

May 1993

FINANCIAL AUDIT

U.S. Government Printing Office's Financial Statements for Fiscal Year 1992



**Comptroller General
of the United States**

B-204646

May 11, 1993

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

As requested by the Chairman of the Joint Committee on Printing in his October 11, 1991, letter we have audited the U.S. Government Printing Office's (GPO) Principal Financial Statements for the year ended September 30, 1992. The audit is in response to 44 U.S.C. 390 (d), which requires the General Accounting Office to audit GPO at least once every 3 years. The basic purpose of the audit was to determine whether the Principal Statements were free of material misstatement and were presented fairly, in conformity with generally accepted accounting principles. A related purpose was to determine whether the system of internal accounting control was sufficient to meet established objectives of such a system and whether GPO complied, in all material respects, with selected provisions of certain laws and regulations and its budget authority.

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

We found, consistent with the opinion of Arthur Andersen,

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

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

Internal Control and Operation Weaknesses

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

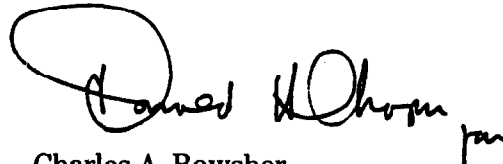
These areas are summarized in the enclosed Arthur Andersen report and discussed in more detail in a separate letter from Arthur Andersen to the Public Printer. That letter also includes a number of additional suggested improvements in operations and internal controls which, although not material or significant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

Additional Financial Information

Although GPO is not covered by the Chief Financial Officers Act of 1990, Public Law 101-576, it elected to pattern certain aspects of its 1992 financial statement package after the requirements of the act and the associated Office of Management and Budget implementing regulations. Specifically, GPO included in its financial statement package an Overview section that describes operational and financial performance measures for GPO and management's comments on actions taken and being considered for reversing the declining trend in GPO's financial position. Consolidated net losses amounted to nearly \$.3 million in fiscal year 1991, about \$.2 million in fiscal year 1992, and are projected by management to increase to as much as \$11 million to \$13 million for fiscal year 1993.

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

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



Charles A. Bowshe
Comptroller General
of the United States

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Abbreviations

DOD	Department of Defense
GPO	Government Printing Office

Report on Audit of U.S. Government Printing Office

Report of Independent Public Accountants

ARTHUR ANDERSEN & CO.

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

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

Consolidated Financial Statements

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

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

Supplemental Schedules

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

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

Overview of GPO

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

System of Internal Accounting Control

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

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

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

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

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

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

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

Findings About Compliance With Certain Laws and Regulations

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

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

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

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

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

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Findings About the System of Internal Accounting Control

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

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

Material Weaknesses:

None

Reportable Conditions:

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

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

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

Management's Responsibilities

Management is responsible for:

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

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- o Complying with laws and regulations applicable to GPO.

Auditors' Responsibilities

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

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

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

Arthur Andersen & Co.

Washington, D.C.,
January 15, 1993

Overview

OPERATING PERFORMANCE MEASURES

Congressional Record Delivery

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

Overtime Management

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

Production Chargeable Hours

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

On-Time Delivery of Procured Printing

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

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

FINANCIAL PERFORMANCE MEASURES

Cash Management

Payment Performance

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

Electronic Payments

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

Debt Management

Federal Receivables

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

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MANAGEMENT COMMENTS

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

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

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

Budgetary Issues

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

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

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

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

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

Fiscal Year 1992 Results

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

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

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

PRINTING AND BINDING OPERATIONS

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

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

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

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

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

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

SUPERINTENDENT OF DOCUMENTS OPERATIONS

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

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

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

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

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

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

FISCAL YEAR 1993 PROJECTIONS

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

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

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

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

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

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Consolidated Statements of Revenues and Expenses

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

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

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

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Consolidated Balance Sheets

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

ASSETS

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

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

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(Dollars in Thousands)

LIABILITIES AND INVESTMENT OF U.S. GOVERNMENT

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

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

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Consolidated Statements of Cash Flows

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

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

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

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Statement of Budget and Actual Expenses

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

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

BUDGET RECONCILIATION (Note 2I)

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

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

The accompanying notes are an integral
part of this statement.

