# Annual Report
U.S. Government Printing Office

Fiscal Year 1984

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# THE NEW GPO/*a demand-driven, service-oriented agency*

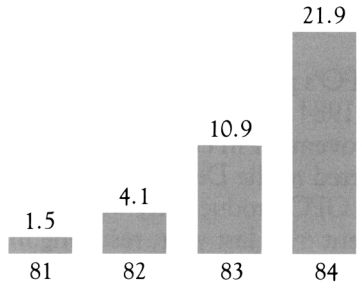
Fiscal year 1984 saw unprecedented growth and progress at the U.S. Government Printing Office (GPO). Born out of the management reforms of the last 3 years and nurtured by our determination to provide better service at a lower cost to the American taxpayer, this growth and progress is manifesting itself in a number of satisfying ways. I see it in our financial position, which is stronger now than at any time in recent memory. I see it in relations with our customer agencies, who have begun to address us as full partners in the Government publishing process. I see it in the renewed vitality of our sales and depository library programs, and in the American public's reawakening interest in Government publications. But most importantly, I see it in the willingness of the men and women who make up the GPO to meet the demands of today and the challenges of tomorrow. It is their dedication to providing high quality, cost-effective services that feeds this new spirit and ensures its continuation.

Building upon last year's foundation, itself a vast improvement over fiscal year 1982, GPO increased its net income from $10.9 million to $21.9 million in fiscal year 1984. Central plant printing operations (exclusive of materials operations) yielded a net income of $4.3 million, a $3.5 million improvement over last year. Procured printing increased its net income from $6 million to $9.1 million. I am especially pleased to report that we are on the threshold of eliminating the $19.4 million loss our publications sales program accumulated between 1978 and 1981. Since fiscal year 1982, the program has earned back a total of $17.8 million, with $6.1 million of that coming this year. GPO's regional printing operations again produced a net loss, with this year's shortfall of $1.1 million approximating the loss we suffered last year. Most of that loss is attributable to operations at our Departmental Service Office, a facility which we targeted this year for revitalization. On balance, however, our financial condition is truly gratifying. The record of fiscal year 1984 has given us a new sense of confidence in GPO's ability to function as a financially sound Government agency.

GPO's productivity gains for fiscal year 1984 reflected an agency-wide improvement in efficiency. As reported to the Department of Labor, total GPO productivity was up 10 percent over last year, resulting in a 5.4 percent decrease overall in unit labor costs. The chief reason for this performance record was a 15.2 percent productivity increase in the Production Department. The Printing Procurement Department showed a productivity increase of 2.1 percent over fiscal year 1983. Productivity in GPO's field printing plants, after registering a decline in fiscal year

Ralph E. Kennickell, Jr. and Gertude N. Umstead, Binding Division, Production Department

## Consolidated Net Income
(In Millions of Dollars)




1983, increased by 9.7 percent this year. Productivity in the Documents area continued to register gains over 1982, although by a smaller margin than last year. Overall, these figures clearly evidence the technological and managerial improvements GPO has undertaken in recent years.

I am honored to report that GPO's improving financial condition has allowed us to pass on significant cost savings to the U.S. Congress, our customer agencies, and ultimately, to the American taxpayer. In a departure from past practice, GPO this year presented the Congress with an appropriations request for fiscal year 1985 which called for a 1.4 percent decrease from the amount approved the previous year. The reduction was made possible by continued congressional efforts to reduce the volume of printing, and by GPO's continued emphasis on cost-savings and technological improvements. Technological advances and other cost-cutting actions also resulted in reductions in the rates GPO charges customer agencies for printing in the Federal Register and the Code of Federal Regulations. Effective October 1, 1984, the rate for the Federal Register was cut from $408 to $390 per page. A decrease in keyboarding requirements due to improved technology permitted us to reduce the page rate for the Code of Federal Regulations from $60 to $55, effective January 1, 1985.

For GPO and its customer agencies, fiscal year 1984 marked the beginning of a new era of partnership in the Government publishing process. The impetus for this change came largely

Rapid Response Center, Regional Printing and Procurement Division, located at the Washington, D.C., Navy Yard

from within the GPO itself. Because of the rapidly changing nature of publishing products and services, sound business principles dictate that GPO no longer can afford to view its customers as captive markets. Complacency, inflexibility, and hidebound tradition on our part have given way to responsiveness, innovation, and a new orientation toward service that befits an organization possessing GPO's talent and ability.

This year GPO renewed its dedication to customer service. For example, GPO participated in the development of the new 9-digit ZIP Code directories in conjunction with the U.S. Postal Service. Suggestions from GPO's Graphic Systems Development Division and Printing Procurement Department resulted in major improvements in the projected production effort, reducing the estimated number of pages by a full 25 percent, from 57,000 to 43,000. Marketing outreach services have also helped us break down old barriers that once distanced us from our customers. GPO personnel met more than 100 times with representatives of agency editorial, publishing, and printing operations in 1984 to devise new publications marketing techniques, and to offer assistance in resolving the special problems each agency faces in producing and distributing Government information. Our efforts in this area clearly have begun to improve the perception our customers have of us.

In addition to our various outreach efforts, we took several other steps in fiscal year 1984 to improve GPO's responsiveness to our customers' needs. In conjunction with the Joint Committee on Printing, we began the development of a new facility at our Departmental Service Office (DSO), featuring a walk-in center for the quick-turnaround production of small graphic arts jobs. Named the Rapid Response Center—National Capital Area (RRC), this facility will offer a wide variety of in-plant printing and duplicating services, as well as commercial printing procurement activities. It will meet the needs of Government agencies in the extended Washington metropolitan area, including the District of Columbia, Maryland, and Northern Virginia. Existing equipment inventories at the RRC will be upgraded in the coming months, reflecting our continuing desire to meet the printing and publishing requirements of our customer agencies as quickly as possible.

We continued to upgrade GPO's in-plant production capabilities in fiscal year 1984. This is part of our ongoing effort to remain at the forefront of technological progress, and to provide our customers with the broadest possible range of product and service options. This year, for instance, our Electronic Photocomposition Division installed a subsystem into our phototypesetting system which now permits us to produce high-quality graphics, such as bar charts and histograms, onto photographic material. Our customers can use this option by providing their own drive tapes containing the plotting data for the graphs. We began procurement and installation efforts to further upgrade our phototypesetting system with the addition of a 70mm camera. When it is fully operational in early fiscal year 1985, the camera will allow GPO to go from computer to plate in a multitude of imposition formats more quickly and economically. GPO also completed a feasibility study on the installation of a high-speed fiber optic communications link between a computer at GPO and computers operated by the U.S. Senate and the House of Representatives. This system will speed the transfer of printing between GPO and congressional offices.

In a major effort to cut Government costs, GPO's Printing Procurement Department devised and implemented a simplified contracting procedure to help customer agencies meet their shortrun duplicating requirements. Called the "agency direct-deal/contractor direct-bill" contract, this new procedure permits the participating agency, rather than GPO, to process the bills for work placed against the contract. GPO charges a one-time fee for the establishment, placement, and award of the contract and retains contract administration responsibilities. Approximately 30 such contracts are in place at this time, representing

Traffic Division, Materials Management Service

EPD Hot Metal Section, Electronic Photocomposition Division, Production Department

about $7.5 million in annual billings for small, commercially-operated duplicating and quick copy firms. Annual volumes on these contracts range as high as 500 million pages, resulting in a cost to the Government of slightly more than $1\frac{1}{2}$ cents per page, less than half the cost incurred in many agency-operated duplicating facilities.

Fiscal year 1984 also saw the setting of an all-time record in the number and total dollar value of the commercial procurement actions processed by GPO's Printing Procurement Department. Approximately 307,000 such actions valued at $547.9 million were handled this year, requiring the placement of additional personnel in our regional printing procurement offices to cope with the expanding workload. This activity demonstrates GPO's longstanding commitment to utilize private sector printers around the Nation to obtain the Government's graphic arts needs at the most comp petitive price.

James Madison once wrote that "A popular Government without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy; or perhaps both." The framers of GPO's organic law, Title 44 of the U.S. Code, made GPO responsible for facilitating the public's access to Government publications, and it is a duty GPO has always taken seriously. That is why I am pleased to report that fiscal year 1984 saw significant strides in the revitalization of GPO's publications sales and depository library programs, strides which are being reciprocated by increased public interest in Government publications.

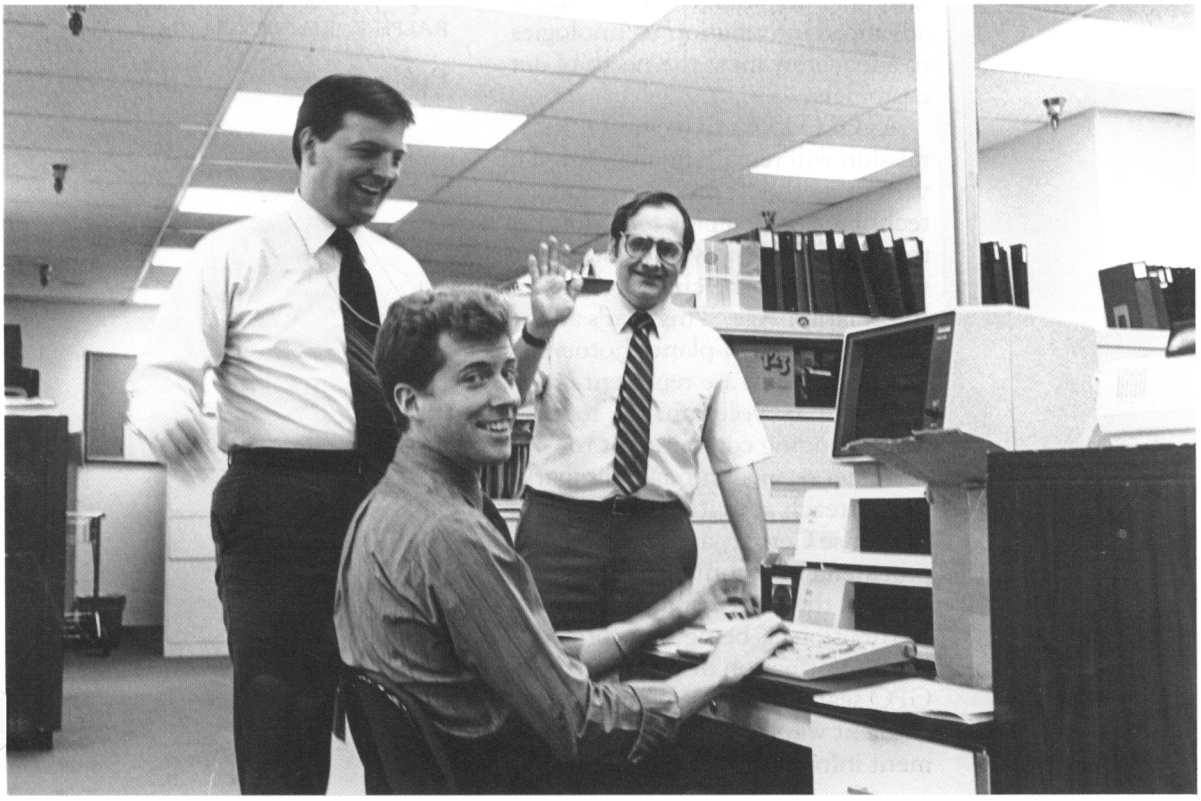
During the late 1970's GPO's publications sales program was beset by inefficiency, public apathy, and heavy financial losses. A concerted effort over the last 3 years culminated during fiscal year 1984 in an increase in sales orders after a decade of decline. This achievement can be attributed to the implementation of a creative and effective publications marketing program, utilizing a public service announcement campaign, nationwide mailings of attractively designed sales catalogs, and a variety of other techniques for bringing GPO's publications sales program to the public's attention. It can also be attributed to the recommendations of an interagency Task Force on Documents Pricing, which resulted in several customer-oriented sales policies and procedures, including a new Low-Priced Publications Project designed specifically to sell small publications at a price that is commensurate with their size. Finally, it can be attributed to a sustained effort to modernize and improve sales program operations. As with any

success of this magnitude, the credit must be shared by a large number of departments, but I must pay special tribute to the dedicated employees of GPO's Documents and Marketing areas, whose skills and determination made this achievement possible.

