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Organization Concerned: Federal Prison Industries, Inc.; Department of Justice.

Congressional Relevance: House Committee on the Judiciary; Senate Committee on the Judiciary; Congress.

Authority: 18 U.S.C. 4121.

The primary purpose of the Federal Prison Industries, Inc., a wholly owned Government Corporation which functions within the Department of Justice, is to give inmates an opportunity to obtain training in marketable skills and avoid idleness through employment. Findings/Conclusions: During fiscal year 1976, the Corporation operated 58 shops and factories at 25 Federal institutions. During this year, the Corporation altered its treatment of certain costs which previously were considered administrative expenses. The change was necessary to insure proper recording of these costs, taking into account the Corporation's reorganization along product lines. The costs related to sales, administration, and production functions will now be accounted for as direct product costs and ultimately expensed as an element of cost of goods sold. Before this new treatment, they were subject to an annual congressional limitation. The change in accounting for these costs had no effect on corporate net income, but factory overhead costs increased by \$1,001,029, and administrative expenses decreased from the previous year. The financial statements included in this report present fairly the financial position of the Corporation at June 30, 1976 and June 30, 1975; the results of its operations for the years then ended; and changes in its financial position for the year ended June 30, 1976. (Author/SC)

02182 2550



REPORT TO THE CONGRESS

*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*

Examination Of Financial Statements Of Federal Prison Industries, Inc., Fiscal Year 1976

Department of Justice

The financial statements of the Federal Prison Industries, Inc., present fairly its financial position at June 30, 1976, and the results of its operations and changes in its financial position for the year then ended.



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

9-114826

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

This report summarizes the results of our examination of the financial statements of the Federal Prison Industries, Inc., Department of Justice, for the fiscal year ended June 30, 1976.

We made our examination pursuant to the Government Corporation Control Act (31 U.S.C. 841).

We are sending copies of this report today to the Director, Office of Management and Budget, and to the Attorney General.

James B. Atchefs
Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

EXAMINATION OF FINANCIAL
STATEMENTS OF FEDERAL
PRISON INDUSTRIES, INC.
FISCAL YEAR 1976
Department of Justice

D I G E S T

The Government Corporation Control Act requires the Comptroller General to examine the financial transactions of the Federal Prison Industries, Inc.

The Federal Prison Industries, Inc., a wholly owned Government corporation created pursuant to the act of June 23, 1934, functions within the Department of Justice under the general direction and supervision of the Attorney General. The corporation's primary purpose is to give inmates an opportunity to obtain training in marketable skills and avoid idleness through employment. During fiscal year 1976 the corporation operated 58 shops and factories at 25 Federal institutions.

During fiscal year 1976 the corporation altered its treatment of certain costs which previously were considered administrative expenses. The change was necessary to insure proper recording of these costs, taking into account the corporation's reorganization along product lines. These costs are now being treated as factory overhead.

OPINION ON FINANCIAL STATEMENTS

In GAO's opinion the financial statements included in this report present fairly the financial position of Federal Prison Industries, Inc., at June 30, 1976, and June 30, 1975, the results of its operations for the years then ended, and changes in its financial position for the year ended June 30, 1976, in conformity with principles and standards of accounting prescribed by the Comptroller General of the United States, applied on a

basis consistent with that of the preceding year, except for the change, with which we concur, in product costing as described in notes 4 and 5 of the financial statements.

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ABBREVIATIONS

FPI	Federal Prison Industries, Inc.
GAO	General Accounting Office

CHAPTER 1

INTRODUCTION

The Federal Prison Industries, Inc. (FPI), a wholly owned Government corporation created pursuant to the act of June 23, 1934 (18 U.S.C. 4121), functions within the Department of Justice under the general direction and supervision of the Attorney General. The corporation's primary purpose is to give inmates an opportunity to obtain training in marketable skills and avoid idleness through employment.

