

GAO

Report to the Acting Administrator,
General Services Administration

May 1989

FINANCIAL AUDIT

**Audit of GSA's General
Supply Fund for Fiscal
Year 1988**



Accounting and Financial
Management Division

B-222794

May 17, 1989

The Honorable Richard G. Austin
Acting Administrator
General Services Administration

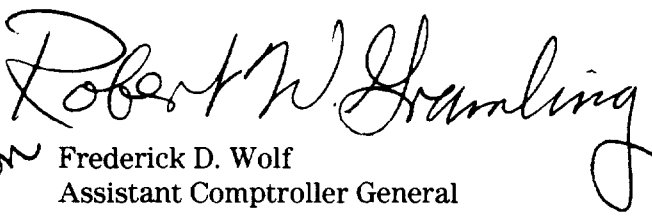
Dear Mr. Austin:

This report presents our unqualified opinion on the consolidated financial statements of the General Services Administration's (GSA) General Supply Fund for the fiscal year ended September 30, 1988, and our reports on the fund's system of internal accounting controls and on its compliance with laws and regulations. We conducted our audit in accordance with generally accepted government auditing standards.

GSA's General Supply Fund consists of four revolving funds which are a component of, and have significant transactions with, other revolving, general, and special funds of GSA. The consolidation of all GSA funds is being reported on by another independent auditor.

We are sending copies of this report to interested Congressional Committees, the Director of the Office of Management and Budget, and the Secretary of the Treasury.

Sincerely yours,

for 
Frederick D. Wolf
Assistant Comptroller General

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Abbreviations

GSA General Services Administration

**Accounting and Financial
Management Division**

B-222794

To the Acting Administrator
General Services Administration

We have audited the consolidated balance sheet of the General Services Administration's (GSA) General Supply Fund as of September 30, 1988, and the related consolidated statements of revenues and expenses, of changes in financial position, and of reconciliation to budget reports for the fiscal year then ended. These financial statements are the responsibility of GSA management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

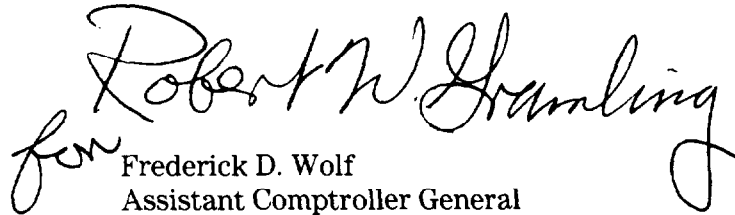
We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the consolidated financial statements, GSA's General Supply Fund consists of four revolving funds, which are a component of, and have significant transactions with, other revolving, general, and special funds of GSA. The consolidation of all GSA funds is being reported on by another independent auditor.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the General Services Administration's General Supply Fund as of September 30, 1988, and the results of its operations, the changes in its financial position, and the reconciliation to budget reports for the fiscal year then ended, in conformity with generally accepted accounting principles for federal agencies.

In addition to this report on our audit of GSA's General Supply Fund's fiscal year 1988 financial statements, we are also reporting on our study and evaluation of internal accounting controls and compliance with laws and regulations. Also, during our audit, we identified matters that do

not affect the fair presentation of the financial statements, but nonetheless warrant management's attention. We are reporting them separately to GSA.

for  Robert W. Gramling
Frederick D. Wolf
Assistant Comptroller General

March 17, 1989

Report on Internal Accounting Controls

We have audited the consolidated financial statements of the General Services Administration's (GSA) General Supply Fund for the fiscal year ended September 30, 1988, and have issued our opinion thereon. As part of our audit, we made a study and evaluation of the system of internal accounting controls to the extent we considered necessary to evaluate the system as required by generally accepted government auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on GSA's General Supply Fund consolidated financial statements.

We obtained a knowledge and understanding of the General Supply Fund's control procedures, assessed the type and magnitude of errors and irregularities that could occur, and identified and evaluated the adequacy of significant internal accounting controls. However, we did not evaluate internal accounting controls over all functions within the General Supply Fund. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting controls taken as a whole.

