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REPORT TO THE CONGRESS

Examination Of Financial Statements
U. S. Government Printing Office
Fiscal Year 1969 B-114829

*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*

APRIL 3, 1970

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

B-114829

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

This is our report on the examination of financial statements of the Government Printing Office for fiscal year 1969. Our examination was made pursuant to the Legislative-Judiciary Appropriation Act, 1954 (44 U.S.C. 309).

Copies of this report are being sent to the Director, Bureau of the Budget; the Joint Committee on Printing; and the Public Printer.

A handwritten signature in cursive script that reads "James B. Peets".

Comptroller General
of the United States

C o n t e n t s

	<u>Page</u>
DIGEST	1
CHAPTER	
1 INTRODUCTION	3
2 FINANCING OF GPO ACTIVITIES	5
Activities financed through revolving fund	5
Appropriation for congressional printing and binding	6
Appropriation for activities of Office of the Superintendent of Documents	6
3 COMMENTS ON FINANCIAL STATEMENTS	8
4 STATUS OF ITEMS PREVIOUSLY REPORTED TO THE CONGRESS	10
Change in method of recording surcharges applicable to certain production labor and commercially procured printing	10
Need for clarification of GPO's legal authority for granting compensatory time	11
5 SCOPE OF EXAMINATION	12
6 OPINION OF FINANCIAL STATEMENTS	13
FINANCIAL STATEMENTS	
Schedule	
1 Statement of assets and liabilities as of June 30, 1969	17
2 Statement of changes in investment of United States Government, fiscal year ended June 30, 1969	18

Schedule	<u>Page</u>
3 Office of the Superintendent of Documents, statement of expenditures and obligations fiscal year 1969--appropriated funds as of June 30, 1969	19
4 Revolving fund, comparative statement of income and expense, printing and binding operations, fiscal years ended June 30, 1969 and June 30, 1968	20
5 Revolving fund, comparative statement of income and expense, sales of publications operations, fiscal years ended June 30, 1969 and June 30, 1968	21
6 Summary of funds provided by operations and appropriations and their application, fiscal year ended June 30, 1969	22
7 Revolving fund, statement of net change in assets and liabilities from inception of revolving fund through June 30, 1969	23

APPENDIX

Principal officials of the GPO during the period covered by this report	27
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ABBREVIATIONS

GAO	General Accounting Office
GPO	Government Printing Office

D I G E S T

WHY THE EXAMINATION WAS MADE

The Legislative-Judiciary Appropriation Act, 1954, requires the Comptroller General to audit annually the activities of the Government Printing Office (GPO).

FINDINGS AND CONCLUSIONS

The General Accounting Office (GAO) is of the opinion that the accompanying financial statements present fairly the financial position of GPO at June 30, 1969, and the results of its operations and the sources and application of its funds for the year then ended, in conformity with principles and standards of accounting prescribed for executive agencies by the Comptroller General of the United States applied on a basis consistent with that of the preceding year except for the change, noted below, which GAO approved. (See p. 13.)

In fiscal year 1969 GPO, for the first time, recorded as income surcharges applicable to production labor costs and to commercially procured printing costs that were charged to work in process. The effect of this change, which was made in response to a suggestion by GAO, was an increase in net income for fiscal year 1969 of \$1.9 million and an increase in accounts receivable and work in process, collectively, of a like amount. (See p. 10.)

RECOMMENDATIONS OR SUGGESTIONS

None.

AGENCY ACTIONS AND UNRESOLVED ISSUES

None.

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report contains no recommendations or suggestions requiring action by the Congress.

As the result of a suggestion made in GAO's report for fiscal year 1965, a bill to authorize the Public Printer to grant compensatory time in lieu of overtime was introduced in October 1969 in the House of Representatives and referred to the Committee on House Administration. The bill had not been acted upon as of February 28, 1970. (See p. 11.)

CHAPTER 1

INTRODUCTION

The General Accounting Office has made an examination of the financial statements of the Government Printing Office for the fiscal year ended June 30, 1969. The scope of the examination is described in chapter 5.

GPO is responsible for accomplishing printing and binding work ordered by the Congress and the individual departments, independent establishments, and agencies of the Federal Government. In addition, GPO prints, for sale to the public, documents of general interest that are not confidential in nature.