The operating policies of the corporation are prescribed by a six-member board of directors appointed by the President. The directors are appointed for indefinite terms and serve without compensation. These members and the principal officials responsible for administering the day-to-day operations of the corporation are listed in appendix II.

Government agencies must purchase such industry products from the corporation as meet their requirements and as may be available at prices not exceeding current market prices. The board of directors has established the policy that prices shall not be materially below current market prices.

During fiscal year 1976 the corporation operated 58 factories and shops at 25 Federal institutions. The types of industries ranged from the manufacture of gloves, brushes, and brooms to automatic data processing and printing services. (See app. I.) Total industrial employment for the year averaged 5,423 or about 20 percent of the total inmate population.

CHAPTER 2

OPERATIONS

CHANGE IN ACCOUNTING TREATMENT FOR CERTAIN EXPENSES

FPI's operations were reorganized in fiscal year 1975 along product lines. At present, the corporation has seven product lines, each of which constitutes an operating division headed by a division manager. Formerly, the functions now being performed by these managers had been the responsibility of corporate management.

The costs related to these functions--including sales, administration, and production--had been accounted for as administrative expenses. Commencing fiscal year 1976, these costs will be accounted for as direct product costs and ultimately expensed as an element of cost of goods sold. Before this new treatment, with which we concur, they were subject to an annual congressional limitation. Under present conditions, the limitation would no longer be applicable to such costs. The fact that the division manager's work is related to the product line supports the new accounting treatment.

The change in accounting for such costs had no effect on corporate net income; however, factory overhead costs increased by \$1,001,029, and administrative expenses decreased from the previous year. Administrative expenses, subject to a fiscal year 1976 congressional limitation of \$1,906,000, amounted to \$964,389 for the year ended June 30, 1976.

PRODUCT LINE DIVISION OPERATIONS

During fiscal year 1976, corporate sales, including interindustry sales of about \$3.1 million, exceeded \$81.3 million. These sales resulted in an industrial profit of about \$13.5 million. The following schedule presents sales and profit data by product line.

<u>Product line</u>	<u>Sales</u> (million)	<u>Profit</u> (million)	<u>Percent of profit to sales</u>	<u>Number of inmates employed</u>
Textile	\$28.1	\$ 6.1	21.8	1,748
Metals/autonomous (note a)	14.9	1.9	12.7	1,052
Electronics	14.3	2.3	16.2	830
Shoe/brush	12.2	2.4	19.4	623
Wood/plastics	6.5	.1	2.0	748
Graphics	4.2	.6	15.1	248
Automatic data processing	<u>1.0</u>	<u>(b)</u>	.4	<u>174</u>
Total	<u>\$81.3</u>	<u>c/\$13.5</u>	16.6	<u>5,423</u>

a/Autonomous includes the following industrial operations: broom, auto repair, dairy, tires, and auto.

b/Total profit was \$3,875.

c/Does not add due to rounding.

The average profit-to-sales percent during the period was 16.6. Of the product line divisions, only wood/plastics and automatic data processing operated far below the average. However, since FPI must constantly strive to accomplish its primary mission of employing inmates so as to provide marketable skills and avoid idleness where possible, the profit motive is not always the sole impetus behind industrial operations. For example, despite the poor profit for these two divisions, they employ over 900 inmates at 14 separate prison locations.

INTERNAL AUDIT ACTIVITY

The internal audit function is one of management's most essential tools, complementing all other elements of management control. The internal audit staff of the Department of Justice makes annual audits of financial operations at selected industrial locations. This year's audits included 15 field locations having 34 industrial operations. Each audit culminates in a report to the Commissioner of FPI.

As part of our audit, we reviewed the scope of such work, analyzed the type and significance of any audit findings and management's response, and determined any corrective action taken. We relied to the extent possible on the internal auditors' work to reduce the scope of our audit.