In addition to publications sales, GPO also administers the Federal Depository Library Program, which provides the public with free access to Government information. Long characterized as "one of America's best-kept secrets," GPO began a national campaign in fiscal year 1984 to draw the public's attention to this unique resource. Our confidence in the ultimate success of the campaign was bolstered by the Advertising Council's endorsement of our depository library public service announcement program. Equally gratifying was the U.S. Senate's passage in April of a resolution honoring the many contributions of the Depository Library Program.

While GPO worked to improve existing systems and programs, in fiscal year 1984 we also turned to a wide-ranging reassessment of GPO's future based on the challenges and opportunities arising from today's relentless pace of technological change. Quite frankly, GPO is in the midst of a revolution—call it what you will: the Second Industrial Revolution, the Electronic Revolution, or the Information Revolution. Nowhere has this revolution been felt more keenly than in the printing and publishing industry, where it is being driven by rapidly accelerating improvements in computer hardware and communications capabilities. The net result of these improvements is that information itself—the

Career Development Branch, Personnel Service



Budget Branch, Management Support Division, Financial Management Service

Phototypesetting and Processing Section, Electronic Photocomposition Division, Production Department

content of books, reports, and journals—now can be stored in larger quantities, reproduced in a greater variety of forms, and sent virtually anywhere we want. Moreover, all of these functions can be accomplished faster, cheaper, and with more product diversity than anyone could have imagined just 5 years ago.

At the GPO, we have been watching these revolutionary changes closely. Our concern is based on the fact that the Federal Government is an information-intensive enterprise, perhaps the largest and most demanding the world has ever seen. The business of governing depends on accurate and timely information, not only for three branches of the Government but, as James Madison said, for the American public as well. Accurate and timely information in turn depends on effective and efficient information systems. As the Government's largest single information reproducer and distributor, GPO must take advantage of the benefits of advanced information technologies to adequately meet the needs of our customers.

As GPO looks to its future, its mission will remain unchanged. The various methods, processes, and techniques we employ to perform that mission, however, must evolve if we are to meet the challenges of the Information Age. This year's additions to GPO's in-plant phototypesetting capabilities are representative of that evolution. So, too, is our expanding commitment to customer service through our marketing outreach activities, our Rapid Response Center, and improved procurement techniques. The very sense of the term "publications distribution" is being transformed into "information distribution" as GPO searches for more effective and efficient ways of conveying Government information to the public.

Throughout all of GPO's operations, providing high quality products and better service at lower cost to the American taxpayer will be the yardstick against which the success of our efforts will always be measured.

It has been said by others that excellence is a state of mind put into action. Nowhere has that state of mind been more evident to me than among the men and women who have made GPO the successful institution I report on today, and who hold the key to its future. For over 120 years, GPO has been unwavering in its expectation of performance and quality, and I have no reason to doubt the continued support of that standard by those of whom it is expected. We now face the future confident in our ability to perform GPO's mission and eager to take on the challenges the new age is certain to bring.

RALPH E. KENNICKELL, Jr.

*Public Printer*

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

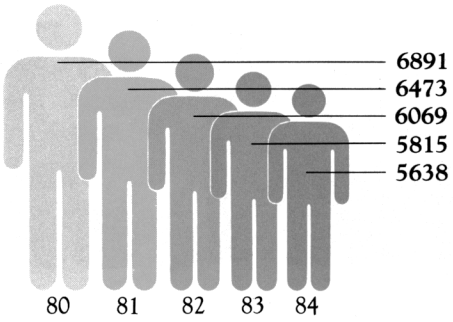
Title 44 of the U.S. Code requires the U.S. Government Printing Office (GPO) to fulfill the printing and binding needs of the Federal Government and distribute Government publications to the general public. GPO's printing and binding operations consist of a central printing plant, six smaller regional printing plants, and the procurement of printing and binding from private sector contractors. Superintendent of Documents operations include the sale of publications, distribution to depository libraries, reimbursable distribution, statutory distribution, and the cataloging and indexing of all Government documents.

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

### Results of Operations

GPO achieved a consolidated net income for fiscal year 1984 of $21.9 million, compared to $10.9 million for fiscal year 1983. This increase can be attributed to improved productivity, the use of new technology, selected rate changes, and a heavier workload. Total consolidated revenue increased by $108 million in 1984 to $825 million, while total expenses increased $97 million to a balance of $803 million. The majority of the increase in expenses was generated by the cost of increased volume in procured and depository printing. A significant portion of the revenue increase came from the higher dollar amount of work which GPO procured for customer agencies. For the third year in a row, GPO's Sales of Publications operation continued to produce a healthy net income.

### Staffing Levels



Receipts and Processing Section, Collecting and Disbursing Division, Financial Management Service

Departmental Information Section, Departmental Printing Management Division, Customer Service Staff

## Central Plant Printing Operations

GPO's central plant printing operations (excluding materials operations) earned $4.3 million in net income this year compared to a net income of $800,000 for 1983. Total revenue for 1984 was $148 million, an increase of $6.3 million or 4.4 percent over 1983. Expenses amounted to $143.8 million in 1984, an increase of $2.8 million or 2 percent over the previous year.

The improved financial condition of the central plant can be attributed to a 2 percent increase in chargeable hours relative to the total number of hours worked, an increase of 15.2 percent in productivity as reported to the Department of Labor, and selective price increases.

Materials operations generated a net income of $3.4 million this year compared to a net loss of $1.4 million in 1983, due to an increase in volume, a full year's effect of the increased handling surcharge, and an increase in revenue from the sale of scrap materials.

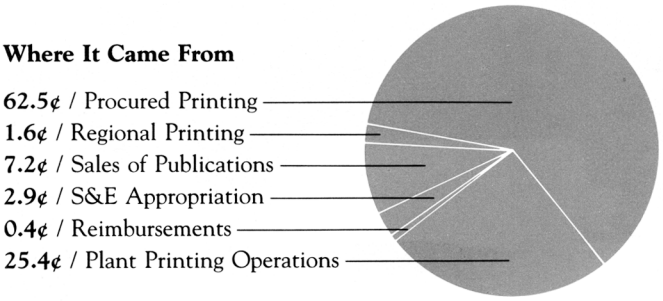
## Regional Printing Operations

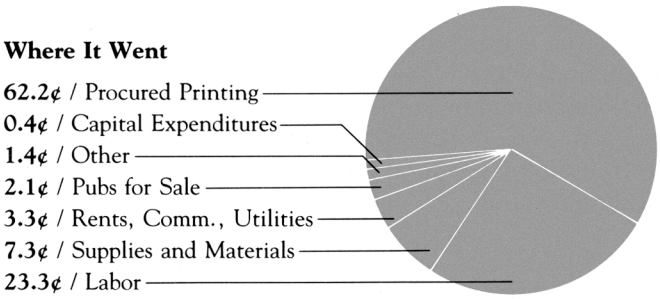
Regional printing operations experienced a net loss of $1.1 million in 1984, compared to a $1.2 million loss in 1983. The majority of the loss can be attributed to the Departmental Service Office (DSO). Increases in the surcharge on the scale of prices, which were implemented at the DSO and the Denver plant during 1984, contributed to a reduction in the loss as compared to 1983. Total revenue for regional printing increased from $12.6 million in 1983 to $13.1 million in 1984. Total expenses increased at a lesser rate compared to revenue, which also contributed to a smaller net loss for the year.

## Central Office and Regional Printing Procurement Operations

GPO's printing procurement operations experienced substantial increases in procured printing during 1984, both in revenue and volume. Total revenue was $547.9 million, an increase of $83.6 million or 18 percent over 1983. Approximately 307,000 orders were procured last year, an increase of 28,000 over

## GPO's 1984 Revenue Dollar



1983. As a result, net income for 1984 increased to $9.1 million, an improvement of $3.1 million or 52 percent over 1983.

### Sales of Publications

Revenue from GPO's Sales of Publications operation in 1984 was $59.4 million, an increase of $2.3 million over 1983. The increase in revenue, however, was offset by an increase in expenses of $3 million, to $53.3 million. This resulted in a net income of $6.1 million, a $700,000 decrease from 1983. Total sales orders and copies sold increased in 1984, due primarily to the implementation of a new Low Priced Publications Project located at GPO's Pueblo, CO Distribution Center. The cost of unsalable publications decreased to $2 million in 1984, from $3.1 million in 1983.

GPO's bookstores, an integral part of the Sales of Publications operation, showed an improved financial position in 1984. Sales were up to $8.6 million compared to $7.5 million in 1983, resulting in bookstore net income of $1.1 million for 1984 compared to $1 million the previous year.

### Salaries and Expenses

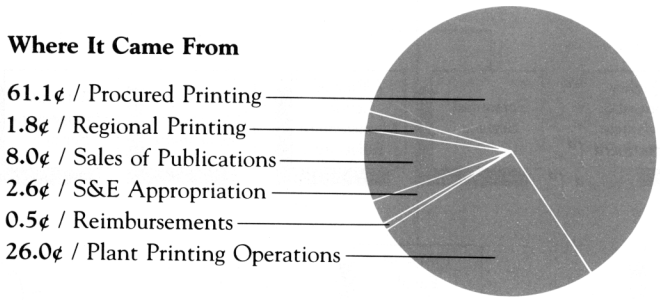
Salaries and expenses associated with the operation of the Statutory Distribution Program, the Reimbursable Distribution Program, the Depository Library Program, and the Cataloging and Indexing Program, increased by $4.8 million over 1983 to a total of $27.8 million in 1984, due primarily to the cost of increased printing for the Depository Library Program.

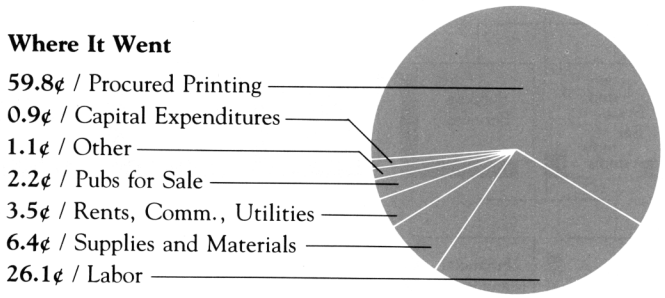
### Capital Expenditures

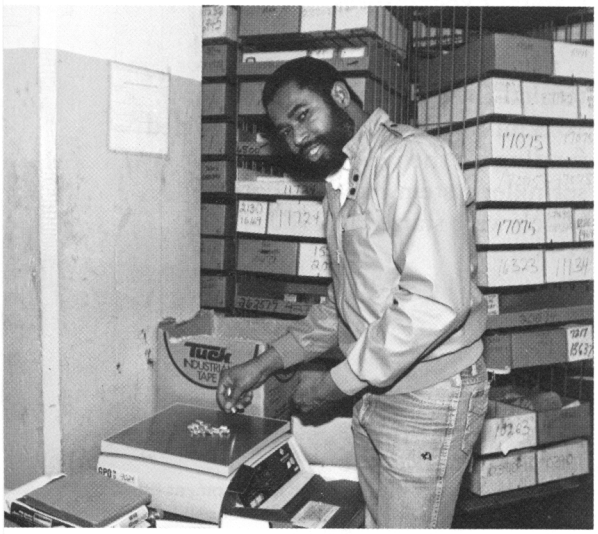
Capital expenditures last year totaled $3.4 million compared to $6.3 million in 1983. These included funding for the new elevator and sprinkler system projects, both of which were started in 1983.

