition process began in 1980. On January 25, 1982, for the first time, we composed the entire text of the Congressional Record by means of electronic text processing and photocomposition.

GPO has converted the majority of congressional hearings and reports, and all congressional bills, to electronic text processing. This allows bill and report language to be extracted for eventual inclusion in the Congressional Record, demonstrating the ability to reuse an existing data base and thereby eliminate costly labor-intense rekeying operations. GPO also photocomposes all House and Senate calendars. Calendar data is received on magnetic tapes directly from the Senate and House computer systems, eliminating keyboarding and proofreading, except for the final page revision. The GPO also maintains a cumulative data base, by session, of congressional floor proceedings, which is updated nightly from manuscript submitted by each house of Congress.

All of GPO's typesetting systems are being improved with the addition of dual density tape drives and larger capacity disc storage. This will allow the Office to accept drive tapes from customer agencies currently incapable of creating them in compatible format.

GPO personnel also developed a system allowing Congressional Record indexers to enter data through their text edit terminals at GPO, automatically producing a daily index.

During the year, management made a concerted effort to deal with dislocations caused by technological changes. GPO accelerated training programs for eligible journeymen displaced by the phaseout of hot metal processes. Thirty-six positions were filled in photocomposition keyboarding and five in the offset stripping areas. On April 1, 1982, an agreement was reached to establish, over a 1-year period, a keyboard standard for EPD keyboard operators. GPO Industrial Engineers are also working on developing engineered production standards for the proofreading functions.

An Improved Text Editing Capability

This year, GPO personnel designed, installed, and tested all of the hardware necessary to link the text edit systems. Approximately 1,500 megabytes of disc storage were installed in this system. In addition,

the main memory was expanded on all of our text edit systems, effectively quadrupling their rate of composition.

Cost-effective enhancements were made to the integrated data base for the U.S. Code during the year. The Office developed a text editing system for the Law Revision Counsel of the U.S. House of Representatives, giving the Counsel compatibility with, and access to, GPO's system. Upon enactment, the text of a new law is immediately available to the Law Revision Counsel to incorporate into the U.S. Code data base. This has eliminated keyboarding, proofreading, and other costs at GPO for publishing the U.S. Code, Annual Supplements, Statutes-at-Large, and Slip Laws, resulting in an estimated annual savings of \$150,000 for the House of Representatives.

Offering Alternative Media

Micrographic capabilities now enable GPO to offer microform as an alternative print medium in areas where hard copy has traditionally been the only accepted product. The Office can produce full-size camera-ready copy, negatives for direct platemaking, and microfiche in 98 frame, 24X-reduction. GPO can also furnish microfiche for viewing and provide full-size output at a later date if desired. We can provide 16mm roll microfilm cartridges and reels from original copy and offer a

variety of duplicating, splicing, and editing options not previously available from GPO.

Congressional Record manuscript copy is now microfilmed on a daily basis at GPO, which facilitates the proofreading and revising functions and eliminates two manuscript storage areas.

Press and Bindery

In the press area, GPO continued its conversion from the letterpress process to offset printing.

A multipress acquired to number passports has increased the production of passports from 1,200 to 4,000 per hour. Based on the savings in press time alone, GPO has already fully recovered the cost of the multipress.

A 70-mm projection platemaking system began operation in fiscal year 1982. More than \$22,000 was saved on the production of 29,432 pages during its first 3 months of operation. In addition, GPO personnel converted the photopolymer platemaking operation from an alcohol washout to a more efficient water washout system.

Bookbinding operations have become increasingly efficient and cost-effective with the purchase and installation of advanced equipment and in-line production systems. Installation of the primary segment of a new adhesive binding system, purchased to produce the

Congressional Record, the Federal Register, and other documents was nearly completed by the end of the fiscal year. Equipment operation began in January 1983. GPO purchased and installed several other pieces of equipment during the course of the year to expedite various binding and mailing processes.

A system for generating 5-digit mail labels and for modifying the adhesive binding system was developed to meet the requirement that all Congressional Record and Federal Register mail be sorted to 5-digit ZIP codes. By developing this system, the GPO was able to avoid almost \$400,000 in increased monthly postal charges for the Federal Register alone.