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Notes to Consolidated Financial Statements

AS OF SEPTEMBER 30, 1992 AND 1991

1. ORGANIZATION:

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

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

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Accounting

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

B. Basis of Consolidation

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

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

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

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

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

C. Revenue Recognition and Expended Appropriations

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

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

D. Funds With U.S. Treasury

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

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

E. Inventories

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

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

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

F. Property and Equipment

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

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

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

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

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

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

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

G. Annual, Sick and Other Types of Leave

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

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

H. Accounting for Interagency Activities

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

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

I. Statements of Cash Flows

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

J. Statement of Budget and Actual Expenses

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

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

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

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

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

K. Change in Accounting Policy

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

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

L. Reclassification of Fiscal Year 1991 Balances

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

M. Public Law 99-177 Reductions

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

3. EMPLOYEE BENEFIT PLANS:

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

A. Civil Service Retirement System

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

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

B. Federal Employees Retirement System

On January 1, 1987, the Federal Employees Retirement System ("FERS"), a defined contribution plan, commenced pursuant to Public Law 99-335. Employees hired after December 31, 1983, were automatically covered by FERS and Social Security, while employees hired prior to January 1, 1984, were able to choose between joining this plan or remaining in CSRS. One primary difference between FERS and CSRS is that FERS offers the Thrift Saving Plan ("TSP"), a savings plan that requires GPO to contribute 1 percent of an enrolled employee's base pay and match any employee contribution up to 5 percent of base pay. For the years ended September 30, 1992 and 1991, total GPO (employer) contributions to FERS (18.8 percent for Congressional Record indexers, 27.3 percent for investigators and law officers and 12.9 percent for all other employees) were \$3.9 million and \$3.2 million, respectively. Additional contributions of GPO's share to the TSP for the years ended September 30, 1992 and 1991, totaled \$800,000 and \$600,000, respectively.

C. Social Security System

GPO also makes matching contributions to the Social Security Administration ("SSA") under the Federal Insurance Contributions Act ("FICA"). For employees covered by FERS, GPO contributes matching amounts of 6.2 percent of gross pay (up to \$55,500) to SSA's Old-Age, Survivors, and Disability Insurance ("OASDI") program. Additionally, GPO makes matching contributions for all employees of 1.45 percent of gross pay (up to \$130,200) to SSA's Medicare Hospital Insurance program. Payments to these programs for the years ended September 30, 1992 and 1991, amounted to \$5.2 million and \$4.4 million, respectively.

4. ACCOUNTS RECEIVABLE:

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

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

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

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

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

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

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

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

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

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

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

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

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7. DEFERRED REVENUE:

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

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

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

8. COMMITMENTS AND CONTINGENCIES:

A. Operating Leases

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

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

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B. Commitments

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

C. Contingencies

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

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

9. INVESTMENT OF U.S. GOVERNMENT

Invested Capital and Fund Balances

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

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

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

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

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

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

10. APPROPRIATIONS:

A. Expended Appropriations

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

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

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

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

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

B. Unexpended Appropriations

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

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

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

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

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

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

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

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Supplemental Schedules

U.S. Government Printing Office

Supplemental Schedules

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

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

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

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

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

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

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

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

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**SCHEDULE OF REVENUES AND EXPENSES BY FUND TYPE
FOR THE YEAR ENDED SEPTEMBER 30, 1992
(Dollars in Thousands)**

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

The accompanying notes are an integral part of this schedule.

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

AS OF SEPTEMBER 30, 1992
(Dollars in Thousands)

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

The accompanying notes are an integral part of this schedule.

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

The accompanying notes are an integral part of this schedule.

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SCHEDULE OF CASH FLOWS BY FUND TYPE
FOR THE YEAR ENDED SEPTEMBER 30, 1992
(Dollars in Thousands)

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

The accompanying notes are an integral part of this schedule.

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SCHEDULE OF BUDGET AND ACTUAL EXPENSES BY FUND TYPE

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

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

BUDGET RECONCILIATION

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

The accompanying notes are an integral part of this schedule.

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SCHEDULE OF APPROPRIATED FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1992,
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1991
(Dollars in Thousands)

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

The accompanying notes are an integral part of this schedule.

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CONDENSED BALANCE SHEETS FOR REVOLVING FUND

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

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

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

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

The accompany notes are an integral part of these condensed balance sheets.