Career Development Branch, Personnel Service

## GPO's 1983 Revenue Dollar





General Stores Section, Stores Division, Materials Management Service

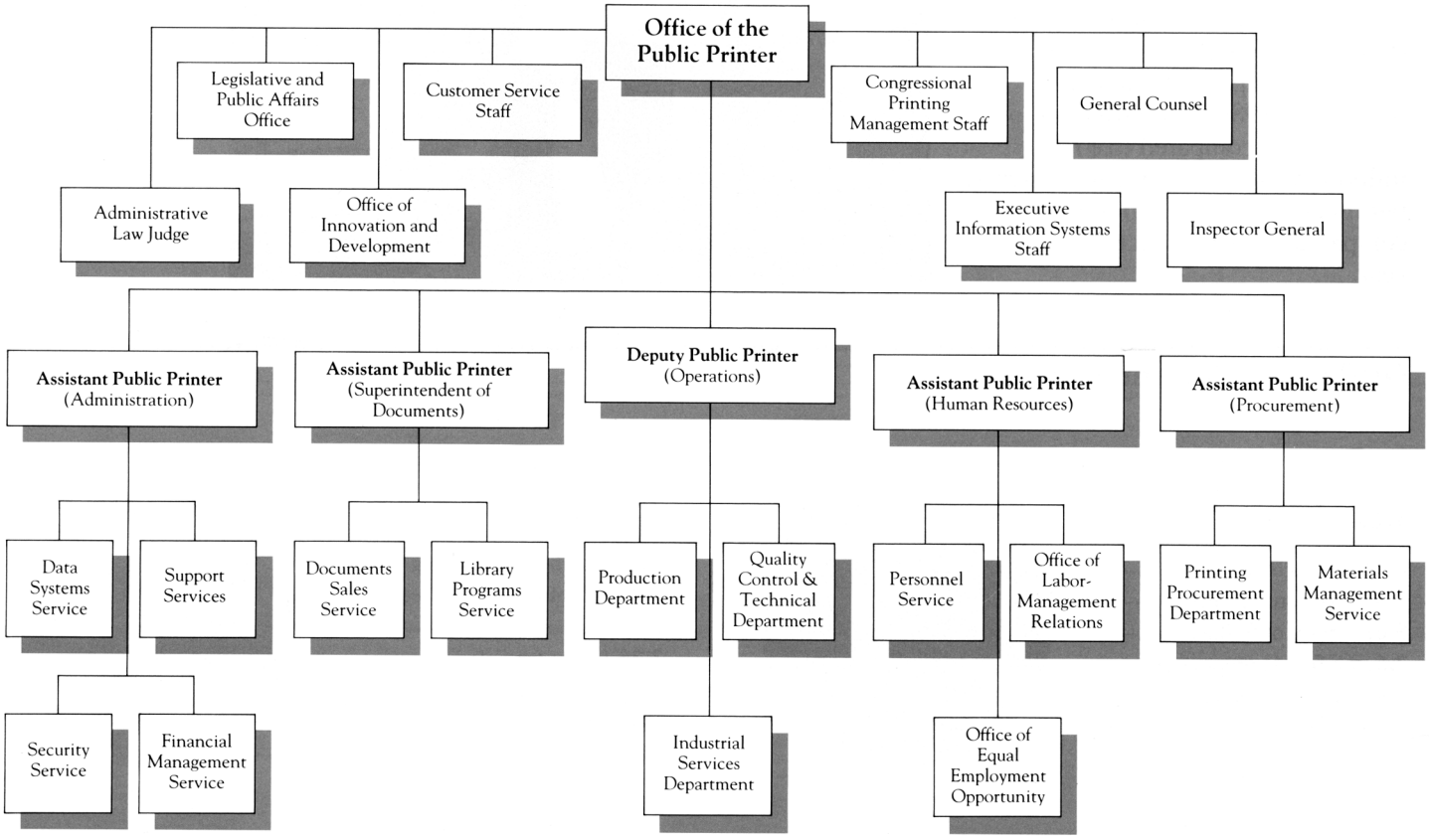
## Staffing and Organization Improvement

Dramatic technological changes over the last quarter century have transformed GPO from a hot metal printing shop and a manually-based document distribution system into a technologically-advanced, computer-based service facility. This transition has led, inevitably, to occupational dislocation and a reassessment by management of the skills and numbers of employees required to fulfill GPO's mission. At the beginning of fiscal year 1984, there were 5,815 employees on GPO's rolls. By fiscal year's end, the number had been reduced by 3 percent to 5,638, a net loss of 177 employees. This staffing reduction was accomplished through attrition and an agency-wide hiring freeze.

### Developing Human Resources

A special program designed to cross-train excess journeymen was completed in 1984. A total of 175 linotype and monotype operators, machinists, hand compositors, and proofreaders participated in keyboard training to qualify for positions in the Electronic Photocomposition Division. A special program also was set up for monotype castermen and

## Organization of the United States Government Printing Office (May 1985)



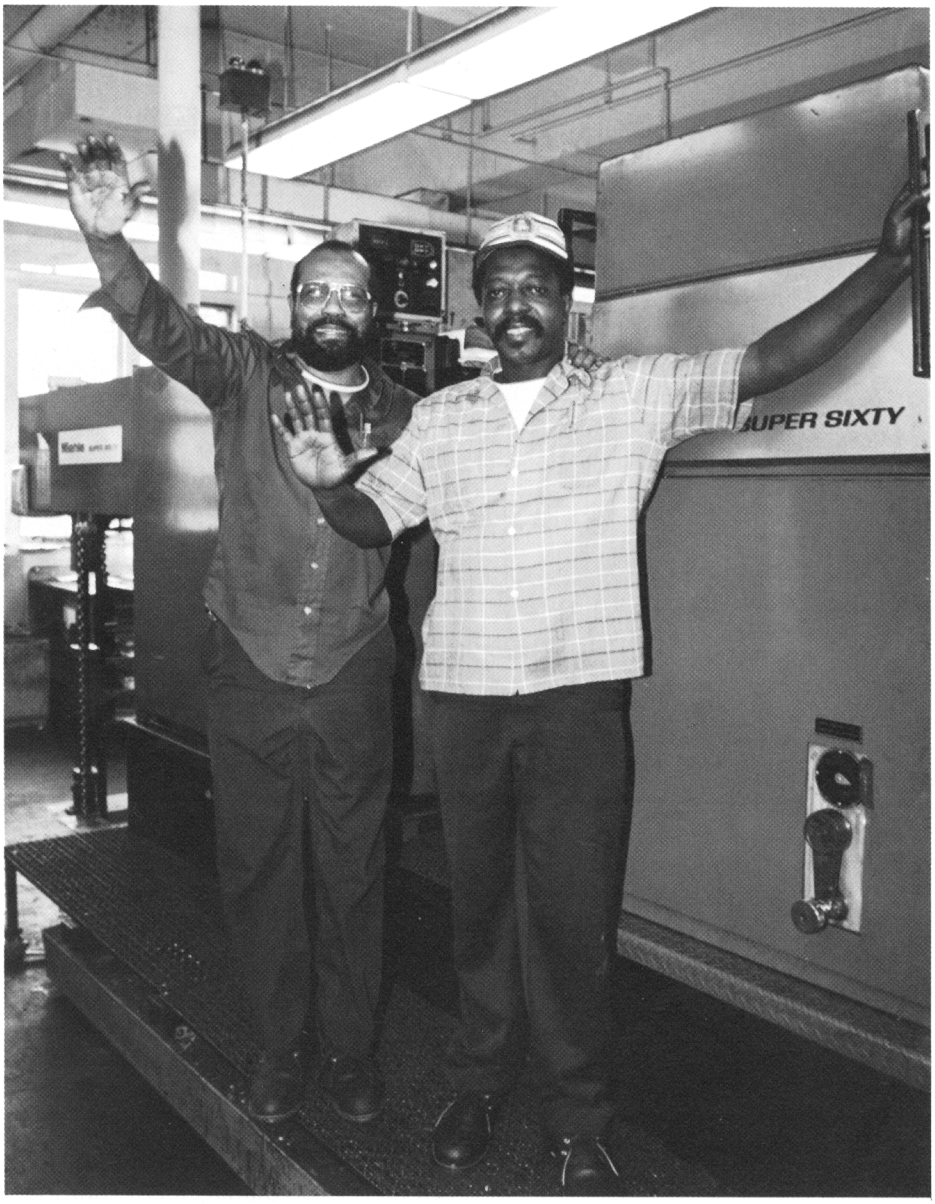
related positions. Altogether, 122 employees successfully completed training and became photocomposition keyboard operators.

In a continuing effort to reduce occupational illnesses and injuries and the resulting loss in work time, several actions were taken during 1984. All cases involving lost time were reviewed, and employee disability periods were closely monitored. Whenever appropriate, employees' personal physicians were advised of the availability of lighter duties for limited periods of time pending full employee recovery. Under this program, workers' compensation payments for on-the-job injuries decreased by $464,000 compared to 1983, representing a reduction of 215 active cases from 1983.

## Management Initiatives

**Managing Information Resources.** The GPO Information Systems Staff (ISS) was established by the Public Printer in 1983 and assigned responsibility for the planning and development of internal information-related activities. During 1984, ISS personnel initiated a pilot GPO Information Technology Center and obtained approval for GPO managers to participate in the House Information System (HIS) network.

**Appointment of Administrative Law Judge.** The first Administrative Law Judge (ALJ) in GPO's history was appointed in 1984. The ALJ serves as an official hearing officer, factfinder, and adjudicator for GPO and as such presides over procurement-related proceedings. In this capacity, the ALJ serves as Chairman of GPO's Board of Contract Appeals.




Offset Press Section, Press Division, Production Department

**Promoting Occupational Health and Safety.** Throughout 1984, GPO continued to demonstrate actively that the development of human resources is a key management responsibility. Keeping employees physically fit is a priority goal of GPO.

General Stores Section, Stores Division, Materials Management Service

In 1984, GPO continued to provide its employees with a comprehensive health maintenance program through medical programs such as glaucoma screening, high blood pressure detection, and hemoccult testing. Alcohol and drug abuse counseling programs for troubled employees at GPO were expanded this year. GPO began employee-oriented stress management training workshops in April 1984, with approximately 550 employees attending the workshops during the year. A Hearing Conservation Program also was begun in 1984, with hearing tests conducted on more than 1,300 employees.

GPO continued its efforts to provide employees with a safe and healthful work environment in 1984. Approximately 1,700 safety and fire prevention inspections of GPO work areas in the Washington metropolitan area were conducted. Progress also was made in identifying the presence of hazardous asbestos throughout the Office. Asbestos was removed by outside contractors from the sixth floor of the central office and asbestos removal in several other areas was begun.

**A Commitment to Equal Employment Opportunity (EEO).** GPO's Office of Equal Employment Opportunity has traditionally enjoyed the support of top management and employee cooperation in implementing meaningful EEO policies and programs. In 1984, this community of purpose continued to yield positive gains for minorities and women in the various occupational categories at GPO.

During the year, GPO's Upward Mobility Coordinator expanded program efforts to assist employees seeking to advance their GPO careers, by maximizing their competitiveness for positions within the Office. Twelve career planning seminars were conducted for GPO employees interested in moving onward and upward, either in their present or different career fields.