GSA's management is responsible for establishing and maintaining a system of internal accounting controls in accordance with the Accounting and Auditing Act of 1950 and the Federal Managers' Financial Integrity Act of 1982. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system of internal accounting controls are to provide management with reasonable assurance that (1) obligations and costs are in compliance with applicable laws, (2) funds, property, and other assets are safeguarded against waste, loss, and unauthorized use or misappropriation, and (3) assets, liabilities, revenues, and expenditures applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over Fund assets. Because of inherent limitations in any system of internal accounting controls, errors and irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

GSA reviewed its system of internal accounting and administrative controls in accordance with the Federal Managers' Financial Integrity Act of 1982. In its Federal Managers' Financial Integrity Act report for fiscal

year 1988, dated December 30, 1988, GSA reported that its system of internal accounting and administrative controls, taken as a whole, provided reasonable assurance that controls were achieving their intended objectives. We reviewed GSA's report and considered its statements in conducting our study and evaluation to determine the nature, timing, and extent of audit tests.

Our study and evaluation, made for the limited purpose described in the second paragraph, would not necessarily disclose all material weaknesses in the system of internal accounting controls. Accordingly, we do not express an opinion on GSA's General Supply Fund system of internal accounting controls taken as a whole. Our study and evaluation did not disclose any internal control weaknesses which we considered to be material in relation to the financial statements taken as a whole.

In our report on our fiscal year 1987 study and evaluation of internal controls, made as a part of our examination of GSA's consolidated financial statements (GAO/AFMD-89-17, November 21, 1988), we disclosed a condition which we believed would adversely affect GSA's ability to record, process, and report financial data for the Interagency Fleet Management Fund, one of the four General Supply Fund revolving funds. We determined the need for stronger internal controls in maintaining records for the Fund, particularly vehicle disposal.

The results of our examination for fiscal year 1988 transactions indicated that GSA improved its controls and procedures in the Interagency Fleet Management Fund. This consisted largely of improving automated controls which reduced the processing time of paper work for vehicles sold at auction. This enabled the net book value of sold vehicles to be promptly charged to operations, properly matching costs with the sales proceeds. Accordingly, we no longer consider this to be a material internal accounting control weakness. However, several remaining minor problems concerning General Supply Fund operations will be reported separately to GSA.

Report on Compliance With Laws and Regulations

We have audited the consolidated financial statements of the General Services Administration's (GSA) General Supply Fund for the fiscal year ended September 30, 1988, and have issued our opinion thereon. Our audit was made in accordance with generally accepted government auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures, including tests of compliance with laws and regulations, as we considered necessary in the circumstances.

The management of GSA is responsible for the General Supply Fund's compliance with laws and regulations. In connection with our audit referred to above, we selected and tested transactions and records to determine GSA's compliance with laws and regulations, noncompliance with which could have a material effect on the consolidated financial statements of the Fund.

As part of our audit, we reviewed and tested compliance with provisions of the Federal Property and Administrative Services Act of 1949, the Prompt Payment Act, the Anti-Deficiency Act, and the Consolidated Omnibus Budget Reconciliation Act. We also performed limited testing of Federal Acquisition Regulations. In our opinion, GSA's General Supply Fund complied with the terms and provisions of laws and regulations for transactions tested that could have materially affected its consolidated financial statements. In connection with our audit, nothing came to our attention that caused us to believe that GSA's General Supply Fund was not in compliance with the terms and provisions of laws and regulations for those transactions not tested.

Financial Statements

Consolidated Statement of Revenues and Expenses

For the Fiscal Ended September 30, 1988 (Dollars in Thousands)	
Revenues: (Note 1A)	
Sale of Supplies	\$1,970,124
Motor Vehicle Services	415,074
Reimbursements	1,062
Other	37,355
Total Revenues	2,423,615
Expenses: (Note 1A)	
Cost of Sales	1,881,807
Personnel Salaries and Benefits	102,353
Rent	9,752
Contracted Services	141,638
Depreciation and Amortization	121,183
Operating Supplies	91,619
Travel and Transportation	390
Total Expenses	2,348,742
Excess of Revenues Over Expenses	\$74,873

The accompanying notes are an integral part of these statements.