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**CONDENSED SCHEDULES OF REVENUES AND EXPENSES BY MAJOR PROGRAM
FOR THE YEARS ENDED SEPTEMBER 30, 1992 AND 1991
(Dollars in Thousands)**

	Printing and Binding Operations		Information Dissemination Operations		Congressional Printing and Binding		Other Operations		Total GPO Before Eliminations		Eliminations		Total GPO	
	FY 1992	FY 1991 (Unaudited)	FY 1992	FY 1991 (Unaudited)	FY 1992	FY 1991 (Unaudited)	FY 1992	FY 1991 (Unaudited)	FY 1992	FY 1991 (Unaudited)	FY 1992	FY 1991 (Unaudited)	FY 1992	FY 1991 (Unaudited)
REVENUES:														
Printing and binding	\$832,060	\$822,749	\$ -	\$ -	\$ -	\$ -	\$2,324	\$1,814	\$ 834,384	\$ 824,563	\$(133,272)	\$(134,899)	\$701,112	\$689,664
Sales of blank paper	18,255	22,910	-	-	-	-	-	-	18,255	22,910	-	-	18,255	22,910
Sales of waste and scrap	273	399	-	-	-	-	-	-	273	399	-	-	273	399
Sales of publications	-	-	79,907	81,527	-	-	-	-	79,907	81,527	-	-	79,907	81,527
Appropriations	-	-	28,990	27,094	89,580	89,207	-	-	118,570	116,301	(400)	(331)	118,170	115,970
Reimbursements	-	-	5,912	4,652	-	-	-	-	5,912	4,652	-	-	5,912	4,652
Total revenues	850,588	846,058	114,809	113,273	89,580	89,207	2,324	1,814	1,057,301	1,050,352	(133,672)	(135,230)	923,629	915,122
EXPENSES:														
Personnel compensation and benefits	197,933	185,605	41,033	39,041	-	-	527	411	239,493	225,057	(2,329)	(2,549)	237,164	222,508
Travel and transportation	2,295	2,462	1,958	1,855	-	-	2	3	4,255	4,020	-	-	4,255	4,020
Rents, communications and utilities	11,204	12,094	20,266	21,701	-	-	859	875	32,329	34,670	(296)	(424)	32,033	34,246
Printing and reproduction	585,945	581,421	17,090	16,008	89,580	89,207	-	-	692,621	686,636	(130,446)	(131,698)	562,175	554,938
Other services	4,244	3,640	2,021	1,380	-	-	42	32	6,307	5,052	(477)	(424)	5,830	4,628
Supplies and materials	50,269	56,512	2,550	2,045	-	-	97	141	52,926	58,698	(124)	(135)	52,802	58,563
Depreciation and amortization	5,427	5,649	408	313	-	-	3	3	5,838	5,965	-	-	5,838	5,965
Publications sold	-	-	23,769	26,482	-	-	-	-	23,769	26,482	-	-	23,769	26,482
Surplus publications	-	-	4,918	4,108	-	-	-	-	4,918	4,108	-	-	4,918	4,108
Total expenses	857,317	847,383	114,029	112,633	89,580	89,207	1,530	1,465	1,062,456	1,050,688	(133,672)	(135,230)	928,784	915,458
NET (LOSS) INCOME	\$(6,729)	\$(1,325)	\$ 780	\$ 640	\$ -	\$ -	\$ 794	\$ 349	\$(5,155)	\$(336)	\$ -	\$ -	\$(5,155)	\$(336)

The accompanying notes are an integral part of these schedules.

**Appendix I
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**CONDENSED SCHEDULES OF REVENUES AND EXPENSES FOR PRINTING AND BINDING OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 1992 AND 1991
(Dollars in Thousands)**

