

GAO

Report to the Chairman and Ranking
Minority Member, Committee on Rules
and Administration, U.S. Senate, and the
Architect of the Capitol

March 2004

FINANCIAL AUDIT

Senate Restaurants Revolving Fund for Fiscal Years 2003 and 2002



G A O

Accountability * Integrity * Reliability

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United States General Accounting Office
Washington, D.C. 20548

March 9, 2004

The Honorable Trent Lott
Chairman
The Honorable Christopher J. Dodd
Ranking Minority Member
Committee on Rules and Administration
United States Senate

The Honorable Alan M. Hantman
Architect of the Capitol

As you requested, we provided for an audit of the financial statements of the U.S. Senate Restaurants Revolving Fund (the Fund) for the fiscal years ended September 30, 2003 and 2002, by contracting with the independent public accounting firm of Clifton Gunderson LLP. The contract required that the audit be done in accordance with U.S. generally accepted government auditing standards and the joint GAO/PCIE¹ *Financial Audit Manual*.

In its audit of the Fund, Clifton Gunderson LLP found the following:

- The financial statements were presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles.
- The Fund maintained effective internal control over financial reporting (including safeguarding assets) and compliance with laws and regulations.
- There was no reportable noncompliance with selected provisions of laws and regulations it tested.

¹President's Council on Integrity and Efficiency (PCIE).

Although Clifton Gunderson LLP found that the Fund maintained effective internal control, it did identify certain matters involving the Fund's internal control that, while not significant enough to be considered reportable conditions,² deserve management attention. Clifton Gunderson LLP reported these matters to management in a separate letter.

As disclosed in Clifton Gunderson LLP's report and note 1 to the Fund's financial statements, the operation of the Senate Restaurants is economically dependent on financial and other support provided through the Architect of the Capitol (the Architect) and by the U.S. Senate. The financial statements present the financial positions and the results of activities financed through the Fund and are not intended to present the financial position and results of operations of the Senate Restaurants as a whole.

- The Fund's financial statements for fiscal years 2003 and 2002 include direct financial support provided through the Architect, which, after deducting repayment of loans in fiscal year 2002 to the Senate contingent fund, totaled \$1,095,000 and \$850,000,³ respectively, from transferred appropriations.
- The Fund's financial statements for fiscal years 2003 and 2002 do not include other support that benefits the operation of the restaurants. Specifically, the Architect provided approximately \$176,000 and \$200,000 in fiscal years 2003 and 2002, respectively, for the purchase and maintenance of restaurant-related capital items, which remain the property of the Architect. In addition, during fiscal years 2003 and 2002, the Architect and the Government Printing Office provided the Fund with support services—the value of which cannot be readily determined.

As disclosed in Clifton Gunderson LLP's report and note 1 to the Fund's financial statements, if losses from operations continue, which totaled

²Reportable conditions are matters coming to the auditor's attention that in the auditor's judgment should be communicated because they represent significant deficiencies in the design or operation of internal control, which could adversely affect the entity's ability to meet the internal control objectives described in the report.

³After deducting \$350,000 in repayment of loans from the \$1,200,000 of gross appropriations in fiscal year 2002, the net transferred appropriations to the Fund were \$850,000.

\$678,211 and \$1,191,941 in fiscal years 2003 and 2002, respectively, the Fund will continue to require future support to maintain operations.

In connection with the audit of the Fund's financial statements performed by Clifton Gunderson LLP, we reviewed its report and related working papers and, as necessary, met with Clifton Gunderson LLP representatives and the Fund's management. Our review, as differentiated from an audit in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on the Fund's financial statements and about the effectiveness of its internal control or conclude on compliance with laws and regulations. Clifton Gunderson LLP is responsible for the accompanying auditor's report and for the conclusions expressed in the report. However, our review disclosed no instances in which Clifton Gunderson LLP did not comply, in all material respects, with U.S. generally accepted government auditing standards and the joint GAO/PCIE *Financial Audit Manual*.