The Affirmative Programs Division continued to spearhead GPO's participation in the Adopt-A-School Program with Dunbar High School and the Lemuel Penn Career Center of Washington, DC. Foremost in this program was the Career Awareness Fair, which provided students of the DC public schools with indepth exposure to post-high school careers. Six GPO employees served as role models at the Fair, representing various organizational areas of the GPO.

Currently, the Office of Equal Employment Opportunity is working with the Printing Procurement Department on improving GPO's program of EEO contract compliance for contractors.

An important EEO case, *Thompson v. Sawyer,* was brought significantly closer to completion in fiscal year 1984. The suit was filed in Federal District Court in 1974 on behalf of several hundred female bindery workers alleging sex discrimination in GPO's wage and promotion practices in the Binding Division. The District Court held in 1979—and the Court of Appeals affirmed in 1982—that GPO's separate classification system for craft and noncraft bindery jobs perpetuated past discrimination and that the classification disparity was not justified by business necessity. In 1984, a system for back-and-front pay settlements was implemented and awards were paid to the plaintiffs from U.S. Treasury funds.

**Prevention and Detection of Waste, Fraud, and Abuse.** The Office of the Inspector General (IG) contributes to the management of GPO by pursuing numerous audits and investigations to determine compliance with laws and regulations and to reduce waste, fraud, and abuse. Recommendations resulting from these actions in 1984 generated potential cost savings totaling more than $500,000.

In 1984, the IG's investigative and security staff expanded its efforts to combat waste, fraud, and abuse by investigating fraudulent activity directed against GPO by commercial printing contractors. Of the 170 investigations opened during the year, 22 potentially involve prosecutive action by the U.S. Attorneys' Office or significant administrative action by GPO.

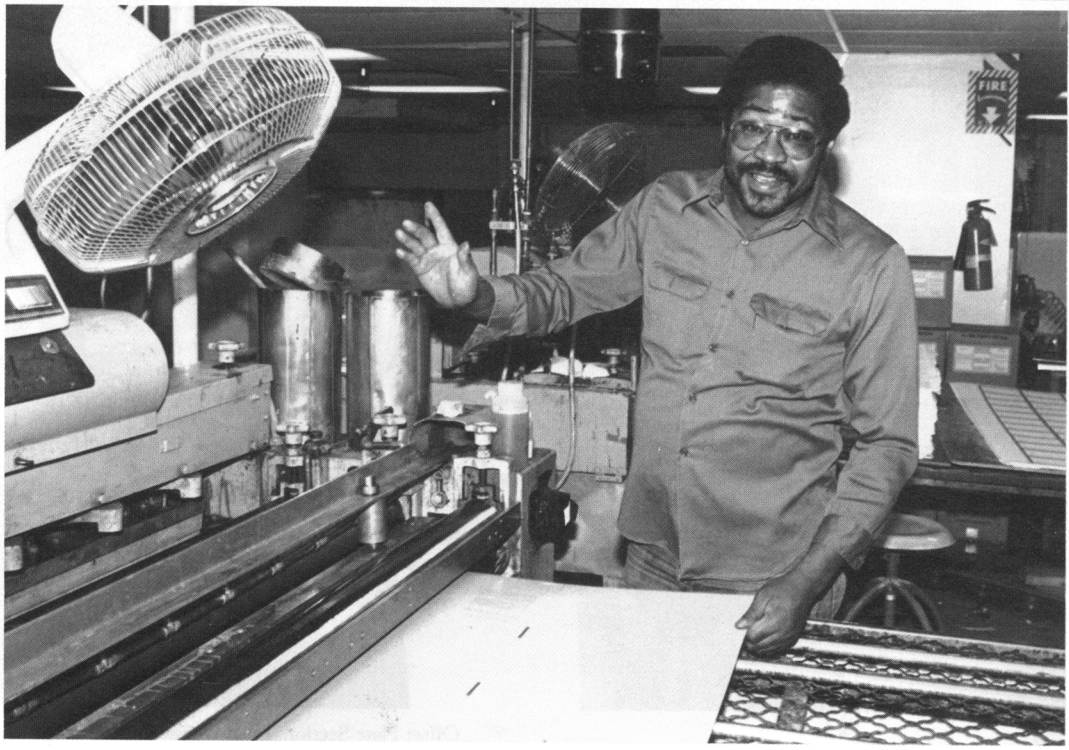
The Government Printing Office fulfills the printing and binding needs of the Federal Government by operating a large, central office printing plant and six smaller regional printing plants, and by procuring printing, binding and related products and services through the central office and thirteen regional offices.

In fiscal year 1984, in-house and commercially-procured products and services generated a consolidated revenue of $771 million, which is 93 percent of total GPO revenue. Revenue from commercially-procured printing alone was $547.9 million, which represents about 73.6 percent of the total dollar volume for printing and binding work. During the year, GPO's printing and binding operations employed 3,474 personnel who produced or procured 1.3 billion publications on 505,000 printing orders, an average of nearly 2,020 orders per day. The average value of an order produced in the central plant was $1,061, while for regional plants it was $522. The average value for a commercially-procured job was higher at nearly $1,785. GPO is truly one of the Nation's largest small-job print shops.

GPO used or sold in excess of 113 million pounds of paper this year. Of the paper purchased by GPO in 1984, 41 percent was sold to agencies and 59 percent was used for in-house printing.

## Central Office Printing Plant

GPO's central office printing plant, located four blocks north of the U.S. Capitol, employs about 2,400 production personnel to provide a full line of printing, binding, and related products and services for the Federal Government. The plant operates on




Offset Plate Section, Press Division, Production Department

Production Planning Division,
Customer Service Staff

three shifts, with almost 1,200 employees serving on the intermediate and night shifts. In fiscal year 1984, the central office plant produced nearly $210 million in revenue, representing 25 percent of GPO's total consolidated revenue.

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

On November 18, 1983, GPO printed the largest single edition of the Congressional Record ever, consisting of 464 pages. This particular issue broke the previous record established by GPO in 1982, when a single edition consisting of 432 pages was produced. In all, 7 daily editions of the Congressional Record totaled more than 300 pages each in 1984. For the year as a whole, GPO processed 37,164 Congressional Record pages, 2,353 more pages than were printed in 1983.

GPO's other major daily product, the Federal Register, which contains proposed and final regulations and announcements by Federal agencies, decreased in the number of pages produced by 11 percent from the previous year. Despite the heavy demands placed on GPO by daily fluctuations in the number of folios submitted and tight production schedules, approximately 35,000 copies of the Federal Register were produced each day.

In addition to congressional work and the Federal Register, the central office plant this year produced over

Offset Plate Section, Press Division, Production Department

6.6 million passports for the State Department and over 520 million postcards for the U.S. Postal Service.

## Materials Operations Recovery

Materials operations, a vital component of GPO's in-plant printing and paper supply functions, yielded a net income of $3.4 million in 1984 compared to a net loss of $1.4 million the previous year. The primary reason for this turnaround in financial condition was an increase in the volume of paper issued by GPO, from 100.1 million pounds the previous year to 113.7 million pounds. Approximately 68 percent of the increase in paper went to central office printing operations due to an increase in in-plant work, and the remainder was issued to Federal agencies. Changes in technology and the continuing decline of hot metal operations at GPO permitted the sale of various metals for additional revenue.

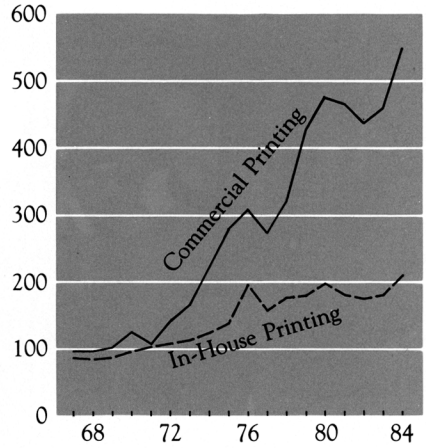
## Expanding Product and Service Options

GPO continued to upgrade its in-plant printing and binding capabilities in 1984 in order to remain at the forefront of technological progress. This year's accomplishments will enable GPO to provide its customers with a broader range of effective and economical products and services.

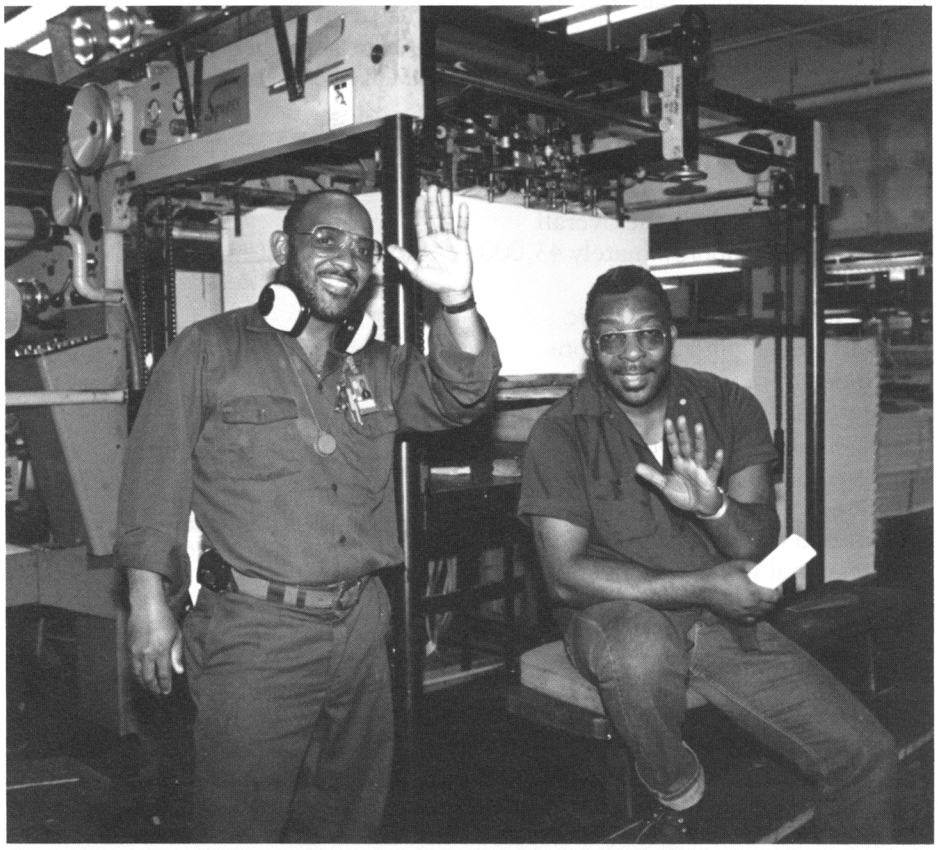
A noteworthy achievement of 1984 resulted from GPO's participation with the U.S. Postal Service in the development of the new 9-digit ZIP Code directories. Initial Postal Service plans called for a final product encompassing more than 57,000 pages. Suggestions from GPO's Production and Printing Procurement Departments, involving camera copy provided by GPO with the printing and binding to be procured commercially, will simplify the final production effort and reduce the overall page volume to approximately 43,000 pages.

The Graphic and Electronic Systems Development Divisions continued to modernize GPO's computerized pre-press functions in 1984. A substantial portion of this work was devoted to achieving increased efficiency and improved turnaround time in the production of congressional work. Congressional committee hearings, reports, and bills are now processed by GPO's Automated Composition System, which

**Procured Printing vs. In-House Work**
(In Millions of Dollars)



Rapid Response Center, Regional Printing and Procurement Division, located at the Washington, D.C., Navy Yard



Offset Section, Press Division, Production Department

has eliminated several labor-intensive operations through its ability to extract materials previously keyed for one publication for use in other publications. The Congressional Record Index can now be updated daily using a system developed by GPO. In addition, a major project is underway to support the Senate as it upgrades its current text editing system. This particular effort will facilitate the production of Senate publications at lower cost and with quicker turnaround time.