Responsibility for management of GPO is vested in the Public Printer who is appointed by the President of the United States with the advice and consent of the Senate. A Joint Committee on Printing, consisting of the Chairman and two members of the Senate Committee on Rules and Administration and the Chairman and two members of the House Committee on House Administration, in essence, acts as the board of directors of GPO.

To conduct its printing and binding operations, GPO operates plants in New York, N.Y.; Chicago, Illinois; Denver, Colorado; Seattle, Washington; San Francisco, California; and Washington, D.C. Printing and binding work that cannot be accomplished within GPO is obtained, on a contract basis, from commercial printers.

Sales of Government publications to the general public are made by GPO's Public Documents Division under the direction of the Superintendent of Documents who is appointed by the Public Printer. This Division prepares official catalogs and indexes, including a monthly catalog of all Government publications and a biweekly list of selected publications. In addition, the Division distributes publications to depository libraries; mails certain publications for other Federal departments and agencies; receives surplus

copies of Government publications from such Federal departments or agencies for sale or other disposition; and operates bookstores in Washington, D.C.; Chicago, Illinois; Kansas City, Missouri; and San Francisco, California.

CHAPTER 2

FINANCING OF GPO ACTIVITIES

The activities of GPO are financed by a revolving fund and by annual appropriations. These methods of financing are discussed in the following sections.

ACTIVITIES FINANCED THROUGH REVOLVING FUND

The revolving fund is used to finance the cost of composition work, the cost of printing and binding publications requisitioned by Government agencies and by the Congress, and the cost of additional quantities of publications printed for sale to the public.

The revolving fund is reimbursed for the cost of this work by payments from Government agencies or by charges against the appropriation for congressional printing and binding. (See p. 6.) Receipts from the sale of publications to the general public are also credited to the revolving fund. The excess of receipts from the sales of publications over related costs charged to the revolving fund is periodically transferred to miscellaneous receipts in the U.S. Treasury. The sales prices, which give rise to the receipts transferred to the Treasury, are established in accordance with section 1708 of title 44 of the United States Code which provides that:

"The price at which additional copies of Government publications are offered for sale to the public by the Superintendent of Documents shall be based on the cost as determined by the Public Printer plus 50 percent ***."

The prices for such publications are developed by (1) adding to the estimated cost of printing a 75-percent factor to cover the estimated cost of setup, mailing, and administration and (2) adding to this result the 50 percent provided by law.

During fiscal year 1969 the revolving fund was reduced by payments of \$6.4 million to the U.S. Treasury. These

payments represented a balance of \$2.6 million of net income from fiscal year 1968 sales of publications and a partial payment of \$3.8 million of income from fiscal year 1969 sales. It has been the practice of GPO to transfer the remaining balance of net income from sales of publications to the Treasury during the fiscal year following the sales.

APPROPRIATION FOR CONGRESSIONAL PRINTING AND BINDING

Each year the Congress appropriates funds to GPO for the cost of printing and binding work performed for the Congress. This appropriation is also used to cover the cost of printing and binding for the Architect of the Capitol; printing, binding, and distributing the Federal Register and the Code of Federal Regulations; and printing and binding Government publications authorized by law to be distributed without charge. Appropriated funds are transferred to the revolving fund as reimbursement of the cost of the printing and binding work. The appropriation for fiscal year 1969 was \$31 million, of which \$17.4 million had been expended as of June 30, 1969.

In its request for funds, GPO estimated that an additional \$2.5 million would be required to complete unfinished printing and binding work authorized during fiscal year 1968. GPO received this amount in its appropriation for fiscal year 1970. This action was consistent with the practice of prior years in that the appropriation acts for GPO, starting with fiscal year 1958, have contained the provision that "this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years." GPO, in its request for funds, estimated that no additional funds would be required to complete the unfinished printing and binding work authorized during fiscal year 1969.

APPROPRIATION FOR ACTIVITIES OF OFFICE OF THE SUPERINTENDENT OF DOCUMENTS

An annual appropriation for the Office of the Superintendent of Documents finances the salaries and other expenses of the personnel engaged in selling and distributing

documents to the public, to depository libraries, and for other agencies, and in cataloging and indexing activities. As shown in schedule 2, appropriations totaling \$8.6 million (including reimbursements) were made available in fiscal year 1969 for salaries and expenses of the Office of the Superintendent of Documents. This amount represented an increase of \$0.8 million over the appropriations of \$7.8 million (including reimbursements) for fiscal year 1968.