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 requirements. This year, the Customer Service Department was able to save, through technical recommendations, nearly \$900,000 for the ordering agencies. In addition, the Customer Service Department and the Office of Legislative Liaison/Public Affairs

initiated an agency visitation program to enhance GPO's working relationships, and to plan for future cooperation.

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 71 percent of its total printing and binding work. This year, GPO's Printing Procurement Department processed 263,000 jobs, valued at more than \$437 million.

Approximately 60 percent of these jobs were procured through the central office with GPO's regional offices procuring the remainder. During the year, the Washington Regional Procurement Office was merged into the Central Office Printing Procurement Division, thus avoiding \$500,000 in renovation costs and saving \$50,000 in annual rental costs.

In April 1982, the Printing Procurement Department began testing the feasibility of posting bid solicitations in Washington, D.C., and Dallas, Tex. Under this procedure, contractors are able to review all pending solicitations and submit bids on those of interest.

Because of the resultant wider circulation of solicitations, GPO received significantly lower bids on many jobs, and Printing Procurement expanded the program to all regional procurement offices. In just 6 months of operation, this posting procedure has achieved a savings of nearly \$3 million.

On June 1, 1982, the Printing Procurement Department assumed full responsibility for the administration of the Contract for Marginally Punched Continuous Forms, possibly the largest term

contract developed by GPO. This contract is estimated to have an annual volume of approximately \$50 million and was previously administered by procurement personnel in the various agencies. Analysis of recent bidding shows an overall price reduction of 10 percent under last year for the most frequently ordered items. These substantial savings to the Government through GPO's improved administration of this procurement activity are expected to continue.

GPO also successfully extended the Procurement Information and Control System (PICS) to our regional procurement offices. This comprehensive, automated tracking and reporting system for commercially procured printing jobs was installed in the St. Louis, Chicago, and Dallas offices in May 1982, and substantial progress has been made toward implementing PICS in the 10 remaining offices. PICS is expected to be operational in all regional offices by the second quarter of fiscal year 1983.

GPO Information Dissemination Developments

The major responsibilities of the Assistant Public Printer (Information Dissemination/Superintendent of Documents) continue to be the sale of Government publications; the compilation of catalogs and indexes of Government publications; the distribution of Government publications to depository libraries; distribution of publications as required by particular statutes; and reimbursable mailings.

Funding for these programs in fiscal year 1982 included \$55 million in revenue from the sale of publications, \$19.8 million from the salaries and expenses appropriation, and almost \$7 million in reimbursements from other agencies for distribution services.

In an effort to increase public access to Government information, the Public Printer appointed a "blue ribbon" task force to study and make recommendations on the pricing and distribution of Government documents. The Assistant Public Printer (Information Dissemination/Superintendent of Documents) chairs the task force which includes representatives from the Joint Committee on Printing, customer agencies, and various areas within the GPO. A report of their recommendations is expected to be completed by March 1983.

The distribution of all publications, except for the depository library program, was consolidated in the Laurel, Md., mail-order warehouse facility. This

move permitted the release of two warehouses containing 146,000 square feet and a reduction of \$444,000 per year in rental costs.

Staffing for Superintendent of Documents operations was reduced from 1,373 in fiscal year 1981 to 1,097 in fiscal year 1982. Excluding the 97 employees who received reassignment to other areas, there was a 13-percent decrease in personnel.

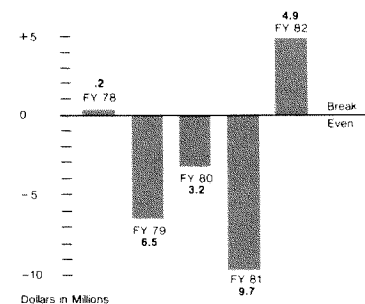
Sales of Publications

The sales program operates primarily by mail order, but publications are also distributed through 26 GPO bookstores nationwide and by consigned agents in other Federal agencies. The sales inventory contains about 16,000 titles, including publications and subscriptions, a decrease of 5,000 titles from 1981.