CHAPTER 3

SCOPE OF AUDIT AND OPINION ON FINANCIAL STATEMENTS

We have examined the balance sheet of FPI as of June 30, 1976, the related statement of income and retained earnings, and the statement of changes in financial position for the year ended June 30, 1976. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously made a similar examination of the financial statements for the year ended June 30, 1975.

In our opinion, the financial statements referred to above present fairly the financial position of FPI at June 30, 1976 and 1975, and the results of its operations for the years then ended and the changes in its financial position for the year ended June 30, 1976, in conformity with principles and standards of accounting prescribed by the Comptroller General of the United States, applied on a basis consistent with that of the preceding year, except for the change, with which we concur, in product costing as described in notes 4 and 5 of the financial statements.

SCHEDULE 1

SCHEDULE 1

FEDERAL PRISON INDUSTRIES, INC.

BALANCE SHEET

AT JUNE 30, 1976 AND 1975 (note 1)

<u>Assets</u>	<u>1976</u>	<u>1975</u>
Current Assets:		
Funds with U.S. Treasury	\$10,737,534	\$ 4,800,761
Accounts receivable (note 2)	10,375,123	5,648,918
Inventories:		
Finished goods	5,552,819	5,798,925
Work-in-process	6,103,246	6,242,502
Materials and supplies	<u>18,401,634</u>	<u>21,285,098</u>
Total current assets	<u>51,170,386</u>	<u>43,776,204</u>
Plant and Equipment:		
Operating (GAO note 1):		
Machinery and equipment	19,905,054	19,065,481
Building and improvements	<u>20,218,247</u>	<u>20,062,959</u>
	40,223,301	39,128,440
Less accumulated depreciation	<u>18,004,452</u>	<u>16,412,599</u>
	22,218,849	22,715,841
Construction-in-process (GAO note 2)	<u>596,968</u>	<u>640,202</u>
	<u>22,815,817</u>	<u>23,356,043</u>
Vocational Training (GAO note 1):		
Machinery and equipment	1,948,130	2,423,645
Buildings and improvements	<u>5,572,883</u>	<u>5,525,400</u>
	7,521,013	7,949,045
Less accumulated depreciation	<u>2,846,946</u>	<u>2,940,372</u>
	4,674,067	5,008,673
Construction-in-process	<u>1,504</u>	<u>4,690</u>
	<u>4,675,571</u>	<u>5,013,363</u>
Other assets	<u>324,444</u>	<u>334,369</u>
Total assets	<u>\$78,986,218</u>	<u>\$72,479,979</u>
<u>Liabilities and Capital</u>		
Current Liabilities:		
Accounts payable	\$ 2,319,903	\$ 2,038,288
Accrued payroll	2,712,378	2,540,556
Other accrued liabilities	1,123,746	883,047
Contingent liability for price adjustments (note 3)	<u>164,081</u>	<u>421,888</u>
Total current liabilities	<u>6,320,108</u>	<u>5,883,779</u>
Capital:		
Initial investment of U. S. Government	4,176,040	4,176,040
Capital contributions received from other Government agencies, net	3,872,166	3,831,818
Retained earnings	<u>64,617,904</u>	<u>58,508,342</u>
Total capital	<u>72,666,110</u>	<u>66,526,200</u>
Total liabilities and capital	<u>\$78,986,218</u>	<u>\$72,479,979</u>

GAO Notes

1. The fiscal year 1975 amounts shown for plant and equipment have been restated to recognize certain vocational training items which were improperly classified as operating items. These restatements did not change the total amount shown for plant and equipment.
2. The fiscal year 1975 amount shown for construction-in-process was restated to recognize a \$20,000 contribution from the Department of Health, Education and Welfare which was not recorded until fiscal year 1976 although applicable to fiscal year 1975 operations.

The notes on pages 8 to 11 are an integral part of the financial statements.