The increased funds were used primarily for expanding activities under the Depository Libraries and Distribution for Other Agencies Programs and for paying increased personnel costs for permanent employees.

CHAPTER 3

COMMENTS ON FINANCIAL STATEMENTS

GPO does not prepare a consolidated schedule of revolving fund operations. Instead, that part of the revolving fund relating to printing and binding operations is shown as schedule 4 and that part relating to the sales of publications, together with sales distribution costs financed with appropriated funds, is shown as schedule 5.

Schedule 4 shows that the gross income from printing and binding operations in fiscal year 1969 amounted to \$203.7 million, an increase of \$8.9 million over the gross income of \$194.8 million in fiscal year 1968. Net income in fiscal year 1969 amounted to \$2.3 million, an increase of \$1.5 million over the net income of \$0.8 million in fiscal year 1968. Gross and net incomes for fiscal years 1969 and 1968 were derived by GPO as follows:

	Fiscal year 1969			Fiscal year 1968		
	Gross income	Cost	Net income	Gross income	Cost	Net income
(millions)						
Printing and binding services (note a):						
Main plant	\$ 61.7	\$ 63.6	-\$1.9 ^b	\$ 59.4	\$ 60.1	-\$0.7
Field plants (note c)	9.0	9.0	-	7.8	7.8	-
Procured from commercial sources (note b)	<u>99.4</u>	<u>97.8</u>	<u>1.6</u>	<u>93.6</u>	<u>92.9</u>	<u>.7</u>
	170.1	170.4	-.3	160.8	160.8	-
Paper and materials (note a):						
Used for printing and binding at main plant and furnished to commercial sources	18.6	18.2	.4	20.6	20.1	.5
Sold to Government agencies	12.9	12.5	.4	13.2	12.8	.4
Miscellaneous	<u>.2</u>	<u>.3</u>	<u>-.1</u>	<u>.2</u>	<u>.3</u>	<u>-.1</u>
	201.8	201.4	.4	194.8	194.0	.8
Increase in income due to change in accounting method (note b)	<u>1.9</u>	<u>-</u>	<u>1.9</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$203.7</u>	<u>\$201.4</u>	<u>\$2.3</u>	<u>\$194.8</u>	<u>\$194.0</u>	<u>\$0.8</u>

^aIncludes freight and delivery service.

^bAdditional income of \$1.9 million, which resulted from a change in accounting method, as explained on page 10, is shown as a separate item for purposes of comparison. Inclusion of this income in printing and binding would reduce the net loss shown above for main plant printing and binding by \$1.4 million and increase the net income from commercial sources by \$0.5 million.

^cIncludes paper and material for printing and binding.

The increase of \$1.5 million in net income was attributable to a change in the method of accounting for income from surcharges, which resulted in additional income of \$1.9 million. (See p. 10.) Exclusive of the net income resulting from the change in the method of accounting, net income was \$0.4 million less than in fiscal year 1968 due to increased labor costs for printing and binding that were partially offset by a November 1968 increase in selling prices for printing and binding work. In recognition of these increased costs, GPO raised its selling prices in June 1969.

Schedule 5 shows that, for fiscal years 1969 and 1968, the receipts from sales of publications exceeded related costs financed by the revolving fund and by appropriated funds. The schedule shows also that, although the sales of publications in fiscal year 1969 increased \$2.8 million, the net income--which is payable to the U.S. Treasury--increased by \$4 million. This increase was attributable primarily to a September 1968 increase in sales prices of documents; an increase in sales volume; a reduction of \$1.2 million in the provision for unsalable publications; and an error in pricing the June 30, 1969, publications inventory. The error resulted in an overstatement of the inventory by \$0.4 million and an understatement of the cost of publications sold by the same amount.

Schedule 2 shows the changes in the investment of the U.S. Government during fiscal year 1969 in the revolving fund, other funds, and all funds combined. The additions to the revolving fund consisted of net income from printing and binding operations (\$2.3 million) and income from sales of publications (\$10.6 million). The total reduction in the revolving fund was the \$6.4 million payment to the U.S. Treasury.

The major addition to other funds was the appropriation for salaries and expenses of the Office of the Superintendent of Documents (\$8.6 million, as adjusted). The major reduction in other funds was the expenditure of \$8.7 million from the appropriation for salaries and expenses of the Office of the Superintendent of Documents. Additional details of costs and obligations charged against this appropriation are shown in schedule 3.