In 1982, the sales program produced revenue of \$55 million at a cost of \$50.1 million in expenses, resulting in net income of \$4.9 million. This was achieved despite a 15-percent decrease in subscription volume and a 28-percent decrease in publications ordered.

The net income was attributed, in part, to the 10-percent price increase on all subscriptions and publications effective in the first quarter of fiscal year 1982, and to the change of all prices to current scale during the third quarter. In addition, general and administrative expenses were

Net Income / (Loss) from Sales of Publications



reduced by the hiring freeze, consolidation of functions, reorganization, and other management actions.

During the year, GPO's new Director of Marketing concentrated much of his efforts on the documents sales program. The Marketing Department developed two new promotional publications to improve public access to Government publications. "U.S. Government Books," aimed at the general public, is a quarterly catalog of almost 1,000 popular books, pamphlets, maps and posters. Each entry is annotated and many are illustrated. "New Books," a plain, unannotated listing of all publications placed on sale during the preceding 2 months, was created to serve the professional/technical community. "Selected U.S. Government Publications," which had been produced at a deficit, was discontinued with the August/September 1982 issue.

Other marketing activities included an experiment with paid-space advertising, a public service announcement campaign, and establishment of liaison with issuing agencies. The marketing staff also inaugurated an informal bulletin, "Marketing Moves," to facilitate the exchange of ideas between GPO and issuing agencies for improved publications and more effective marketing.

Statistics for bookstore operations in 1982 showed mixed results. The number of customers served was

down over 18 percent to 366,000. Sales revenue for the 26 bookstores was up 1.3 percent to \$7 million.

The consigned sales agent program includes more than 100 consigned agents in other Government agencies who sell certain publications on behalf of GPO. Consigned agent sales of \$2.5 million reflect a 57-percent increase over 1981. A new agent was established in Paris, France, under the sponsorship of the United States Information Agency.

Distribution to Depository Libraries

At the end of fiscal year 1982, there were 1,367 libraries serving as depositories and thus required by law to make Government publications available for the free use of the public. Unfortunately, the general public has been relatively unaware of the variety of materials available at these libraries. The GPO Marketing Department produced a colorful brochure to publicize the depository library program and has plans for public service announcements to advertise the program's existence.

During 1982, the Office continued to convert publications for the depository library program to microfiche whenever practicable. This lowers considerably the printing and binding costs of these publications and it helps alleviate the serious space problems in many depository libraries. In 1982, 66

percent of the publications distributed to depositories were in microfiche format, compared to only 46 percent in 1981.

Cataloging and Indexing of Publications

The Superintendent of Documents indexes all U.S. Government documents and prepares the "Monthly Catalog," which is a comprehensive listing of those documents. One of the primary achievements of the program this year was the more timely production of the "Monthly Catalog." At the beginning of the fiscal year the catalog was 5 months out of date, but by the end of the year the delay had been reduced to less than a month.

During the year, an outside contractor assisted the Library and Statutory Distribution Service in cataloging documents and helped to reduce the backlog of uncataloged documents from 15,555 to 8,560. In addition, other Federal agencies were encouraged to include the Superintendent of Documents classification number in their reference publications.

An agreement between GPO and the Geography and Map Division of the Library of Congress resulted in the Library accepting all of GPO's "Anglo-American Cataloging Rules." GPO also joined the National Audiovisual Center and the Library of Congress in an effort to catalog Federal audiovisual material.

Statutory Distribution and Reimbursable Mailing

This year alone, the Documents Sales Service distributed 17 million copies of free Government publications in accordance with statutory requirements. It also received and mailed over 25 million publications for other Government agencies and received almost \$7 million in reimbursement for the service.

The largest reimbursable program is for GSA's Consumer Information Program, which GPO processes through its facility in Pueblo, Colo. In 1982, just under 14 million free and paid consumer publications were distributed through this facility.