This report is a matter of public record and is intended for the use of the U.S. Senate, the Architect, the management of the Senate Restaurants, and other interested parties. We are sending copies of this report to the Chairman and Ranking Minority Member, Subcommittee on Legislative Branch, Senate Committee on Appropriations, and the Majority Leader and Minority Leader of the Senate. Copies of this report will be made available to others upon request. This report will also be available at no charge on GAO's Web site at www.gao.gov. Should you or your staff have any questions concerning our review of the audits, please contact me on (202) 512-6906 or Hodge Herry, Assistant Director, on (202) 512-9469. You can also reach us at williamsM1@gao.gov or herryh@gao.gov.



McCoy Williams
Director
Financial Management and Assurance

Report on Audit of the U.S. Senate Restaurants Revolving Fund

Independent Auditor's Report



Independent Auditor's Report

Comptroller General
United States General Accounting Office

In our audits of the United States Senate Restaurants Revolving Fund (the Fund) for fiscal years 2003 and 2002, we found

- the financial statements are presented fairly, in all material respects, in conformity with U. S. generally accepted accounting principles,
- the Fund had effective internal control over financial reporting (including safeguarding assets) and compliance with laws and regulations for the fiscal year ended September 30, 2003, and
- no reportable noncompliance in fiscal year 2003 with laws and regulations we tested.

The following sections discuss in more detail (1) these conclusions and (2) the scope of our audits.

Opinion on Financial Statements

The financial statements including the accompanying notes present fairly, in all material respects, in conformity with U. S. generally accepted accounting principles, the financial position of the Fund as of September 30, 2003 and 2002 and the results of operations and cash flows for the years then ended.

As discussed in note 1, the financial statements present the financial position and the results of operations financed through the Fund and are not intended to present the financial position and results of operations of the Senate Restaurants as a whole. Amounts for capital expenditures and related repairs and maintenance purchased by the Architect of the Capitol (Architect) for the benefit of the Fund are not reflected in the Fund's financial statements. Also, the financial statements do not include such costs as space and utilities, which are not readily identifiable.

As discussed in note 1, the operations of the Fund are economically dependent on direct support provided through the Architect of Capitol and by the United States Senate. In fiscal years 2003 and 2002, the Fund received \$1,095,000 and \$1,200,000, respectively in appropriation funds to cover losses from operations, which totaled \$678,211 and \$1,191,941, respectively in the same period. If losses from operations continue, the Fund will continue to require financial support to maintain operations.

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Opinion on Internal Control

The Fund maintained, in all material respects, effective internal control over financial reporting (including safeguarding assets) and compliance as of September 30, 2003 that provided reasonable assurance that misstatements, losses, or noncompliance material in relation to the financial statements would be prevented or detected on a timely basis. Our opinion is based on criteria established by the General Accounting Office (GAO) *Standards for Internal Control in the Federal Government*.

We found certain matters involving the control environment that we do not consider reportable conditions. We will communicate these matters to the Fund's management, along with our recommendations for improvement, in a separate letter to be issued at a later date.

Compliance with Laws and Regulations

The objective of our audit was not to provide an opinion on overall compliance with laws and regulations. Accordingly, we do not express such an opinion. However, our tests for compliance in fiscal year 2003 with selected provisions of laws and regulations disclosed no instances of noncompliance that would be reportable under U. S. generally accepted government auditing standards. This conclusion is intended solely for the information of the General Accounting Office, the Architect of the Capitol, management of the Senate Restaurants and the United States Senate, and is not intended to be and should not be used by anyone other than these specified parties.

Objectives, Scope, and Methodology

The Fund's management is responsible for (1) preparing the financial statements in conformity with U. S. generally accepted accounting principles, (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that control objectives are met, and (3) complying with applicable laws and regulations.