Other modernization efforts last year included the installation of an FR–80 Plotter Expansion Subsystem on the COMP 80/2 phototypesetting system, enabling GPO to produce high-quality bar charts, histograms, connected curve plots, and a wide variety of graphs onto photographic material. Procurement and installation efforts also were begun to add a 70 mm camera to the phototypesetting system. When fully operational in 1985, this addition will permit GPO to go from computer to plate in a multitude of imposition formats more quickly and economically.

Additional improvements were undertaken in GPO's Press and Bindery areas. This year, GPO secured permission from the Joint Committee on Printing to procure a new five-color press for use in the production of postcards and passports. Permission also was obtained for the procurement of a new automated passport bindery system. GPO's entire adhesive bindery line, including the Congressional Record line and the mailing operation, is now in operation, and several elements of the Bindery operation were consolidated and relocated in 1984 to make more efficient use of personnel and available space. GPO also began the conversion of computer generated labels to ink-jet printing on Congressional Record and Federal Register mailings.

Progress continued to be made in 1984 on the development and installation of an automated planning, scheduling, and tracking system—the Production Estimating and Planning System (PEPS)—in the Production area. The completion and final installation of this project will generate substantial savings for GPO by eliminating the costs associated with manual reporting, typing, and record keeping.

Fiscal year 1984 saw the groundwork laid for an ambitious, high technology improvement. A study was completed on the installation of high-speed (1 megabaud) fiber optic communications links between computers located at the GPO and computers operated by the House and

Senate. When fully operational, this system will facilitate the transfer of printing between GPO and the Congress.

## Technical Assistance for Our Customers

GPO's Customer Service Department analyzes the needs of and makes recommendations to the Congress and Federal agencies regarding specifications, electronic photocomposition, term contracts, materials, and all other aspects of their printing, binding, and distribution requirements.

Suggestions by Customer Service personnel resulted in savings to GPO's customers of nearly $262,000 on in-plant work alone in 1984. In addition, approximately 60 million more in-house impressions were planned and scheduled this year, a 12.9 percent increase over 1983. This increase more fully utilized the press capacity of the central office plant, and required approximately $2 million worth of additional binding work to be placed on a commercial binding contract.

Several innovations were made during 1984 to improve the management of printing and binding work for the Congress. New procedures were implemented to speed the delivery time on enrolled bills. In cooperation with the Superintendent of Documents, a mechanism was established to enable congressional committees to order microfiche copies of their publications in addition to printed copies. Future dividends are also expected to accrue from the use of the PEPS system to automate public document envelope and frank allotment records, and to control the Congressional Record mailing lists.

GPO's Typography and Design personnel assisted in the production of a number of prestige publications in 1984. "The U.S. Government Manual 1984/85" involved the use of state-of-the-art computer technology in the creation of its highly-praised cover graphics. In addition, the Federal Register and several Library of Congress books—"Historic America," "Railroad Maps of North America," and "Perspectives on John Philip Sousa"—all won awards for design excellence.

## Quality Control

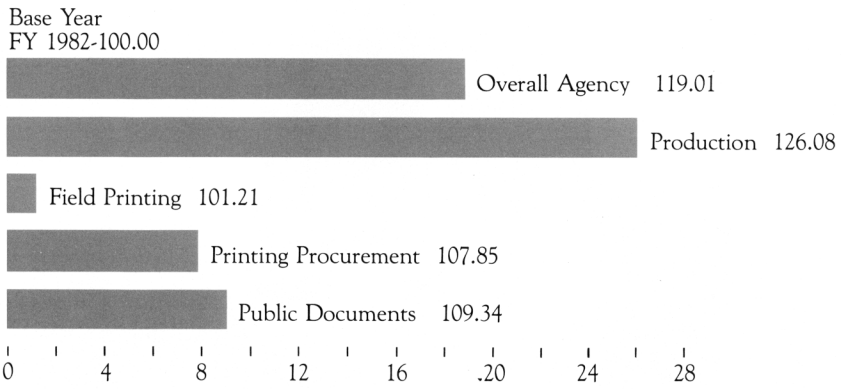
GPO's Quality Control and Technical Department develops, coordinates, and monitors quality systems for products procured and produced by GPO. These systems encompass specifications and standards, inspection and sampling, process controls, quality studies, and information feedback.

During 1984, the removal of GPO's type metal foundry was completed and the resulting floor space was returned to GPO's space pool. Sales of 1.2 million pounds of surplus type metal were made during the year. Some type metal continued to be held by GPO to support the remaining small hot metal effort in the Electronic Photocomposition Division.

In conjunction with the Production Department, Quality Control personnel continued to reduce the internal reject rate for the State Department's machine-readable passports, resulting in a net savings of approximately $96,000 to GPO this year. Quality Control personnel also performed a detailed analysis of a new type of film and developer for the Press Division, the use of which has potential annual savings of $63,000. In addition, procedures developed for GPO's central office waste paper reduction project achieved cost avoidances estimated at over $700,000 for the year.

## Productivity Indexes FY 1984

Percentage Above Base Year

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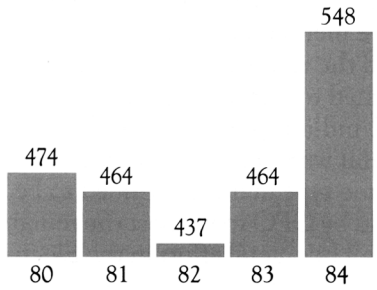
## Commercially-Procured Printing

### Purchased Printing Revenue
(In Millions of Dollars)




In fulfilling the printing and binding needs of the Federal Government, GPO adheres to the Government-wide policy of maximum utilization of private sector contractors to obtain goods and services at the most competitive price. As a result, GPO generated about 73.6 percent of its total printing and binding revenue from jobs contracted out to commercial printers in fiscal year 1984.

This year, GPO's Printing Procurement Department processed over 307,000 jobs valued at $547.9 million, an all time record for GPO in both the number and dollar value of commercial procurement actions. About 67 percent of these jobs were procured through GPO's regional offices, with the central office procuring the remainder. The growth in regional work in 1984 required the placement of additional personnel in all of GPO's regional printing procurement offices. The need for more office space at some locations also resulted in new, larger quarters for the Hampton Office, additional space for the Atlanta Office, and a planned relocation to Treasure Island for the San Francisco Office.

At the beginning of fiscal year 1984, GPO instituted Phase I of its automated Voucher Order Processing and Payment System (VOPPS), permitting the generation of more than $6 million in prompt payment discounts during the year. At the same time, the VOPPS system was interfaced with the Procurement Information and Control System (PICS), a comprehensive automated tracking and reporting system for commercially-procured printing jobs. All printing contracts are now paid by VOPPS from information entered into PICS, further reducing the manual tasks associated with voucher processing.

To improve access by potential contractors to the availability of Government printing and binding jobs, the GPO Bidline was set up in conjunction with Printing Industries of America (PIA), allowing contractors to electronically inquire into the availability of GPO bid opportunities. Service to GPO's customer agencies also was improved. A number of customer agencies were given access to GPO's Printing Cost Calculating System (PCCS) so that they can more accurately estimate their own printing orders. An important additional step was taken by allowing several of GPO's largest customer agencies to obtain information on the status of their printing orders by electronically accessing PICS.

To meet growing agency requirements for comprehensive printing and publishing services, the Printing Procurement Department this year

Term Contracts Division, Printing Procurement Department

developed a contract for a totally integrated electronic publishing, retrieval, and printing service. Known as the 400–S program to be utilized by the Department of the Army, this contract features data capture, data base maintenance, photocomposition with the digitization of graphics, the leasing of editorial device terminals at scattered locations, electronic mail, printing and binding of multiple publications, and packing and distribution. A multiyear contract with a total value of almost $37 million, this program is totally new with Department of the Army publications. Recently, GPO began writing specifications on a similar procurement program, titled 600–S, also for the Army.

GPO placed substantial emphasis during 1984 on enhancing procedures for the internal processing of print orders to provide for more timely commercial placement of Federal agency printing jobs. A major feature of this effort was the restructure of the GPO units responsible for the administration of two general usage contracts, programs 814–M and 415–M. As a result of these efforts, most orders for books, pamphlets, and cut forms are now processed within 3 days of receipt. Formerly, processing required 2 weeks or more.

This year, after reevaluating a proposal to relocate the Department Service Office (DSO) from the Washington, DC Navy Yard to GPO's central office, we implemented plans instead to retain the DSO's present location, add a commercial procurement function, and rename the facility the Rapid Response Center-National Capital Area (RRC). The facility will offer in-plant printing and binding services for small, quick-turnaround jobs, as well as commercial printing procurement activities to meet the needs of Federal agencies in the greater Washington metropolitan area. A limited printing procurement staff already is in place at the RRC and is establishing an office designed specifically for purchasing printing through commercial sources.

In another major development of 1984, a simplified contracting procedure was developed by GPO for use on a nationwide basis to meet the shortrun duplicating requirements of Federal agencies. This new procedure, which has resulted in substantially reduced costs to GPO's customer agencies, allows the agency, rather than GPO, to order directly from the contractor and process the bills for work placed against the contract. GPO imposes a one-time fee for the establishment, placement, and award of the contract and retains contract administration responsibilities. Approximately 30 such contracts, known as "agency direct-deal/contractor direct-bill" contracts, are in place at the moment, representing slightly more than $7.5 million in annual billings for commercially-operated duplicating and quick-copy firms. Annual volumes on all such contracts range as high as 500 million pages of printed and duplicated material. To date, these contracts have resulted in costs to the Government of slightly more than $1\frac{1}{2}$ cents per page, less than half the cost incurred in many agency-operated duplicating facilities.

Term Contracts Division, Printing Procurement Department

# Superintendent of Documents

The Assistant Public Printer (Superintendent of Documents) is responsible for the sale of Government publications, the compilation of catalogs and indexes of Government publications, the distribution of Government publications to depository libraries, the distribution of Government publications as required by law, and reimbursable mailings. Funding for these programs in fiscal year 1984 included $59.4 million in revenue from the sale of publications, $25.7 million from the salaries and expenses appropriation, and $3.7 million in reimbursements from other Government agencies for distribution services. Staffing for Superintendent of Documents operations was reduced from 1,027 to 993 in 1984, a 3.3 percent decrease in personnel.

Main GPO Bookstore, Field Operations Division, Documents Sales Service

## Sales of Publications

GPO's sales program operates primarily by mail order, but publications also are distributed through 24 GPO bookstores nationwide and by consigned agents in other Federal agencies. [A 25th bookstore, located at Farragut West in Washington, DC, opened in July 1984. Subsequently, the bookstore located at the Department of Health and Human Services closed in January 1985, reducing the total number of bookstores to 24.] The 1984 sales inventory comprised over 17,200 titles, including publications and subscriptions, a decrease of 300 titles compared to fiscal year 1983.

In 1984, the sales program produced revenue of $59.4 million at a cost of $53.3 million in expenses, resulting in a net income of $6.1 million. Although revenue declined by $700,000 from the last fiscal year, 1984 nevertheless was the third consecutive year in which sales program revenues exceeded costs, a noteworthy achievement compared to the $19.4 million in program losses that were accumulated between 1978 and 1981.