Financial Statements

Consolidated Balance Sheet

As of September 30, 1988
(Dollars in Thousands)

Assets:

Current Assets:

Funds with U.S. Treasury	\$160,592
Accounts Receivable: (Note 7)	
From Other Federal Agencies	201,369
From Corporations	5,151
From Other GSA Funds	1,435
Notes Receivable (Note 7)	113
Inventories:	
Operating Supplies	1,700
For Sale to Federal Agencies	269,387
Advances:	
To Other Federal Agencies	86
Prepaid Expenses	15,292
Total Current Assets	655,125

Property and Equipment: (Notes 3 and 8)

Motor Vehicles	955,794
Other Equipment	44,730
Less: Accumulated Depreciation and Amortization	(340,624)
Total Property and Equipment	659,900

Other Assets:

Notes Receivable Long-Term (Note 7)	37
Surplus Property Held for Sale	2,253

Total Other Assets

2,290

Total Assets

\$1,317,315

The accompanying notes are an integral part of these statements.

Financial Statements

Liabilities:

Current Liabilities:

Accounts Payable and Accrued Expense:	
To the Public (Note 3)	\$174,292
To Other Federal Agencies	18,812
To Other GSA Funds	851
Advances: (Note 1G)	
From Other Federal Agencies	1,248
From the Public	620
Deferred Revenue	660

Total Current Liabilities	196,483
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Long-term Liabilities:

Annual Leave Liability (Note 1F)	8,219
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Total Liabilities	204,702
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Equity of U.S. Government: (Note 5)

Invested Capital	787,059
Cumulative Results of Operations:	
Designated for Motor Vehicle Replacement	324,734
Designated for Inventory Replacement	820

Total Equity of U.S. Government	1,112,613
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Total Liabilities and Equity of U.S. Government	\$1,317,315
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Financial Statements

Consolidated Statement of Changes in Financial Position

For the fiscal year ended September 30, 1988 (Dollars in Thousands)	
Source of Funds:	
Operations:	
Excess of Revenues Over Expenses	\$74,873
Items Not Affecting Funds:	
Depreciation and Amortization (Note 8)	121,183
Accrued Annual Leave Expense (Note 1F)	153
Adjustments and Write-off of Capital Assets	73
Other	(4,297)
Total Funds Provided by Operations	191,985
Disposition of Property and Equipment, Book Value (Note 8)	58,405
Reduction in Non-Current Receivables	(37)
Decrease in Other Long-Term Liabilities	(19,459)
Additional Appropriated Capital:	
Receipts Transferred In	30,000
Increase in Working Capital Items (Excluding Funds with U.S. Treasury)	(35,702)
Total Source of Funds	\$225,192

The accompanying notes are an integral part of these statements.

Financial Statements

Application of Funds:

Purchases of Property and Equipment (Note 8)	
Motor Vehicles	\$206,367
Other Equipment	9,415
Total Purchases of Property and Equipment	215,782
Receipts Transferred Out	
Other	30,000
	1

Total Application of Funds **245,783**

Funds with U.S. Treasury:	
Net Decrease	(20,591)
Beginning Balance	181,183

Ending Balance **\$160,592**

Analysis of Working Capital Items (Excluding Funds with U.S. Treasury)

Increasing (Decreasing) in:	
Accounts Receivable	\$15,976
Notes Receivable	102
Inventories	24,553
Advances to Others	(2)
Prepaid Expenses	4,710
(Increase) Decrease in:	
Accounts Payable and Accrued Expenses	(18,099)
Advances from Others	343
Deferred Revenues	8,119

Net Increase in Working Capital Items **\$35,702**

Financial Statements

Consolidated Statement of Reconciliation to Budget Reports

For the fiscal year ended September 30, 1988 (Dollars in Thousands)	
Increase (Decreases) in Outlays (Note 6):	
Excess of Revenues Over Expenses	\$(74,873)
Adjustments for:	
Increase in Assets (Excluding Funds with U.S. Treasury)	104,278
Decrease in Liabilities	3,586
Donations/Nonreciprocal Transfers	663
Funds Transactions Included in Outlays	(13,063)
Outlays (Excess of Reimbursements Over Gross Expenditures)	\$20,591
Relation of Obligations to Outlays	
Obligations Incurred	\$3,165,131
Offsetting Collections	(3,223,869)
Obligations Incurred, Net	(58,738)
Obligated Funds Balance - Beginning of Year	(8,387)
Less: Obligated Funds Balance - End of Year	87,716
Outlays (Excess of Reimbursements Over Gross Expenditures)	\$20,591

The accompanying notes are an integral part of these statements.