CHAPTER 4

STATUS OF ITEMS

PREVIOUSLY REPORTED TO THE CONGRESS

In our reports to the Congress for fiscal years ended June 30, 1967, and June 30, 1968 (B-114829), we suggested that revisions in GPO's accounting procedures for recording and reporting the income resulting from surcharges on printing and binding services were desirable, in our opinion, to improve the presentation of the financial position and results of operations in the financial statements. We also commented on the need for clarification of GPO's authority to grant compensatory time. The status of these items and the corrective action taken by GPO are discussed below.

CHANGE IN METHOD OF RECORDING SURCHARGES APPLICABLE TO CERTAIN PRODUCTION LABOR AND COMMERCIALY PROCURED PRINTING

In our reports for fiscal years 1967 and 1968, we noted that GPO accumulated costs in its work-in-process accounts as work was performed and that the contra amounts were recorded in the income account because all such costs incurred by GPO were recoverable. We pointed out that surcharges representing indirect costs applicable to paper, material, and freight charges and a contra credit to the income account were recorded in the work-in-process account as the printing work progressed but that surcharges applicable to additional in-house labor costs in processing rush, night, and classified printing work were not recorded as income until the work was completed. We pointed out also that surcharges to cover handling charges on commercially procured printing were not recorded as income until billings were issued to the ordering agencies. As of June 30, 1968, the unrecorded surcharges totaled \$2,001,841.

In accordance with our suggestion, GPO recorded in its accounts and included in its financial statements for fiscal year 1969 the surcharges as of June 30, 1969, applicable to the additional in-house labor costs for rush, night, and

classified printing work and those surcharges applicable to commercially procured printing. The revised accounting procedure should result in more accurate and consistent reporting of income in accordance with the generally accepted accounting principle that income should be recorded when earned. The revision resulted in an increase of \$1,904,218 in fiscal year 1969 net income from printing and binding operations, as follows:

	<u>Surcharges</u>
Production labor	\$1,406,573
Commercially procured printing	<u>497,645</u>
Total	<u>\$1,904,218</u>

NEED FOR CLARIFICATION OF
GPO'S LEGAL AUTHORITY FOR
GRANTING COMPENSATORY TIME

In our report for fiscal year 1965, we pointed out that the legal authority for granting compensatory time in lieu of overtime pay to employees of GPO was not clear and recommended that the Public Printer initiate action to obtain specific legislative authority for this practice. Subsequently, the Public Printer informed us that proposed amendments to the law had been submitted to the Joint Committee on Printing.

Further action on the amendment, however, was deferred pending recodification of title 44 of the United States Code entitled. "Public Printing and Documents," which recodification was effected by enactment of Public Law 90-260 on October 22, 1968.

In October 1969 a bill authorizing the Public Printer to grant an employee paid on an annual basis compensatory time instead of overtime pay for overtime work was introduced in the House of Representatives and referred to the Committee on House Administration. The bill had not been acted upon as of February 28, 1970.

CHAPTER 5

SCOPE OF EXAMINATION

Our examination included a review of GPO's statement of assets and liabilities as of June 30, 1969, related statements of income and expense, and summary of funds provided and their application for the year then ended. Our examination was made in accordance with generally accepted auditing standards and included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

CHAPTER 6

OPINION OF FINANCIAL STATEMENTS

The financial statements accompanying this report were prepared by GPO.

In our opinion, the accompanying financial statements (schedules 1 through 7) present fairly the financial position of GPO at June 30, 1969, and the results of its operations and the sources and application of its funds for the year then ended, in conformity with principles and standards of accounting prescribed for executive agencies by the Comptroller General of the United States/applied on a basis consistent with that of the preceding year except for the change, which we approved, in the method of recording income from surcharges on production labor and commercially procured printing. (See p. 10.)

Introduction

1. The Role of the State

The state is a central actor in the international system, responsible for the protection of its citizens and the promotion of its interests.

The state's primary responsibility is to ensure the security and stability of its territory and population.

The state also has a duty to promote the economic and social development of its citizens.

The state's actions are often influenced by international law and the actions of other states.

The state's role in the international system is complex and multifaceted.