FEDERAL PRISON INDUSTRIES, INC.STATEMENT OF INCOME AND RETAINED EARNINGSFOR FISCAL YEARS ENDED JUNE 30, 1976 AND 1975 (note 1)

	<u>1976</u>	<u>1975</u>
Sales to Government agencies	\$78,153,903	\$68,683,574
Cost of goods and services sold (note 4)	<u>64,249,366</u>	<u>57,300,194</u>
Gross profit	13,904,537	11,383,380
Selling expenses:		
Freight	392,646	489,848
Samples	<u>24,605</u>	<u>36,482</u>
	<u>417,251</u>	<u>526,330</u>
Administrative expenses (note 5):		
Salaries	599,345	1,080,153
Workmen's compensation (note 6)	288,101	310,399
Travel	36,087	96,077
Rent for Washington office	26,176	54,416
Telephone	11,828	32,993
Printing and reproduction	39,497	46,337
Auditing (note 7)	210,000	175,000
Miscellaneous	<u>195,550</u>	<u>280,522</u>
	<u>1,406,584</u>	<u>2,075,897</u>
Depreciation	<u>2,572</u>	<u>3,969</u>
Total operating expenses	1,826,407	2,606,196
Income from operations	12,078,130	8,777,184
Other income	154,491	50,299
Loss on disposition of assets	<u>(47,509)</u>	<u>(114,850)</u>
Income before nonoperating expenses	<u>12,165,112</u>	<u>8,712,633</u>
Christmas packages to inmates	58,626	42,444
Meritorious compensation to inmates	1,281,969	1,085,995
Accident compensation	92,766	101,751
Vocational expenses (note 9)	<u>4,722,189</u>	<u>4,833,528</u>
Total non-operating expenses (note 8)	<u>6,155,550</u>	<u>6,063,718</u>
Net income	6,029,562	2,648,915
Retained earnings at beginning of year	<u>58,588,342</u>	<u>55,939,427</u>
Retained earnings at end of year	<u>\$64,617,904</u>	<u>\$58,588,342</u>

The notes on pages 8 to 11 are an integral part of the financial statements.

FEDERAL PRISON INDUSTRIES, INC.STATEMENT OF CHANGES IN FINANCIAL POSITIONFOR FISCAL YEARS ENDED JUNE 30, 1976 AND 1975 (note 1)

	<u>1976</u>	<u>1975</u>
Funds provided by:		
Sales of products and services	\$78,153,903	\$68,683,574
Other income	154,491	50,299
Capital contribution	<u>200,450</u>	<u>418,200</u>
Total funds provided	<u>78,508,844</u>	<u>69,152,073</u>
Funds used for:		
Cost of goods and services sold, net of depreciation	62,483,788	55,516,807
Selling expenses	417,251	526,330
Administrative expenses	1,406,584	2,075,897
Loss on sale of fixed assets	47,509	114,850
Acquisition of fixed assets	1,425,876	1,561,588
Vocational training expenses net of depreciation (note 9)	4,346,547	4,414,986
Christmas packages to inmates	58,626	42,444
Meritorious compensation to inmates	1,281,969	1,085,995
Accident compensation	<u>92,766</u>	<u>101,751</u>
Total funds used	<u>71,560,916</u>	<u>65,440,648</u>
Increase in working capital	<u>\$ 6,947,928</u>	<u>\$ 3,711,425</u>
Analysis of changes in working capital:		
Increase (decrease) in current assets:		
Funds with U.S. Treasury	5,936,743	(1,051,752)
Accounts receivable	4,726,205	(1,772,866)
Inventories:		
Finished goods	(246,106)	650,450
Work-in-process	(139,256)	1,190,404
Materials and supplies	(2,883,404)	4,171,788
Other	(9,925)	34,650
(Increase) decrease in current liabilities:		
Accounts payable	(281,615)	1,086,830
Accrued payroll	(50,938)	(271,338)
Other liabilities	(361,583)	(465,605)
Estimated liability for price adjustments (note 3)	<u>257,807</u>	<u>138,864</u>
Increase in working capital	<u>\$ 6,947,928</u>	<u>\$ 3,711,425</u>

The notes on pages 8 to 11 are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Federal Prison Industries, Inc. include the accounts of the central office and the industrial facilities at 25 penal and correctional institutions. Appropriate eliminations are made for inter-industry transactions and resulting profits.