The International Exchange Service Program (IES), pursuant to international treaty, provides for the dissemination of United States Government publications to certain libraries in foreign countries. The Library of Congress administers the program, and GPO distributes the publications. There were two major changes to the program during the fiscal year. Congress amended Title 44 of the United States Code to require that publishing agencies fund the printing and binding costs for all IES publications and that they reimburse the Superintendent of Documents for distribution charges. Approximately 90 percent of all IES publications were converted to microfiche format, resulting in a significant reduction in the cost of the program.

Appendixes



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-204646

January 28, 1983

The Honorable Danford L. Sawyer, Jr.
U.S. Government Printing Office

Dear Mr. Sawyer:

We have examined the consolidated balance sheets of the U.S. Government Printing Office as of September 30, 1982, and 1981, 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 28, 1983, 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, 1982, and 1981, 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.

Sincerely yours,

A handwritten signature in cursive script, reading "Charles A. Bowsher", is written over the typed name.

Comptroller General
of the United States

GAO/AFMD-83-50

U.S. GOVERNMENT PRINTING OFFICE
CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 1982 AND 1981 (NOTES 1 and 2)
(IN THOUSANDS OF DOLLARS)

ASSETS		LIABILITIES AND INVESTMENT	
	<u>1982</u>	<u>1981</u>	
Current Assets:			Current Liabilities:
Cash:			Accounts payable (NOTE 6)
On-hand and in-transit	\$ 738	\$ 1,099	Advances from customers (NOTE 7)
Revolving fund	51,470	22,692	Accrued salaries and wages
Appropriations	77,473	82,618	Savings bonds and taxes withheld
Accounts receivable (NOTE 3)	182,037	199,418	Total Current Liabilities
Inventories (NOTE 4):			
Publications for sale, net	12,534	16,858	Other Liabilities:
Paper, material and supplies	19,726	19,121	Accrued annual leave
Total Current Assets	343,978	341,806	Total Liabilities
Property, Plant, and Equipment (NOTE 5):			Investment of U.S. Government:
Land and buildings	17,594	9,085	Appropriations obligated but unexpended
Equipment and building improvements	84,280	79,930	(SCHEDULE 1)
	101,874	89,015	Revolving fund:
Less accumulated depreciation	47,490	45,120	Contributed capital (NOTE 8)
Net Property, Plant and Equipment	54,384	43,895	Retained earnings
			Total Revolving Fund
			Total Investment
Total Assets	\$398,362	\$385,701	Total Liabilities and Investment

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 YEAR 1982 AND 1981 (NOTES 1 AND 2)
(IN THOUSANDS OF DOLLARS)

2ND yr. Elim made

	Plant Printing Operations	Procured Printing	Regional Printing	Total Printing and Binding Operations	Supt. of Documents Sale of Publications	S&E Programs	Eliminations	Total GPO	
								1982	1981
Revenue:									
Printing & Binding	\$184,193	\$437,498	\$13,216	\$634,907	---	---	(\$26,702)	\$608,205	\$643,938
Sales of Publications	---	---	---	---	\$55,001	---	---	55,001	51,299
Appropriation	---	---	---	---	---	\$19,808	(1,267)	18,541	23,077
Reimbursements	---	---	---	---	---	6,954	---	6,954	7,326
Total Revenue	\$184,193	\$437,498	\$13,216	\$634,907	\$55,001	\$26,762	(\$27,969)	\$688,701	\$725,640
Expenses:									
Publications sold	---	---	---	---	\$15,189	---	---	\$ 15,189	\$ 15,731
Unsaleable publications	---	---	---	---	3,607	---	---	3,607	10,977
Personnel comp. & benefits	\$129,571	\$ 16,045	\$ 8,744	\$154,360	16,915	\$ 9,682	(1,668)	179,289	177,022
Transportation	519	2,516	98	3,133	252	389	---	3,774	5,501
Rents, comm. & utils.	8,220	1,234	1,371	10,825	10,190	4,740	---	25,755	27,990
Printing & reproduction	---	412,653	---	412,653	630	9,215	(25,034)	397,464	422,149
Other services	2,429	592	205	3,226	2,473	1,866	(1,267)	6,298	6,479
Supplies & materials	42,792	538	3,550	46,880	676	763	---	48,319	53,921
Depreciation	4,153	260	218	4,631	138	107	---	4,876	4,410
Total Expenses	\$187,684	\$433,838	\$14,186	\$635,708	\$50,070	\$26,762	(\$27,969)	\$684,571	\$724,180
Net Income/(Loss)	(\$ 3,491)	\$ 3,660	(\$ 970)	(\$ 801)	\$ 4,931			\$ 4,130	\$ 1,460
Retained Earnings at Start of Year								102,992	101,532
Retained Earnings at End of Year								\$107,122	\$102,992