Notes to Financial StatementsI. Significant Accounting Policies

A. Major Activities and Basis of Consolidation

The General Supply Fund was established by the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 756) to procure goods and services for the common use of Federal agencies.

The General Services Administration's (GSA) General Supply Fund consists of four revolving funds:

- #118 - Industrial,
- #255 - Supply Operations,
- #407 - Administrative Equipment, and
- #455 - Interagency Fleet Management.

These four funds form the consolidated financial statements of the General Supply Fund, a component unit of GSA which includes general, special and other revolving funds. Intrafund transactions are eliminated in the consolidation of all GSA funds.

Revolving funds provide a continuing cycle of intragovernmental business - type operations. The receipts derived from such operations are normally available in their entirety for use without further action by the Congress. The revenue and expense accounts of these various revolving funds are closed into the cumulative results of operations at the end of the fiscal year. A positive balance in the cumulative results of operations in excess of amounts reserved for inventory replacement must be transferred to the U.S. Treasury for the General Supply Fund.

On December 22, 1987, the President signed Public Law 100-202 which authorized the General Supply Fund (GSF) to recover costs of the Stock and Special Orders programs of the Federal Supply Service (FSS). This law, effective February 1, 1988, permits an industrial funding pricing structure to recover the full cost of supplies and services furnished to customer agencies.

Prior to implementation of industrial funding, the Stock and Special Orders programs were permitted to charge only the cost of goods and the related transportation charges. Other direct and indirect costs of the programs were funded by an annual appropriation from the Congress. Under industrial funding, all direct and indirect costs are funded entirely from income generated by sales.

For fiscal year 1988, total costs to be recovered under industrial funding were \$100.4 million. Costs actually recovered through surcharges totaled \$86.1 million. The associated charges were accumulated beginning in December 1987, and the related surcharges commenced in the following February. The time lag contributed to the \$14.3 million deficit which is expected to be recovered.

The GSF provides the following programs of the FSS: (1) Supply Operations, and (2) the Interagency Fleet Management Program. For fiscal year 1988, a loss of \$21.9 million was realized by Supply Operations and net income of \$96.8 million was realized by the Fleet Management Program. The total fund had revenues in excess of expenses of \$74.9 million. These gains are retained in the fund to replace the motor vehicle fleet and supply inventories.

B. Revenue Recognition

Revolving fund revenue is recognized when goods have been shipped or services rendered.

C. Funds with U.S. Treasury

This total represents all unexpended balances with the U.S. Treasury.

D. Inventories

Operating supplies which are consumed in operations are valued at the lower of cost, determined principally on the first-in, first-out method; or market.

Inventories held for sale to other Federal agencies are valued at the lower of cost, generally determined on a moving average basis, or market. The recorded values are adjusted for the results of physical inventories taken periodically in accordance with a cyclical counting plan.

E. Property and Equipment

Property and equipment purchases and additions are valued at cost. Property and equipment transferred to GSA from other Federal agencies, either at the date GSA was established or subsequent thereto, is stated at the transfer value which, management believes, approximates historical cost. Expenditures for major additions, replacements and alterations are

capitalized. Normal repair and maintenance costs are expensed as incurred.

Other equipment, exclusive of that acquired under capital leases, is depreciated on a straight-line basis over periods generally ranging from five to ten years. Motor vehicles, exclusive of those under capital leases, are depreciated on a straight-line basis over the lesser of 72 months or 60,000 miles.

Motor vehicles under capital leases are depreciated over their estimated useful lives, which approximate four years. The depreciable lives assigned to these assets are based upon capitalization criteria contained in the leases.

F. Annual, Sick, and Other Types of Leave

Annual leave is accrued as it is earned and the accrual is relieved as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current pay rates of cumulative annual leave earned but not taken. Sick leave and other types of leave are expensed as taken.

G. Advances from Others

Advances from others are comprised of funds received in advance of shipment of goods or services performed.

2. Accounting for Intergovernmental Activities

GSA's General Supply Fund performs procurement and management of motor vehicles and supplies on behalf of other Federal agencies. To finance these services, the fund is paid through interagency billings and records revenue and sources of funds as goods are shipped or services rendered.

Conversely, other Federal agencies make financial decisions and report certain financial matters on behalf of the Federal government as a whole, including matters in which individual agencies may be an indirect party in interest. This concept of having Federal agencies record or report only those government wide financial matters for which they are directly responsible is consistent with generally accepted accounting principles for Federal agencies which seeks to identify financial matters

to the departments or agencies that have been granted budgetary authority and resources to manage them.