The straight-line method of depreciation is used for all depreciable assets. Rates of depreciation are generally based on useful life guidelines established in Revenue Procedures 62-21 issued by the Treasury Department, Internal Revenue Service.

Raw materials inventory is recorded at actual cost or appraised value for donated material.

Work-in-process inventory is recorded at actual cost determined by one of the following methods: process costing, job costing, or standard costing, depending upon the type of industry.

Finished goods inventory is stated at the lower of cost or 95 percent of selling price.

All fixed assets costing \$200 or more are capitalized; those costing less are expensed in the current period.

2. ACCOUNTS RECEIVABLE

Accounts receivable consists primarily of amounts due from Government agencies (e.g., Post Office, General Services Administration, and Department of Defense). Accounts receivable are aged as either over or under 90 days. Approximately \$445,000 in fiscal year 1976 and \$674,000 in fiscal year 1975 of accounts receivable were past due 90 days or more.

3. LIABILITY FOR PRICE ADJUSTMENTS

Sales figures are net of anticipated adjustments to customers. A \$164,081 liability has been established for anticipated refunds for price reductions on items sold during the year.

4. COST OF GOODS AND SERVICES SOLD

Costs of goods and services sold for fiscal year 1976 include \$1,001,029 of operating costs for Product Divisional Offices. The operation of each Product Division Office was established under FPI reorganization; these costs were previously reported as administrative. (See note 5.)

	<u>Fiscal year</u>	
	<u>1976</u>	<u>1975</u>
Material	\$38,368,493	\$37,691,317
Labor	3,822,048	3,385,885
Overhead	<u>21,673,463</u>	<u>18,063,846</u>
	63,864,004	59,141,048
Add work-in-process, beginning	6,242,502	5,152,098
Less work-in-process, ending	<u>(6,103,246)</u>	<u>(6,42,502)</u>
Cost of goods and services manufactured	64,003,260	57,950,644
Add finished goods, beginning	5,798,925	5,148,475
Less finished goods, ending	<u>(5,552,819)</u>	<u>(5,798,925)</u>
Cost of goods and services sold	<u>\$64,249,366</u>	<u>\$57,300,194</u>

5. ADMINISTRATIVE EXPENSES

Certain administrative expenses are subject to congressional limitation.

	<u>Fiscal year</u>	
	<u>1976</u>	<u>1975</u>
Amounts subject to congressional limitation:		
Salaries	\$599,345	\$1,080,153
Travel	36,087	96,077
Rent for Washington office	26,176	54,416
Telephone	11,828	32,993
Printing and reproduction	39,497	46,337
Auditing	210,000	175,000
Miscellaneous	<u>41,456</u>	<u>73,885</u>
Expenses subject to limitation	<u>\$964,389</u>	<u>\$1,558,861</u>

Congressional limitation:

1976 - \$1,906,000

1975 - \$1,804,000

Beginning with fiscal year 1976, all costs related to the product line divisions, regardless of geographic location, will be charged to that division and considered as part of overhead (\$1,001,029) in cost of goods sold. The administrative expense accounts subject to congressional limitation received all charges related to the general management of the corporation as a whole.

6. WORKMEN'S COMPENSATION

The Department of Labor pays all workmen's compensation expenses incurred by the Corporation. Labor is then reimbursed by the Corporation. Bills for each fiscal year's workmen's compensation expense are not received by the Corporation until after the close of the fiscal year. Beginning with fiscal year 1975, the Corporation established an accrual to cover the anticipated expense for workmen's compensation for the current year. However, the expense shown for fiscal year 1975 represents the actual cost billed by Labor to the Corporation for fiscal year 1974 of \$154,399, plus an accrual for fiscal year 1975 of \$156,000. The amount shown for fiscal year 1976 represents an adjustment of \$48,101 to reflect the actual expense billed to the Corporation for fiscal year 1975 and an accrual of \$240,000 for fiscal year 1976.