FINANCIAL STATEMENTS



GOVERNMENT PRINTING OFFICE
STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 1969

ASSETS	LIABILITIES		
	Revolving fund	Other funds ^a	Combined funds
FUND BALANCES WITH U.S. TREASURY AND CASH:			
Fund balances in U.S. Treasury	\$ 18,914,811	\$ 937,433	\$ 19,852,244
Cash on hand and in transit	2,631,417	1,325	2,632,742
	<u>21,546,228</u>	<u>938,758</u>	<u>22,484,986</u>
ACCOUNTS RECEIVABLE AND ADVANCES:			
Accounts receivable:			
Government agencies	52,281,849	52,455	52,334,304
Other	246,528	255	246,783
Advances to employees	3,650	---	3,650
	<u>52,532,027</u>	<u>52,710</u>	<u>52,584,737</u>
INVENTORIES:			
Publications for sale, at cost ^b	6,396,270	---	6,396,270
Printing work in process, at standard cost	16,176,760	---	16,176,760
Paper, envelopes, and other supplies, at cost	10,919,198	---	10,919,198
	<u>33,492,228</u>	<u>---</u>	<u>33,492,228</u>
	<u>72,193</u>	<u>---</u>	<u>72,193</u>
DEFERRED CHARGES			
PROPERTY, PLANT, AND EQUIPMENT:			
Land and buildings, at cost	---	9,085,173	9,085,173
Equipment and building appurtenances	32,169,422	877,875	33,047,297
Construction in progress	246,369	---	246,369
	<u>32,415,791</u>	<u>9,963,048</u>	<u>42,378,839</u>
Less allowance for depreciation	10,420,140	6,964,110	17,384,250
	<u>10,997,651</u>	<u>2,998,931</u>	<u>13,996,582</u>
Total Assets	<u>\$118,644,321</u>	<u>\$3,990,106</u>	<u>\$122,634,427</u>

^a Other funds consist of account balances of the Office of the Superintendent of Documents Salaries and Expenses appropriation and the value of building structures and land which is specifically excluded from the Government Printing Office revolving fund by Law (44 U.S.C. 309). Does not include unexpended balance of \$13,659,215 of the appropriation for printing and binding for the Congress.

^b Publications for sale, at cost after deduction of allowance for unsalable publications of \$938,902. Does not include a contingent liability estimated at \$97,606 for the value of compensatory time-off in lieu of overtime pay earned and accumulated by employees of the Government Printing Office; and does not include \$11,660,000 for the net value of sick leave earned and accumulated by employees of the Government Printing Office.

^c Accounts payable other funds consist of amounts owed to the Government Printing Office revolving fund by the Office of the Superintendent of Documents Salaries and Expenses appropriations.

^d Retained earnings of \$3,263,689 have been reserved for the purchase of machinery and equipment.

LIABILITIES	LIABILITIES		
	Revolving fund	Other funds ^a	Combined funds
Accounts payable	\$ 11,144,808	\$ 492,074 ^d	\$ 11,636,882
Accrued salaries and wages	3,100,469	237,135	3,337,604
Amounts withheld from employees for purchase of savings bonds and payment of taxes	587,735	---	587,735
Employees' accrued annual leave	3,620,453	242,907	3,863,360
Customers' deposits and prepaid subscriptions	5,792,294	---	5,792,294
	<u>24,245,759</u>	<u>972,116</u>	<u>25,217,875</u>
INVESTMENT OF U.S. GOVERNMENT:			
Capital	59,815,383	3,018,290	62,833,673
Retained earnings ^e	27,748,229	---	27,748,229
Income from sales of publications payable to U.S. Treasury	6,834,256	---	6,834,256
Total investment of U.S. Government (schedule 2)	94,398,568	3,018,290	97,416,858
Total Liabilities and investment of U.S. Government	<u>\$118,644,321</u>	<u>\$3,990,106</u>	<u>\$122,634,427</u>

SCHEDULE 2

GOVERNMENT PRINTING OFFICE
STATEMENT OF CHANGES IN INVESTMENT
OF UNITED STATES GOVERNMENT
FISCAL YEAR ENDED JUNE 30, 1969