We are responsible for obtaining reasonable assurance about whether (1) the financial statements are presented fairly, in all material respects, in conformity with U. S. generally accepted accounting principles and (2) management maintained effective internal control as of September 30, 2003, the objectives of which are the following:

- Financial reporting: Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in conformity with U. S. generally accepted accounting principles and assets are safeguarded against loss from unauthorized acquisition, use, or disposition.
- Compliance with applicable laws and regulations: Transactions are executed in accordance with laws governing the use of budget authority and with other laws and regulations that could have a direct and material effect on the financial statements.

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We are also responsible for testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements.

In order to fulfill these responsibilities, we (1) examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements; (2) assessed the accounting principles used and significant estimates made by management; (3) evaluated the overall presentation of the financial statements; (4) obtained an understanding of internal control related to financial reporting (including safeguarding assets), and compliance with laws and regulations (including execution of transactions in accordance with budget authority); (5) tested relevant internal control over financial reporting (including safeguarding assets), and compliance, and evaluated the design and operating effectiveness of internal control for the fiscal year ended September 30, 2003; and (6) tested compliance in fiscal year 2003 with selected provisions of 2 U.S.C. 2042-2050 (formerly 40 U.S.C. 174j-1 through j-10), certain provisions of the Legislative Branch Appropriation Act, Department of the Treasury regulations on cash, Office of Personnel Management regulations on employee benefits and employer costs, and Internal Revenue Service regulations on federal income and social security tax withholdings.

We limited our internal control testing to controls over financial reporting and compliance. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with controls may deteriorate.

We did not test compliance with all laws and regulations applicable to the Fund. We limited our tests of compliance to those laws and regulations that we deemed applicable to the financial statements for the fiscal year ended September 30, 2003. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

We performed our audits in accordance with U. S. generally accepted auditing standards and *Government Auditing Standards* as issued by the Comptroller General of the United States.

Agency Comments and Our Evaluation

In commenting on a draft of this report, the Fund management concurred with the facts and conclusions in our report.

Clifton Henderson LLP

Calverton, Maryland
December 19, 2003

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Balance Sheets

UNITED STATES SENATE RESTAURANTS REVOLVING FUND
BALANCE SHEETS
September 30, 2003 and 2002

ASSETS

	<u>2003</u>	<u>2002</u>
Cash:		
Funds with U. S. Treasury (note 2(b))	\$ 993,674	\$ 395,471
Petty cash and change funds	<u>20,500</u>	<u>20,500</u>
Total cash	1,014,174	415,971
Accounts receivable, Senate customer accounts (notes 2(c) and 3)	189,545	302,116
Vendor commissions and other income receivables (note 2(e))	27,361	24,881
Food, beverage, and merchandise inventory (note 2(d))	157,037	137,563
China, glassware, silverware, and tableware (note 2(d))	137,646	116,246
Prepaid expenses	<u>34,376</u>	<u>1,329</u>
TOTAL ASSETS	<u>\$ 1,560,139</u>	<u>\$ 998,106</u>

LIABILITIES AND U. S. GOVERNMENT EQUITY

Accounts payable and accrued expenses:		
Due to vendors and customers	\$ 269,962	\$ 195,557
Payroll and related benefits	158,036	133,943
Deferred income (note 2(f))	<u>70,646</u>	<u>28,323</u>
Total accounts payable and accrued expenses	498,644	357,823
Other liabilities:		
Employees' accrued leave (note 2(g))	<u>255,528</u>	<u>251,105</u>
Total liabilities	<u>754,172</u>	<u>608,928</u>
U. S. Government equity:		
Appropriated capital (note 5)	2,847,144	2,847,144
Cumulative results of operations (deficit)	<u>(2,041,177)</u>	<u>(2,457,966)</u>
Total U. S. Government equity	<u>805,967</u>	<u>389,178</u>
TOTAL LIABILITIES AND U. S. GOVERNMENT EQUITY	<u>\$ 1,560,139</u>	<u>\$ 998,106</u>

The accompanying notes are an integral part of these statements.