7. AUDITING

The amounts reported represent the charges for the internal audit function performed by the Office of Internal Audit, Department of Justice and the audit of the Corporation's financial statements by GAO. Both audit functions are made annually. Costs incurred were as follows:

	<u>Fiscal year</u>	
	<u>1976</u>	<u>1975</u>
Department of Justice audit	\$175,000	\$150,000
GAO audit	<u>35,000</u>	<u>25,000</u>
	<u>\$210,000</u>	<u>\$175,000</u>

8. NONOPERATING EXPENSES

These expenses are not directly related to the operations of FPI but apply to all inmates of Federal prisons. The

amounts are determined by the Board of Directors, except for accident compensation which is based on actual experience.

9. VOCATIONAL EXPENSE

	<u>Fiscal year</u>	
	<u>1976</u>	<u>1975</u>
Personnel compensation	\$2,920,449	\$3,037,056
Personnel benefits	291,378	281,322
Travel and transportation of persons	59,422	26,519
Transportation of things	11,305	6,687
Rent, communications, utilities	246,357	229,091
Printing and reproduction	136,402	15,323
Other services	324,754	429,910
Supplies and materials	<u>356,480</u>	<u>339,078</u>
Subject to congressional limitation (note a)	4,346,547	4,414,986
Add depreciation:		
Machinery and equipment	195,172	227,057
Building and improvements	<u>180,470</u>	<u>191,485</u>
Total	<u>\$4,722,189</u>	<u>\$4,833,528</u>

a/Subject to congressional limitation of \$5,120,000 for fiscal year 1976 and \$5,051,000 for fiscal 1975.