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

U.S. GOVERNMENT PRINTING OFFICE
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
YEARS ENDED SEPTEMBER 30, 1982 AND 1981 (NOTES 1 and 2)
(IN THOUSANDS OF DOLLARS)

	1982	1981
Funds Provided:		
Net income	\$ 4,130	\$ 1,460
Add expenses not requiring working capital:		
Depreciation	4,876	4,410
Other	416	545
Total Funds Provided by Operations	9,422	6,415
Proceeds from sale of fixed assets	240	49
Increase in unexpended appropriations	27,938	19,667
Increase in contributed capital	4,600	---
Increase in accrued annual leave	748	73
Total Funds Provided	42,948	26,204
Funds Applied:		
Purchase of fixed assets	16,020	7,853
Refunds to U.S. Treasury	15,340	1,381
Decrease in contributed capital	380	545
Total Funds Applied	31,740	9,779
Increase in Working Capital	<u>\$11,208</u>	<u>\$16,425</u>

CHANGES IN WORKING CAPITAL

	1982	1981
Current Assets:		
Cash:		
On-hand and in-transit	(\$ 361)	(\$ 868)
Revolving fund	28,778	9,044
Appropriations	(5,145)	36,437
Accounts receivable	(17,381)	(14,117)
Publications for sale	(4,324)	(9,680)
Paper, materials and supplies	605	(4,256)
Current Liabilities:		
Accounts payable	12,714	2,108
Advances from customers	(1,965)	(1,997)
Accrued salaries and wages	(1,388)	(293)
Savings bonds and taxes withheld	(325)	47
Increase in Working Capital	<u>\$11,208</u>	<u>\$16,425</u>

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

Schedule 1

U.S. GOVERNMENT PRINTING OFFICE
STATUS OF APPROPRIATED FUNDS
FISCAL YEARS ENDED SEPTEMBER 30, 1982 and 1981 (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>Other</u>	<u>Total Appropriated Funds</u>	
					<u>1982</u>	<u>1981</u>
Unexpended Appropriations at Beginning of Year	\$ 44,269	\$ 7,572	\$ 8,892	\$ 4,640	\$ 65,373	\$ 47,125
Funds Provided:						
Appropriations	84,843	17,888	27,120	---	129,851	122,650
Reimbursements	---	---	6,954	---	6,954	7,326
Other	---	---	342	---	342	---
Total Funds Provided	<u>129,112</u>	<u>25,460</u>	<u>43,308</u>	<u>4,640</u>	<u>202,520</u>	<u>177,101</u>
Funds Applied:						
Amounts transferred to the revolving fund for:						
Printing and Binding(Schedule 2)	63,605	14,241	---	---	77,846	78,597
Congressional Record Handling	---	---	---	---	---	182
Federal Register	---	---	1,198	---	1,198	1,323
Distributions for other agencies	---	---	8,165	---	8,165	9,679
Depository library distribution	---	---	14,387	---	14,387	18,009
Cataloging and indexing	---	---	3,012	---	3,012	2,557
Purchase of land	---	---	---	4,600	4,600	---
Funds returned to U.S. Treasury	15,000	---	300	40	15,340	1,381
Total Funds Applied	<u>78,605</u>	<u>14,241</u>	<u>27,062</u>	<u>4,640</u>	<u>124,548</u>	<u>111,728</u>
Appropriations Obligated but Unexpended at End of Year	\$ <u>50,507</u>	\$ <u>11,219</u>	\$ <u>16,246</u>	\$ <u>---</u>	\$ <u>77,972</u>	\$ <u>65,373</u>