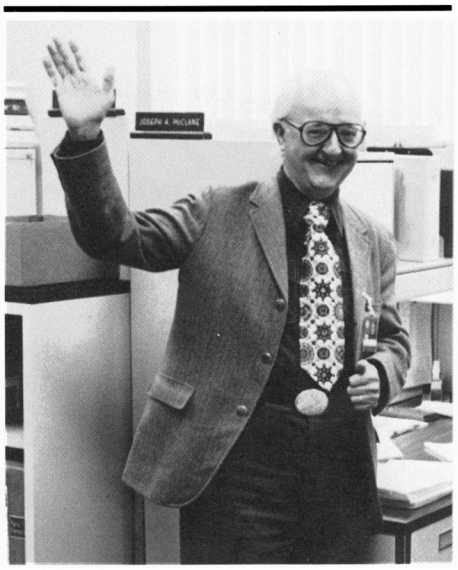
Both order volume and the number of copies sold this year registered their first upswing in a decade. The number of single-copy publication orders rose to 970,000 over 812,000 orders in 1983. Over 24.8 million sales copies were sold in 1984, compared to 24.5 million the previous year. Subscription orders also increased, from 513,000 in 1983 to 555,000 in 1984. In addition to improved marketing and sales program techniques, a significant factor leading to the increased business in single-copy sales was the implementation of a Low Priced Publications Project at GPO's Pueblo, CO Distribution Center. The project makes

small, consumer-oriented publications available to the general public, all at a price of 50 cents each. The response to the project has been encouraging. Overall, the project sold approximately 290,000 copies on 149,000 orders in 1984.

During the year, GPO concentrated on publicizing the sales program to market segments that were considered to be underexposed to Government documents. One feature of this effort involved the continuation of two catalogs, U.S. Government Books and New Books. In all, 593,000 copies of the quarterly revisions of U.S. Government Books were produced, with distribution accomplished principally through requests generated by print and broadcast media public service announcements and through rented mailing lists of prospective customers. On the average, 60,000 copies of each bimonthly New Books catalog were produced, with distribution to a growing mailing list of requestors.

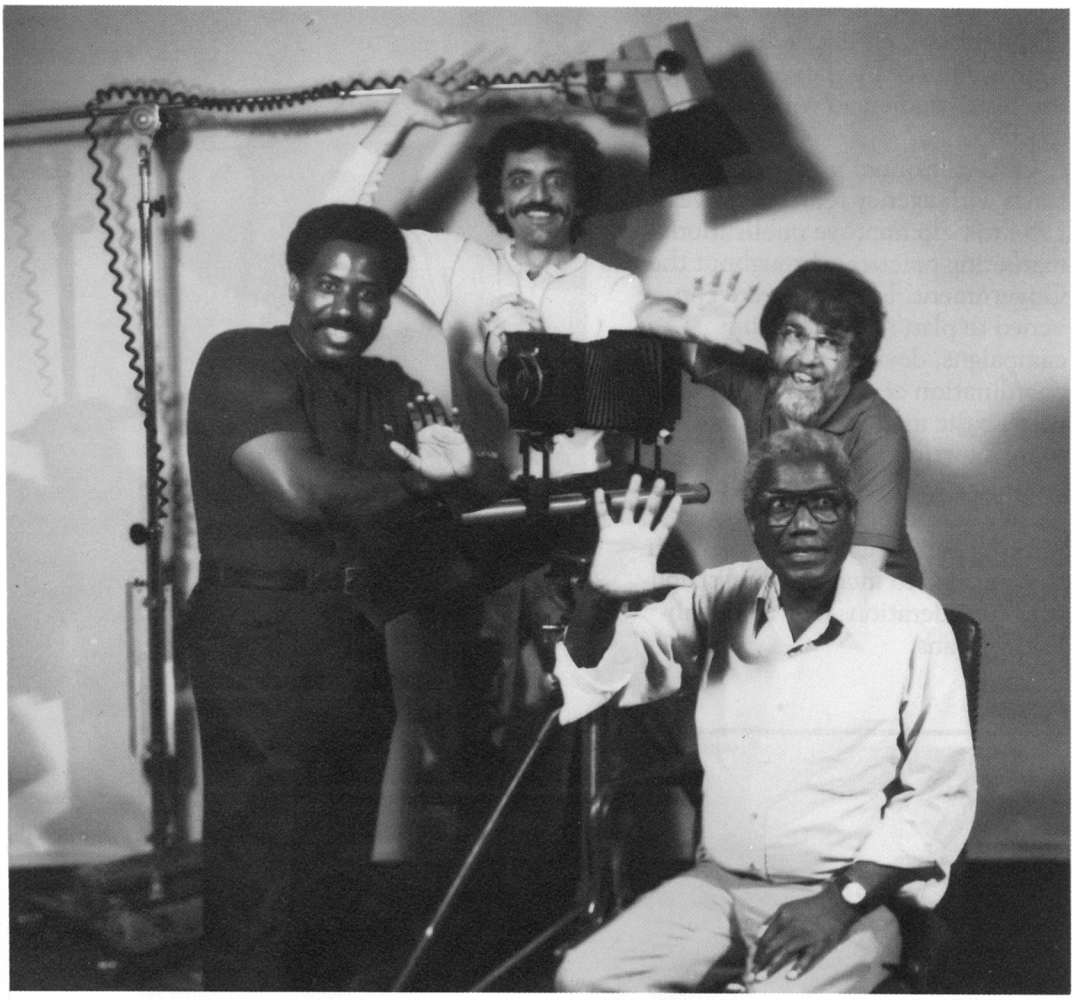
A major direct response marketing program also was initiated in 1984. GPO's Books for Professionals series entails producing and distributing pamphlets offering selections of sales titles to specific professional markets. Twelve such pamphlets were produced, listing 200 publications and 30 subscriptions. These pamphlets were marketed to an audience of approximately 1.4 million professionals, resulting in more than 15,000 orders and producing more than $487,000 in revenue this year. In a related effort, 123 product releases were written and distributed in 1984 to take advantage of the free publicity potential in the many newsletters and magazines produced by trade and professional associations. By targeting product release distribution to those groups with an interest in the subject of the release, product release subjects were announced to large, specifically interested audiences without charge to GPO.

GPO personnel met more than 100 times with agency representatives in 1984 to help improve publications marketing practices throughout the Government. Meetings were convened to plan new marketing campaigns, develop plans for the coordination of marketing resources, teach basic marketing principles, and share experiences with various techniques. These meetings provided agency editorial, publishing, and printing personnel with the support they needed to incorporate distribution considerations into their publishing plans.



Legislative and Public Affairs, Office of the Public Printer

Depository Distribution Division, Library Programs Service



Visual Communication Section, Typography and Design Division, Customer Service Staff

GPO began work in 1984 on a far-reaching and ambitious data automation project—the Integrated Customer Information System (ICIS)—for the sales program. The ICIS is a long-range project designed to integrate the capture, storage, and processing of all customer-related data, automate the decisionmaking processes involved in order processing, and provide capabilities for maximum responsiveness to financial, marketing, and overall management information needs.

A new automatic call director system was installed in the Telephone Order Section in 1984. This new system promises to increase productivity and will generate a number of management reports directed at improving operational efficiency.

The total sales revenue for all GPO bookstores in 1984 was $8.6 million, a 15.1 percent increase over the previous year. Although the number of customers served by the bookstores was down 2 percent to approximately 324,000, the average customer order rose more than 42 percent to $26.49. These figures include the business generated by GPO's Farragut West bookstore, a new commercially located bookstore in Washington, DC, which was opened in July 1984.

The efficiency of future bookstore operations will be improved by an Automated Bookstore Control System (ABCS), the development of which was begun in 1984. Electronic cash registers located in each bookstore will capture point-of-sale information and transmit it to GPO's central office on a daily basis. When fully operational, the ABCS system will maintain a complete inventory and financial profile of each bookstore.

The consigned agent sales program includes more than 70 consigned agents in other Government agencies who sell certain publications on GPO's behalf. Sales of approximately $2.2 million in this program during 1984 increased by 8 percent over sales the previous year.

A detailed planning program was initiated in 1984 to enable GPO to sell Government publications in microform and in hard copy reproduced from microfiche on an on-demand basis. When fully implemented, this feature of the sales program will make it possible to offer the public a

number of titles which ordinarily would not be carried because of their limited sales potential.

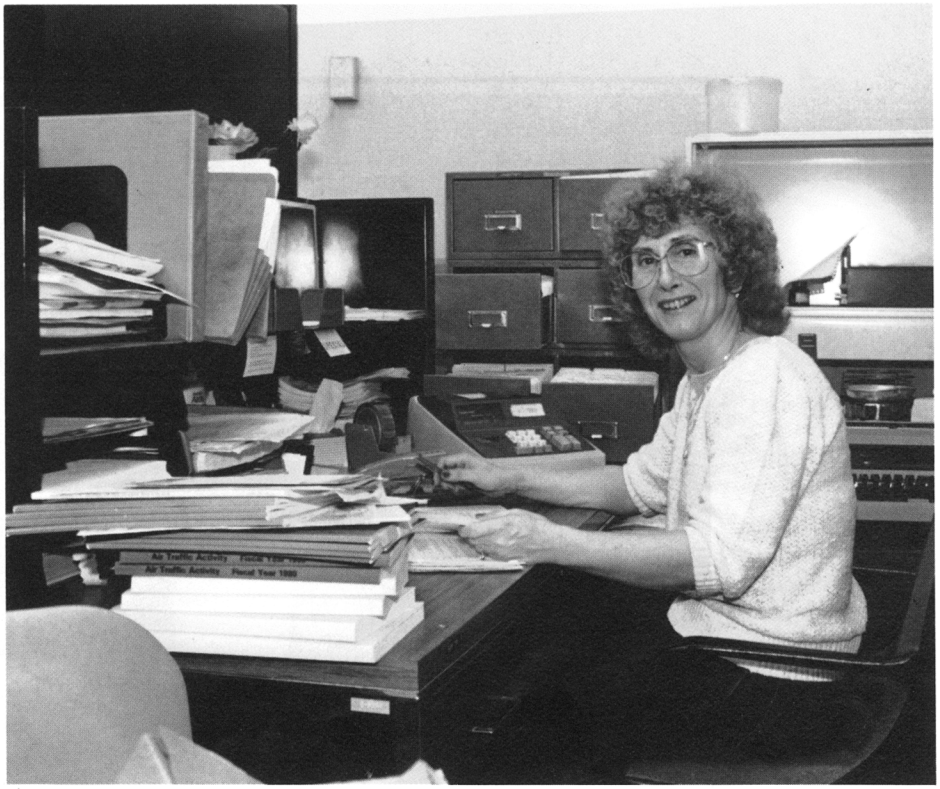
### Distribution to Depository Libraries

At the end of 1984, there were 1,391 libraries serving as Federal depositories that were required by law to make Government publications available for the free use of the public. Twenty new libraries were brought into the system during the year, while ten relinquished their designations. During 1984, GPO distributed approximately 28 million copies of 58,000 different titles in both hard copy and microfiche formats to depository libraries nationwide. Distribution of all the major statistical materials pertaining to the 1980 dicennial census was accomplished during 1984.

Although the distribution of hard copy publications to depository libraries this year increased substantially over 1983, GPO's Library Programs Service (LPS) continued to convert publications for the program to microfiche format whenever practical. Microfiche conversion lowers considerably the printing and binding costs of these publications and helps alleviate the storage problems that confront many depository libraries. In 1984, approximately 16.7 million copies or 60 percent of the publications distributed to depository libraries were in microfiche format.

Enhancing the public's awareness of the broad range of information available from depository libraries became a major objective of GPO in 1984, when a national campaign was launched to inform the general public of the existence of the depository library program. A central feature of the campaign included sending sets of radio and TV public service announcements (PSAs) to 875 radio stations and 530 television stations. By the end of the fiscal year, 265 radio stations and 184 television stations as well as the 3 major commercial networks had confirmed that they either had or would broadcast the depository PSAs. In addition, the Advertising Council endorsed the campaign late in the fiscal year, indicating that widespread use of the print-media PSA campaign planned for fiscal year 1985 will be realized.

