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REPORT TO THE CONGRESS

72-0279



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Audit Of The Majority Printing Clerk, Fiscal Year Ended August 31, 1971 B-164763

House of Representatives

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

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JUNE 6, 1972



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

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

The General Accounting Office has made an audit of the accounts of the Majority Printing Clerk, House of Representatives, for the fiscal year ended August 31, 1971, pursuant to section 451 of the Legislative Reorganization Act of 1970 (40 U.S.C. 193m-1). Our audit was made in accordance with generally accepted auditing standards and included an examination of the financial statements for the fiscal year ended August 31, 1971, and such other auditing procedures as we considered necessary in the circumstances. GHS -10

GENERAL COMMENTS

The Majority Printing Clerk operates as David R. Ramage, Inc., which was organized and incorporated on February 13, 1970, for the primary purpose of providing printing and related services for members of the House of Representatives.

The position of Majority Printing Clerk was established, along with that of the Minority Printing Clerk, pursuant to House Resolution 295, approved July 7, 1943, Seventy-eighth Congress, and was made permanent by the Legislative Branch Appropriation Act, 1945 (58 Stat. 343). The Majority Printing Clerk receives an annual salary from appropriated funds. Official printing is supplied to the majority leadership at no charge by the Majority Printing Clerk.

The Majority Printing Clerk is appointed by the Majority Leader. Four persons have occupied the position of Majority Printing Clerk since it was established. (See app. II.)

The Majority Printing Clerk, in addition to supplying official printing for the majority leadership, offers printing and related services to majority members and also to other members and to senators, congressional committees, State societies, and political organizations. The type of services offered are listed in appendix I.

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The printing and other work may be paid for by two methods. Members of the House may forward the billings to the House Office Supply Service for payment, whereupon the members' stationery allowances are reduced by the cost of the services, which procedure was established by the Committee on House Administration on August 13, 1958. Otherwise members and other customers are billed directly by, and pay directly to, David R. Ramage, Inc.

The net loss of \$15,375.07 for the year is attributed to increased labor costs without a corresponding price increase for services rendered to customers. Effective March 11, 1971, union pressmen received a 14-percent wage increase, and on April 1, 1971, the assessment for the Pressmen's Health and Welfare Fund was increased 80 percent.

The Majority Printing Clerk's offices and physical plant are located in the west underground garage of the House of Representatives.

#### OPINION ON FINANCIAL STATEMENTS

The accompanying financial statements (schs. 1, 2, and 3) were prepared by us from the accounting records of David R. Ramage, Inc. The accounting records are maintained on a cash basis and are converted to an accrual basis at fiscal year-end. The income and expense statement does not include the cost of certain benefits and services--such as space, utilities, and ordinary building repairs and maintenance--which are furnished to the corporation without charge or the annual salary (\$11,590) of the Majority Printing Clerk, which is paid from appropriated funds.

The Majority Printing Clerk supplied official printing to the majority leadership through the corporation at no charge. Thus the income and expense statement includes the cost of such services but does not include any revenue for the services.

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In our opinion, the accompanying statements, which were prepared on a basis consistent with that of the preceding year and in accordance with the financial arrangements described above, present fairly the financial position of the Majority Printing Clerk, operating as David R. Ramage, Inc., at August 31, 1971, and the results of its operations and the sources and application of its funds for the year then ended.

A copy of this report is being sent today to the Majority Leader of the House of Representatives.

A handwritten signature in cursive script, reading "James A. Stacks".

Comptroller General  
of the United States

SCHEDULES

## LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:		
Accounts payable		\$ 37,240.24
Notes payable		39,723.72
ACCRUALS:		
Taxes	\$ 516.89	
Salaries	<u>661.46</u>	<u>1,178.35</u>
Total current liabilities		78,142.31
LONG-TERM LIABILITIES:		
Notes payable		<u>34,207.64</u>
Total liabilities		<u>112,349.95</u>
STOCKHOLDER'S EQUITY:		
Capital stock--common:		
\$10 par value; 5,000 shares authorized; 100 shares issued and outstanding		1,000.00
Retained earnings:		
Balance August 31, 1970	14,717.59	
Net loss, fiscal year ended August 31, 1971	<u>-15,375.07</u>	
Application for refund of income taxes from carry- back of net operating loss	<u>3,628.23</u>	<u>2,970.75</u>
Total stockholder's equity		<u>3,970.75</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY		<u>\$116,320.70</u>

## DAVID R. RAMAGE, INC.

## STATEMENT OF SOURCES AND APPLICATION OF FUNDS

FISCAL YEAR ENDED AUGUST 31, 1971

## FUNDS PROVIDED:

Net sales	\$277,850.55
Interest income	491.74
Decrease in deferred finance charges	6,628.46
Trade-in value of automobile	505.58
Trade-in value of printing equipment	196.80
Sale of printing equipment	7,900.00
Decrease in working capital	<u>16,584.23</u>

Total funds provided	<u>\$310,157.36</u>
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## FUNDS APPLIED:

Costs (excluding depreciation and other items not requiring outlay of funds)	\$281,970.89
Decrease in long-term notes payable	22,761.18
Purchase of station wagon	4,108.58
Purchase of printing equipment	531.80
Increase in prepaid expenses	<u>784.91</u>

Total funds applied	<u>\$310,157.36</u>
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The opinion of the General Accounting Office on these financial statements appears on pages 2 and 3.

APPENDIXES



SERVICES OFFERED BY MAJORITY PRINTING CLERK

PRINTING:

- Newsletters and questionnaires
- Certificates (of all kinds)
- Envelopes imprinted
- Automatic letter typing
- Business cards
- Christmas cards
- Personal stationery

ADDRESSING AND MAILING:

- Addressing service
- Maintenance of mailing lists
- Folding and inserting

MISCELLANEOUS:

- Purchase of novelty items for campaigns

APPENDIX II

OCCUPANTS OF POSITION OF MAJORITY PRINTING CLERK

<u>Name</u>	<u>Tenure of office</u>			
	<u>From</u>		<u>To</u>	
	<u>Congress</u>	<u>Session</u>	<u>Congress</u>	<u>Session</u>
David Ramage	91st	1st	Present	
Truman Ward	84th	1st	91st	1st
Thomas J. Lankford	83d	2d	84th	1st
Sadie Molineu	83d	1st	83d	2d
Truman Ward	81st	1st	83d	1st
Vacant	80th	1st	81st	1st
Truman Ward	79th	1st	80th	1st