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

Schedule 2

U.S. GOVERNMENT PRINTING OFFICE
 TRANSFERS TO REVOLVING FUND FROM
 PRINTING AND BINDING APPROPRIATIONS
 FISCAL YEARS ENDED SEPTEMBER 30, 1982 AND 1981 (NOTES 1 AND 2)
 (IN THOUSANDS OF DOLLARS)

	<u>1982</u>	<u>1981</u>
Hearings	\$20,730	\$20,010
Miscellaneous printing and binding	8,267	8,662
Bills, resolutions and amendments	5,826	7,025
Miscellaneous publications	6,410	5,530
Committee prints	3,879	7,025
House and Senate calendars	1,918	1,901
Documents	2,315	1,444
Committee reports	2,613	3,915
Franked envelopes	1,054	763
Publications for International Exchange	1,654	2,080
Document franks	109	127
Details to Congress	5,311	5,548
Government Manual	109	142
Weekly Compilation of Presidential Documents	77	521
Public Papers of the President	123	(43)
Congressional Record Daily	13,093	10,760
Congressional Record Index	817	434
Congressional Record Bi-Weekly	465	(14)
Congressional Record Bound	<u>3,076</u>	<u>2,767</u>
Total Transfers	<u>\$77,846</u>	<u>\$78,597</u>

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

U.S. GOVERNMENT PRINTING OFFICE
NOTES TO FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 1982 AND SEPTEMBER 30, 1981

(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. The Fiscal Year 1981 amounts have been restated to conform to Fiscal Year 1982 statement presentation. General and administrative expenses are included in the appropriate object class.

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

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 the cost of different inventories: 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 total \$15,905,638 in 1982. Retirements are removed from the accounts.

Pensions - The Government Printing Office employees are covered by the Civil Service Retirement and Disability Fund. Consequently, GPO has the responsibility for withholding 7 percent of each employee's salary and for contributing a matching amount to the plan. GPO's matching amounts were \$11,327,797 and \$10,177,589 in 1982 and 1981, respectively.

(3) ACCOUNTS RECEIVABLE

Accounts receivable as of September 30, 1982 and 1981, is comprised of the following:

<u>Accounts Receivable</u>	<u>1982</u>	<u>1981</u>
Billed to Government		
Agencies	\$ 27,492,736	\$ 25,466,019
Unbilled completed work	55,238,241	57,729,754
Unbilled work in process	98,433,367	115,788,057
Other	872,765	434,083
Totals	<u>\$182,037,109</u>	<u>\$199,417,913</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 \$2,570,777 and \$7,420,792 for Fiscal Years 1982 and 1981, respectively. For 1982 and 1981, paper, materials and supplies are comprised of \$12,860,295 and \$12,129,461 for paper, and \$6,865,127 and \$6,991,561 for materials and supplies, respectively.

The paper inventory valuation method was changed in Fiscal Year 1981 from standard cost to first-in, first-out. The effect of the change was not material.

(5) PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of September 30, 1982 and 1981 is as follows:

	1982			1981
	Acquisition Value	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 8,938,326	---	\$ 8,938,326	\$ 429,314
Buildings	8,655,859	\$ 7,978,213	677,646	776,455
Building improvements	30,239,569	11,701,935	18,537,634	17,899,403
Plant machinery and equipment	48,775,962	26,011,220	22,764,742	22,077,695
Office machinery and equipment	3,344,972	1,238,750	2,106,222	2,424,455
Furniture and fixtures	284,635	133,044	151,591	149,793
Motor vehicles	662,111	426,848	235,263	137,596
Capital improvements in progress	973,047	---	973,047	---
Totals	<u>\$101,874,481</u>	<u>\$ 47,490,010</u>	<u>\$54,384,471</u>	<u>\$43,894,711</u>