The following summarizes financial matters which are either maintained or reported by other GSA funds or Federal agencies:

Other GSA general, special or revolving funds provide management, financial, accounting or operational support to the General Supply Fund.

Although GSA funds a portion of pension benefits under the Civil Service Retirement System and the Federal Employees Retirement System relating to its employees and makes the necessary payroll withholdings from them, it does not disclose the assets of the systems nor does it disclose actuarial data with respect to accumulated plan benefits or the unfunded pension liability relative to its employees. Reporting such amounts is the direct responsibility of the Office of Personnel Management.

To the extent capital investments are financed with Congressional appropriations, a portion of which represents funds obtained through public borrowings, no interest has been capitalized since such public borrowings are recorded in total by the Department of the Treasury and are not specifically identified to individual agencies' investing activities.

GSA is responsible for legal matters involving contractual arrangements it has entered into. The cost of administering, litigating, and resolving these actions are generally borne by GSA unless it can recover the cost from another Federal agency. Certain legal matters in which GSA may be a named party are administered and, in some instances, litigated by other Federal agencies. Amounts to be paid under any decision, settlement or award pertaining thereto are sometimes funded by those agencies. In most cases, tort claims are administered and resolved by the Department of Justice and any amounts necessary for resolution are obtained from a special fund maintained by the Department of the Treasury. Amounts paid from this Judgement Fund on behalf of GSA totaled \$4.5 million in fiscal year 1988, and are not reflected in GSA's consolidated financial statements. A breakout of these payments is not available by fund. Legal actions brought by employees of GSA for on-the-job injuries fall under the Federal Employees Compensation Act, administered by the Department of Labor (DOL), which does not make a separate measurement of each agency's future obligations for claims. DOL bills each agency annually as its claims are paid, and bills are due in two years so they can be included in the budget process.

3. Leasing Arrangements

GSA was committed to various capital leases covering motor vehicles maintained through the General Supply Fund. In most cases, capital leases covering motor vehicles allow GSA to acquire such motor vehicles at the end of the lease term at their fair value. For those capital leases that neither transfer ownership nor grant purchase options, GSA has the right to renew such leases at the fair rental value.

The following is a schedule of future minimum rental payments required under capital leases together with the present value of the future minimum lease payments.

	(Dollars in Thousands)
Minimum lease payments - fiscal year 1989	\$20,650
Less: Amount representing interest	(2,011)
Total Obligations under capital leases - current	\$18,639

Included in motor vehicles on the consolidated balance sheet as of September 30, 1988 is \$64.1 million of property under capital leases and \$52.1 million of aggregate accumulated depreciation thereon.

For substantially all of its leased property, management expects that in the normal course of business such leases will be either renewed or replaced in accordance with the needs of its customer agencies.

Aggregate debt for all capital leases totaled \$18.6 million which matures in 1989 and is included in accounts payable to the public.

4. Employee Benefit Plans

The majority of GSA's General Supply Fund employees were covered by the Civil Service Retirement System (CSRS). Total GSA (employer) matching contributions (7 percent of pay) to CSRS for all employees were approximately \$6.1 million for the fiscal year ended September 30, 1988. For employees hired since December 31, 1983, GSA also contributed the employer's matching amount for Social Security.

On January 1, 1987, the Federal Employees Retirement System (FERS) went into effect pursuant to Public Law 99-335. Employees hired after December 31, 1983, were automatically covered by FERS and Social

Security while employees hired prior to January 1, 1984, elected to either join FERS and Social Security or remain in CSRS. One of the primary differences between FERS and CSRS is that FERS offers a savings plan to which GSA will automatically contribute 1 percent of pay and then match any employee contribution up to an additional 4 percent of pay. For the fiscal year ended September 30, 1988, GSA (employer) contributions to FERS was \$2.3 million.

As discussed in Note 2, data regarding the Civil Service Retirement System's actuarial present value of accumulated benefits, assets available for benefits, and unfunded pension liability are maintained by the Office of Personnel Management and are not allocated to individual funds, departments and agencies.

5. Invested Capital and Cumulative Results of Operations

Invested capital represents U.S. Government resources invested in certain GSA assets. Increases to invested capital are recorded only when such assets are acquired with direct appropriations or with monies transferred to GSA for that purpose.