	<u>Revolving fund</u>	<u>Other funds^a</u>	<u>Combined funds</u>
BALANCE, JULY 1, 1968:			
Capital	\$59,815,383	\$3,209,169	\$63,024,552
Retained earnings	25,491,707	- - -	25,491,707
Income from sales of publications payable to U.S. Treasury	<u>2,627,702</u>	- - -	<u>2,627,702</u>
	<u>87,934,792</u>	<u>3,209,169</u>	<u>91,143,961</u>
 ADDITIONS:			
Net income from printing and binding operations (schedule 4)	2,256,522	- - -	2,256,522
Income from sales of publications payable to U.S. Treasury (schedule 5)	10,629,363	- - -	10,629,363
Appropriation for the Office of the Superin- tendent of Documents, Salaries and Expenses of \$8,178,000 plus reimbursements of \$421,841 and recoveries of prior years obligations of \$12,667	- - -	8,612,508	8,612,508
Net increase in equipment purchased from approp- riation for the Office of the Superintendent of Documents, Salaries and Expenses, including current year depreciation	- - -	<u>61,138</u>	<u>61,138</u>
Total additions	<u>12,885,885</u>	<u>8,673,646</u>	<u>21,559,531</u>
 REDUCTIONS:			
Payments to U.S. Treasury of income from sales of publications	6,422,109	- - -	6,422,109
Depreciation on building structures and facilities	- - -	121,867	121,867
Unobligated balance of the Office of the Super- intendent of Documents, Salaries and Expenses, appropriations withdrawn by U.S. Treasury	- - -	12,667	12,667
Expenditures from the Office of the Superin- tendent of Documents, Salaries and Expenses fiscal year 1969 appropriation of \$8,446,480 and fiscal year 1968 appropriation of \$260,622 (schedule 3)	- - -	8,707,102	8,707,102
Net increase in liability for employees' annual leave, Office of the Superintendent of Documents, Salaries and Expenses appropriation	- - -	<u>22,889</u>	<u>22,889</u>
Total reductions	<u>6,422,109</u>	<u>8,864,525</u>	<u>15,286,634</u>
 BALANCE, JUNE 30, 1969:			
Capital	59,815,383	3,018,290	62,833,673
Retained earnings	27,748,229	- - -	27,748,229
Income from sales of publications payable to U.S. Treasury	<u>6,834,956</u>	- - -	<u>6,834,956</u>
Total investment of U.S. Government	<u>\$94,398,568</u>	<u>\$3,018,290</u>	<u>\$97,416,858</u>

^aOther funds consist of the Office of the Superintendent of Documents, Salaries and Expenses appropriations and the value of building structures and land which is specifically excluded from the Government Printing Office Revolving Fund by law (44 U.S.C. 309). The appropriation for printing and binding for the Congress is not included under Other Funds. This appropriation is used to reimburse the revolving fund for printing and binding for the Congress which is recorded as income from printing and binding operations as the work is performed.

GOVERNMENT PRINTING OFFICE
 OFFICE OF THE SUPERINTENDENT OF DOCUMENTS
 STATEMENT OF EXPENDITURES AND OBLIGATIONS
 FISCAL YEAR 1969 - APPROPRIATED FUNDS
 AS OF JUNE 30, 1969

	Program by Activities				
	Total	Sales Distribution	Distribution for other agencies	Depository Library Distribution	Cataloging and Indexing
Personnel compensation	\$5,064,042	\$3,535,882	\$1,036,415	\$ 220,114	\$271,631
Personnel benefits	292,420	220,777	40,939	13,744	16,960
Travel and transportation	8,531	7,404	---	1,127	---
of persons	11,520	11,520	---	---	---
Transportation of things	347,029	118,988	22,943	196,712	8,386
Rent, communications, and utilities	2,061,041	366,150	---	1,594,483	110,408
Printing and reproduction	343,421	263,226	56,224	11,636	12,335
Other services	446,277	197,966	220,292	24,308	3,711
Supplies and materials	132,903	99,943	19,271	6,645	7,044
Equipment	8,707,184 (1)	4,821,856 (1)	1,396,084	2,058,769	430,475
Total expenditures ^a (schedule 2)	-107,343	-109,171	-2,716	422	4,122
Net decrease in unliquidated obligations	\$8,599,841	\$4,712,685	\$1,393,368	\$2,059,191	\$434,597
Total obligations					

^a Exclusive of expenses of \$2,721,379 financed from revenues from sales of publications (schedule 5).

ICAO note: Does not include adjustment of \$82 for unearned leave.