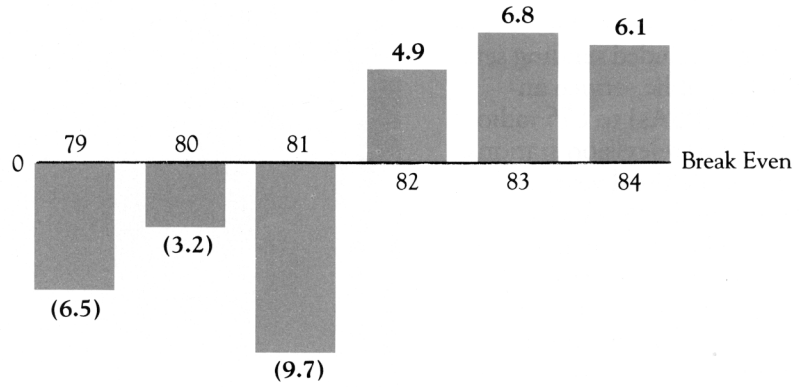
Receipts and Processing Section, Collecting and Disbursing Division, Financial Management Service



Main GPO Bookstore, Field Operations, Division, Documents Sales Service

## Net Income/(Loss) from Sales of Publications

(In Millions of Dollars)




### Cataloging and Indexing of Publications

The Superintendent of Documents indexes and classifies all Government publications and prepares the Monthly Catalog, which is a comprehensive listing of these documents. During 1984, the Monthly Catalog was offered in microfiche format for the first time, and promptly achieved best-seller status in GPO's sales program.

During 1984, an outside contractor continued to assist the Library Programs Service in cataloging approximately 26,000 documents. By the end of the fiscal year, the backlog of uncataloged publications stood at 2,878, compared to 958 a year earlier.

Fiscal year 1984 saw receipts of new publications requiring indexing and classification rise to approximately 120,000, nearly a 20 percent increase over recent years, reflecting

Central Receiving Unit, Stores Division, Materials Management Service

the rising amount of material being brought into the program. The backlog of documents awaiting classification at year end stood at 13,759, a substantial increase over the previous year. The program's classification hotline, begun in 1983, was continued as a regular service in 1984 and provided an excellent channel of communications between depository librarians and Library Programs Service personnel. In a major effort to improve the classification process, "A Practical Guide to the Superintendent of Documents Classification System" was prepared for the Library Programs Service this year. The draft of this publication has been reviewed by GPO and a group of notable documents librarians, and will be published and distributed in 1985.

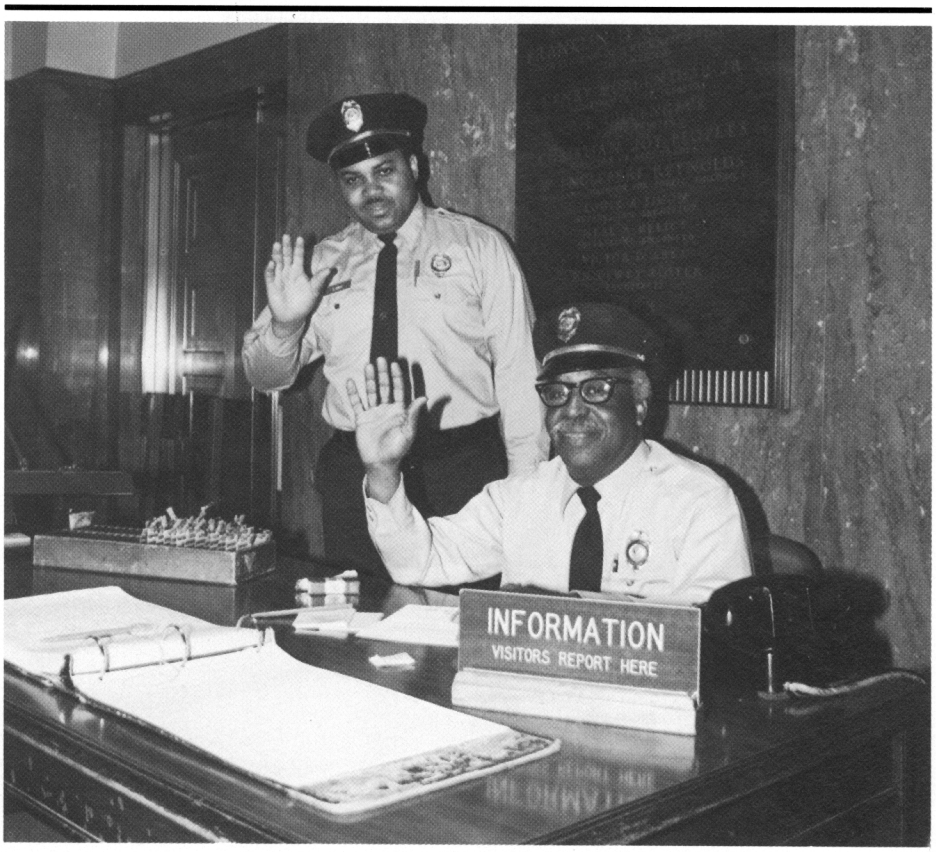
**Statutory Distribution and Reimbursable Mailing**

The Superintendent of Documents experienced a 25 percent increase in the number of copies of free Government publications distributed in accordance with statutory requirements in 1984, up to 9.7 million from the 7.8 million copies that were distributed in 1983. This year's statutory distribution workload, however, still remained well below the 17 million copies that were distributed in 1982, due primarily to Government-wide reductions in Federal printing.

The Superintendent of Documents received and mailed approximately 26.7 million publications for other Government agencies during 1984, a 2 percent decrease from the previous year, and received $3.7 million in reimbursement for this service.

GPO's largest reimbursable operation is the Consumer Information Center (CIC), which is situated at its Public Documents Distribution Center in Pueblo, CO. In 1984, 15.4 million free and paid consumer publications were distributed on behalf of the General Services Administration through this facility, a 9 percent decrease from the previous year. The full impact of the CIC's user fee program was felt during 1984, resulting in a significant reduction in the number of free publications distributed. Part of the decline in the Pueblo facility's workload was offset, however, by the growing workload associated with the new Low Priced Publications Project.

The International Exchange Program, pursuant to international treaty, provides for the distribution of U.S. Government publications to certain libraries in foreign countries around the world. The Library of Congress administers the program and GPO distributes the publications. The number of libraries in the program declined from 68 to 64 in 1984. Congressional bills and resolutions in microfiche format, which were first distributed to participating libraries in 1983, continued to be distributed under this program in 1984.




Protective Services Group, Security Service

## Consolidated Balance Sheet

As of September 30, 1984 and 1983 (notes 1 and 2) (in thousands of dollars)

| Assets | 1984 | 1983 |
|---|---|---|
| **Current Assets:** | | |
| Cash: | | |
| On-hand and in-transit | $1,769 | $1,328 |
| Revolving fund | 46,486 | 52,058 |
| Appropriations | 80,887 | 82,807 |
| Accounts receivable (Note 3) | 248,492 | 214,030 |
| Inventories (Note 4): | | |
| Publications for sale, net | 9,585 | 9,717 |
| Paper, materials and supplies | 25,005 | 18,185 |
| **Total Current Assets** | **412,224** | **378,125** |
| **Property, Plant, and Equipment (Note 5):** | | |
| Land and buildings | 17,638 | 17,638 |
| Equipment and building improvements | 86,934 | 85,709 |
| | 104,572 | 103,347 |
| Less: Accumulated depreciation | 54,673 | 48,613 |
| Net Property, Plant, and Equipment | 49,899 | 54,734 |
| **Total Assets** | **$462,123** | **$432,859** |

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

| Liabilities and Investment | 1984 | 1983 |
|---|---|---|
| **Current Liabilities:** | | |
| Accounts payable (Note 6) | $81,224 | $72,837 |
| Advances from customers (Note 7) | 33,651 | 30,766 |
| Accrued salaries and wages | 6,753 | 6,182 |
| Taxes and other withholdings | 794 | 786 |
| **Total Current Liabilities** | **122,422** | **110,571** |
| **Other Liabilities:** | | |
| Accrued annual leave | 8,041 | 7,882 |
| Income from sales of publications payable to U.S. Treasury (Note 8) | 8,238 | 2,090 |
| **Total Other Liabilities** | **16,279** | **9,972** |
| **Total Liabilities** | **138,701** | **120,543** |
| **Investment of U.S. Government:** | | |
| Appropriations obligated but unexpended (Schedule 1) | 80,758 | 85,016 |
| **Revolving Fund:** | | |
| Contributed capital (Note 9) | 111,000 | 111,355 |
| Retained earnings | 131,664 | 115,945 |
| **Total Revolving Fund** | **242,664** | **227,300** |
| **Total Investment** | **323,422** | **312,316** |
| **Total Liabilities and Investment** | **$462,123** | **$432,859** |

## Consolidated Statement of Revenue and Expense by Function and Retained Earnings

Fiscal Years 1984 and 1983 (notes 1 and 2) (in thousands of dollars)

| | Plant Printing Operations | Purchased Printing | Regional Printing |
|---|---|---|---|
| **Revenue:** | | | |
| Printing & Binding | $209,796 | $547,872 | $13,059 |
| Sales of Publications | — | — | — |
| Appropriation | — | — | — |
| Reimbursements | — | — | — |
| **Total Revenue** | **209,796** | **547,872** | **13,059** |
| **Expenses:** | | | |
| Publications sold | — | — | — |
| Unsaleable publications | — | — | — |
| Personnel compensation & benefits | 131,346 | 19,281 | 9,027 |
| Transportation | 577 | 1,377 | 65 |
| Rents, communications & utilities | 8,635 | 1,784 | 1,509 |
| Printing & reproduction | — | 514,812 | — |
| Other services | 1,925 | 444 | 257 |
| Supplies & materials | 52,876 | 663 | 3,050 |
| Depreciation | 6,745 | 397 | 238 |
| **Total Expenses** | **202,104** | **538,758** | **14,146** |
| **Net Income/(Loss)** | **$7,692** | **$9,114** | **($1,087)** |
| Retained Earnings at Start of Year | | | |
| Retained Earnings Before Payable to U.S. Treasury | | | |
| Less: | | | |
| Income from Sales of Publications Payable to U.S. Treasury | | | |
| **Retained Earnings at End of Year** | | | |

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

| Total Printing and Binding Operations | Supt. of Documents: Sale of Publications | Supt. of Documents: S&E Programs | Eliminations | Total GPO 1984 | Total GPO 1983 |
|---|---|---|---|---|---|
| $770,727 | — | — | ($32,260) | $738,467 | $637,410 |
| — | $59,431 | — | — | 59,431 | 57,060 |
| — | — | $24,142 | (408) | 23,734 | 18,927 |
| — | — | 3,654 | — | 3,654 | 3,797 |
| **770,727** | **59,431** | **27,796** | **(32,668)** | **825,286** | **717,194** |
| — | 14,924 | — | — | 14,924 | 12,714 |
| — | 1,988 | — | — | 1,988 | 3,115 |
| 159,654 | 21,458 | 8,621 | (2,448) | 187,285 | 184,609 |
| 2,019 | 433 | 399 | — | 2,851 | 4,282 |
| 11,928 | 10,990 | 4,032 | (492) | 26,458 | 24,967 |
| 514,812 | 1,056 | 13,032 | (29,012) | 499,888 | 423,029 |
| 2,626 | 745 | 906 | (474) | 3,803 | 3,132 |
| 56,589 | 1,292 | 647 | (138) | 58,390 | 45,210 |
| 7,380 | 397 | 159 | (104) | 7,832 | 5,223 |
| **755,008** | **53,283** | **27,796** | **(32,668)** | **803,419** | **706,281** |
| **$15,719** | **$6,148** | | | **21,867** | **10,913** |
| | | | | 115,945 | 107,122 |
| | | | | 137,812 | 118,035 |
| | | | | 6,148 | 2,090 |
| | | | | **$131,664** | **$115,945** |