Purchases of land, equipment, and other property for Fiscal Years 1982 and 1981 were \$16,020,307 and \$7,853,905, respectively. Land adjacent to the Government Printing Office was acquired for \$8,509,012 during Fiscal Year 1982. Acquisition value includes \$5,175,724 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 1982 and 1981 was \$4,876,000 and \$4,410,000, 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, 1982 and 1981 is comprised of the following:

<u>Accounts Payable</u>	<u>1982</u>	<u>1981</u>
Commercial printing	\$52,152,145	\$ 64,982,612
Other	7 7,752,785	7 7,636,937
Totals	<u>\$59,904,930</u>	<u>\$ 72,619,549</u>

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

(7) ADVANCES FROM CUSTOMERS

Advances from customers as of September 30, 1982 and 1981 are comprised of the following:

<u>Advances</u>	<u>1982</u>	<u>1981</u>
Advance billings to customer agencies for printing services	\$ 3,035,561	\$ 3,183,325
Customer deposits for publications	6,971,533	6,528,949
Subscriptions	15,091,072	13,880,709
Undelivered publication orders	<u>1,612,084</u>	<u>1,151,610</u>
Totals	<u>\$26,710,250</u>	<u>\$24,744,593</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) CONTRIBUTED CAPITAL

Contributed capital as of September 30, 1982 and 1981 was derived from the following:

<u>Contributed Capital</u>	<u>1982</u>	<u>1981</u>
Appropriations for improvements to air conditioning and electrical system	\$ 12,900,000	\$ 12,900,000
Appropriations for working capital	62,600,000	58,000,000
Beginning net worth when the Revolving Fund was established	33,807,127	33,807,127
Donated equipment	1,330,512	1,611,693
Book value of contributed buildings and land	<u>1,106,960</u>	<u>1,205,768</u>
Totals	<u>\$111,744,599</u>	<u>\$107,524,588</u>

DATE 02/21/84

U. S. GOVERNMENT PRINTING OFFICE
SALES OF PUBLICATION REVOLVING FUND
COMPARATIVE STATEMENT OF REVENUE AND EXPENSE
FOR FISCAL YEAR 1983
(IN THOUSANDS)

0000002

	OCT 1982	NOV 1982	DEC 1982	JAN 1983	FEB 1983	MAR 1983	APR 1983	MAY 1983	JUN 1983	JUL 1983	AUG 1983	SEP 1983	TOTAL AMOUNTS
REVENUE													
SALES													
CENTRAL	4188	4553	2942	3882	4327	4459	3612	4161	3918	3099	4680	2405	46226
BOOKSTORES	538	539	488	658	626	819	688	718	600	555	555	678	7462
DISTRIBUTION CENTERS	74	81	58	77	73	87	108	133	103	76	115	85	1070
AGENTS	179	182	166	165	148	133	203	176	164	220	128	268	2132
LOW PRICE PUBS											2	2	4
OTHER REVENUE												166	166
TOTAL REVENUE	4979	5355	3654	4782	5174	5498	4611	5188	4785	3950	5480	3604	57060 ✓
OPERATING EXPENSES													
COST OF PUBS SOLD	921	1121	759	1407	650	680	1491	1461	1264	375	1151	1434	12714 ✓
UNSALE. PUBLICATIONS	-20	66	120	129	90	196	287	240	492	487	110	918	3115 ✓
POSTAGE EXPENSE	554	537	560	576	582	705	681	583	623	555	622	576	7154
TOTAL OPERATING EXP.	1455	1724	1439	2112	1322	1581	2459	2284	2379	1417	1883	2928	22983
GROSS MARGIN	3524	3631	2215	2670	36	3917	2152	2904	2406	2533	3597	676	34077
G&A EXPENSES													
PERSONNEL COMP	1089	1090	1113	1037	971	1141	1083	1089	1086	988	1109	1041	12837
PERSONNEL BENEFITS	101	107	110	116	111	128	117	131	122	123	135	129	1430
TRAVEL	1	2	2	1	1	4	4	5	3	3	4	1	31
TRANSPORTATION	6	24	9	36	19	25	31	33	10	24	16	258	
RENT, COMM & UTIL.	198	207	192	175	94	198	170	204	190	172	229	311	2340
PRINT & REPRO.	28	86	35	25	28	37	147	71	75	166	518	-79	1137
OTHER SERVICES	18	33	50	25	32	105	183	129	46	-251	84	36	490
MATERIALS & SUPPLIES	19	22	36	26	23	44	26	26	41	91	45	399	
PAPER & ENVELOPES	9	59	15	4	22	2	-1	30		-49	78	169	
DEPRECIATION	7	8	8	8	8	7	23	7	8	8	8	11	111
COST ALLOCATIONS	503	620	695	624	648	700	528	691	761	905	684	708	8067
TOTAL G&A EXPENSES	1979	2258	2265	2077	1957	2391	2306	2383	2354	2165	2837	2297	27269
NET INCOME (-)	1545	1373	-50	593	1895	1526	-154	521	52	368	760	-1621	6808 ✓