SCHEDULE 4

GOVERNMENT PRINTING OFFICE
 REVOLVING FUND
 COMPARATIVE STATEMENT OF INCOME AND EXPENSE
 PRINTING AND BINDING OPERATIONS
 FISCAL YEARS ENDED JUNE 30, 1969 and JUNE 30, 1968

	<u>Fiscal year</u> 1969	<u>Fiscal year</u> 1968	Increase or decrease (-)
Income:			
Printing and binding services performed	\$190,774,344	\$181,997,495	\$ 8,776,849
Blank paper sold to customers	12,697,484	12,700,368	-2,884
Other income	<u>179,776</u>	<u>116,004</u>	<u>63,772</u>
Total income	<u>\$203,651,604</u>	<u>\$194,813,867</u>	<u>\$ 8,837,737</u>
Expenses:			
Direct costs:			
Direct labor	57,976,902	54,705,951	3,270,951
Direct materials	30,468,037	32,853,287	-2,385,250
Printing purchased from commercial sources	<u>94,825,681</u>	<u>89,582,484</u>	<u>5,243,197</u>
Total direct costs	<u>183,270,620</u>	<u>177,141,722</u>	<u>6,128,898</u>
Other expenses:			
Salaries and wages	7,737,764	7,238,353	499,411
Travel	80,862	53,454	27,408
Freight	1,663,278	1,639,585	23,693
Communications	233,289	207,355	25,934
Heat, light, and power	483,807	438,743	45,064
Rental of buildings and equipment	782,990	725,666	57,324
Materials and supplies	241,378	216,138	25,240
Employer's share of group life insurance	275,418	210,522	64,896
Employer's share of group health insurance	535,465	536,223	-758
Employer's share of Civil Service retirement	3,640,512	3,362,668	277,844
Depreciation ^a	1,975,174	1,824,349	150,825
Miscellaneous expenses	<u>474,525</u>	<u>461,764</u>	<u>12,761</u>
Total other expenses	<u>18,124,462</u>	<u>16,914,820</u>	<u>1,209,642</u>
Total direct costs and other expenses	<u>201,395,082</u>	<u>194,056,542</u>	<u>7,338,540</u>
Net income from printing^a and binding operations	<u>\$ 2,256,522</u>	<u>\$ 757,325</u>	<u>\$ 1,499,197</u>

^aDoes not include depreciation on building structures which is specifically excluded from the Government Printing Office revolving fund by law (44 U.S.C. 309).

GOVERNMENT PRINTING OFFICE
 REVOLVING FUND
 COMPARATIVE STATEMENT OF INCOME AND EXPENSE
 SALES OF PUBLICATIONS OPERATIONS
 FISCAL YEARS ENDED JUNE 30, 1969 AND JUNE 30, 1968

	<u>Fiscal year 1969</u>	<u>Fiscal year 1968</u>	<u>Increase or decrease (-)</u>
<u>REVOLVING FUND:</u>			
Sales	\$18,082,405	\$15,308,687	\$2,773,718
Cost of publications sold ^a	<u>6,637,366</u>	<u>8,150,412</u>	<u>-1,513,046</u>
Gross profit	<u>11,445,039</u>	<u>7,158,275</u>	<u>4,286,764</u>
Other expenses:			
Administrative ^b	1,373,779	1,136,812	236,967
Mailing costs	<u>1,347,600</u>	<u>1,038,900</u>	<u>308,700</u>
Total other expenses	<u>2,721,379</u>	<u>2,175,712</u>	<u>545,667</u>
Other income:			
Gratuitous revenues	1,824,886	1,565,851	259,035
Miscellaneous	<u>80,817</u>	<u>79,288</u>	<u>1,529</u>
Total other income	<u>1,905,703</u>	<u>1,645,139</u>	<u>260,564</u>
Income from sales of publi- cations payable to U.S. Treasury (schedule 2)	10,629,363	6,627,702	4,001,661
<u>OTHER FUNDS:</u>			
Salaries and expenses financed from appropriated funds	<u>4,821,856</u>	<u>4,176,700</u>	<u>645,156</u>
Net income from sales of publications ^a	<u>\$ 5,807,507</u>	<u>\$ 2,451,002</u>	<u>\$3,356,505</u>

^aCost of Publications Sold includes provisions for unsalable publications in the amount of \$458,496 for fiscal year 1969 and \$1,682,133 for fiscal year 1968.

^bDoes not include depreciation of building structures which is specifically excluded from the Government Printing Office revolving fund by law (44 U.S.C. 309).