	Plant Printing Operations		Regional Printing		Total In-House Printing				Purchased Printing			Total Printing and Binding Operations				
	FY 1992	FY 1991 (Unaudited)	FY 1992	FY 1991 (Unaudited)	FY 1992	Percent of Revenues	FY 1991 (Unaudited)	Percent of Revenues	FY 1992	Percent of Revenues	FY 1991 (Unaudited)	Percent of Revenues	FY 1992	Percent of Revenues	FY 1991 (Unaudited)	Percent of Revenues
REVENUES:																
Printing and binding	\$194,063	\$187,898	\$ 8,710	\$11,776	\$202,773	92	\$199,673	90	\$629,287	100	\$623,076	100	\$832,060	98	\$822,749	97
Sales of blank paper	18,255	22,910	-	-	18,255	8	22,910	10	-	-	-	-	18,255	2	22,910	3
Sales of waste and scrap	273	399	-	-	273	-	399	-	-	-	-	-	273	-	399	-
Total revenues	212,591	211,207	8,710	11,776	221,301	100	222,982	100	629,287	100	623,076	100	850,588	100	846,058	100
EXPENSES:																
Personnel compensation and benefits	183,170	140,217	8,820	10,563	161,990	74	150,780	68	35,943	6	34,825	6	197,933	23	185,605	22
Travel and transportation	562	479	73	70	635	-	549	-	1,660	-	1,913	-	2,295	-	2,462	-
Rents, communications and utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Printing and reproduction	6,362	6,634	2,363	2,489	8,715	4	9,293	4	2,489	-	2,801	-	11,204	1	12,094	1
Other services	-	-	-	-	-	-	-	-	585,945	94	581,421	94	585,945	70	581,421	69
Supplies and materials	3,079	2,537	422	408	3,501	2	2,945	1	743	-	695	-	4,244	-	3,640	-
Depreciation and amortization	47,035	52,885	2,143	2,626	49,178	22	55,511	25	1,091	-	1,001	-	50,269	6	56,512	7
	4,805	4,625	464	547	5,269	2	5,172	3	158	-	477	-	5,427	1	5,649	1
Total expenses	215,003	207,377	14,285	16,873	229,288	104	224,250	101	628,029	100	623,133	100	857,317	101	847,383	100
NET (LOSS) INCOME	\$ (2,412)	\$ 3,830	\$(5,575)	\$(5,098)	\$(7,987)	(4)	\$ (1,268)	(1)	\$ 1,258	-	\$(57)	-	\$(6,729)	(1)	\$ (1,325)	-

The accompanying notes are an integral part of these schedules.

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**CONDENSED SCHEDULES OF REVENUES AND EXPENSES FOR INFORMATION DISSEMINATION
FOR THE YEARS ENDED SEPTEMBER 30, 1992 AND 1991
(Dollars in Thousands)**

	Sales of Publications Programs			Agency Distribution Services			Salaries and Expenses Programs				Total Information Dissemination			
	FY 1992	Percent of Revenue	FY 1991 (Unaudited)	FY 1992	Percent of Revenue	FY 1991 (Unaudited)	FY 1992	Percent of Revenue	FY 1991 (Unaudited)	Percent of Revenue	FY 1992	Percent of Revenue	FY 1991 (Unaudited)	Percent of Revenue
REVENUES:														
Sales of publications	\$79,907	100	\$81,527	100	\$ -	-	\$ -	-	\$ -	-	\$ 79,907	70	\$ 81,527	72
Appropriations	-	-	-	-	-	-	28,990	100	27,094	100	28,990	25	27,094	24
Reimbursements	-	-	-	-	5,912	100	4,652	100	-	-	5,912	5	4,652	4
Total revenues	79,907	100	81,527	100	5,912	100	28,990	100	27,094	100	114,809	100	112,273	100
EXPENSES:														
Personnel compensation and benefits	30,417	39	28,647	36	2,781	46	2,849	61	7,835	27	7,545	28	41,033	35
Travel and transportation	1,190	1	995	1	96	2	64	1	672	2	496	2	1,958	2
Rents, communications and utilities	15,126	19	17,200	21	2,355	40	1,666	36	2,785	10	2,827	10	20,266	18
Printing and reproduction	841	1	714	1	161	3	57	1	16,094	56	15,237	56	17,096	15
Other services	1,052	1	800	1	56	1	88	2	909	3	484	2	2,021	2
Supplies and materials	1,782	2	1,437	2	190	3	166	4	618	2	442	2	2,560	2
Depreciation and amortization	300	0	225	0	31	1	25	1	77	-	63	-	408	-
Publications sold	23,769	30	26,482	32	-	-	-	-	-	-	-	-	23,769	21
Surplus publications	4,918	6	4,108	5	-	-	-	-	-	-	-	-	4,918	4
Total expenses	79,370	99	80,624	99	5,669	96	4,915	106	28,990	100	27,094	100	114,029	99
NET (LOSS) INCOME	\$ 537	1	\$ 903	1	\$ 243	4	\$ (263)	(6)	\$ -	-	\$ -	-	\$ 780	1

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