6809-A/R

disagrees Annual
Report from standing
after

DATE 11/18/83

U. S. GOVERNMENT PRINTING OFFICE
 SALES OF PUBLICATION REVOLVING FUND
 COMPARATIVE STATEMENT OF REVENUE AND EXPENSE
 FOR FISCAL YEAR 1982
 (IN THOUSANDS)

0000002

	OCT 1981	NOV 1981	DEC 1981	JAN 1982	FEB 1982	MAR 1982	APR 1982	MAY 1982	JUN 1982	JUL 1982	AUG 1982	SEP 1982	TOTAL AMOUNTS
REVENUE													
SALES													
CENTRAL	3011	3902	3731	3098	3731	3937	3930	3288	3339	4452	4740	2518	43677
BOOKSTORES	684	656	711	714	655	1166	672	921	761	41	521	664	8166
DISTRIBUTION CENTERS	165	171	253	186	220	168	141	92	114	110	116	99	1835
AGENTS		13	11	13	7	5	-4	130	478	277	76	12	1078
LOW PRICE PUBS													
OTHER REVENUE												245	245
TOTAL REVENUE	3860	4742	4706	4011	4613	5276	4739	4431	4692	4880	5453	3598	55001
OPERATING EXPENSES													
COST OF PUBS SOLD	1030	1314	1303	840	1129	1351	1234	1192	1270	1225	1439	1661	15188
UNSALE. PUBLICATIONS							556	831	698	1172	682	-312	3607
POSTAGE EXPENSE	698	781	664	596	589	490	556	560	628	539	628	639	7568
TOTAL OPERATING EXP.	1728	2095	1967	1436	1718	1841	2346	2563	2596	2936	2729	2188	26163
GROSS MARGIN	2132	2647	2739	2575	2895	3435	2393	1848	2096	1944	2724	1410	28838
G&A EXPENSES													
PERSONNEL COMP	1292	1159	1184	1086	1076	1213	1144	1018	1033	1006	974	1035	13220
PERSONNEL BENEFITS	119	113	118	111	104	119	113	99	104	103	100	102	1305
TRAVEL	1	1		1	1	2	2	1	5	1	5	1	21
TRANSPORTATION	21	35	29	25	24	35	-13	41	29	23	30	-23	254
RENT, COMM & UTIL.	189	184	190	201	255	529	226	235	227	228	230	-359	2333
PRINT & REPRU.	112	48	45	52	99	98	16	33	34	26	13	47	623
OTHER SERVICES	247	272	201	254	233	247	192	317	270	235	321	75	2864
MATERIALS & SUPPLIES	26	47	25	28	22	49	34	26	19	38	27	1	342
PAPER & ENVELOPES	36	5	12	7		42	8	4	12	3	1	45	181
DEPRECIATION	3	3	6	4	4	4	4	3	3	3	3	3	43
COST ALLOCATIONS	341	215	187	269	253	224	244	224	162	228	224	152	2723
TOTAL G&A EXPENSES	2387	2082	1997	2038	2071	2562	1970	2001	1898	1894	1934	1077	23911
NET INCOME (-)	-255	565	742	537	824	813	423	-153	198	50	790	333	4927
	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****

Annual Report shows 4931
 (rounding)