SCHEDULE 6

GOVERNMENT PRINTING OFFICE
SUMMARY OF FUNDS PROVIDED BY OPERATIONS
AND APPROPRIATIONS AND THEIR APPLICATION
FISCAL YEAR ENDED JUNE 30, 1969

FUNDS PROVIDED:

Printing and binding operations: ^a		
Printing and binding services performed	\$190,774,344	
Blank paper sold to customers	12,697,484	
Other income before \$19,278 loss on sale of equipment	199,054	
Net proceeds from sale of equipment	<u>2,054</u>	\$203,672,936
Sales of publications:		
Sales	18,082,405	
Other income	<u>1,905,703</u>	19,988,108
Decrease in accounts receivables and advances	1,821,221	
Decrease in deferred charges	16,033	
Increase in accounts payable	276,618	
Increase in accrued salaries and wages	492,030	
Increase in miscellaneous liabilities	<u>684,127</u>	3,290,029
Appropriation for the Office of the Superintendent of Documents, Salaries and Expenses of \$8,178,000 plus reimbursements of \$421,841 and recoveries of prior years obligations of \$12,667		<u>8,612,508</u>
Total funds provided		<u>\$235,563,581</u>

FUNDS APPLIED:

Printing and binding expenses ^a	\$201,395,082	
Less allowances for depreciation not requiring funds	<u>1,975,174</u>	\$199,419,908
Cost of publications sold	6,178,870	
Publications destroyed	458,496	
Expenses of sales of publications financed from the revolving fund	2,721,379	
Payments to U.S. Treasury of income from sales of publications	<u>6,422,109</u>	15,780,854
Increase in cash	5,509,192	
Increase in inventories	3,313,043	
Purchase of equipment	<u>2,820,815</u>	11,643,050
Expenditures from the Office of the Superintendent of Documents, Salaries and Expenses, fiscal year 1969 appropriation \$8,446,480 and fiscal year 1968 appropriation of \$260,622 (schedule 3)		8,707,102
Unobligated balance of the Office of the Superintendent of Documents, Salaries and Expenses, appropriations withdrawn by the U.S. Treasury		<u>12,667</u>
Total funds applied		<u>\$235,563,581</u>

^aThe appropriation for printing and binding for the Congress is used to reimburse the revolving fund for printing and binding for the Congress and is recorded as income from printing and binding operations as the work is performed.

GOVERNMENT PRINTING OFFICE
 REVOLVING FUND
 STATEMENT OF NET CHANGE IN ASSETS AND LIABILITIES
 FROM INCEPTION OF REVOLVING FUND THROUGH JUNE 30, 1969

	<u>June 30, 1969</u>	<u>July 1, 1953^a</u>	<u>Increase or decrease (-)</u>
Cash	\$ 21,552,228	\$ 15,993,702	\$ 5,558,526
Noncash current assets	<u>86,096,448</u>	<u>28,511,814</u>	<u>57,584,634</u>
Current assets	107,648,676	44,505,516	63,143,160
Less current liabilities	<u>24,245,759</u>	<u>13,846,687</u>	<u>10,399,072</u>
Working capital	<u>83,402,917</u>	<u>30,658,829</u>	<u>52,744,088</u>
Fixed assets	32,415,791	13,617,677	18,798,114
Less allowance for depreciation	<u>21,420,140</u>	<u>8,351,561</u>	<u>13,068,579</u>
Net fixed assets	<u>10,995,651</u>	<u>5,266,116</u>	<u>5,729,535</u>
Investment of U.S. Government	\$ <u>94,398,568</u>	\$ <u>35,924,945</u>	\$ <u>58,473,623</u>

^aCapitalization as of July 1, 1953, less subsequent adjustments for revaluation of assets and funds returned to U.S. Treasury.

APPENDIX

PRINCIPAL OFFICIALS OF THE
GOVERNMENT PRINTING OFFICE
DURING THE PERIOD COVERED
BY THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
PUBLIC PRINTER: James L. Harrison	Mar. 1961	Present
DEPUTY PUBLIC PRINTER: James W. Tew	Nov. 1969	Present
Harry D. Merold	Mar. 1961	Oct. 1969
ADMINISTRATIVE ASSISTANT TO THE PUBLIC PRINTER: Harry J. Humphrey	Jan. 1966	Present
COMPTROLLER: Walter C. DeVaughn	May 1968	Present