APPENDIX I

APPENDIX I

SUMMARY OF INDUSTRIAL OPERATIONS

FISCAL YEARS ENDED JUNE 30, 1976 AND 1975

Industry	Institution	Sales		Profit or loss (-)		Average inmates employed 1976
		1976	1975	1976	1975	
Manufacturing:						
Basket	Atlanta	\$ 2,263,999	\$ 2,168,211	\$ 209,684	\$ 264,880	46
Broom	El Reno	1,411,961	622,847	284,650	62,238	68
Brush	La Tuna	1,329,538	834,063	376,775	204,729	84
Brush	Leavenworth	5,106,435	3,428,014	1,540,201	794,887	131
Canvas	Atlanta	1,826,454	3,178,717	319,689	240,715	60
Canvas	Terre Haute	748,823	797,014	196,827	62,019	65
Cloth	Lewisburg	733,659	592,836	92,503	87,464	92
Dairy	La Tuna	186,593	221,164	18,347	23,552	28
Drafting	Oxford	25,540	-	-58,409	267	15
Electronics	Danbury	2,326,292	1,838,681	447,565	320,707	140
Electronics, cable	Lexington	295,533	-	19,303	-	48
Electronics	Lompoc	3,922,084	3,012,390	849,683	762,704	211
Electronics, cable	McNeil Island	4,554,620	3,914,486	824,331	678,563	212
Electronics equipment	McNeil Island	162,740	-	62,475	-	26
Electronics	Oxford	2,047,363	416,658	456,212	92,175	92
Electronics	Petersburg	1,037,341	1,194,094	-72,408	-163,438	101
Furniture	Allenwood	849,489	938,566	22,418	165,249	116
Furniture	Leavenworth	1,073,998	1,499,681	130,933	259,080	94
Furniture	Lompoc	576,264	739,762	-10,298	-39,603	52
Furniture	McNeil Island	768,256	700,417	133,710	53,144	91
Furniture	Seagoville	227,844	223,932	27,540	29,715	43
Furniture	Tallahassee	529,124	317,258	16,499	-58,830	50
Furniture	Terminal Island	296,236	551,797	-66,251	-145,353	49
Furniture	Terre Haute	332,447	432,351	-32,411	-51,863	18
Furniture	Texarkana	864,787	1,190,873	71,622	281,382	86
Garment	Alderson	795,629	1,871,769	99,731	507,133	107
Glove	Danbury	402,770	198,092	68,132	16,728	82
Glove	Safford	975,853	396,396	302,841	49,980	85
Glove	Sandstone	572,433	370,216	128,195	92,453	76
Machine, tool and die	El Reno	1,540,274	1,303,504	254,609	134,552	98
do.	Marion	62,621	118,063	-10,892	-11,470	10
Mattress	Atlanta	3,405,313	2,467,306	1,004,470	813,569	43
Metal	Lewisburg	5,697,086	4,572,185	912,449	355,013	368
Metal	Marion	2,443,305	1,912,946	313,626	-16,955	116
Metal	Milan	1,718,441	1,603,645	139,360	88,806	135
Metal	Terminal Island	1,259,628	1,385,249	108,965	-226,492	156
Plastics	Oxford	493,658	36,918	-85,123	-6,619	50
Printing	Lompoc	861,305	368,998	282,688	117,042	40
Printing	Marion	1,015,712	850,053	220,279	90,981	40
Printing	Sandstone	472,807	425,767	59,958	39,223	40
Production Training Unit	Fort Worth	10,435	-	-14,551	-	10
Shoe	Leavenworth	5,765,239	5,885,925	519,655	715,101	408
Sign	Atlanta	1,023,433	1,121,267	131,800	150,609	42
Sign	Lompoc	797,135	1,007,357	116,084	230,469	61
Textile, cotton	Atlanta	12,004,023	12,354,417	3,025,790	2,523,055	767
Textile wool	Terre Haute	4,370,023	3,710,575	804,811	463,459	325
Tire	Petersburg	540,148	506,336	59,697	75,185	48
Total		79,724,712	71,280,796	14,303,264	10,598,935	5,125
Services:						
Automatic Data Processing	Alderson	256,758	296,885	1,625	59,692	63
Automatic Data Processing	Fort Worth	109,331	103,138	15,173	30,014	26
Automatic Data Processing	Leavenworth	369,367	351,493	60,943	48,919	47
Automatic Data Processing	Lexington	29,742	-	9,592	-	14
Automatic Data Processing	Terminal Island	173,953	183,288	-19,151	8,657	24
Auto	Petersburg	25,297	4,564	-18,990	-15,298	10
Auto	Tallahassee	9,713	9,813	1,630	3,357	7
Auto repair	Ashland	25,798	15,385	-708	-26,114	8
Furniture repair	La Tuna	575,662	503,622	120,180	110,283	99
Total		1,575,821	1,467,988	170,314	219,510	298
Less: Product Division expense				1,001,029		
Total		\$81,300,533	\$72,748,784	\$13,472,549	\$10,818,463	5,423

PRINCIPAL MANAGEMENT OFFICIALS
RESPONSIBLE FOR THE ACTIVITIES
DISCUSSED IN THIS REPORT

	<u>Date</u> <u>appointed</u>	<u>Representative of</u>
BOARD OF DIRECTORS:		
James L. Palmer, President	Sept. 1951	Retailer and consumers
John Marshall Briley, Vice President	Jan. 1960	Secretary of Defense
George Meany	Dec. 1947	Labor
Berry N. Beaman	Jan. 1954	Industry
William E. Morgan	May 1966	Agriculture
Peter B. Bensinger	Apr. 1974	Attorney General
		<u>Tenure of office</u>
		<u>From</u> <u>To</u>
COMMISSIONER OF INDUSTRIES:		
Norman A. Carlson	Mar. 1970	Present
ASSOCIATE COMMISSIONER OF INDUSTRIES:		
David C. Jelinek	Jan. 1974	Present
SECRETARY:		
Paul Plein	Aug. 1970	Present