## Consolidated Statement of Changes in Financial Position

Fiscal Years Ended September 30, 1984 and 1983 (notes 1 and 2)
(in thousands of dollars)

| | 1984 | 1983 |
|---|---|---|
| **Funds Provided:** | | |
| Net Income | $21,867 | $10,913 |
| Add expenses not requiring working capital: | | |
| Depreciation | 7,832 | 5,223 |
| Other | 381 | 390 |
| Total Funds Provided by Operations | 30,080 | 16,526 |
| Proceeds from sale of fixed assets | 60 | 296 |
| Increase in unexpended appropriations | 21,687 | 34,435 |
| Increase in accrued annual leave | 159 | 189 |
| Increase in funds payable to U.S. Treasury | 6,148 | 2,090 |
| **Total Funds Provided** | **58,134** | **53,536** |
| **Funds Applied:** | | |
| Purchase of fixed assets | 3,425 | 6,259 |
| Funds returned to U.S. Treasury | 25,946 | 27,391 |
| Decrease in contributed capital | 367 | 390 |
| Decrease in retained earnings | 6,148 | 2,090 |
| **Total Funds Applied** | **35,886** | **36,130** |
| **Increase in Working Capital** | **$22,248** | **$17,406** |

### Changes in Working Capital

| | | |
|---|---|---|
| **Current Assets:** | | |
| Cash: | | |
| On-hand and in-transit | $441 | $590 |
| Revolving fund | (5,572) | 588 |
| Appropriations | (1,920) | 5,334 |
| Accounts receivable | 34,462 | 31,993 |
| Publications for sale | (132) | (2,817) |
| Paper, materials and supplies | 6,820 | (1,541) |
| **Current Liabilities:** | | |
| Accounts payable | (8,387) | (12,931) |
| Advances from customers | (2,885) | (4,056) |
| Accrued salaries and wages | (571) | (47) |
| Taxes and other withholdings | (8) | 293 |
| **Increase in Working Capital** | **$22,248** | **$17,406** |

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

## Status of Appropriated Funds

Fiscal Years Ended September 30, 1984 and 1983 (notes 1 and 2) (in thousands of dollars) **Schedule 1**

| | Congressional Printing and Binding | Printing and Binding | Salaries and Expenses | Total Appropriated Funds | |
|---|---|---|---|---|---|
| | | | | 1984 | 1983 |
| Unexpended Appropriations at Beginning of Year | $58,885 | $8,703 | $17,428 | $85,016 | $77,972 |
| **Funds Provided:** | | | | | |
| Appropriations | 86,580 | 13,420 | 25,700 | 125,700 | 121,829 |
| Reimbursements | — | — | 3,654 | 3,654 | 3,797 |
| **Total Funds Provided** | **145,465** | **22,123** | **46,782** | **214,370** | **203,598** |
| **Funds Applied:** | | | | | |
| Amounts transferred to the revolving fund for: | | | | | |
| Printing and Binding (Schedule 2) | 66,536 | 13,337 | — | 79,873 | 68,185 |
| Federal Register | — | — | 294 | 294 | 309 |
| Distributions for other agencies | — | — | 5,794 | 5,794 | 6,233 |
| Depository library distribution | — | — | 19,233 | 19,233 | 13,848 |
| Cataloging and indexing | — | — | 2,472 | 2,472 | 2,616 |
| Funds returned to U.S. Treasury | 14,650 | 5,122 | 6,174 | 25,946 | 27,391 |
| **Total Funds Applied** | **81,186** | **18,459** | **33,967** | **133,612** | **118,582** |
| Appropriations Obligated but Unexpended at End of Year | $64,279 | $3,664 | $12,815 | $80,758 | $85,016 |

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

## Transfers to Revolving Fund from Printing and Binding Appropriations

Fiscal Years Ended September 30, 1984 and 1983
(notes 1 and 2) (in thousands of dollars) **Schedule 2**

| | 1984 | 1983 |
|---|---|---|
| Hearings | $22,304 | $16,684 |
| Miscellaneous printing and binding | 10,042 | 8,720 |
| Bills, resolutions and amendments | 6,827 | 7,552 |
| Miscellaneous publications | 4,585 | 4,130 |
| Committee prints | 3,065 | 2,956 |
| House and Senate calendars | 2,138 | 1,256 |
| Documents | 958 | 1,571 |
| Committee reports | 3,048 | 2,827 |
| Franked envelopes | 1,111 | 759 |
| Publications for International Exchange | 133 | 531 |
| Document franks | 96 | 102 |
| Details to Congress | 5,214 | 5,324 |
| Public Papers of the President (Note 10) | — | 78 |
| Congressional Record Daily | 13,352 | 11,794 |
| Congressional Record Index | 984 | 797 |
| Congressional Record Bi-Weekly | 212 | 104 |
| Congressional Record Bound | 5,804 | 3,000 |
| **Total Transfers** | **$79,873** | **$68,185** |

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

## Notes to Financial Statements

As of September 30, 1984 and September 30, 1983 (all amounts in thousands of dollars)

### (1) Organization

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

- Congressional Printing and Binding Appropriation for printing and binding performed directly for Congress.
- Printing and Binding Appropriation for printing and binding of Government publications authorized by law to be distributed without charge to the recipients.
- Salaries and Expenses Appropriation for expenses incurred by the Superintendent of Documents' operations for depository library and other by-law distribution of publications and for the cataloging and indexing of Government publications.

### (2) Summary of Significant Accounting Policies

**Principles of Consolidation** The consolidated financial statements include all funds of the Government Printing Office. Inter-fund and inter-operational transactions and balances have been eliminated.

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

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

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

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

**Property, Plant, and Equipment** Property, plant, and equipment are carried at cost. Expenditures which substantially increase the useful life of the assets are capitalized. Maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method with estimated useful lives ranging from 42 to 50 years for buildings and from 3 to 30 years for equipment and building appurtenances. During fiscal year 1984 the estimated useful life of plant computer equipment has changed from 10 years to 5 years to more closely reflect guidelines established by the Internal Revenue Service. This change decreased net income by $2,203. Fully depreciated assets still in use totaled $19,675 in 1984. Retirements are removed from the accounts.

**Pensions** The Government Printing Office employees are covered by the Civil Service Retirement and Disability Fund. Consequently, the Government Printing Office has the responsibility for withholding the required percentage from each employee's salary and for contributing to the plan. The Government Printing Office's contributions were $10,623 and $10,687 in 1984 and 1983, respectively.

### (3) Accounts Receivable

Accounts receivable as of September 30, 1984 and 1983, is comprised of the following:

| Accounts Receivable | 1984 | 1983 |
|---|---|---|
| Billed to Government Agencies | $46,200 | $25,626 |
| Unbilled completed work | 145,475 | 164,791 |
| Unbilled work in progress | 55,999 | 21,719 |
| Other | 818 | 1,894 |
| **Totals** | **$248,492** | **$214,030** |

The Government Printing Office does not establish an Allowance for Doubtful Accounts because Government agencies are required to reimburse it for all work performed on their behalf.

**(4) Inventory**

Inventories as of September 30, 1984 and 1983, are comprised of the following:

| Inventory | 1984 | 1983 |
|---|---|---|
| Publications for sale | $12,418 | $12,497 |
| Allowance for unsaleable publications | (2,833) | (2,780) |
| **Net Publications for sale** | **9,585** | **9,717** |
| Paper | 17,214 | 11,031 |
| Materials and supplies | 7,791 | 7,154 |
| **Total Material Inventory** | **$25,005** | **$18,185** |

**(5) Property, Plant, and Equipment**

Property, plant, and equipment as of September 30, 1984 and 1983, is comprised of the following:

| | 1984 | | | 1983 |
|---|---|---|---|---|
| | Acquisition Value | Accumulated Depreciation | Net Book Value | Net Book Value |
| Land | $8,983 | — | $8,983 | $8,983 |
| Buildings | 8,655 | $8,176 | 479 | 579 |
| Building improvements | 27,158 | 12,110 | 15,048 | 14,829 |
| Leasehold improvements | 118 | 70 | 48 | 64 |
| Plant machinery and equipment | 55,049 | 31,695 | 23,354 | 27,043 |
| Office machinery and equipment | 3,611 | 1,925 | 1,686 | 1,689 |
| Furniture and fixtures | 257 | 158 | 99 | 98 |
| Motor vehicles | 682 | 539 | 143 | 164 |
| Capital improvements in progress | 59 | — | 59 | 1,285 |
| **Totals** | **$104,572** | **$54,673** | **$49,899** | **$54,734** |

Other information related to property, plant, and equipment for the periods of September 30, 1984 and 1983:

| | 1984 | 1983 |
|---|---|---|
| Purchases | $3,425 | $6,259 |
| Depreciation | $7,832 | $5,223 |

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

### (6) Accounts Payable

Accounts payable as of September 30, 1984 and 1983, is comprised of the following:

| Accounts Payable | 1984 | 1983 |
|---|---|---|
| Commercial Printing | $68,902 | $62,736 |
| Other | 12,322 | 10,101 |
| **Totals** | **$81,224** | **$72,837** |

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

### (7) Advances from Customers

Advances from customers as of September 30, 1984 and 1983, are comprised of the following:

| Advances | 1984 | 1983 |
|---|---|---|
| Advance billings to customer agencies for printing services | $8,869 | $4,132 |
| Customer deposits for publications | 7,110 | 7,527 |
| subscriptions | 16,190 | 17,851 |
| Undelivered publication orders | 1,482 | 1,256 |
| **Totals** | **$33,651** | **$30,766** |

Advances from customers represent amounts which have been received by the Government Printing Office but not earned. In 1984, the procedure for estimating deferred subscription revenue was improved in order to more closely match revenues with delivery of publications. Net income of the Superintendent of Documents Sales of Publications operations was decreased in 1984 by $319 due to this change in calculating deferred revenue.

### (8) Amount Due U.S. Treasury

Title 44 requires the Government Printing Office to deposit in the United States Treasury receipts from sales of publications in excess of total costs and expenses incurred in connection with the publication and the sale thereof, as determined by the Public Printer. The amount due the U.S. Treasury through September 30, 1984 was determined as follows:

| | |
|---|---|
| Cumulative net income of Sales Program less payments made to U.S. Treasury through September 30, 1983 | $2,090 |
| Net income from sales of publications, 1984 | 6,148 |
| **Amount Due U.S. Treasury, September 30, 1984** | **$8,238** |

## (9) Contributed Capital

Contributed capital as of September 30, 1984 and 1983, was derived from the following:

| Contributed Capital | 1984 | 1983 |
|---|---|---|
| Beginning net worth when the Revolving Fund was established | $33,807 | $33,807 |
| Book value of contributed buildings and land | 909 | 1,008 |
| Appropriations for improvements to air conditioning and electrical system | 12,900 | 12,900 |
| Appropriations for working capital | 62,600 | 62,600 |
| Donated equipment | 784 | 1,040 |
| **Totals** | **$111,000** | **$111,355** |

## (10) Transfers to the Revolving Fund

Beginning with Fiscal Year 1982, the "Public Papers of the President" was financed by the Revolving Fund with reimbursements made by the customer agencies. Transfers in 1983 are for prior years.



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