GSA records no diminution in invested capital for depreciation since it recovers depreciation expense through interagency billings. Monies obtained through such billings are generally used to replace, repair or otherwise alter GSA's existing capital asset base thus maintaining the value of invested capital.

Cumulative results of operations for business-type funds includes the excess of revenues over expenses since their inception, reduced by funds returned to the Treasury, by U.S. Congressional rescissions and by transfers to other Federal departments or agencies.

The cumulative results of operations for fiscal year 1988 included a designation for motor vehicle replacement of \$324.7 million. In 1988, an additional \$820 thousand was designated for inventory replacement in the Supply Operations Program.

Following is a summary of the activity of Invested Capital and Cumulative Results of Operations for Fiscal Year 1988:

(Dollars in Thousands)

	Invested Capital	Cumulative Results of Operations	Total
Balance - Beginning of year	\$768,048	\$257,291	\$1,025,339
Excess of revenues over expenses		74,873	74,873
Other, net	19,011	(6,610)	12,401
Balance - End of year	\$787,059	\$325,554	\$1,112,613

6. Reconciliation to Budget Reports

The Consolidated Statement of Reconciliation to Budget Reports is designed to serve two purposes. It reconciles the accrual basis excess of revenues over expenses to outlays reported to the U.S. Treasury by eliminating the impact of accrual transactions (i.e., through adjustments for increases or decreases in asset and liability accounts, excluding amounts with U.S. Treasury) and by adding or subtracting other transactions which impact outlays. It also shows the relationship of obligations and offsetting collections to outlays together with the impact of changes in the obligated fund balance. This format is designed to coincide with the budget activity reported by the Office of Management and Budget.

Outlays reported on this statement are net of reimbursements. For fiscal year 1988, gross outlays exceeded reimbursements.

Funds with U.S. Treasury include obligated funds as reported in the statement of reconciliation to budget reports and unobligated funds. A breakdown of Funds with U.S. Treasury is as follows:

	(Dollars in Thousands)
Obligated Funds Balance	\$(87,716)
Unobligated Funds Balance	248,308
Total Funds with U.S. Treasury	\$160,592

7. Accounts and Notes Receivable

	(Dollars in Thousands)
Accounts receivable:	
Current:	
Accounts receivable-billed	\$54,798
Accounts receivable-unbilled	158,744
Allowance for doubtful accounts	(5,587)
Total Accounts Receivable	\$207,955

Substantially all accounts receivable are with other Federal agencies. Unbilled accounts receivable result from the delivery of goods or performance of services for which bills have not yet been rendered.

The allowance for doubtful accounts is based upon analyses of prior collection experience performed by program.

	(Dollars in Thousands)
Notes receivable:	
Due from individuals	\$113
Due from corporations	37
Total Notes Receivable	150
Less Current Portion	113
Total Long-Term Notes Receivable	\$37

Notes receivable are from the sale of surplus real and related personal property and from motor vehicle damage claims. Interest rates range from 0 to 10.375 percent. Aggregate maturities for all long-term notes receivable are (in thousands): 1990, \$19; 1991, \$10; 1992, \$3; 1993, \$2; and 1994, \$3.

8. Changes in Property and Equipment for Fiscal Year 1988

(Dollars in Thousands)

	Cost	Accumulated Depreciation	Net Book Value
Balances September 30, 1987:			
Other Equipment	\$39,469	\$18,803	\$20,666
Motor Vehicles	866,108	287,716	578,392
Totals	\$905,577	\$306,519	\$599,058
Acquisitions:			
Purchases	\$215,782	\$.	\$215,782
Transfers In	47,407	21,862	25,545
Totals	\$263,189	\$21,862	\$241,327
Disposals:			
Sales	\$164,705	\$106,300	\$58,405
Transfers Out	3,537	2,640	897
Totals	\$168,242	\$108,940	\$59,302
1988 Depreciation	\$.	\$121,183	\$121,183
Balances September 30, 1988:			
Other Equipment	\$44,730	\$24,574	\$20,156
Motor Vehicles	955,794	316,050	639,744
Totals	\$1,000,524	\$340,624	\$659,900

Motor vehicles are leased on a short-term basis to individual users within the Federal Government on an as-needed basis. Most of the assets comprising other equipment are used internally by GSA.