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Restaurants Revolving Fund**

Statements of Operations and Changes in U.S. Government Equity

**UNITED STATES SENATE RESTAURANTS REVOLVING FUND
STATEMENTS OF OPERATIONS AND
CHANGES IN U. S. GOVERNMENT EQUITY
Years Ended September 30, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
SALES AND OTHER OPERATING INCOME (NOTE 6)		
Sales:		
Food services	\$ 3,713,331	\$ 3,261,946
Catering	4,616,692	3,678,472
Sundry shop sales	724,459	633,504
Vending machine and other commissions	<u>325,728</u>	<u>325,629</u>
Total	<u>9,380,210</u>	<u>7,899,551</u>
COST OF SALES		
Food and beverages	2,758,130	2,385,443
Sundry shop merchandise	<u>479,802</u>	<u>462,160</u>
Total	<u>3,237,932</u>	<u>2,847,603</u>
Gross income from sales and other operating income	<u>6,142,278</u>	<u>5,051,948</u>
OPERATING EXPENSES		
Personnel and benefits (note 4)	6,284,513	5,788,535
Supplies and materials	515,524	420,938
Miscellaneous	<u>20,452</u>	<u>34,416</u>
Total operating expenses	<u>6,820,489</u>	<u>6,243,889</u>
Loss from operations	(678,211)	(1,191,941)
OTHER SOURCES OF FUNDS		
Appropriated funds (note 1)	<u>1,095,000</u>	<u>1,200,000</u>
Net income	416,789	8,059
U. S. GOVERNMENT EQUITY, BEGINNING OF YEAR	<u>389,178</u>	<u>381,119</u>
U. S. GOVERNMENT EQUITY, END OF YEAR	<u>\$ 805,967</u>	<u>\$ 389,178</u>

The accompanying notes are an integral part of these statements.

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Statements of Cash Flows

**UNITED STATES SENATE RESTAURANTS REVOLVING FUND
STATEMENTS OF CASH FLOWS
Years Ended September 30, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 416,789	\$ 8,059
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Effects of changes in operating assets and liabilities:		
Accounts receivable	110,091	(151,587)
Food, beverage, and merchandise inventory	(19,474)	(2,285)
China, glassware, silverware, and tableware	(21,400)	(6,757)
Prepaid expenses	(33,047)	5,812
Due to vendors	74,405	30,580
Payroll and related benefits	24,093	(134,470)
Employees' accrued leave	4,423	15,633
Deferred income	<u>42,323</u>	<u>(9,823)</u>
Net cash provided by (used in) operating activities	598,203	(244,838)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan repayments to Senate contingent fund	<u>-</u>	<u>(350,000)</u>
Net increase (decrease) in cash	598,203	(594,838)
CASH, BEGINNING OF YEAR	<u>415,971</u>	<u>1,010,809</u>
CASH, END OF YEAR	<u>\$ 1,014,174</u>	<u>\$ 415,971</u>

The accompanying notes are an integral part of these statements.

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Notes to Financial Statements

**UNITED STATES SENATE RESTAURANTS REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002**

NOTE 1 – ORGANIZATION

The United States Senate Restaurants Revolving Fund (the Fund) operates facilities for Senators, employees of the Senate, and (in certain locations) the general public. The Architect of the Capitol (the Architect), under the direction of the Senate Committee on Rules and Administration (the Committee), is responsible for managing the restaurants. The restaurant management recommends price changes, which are subject to the Committee’s approval.

The financial statements present the financial position and the results of operations of the Fund and are not intended to present the financial position and results of operations of the Senate Restaurant's revolving fund as a whole.

ECONOMIC DEPENDENCY

The Fund’s operations are economically dependent on direct financial support provided through the Architect of the Capitol (the Architect) and by the United States Senate (the Senate). Under 2 U.S.C. 2050, the Architect is required to transfer appropriated funds to the Fund for use in paying certain management personnel and miscellaneous operating expenses of the Restaurants. Support provided directly by the Senate consists of loans and transfers of appropriated capital (equity) to the Fund from the Senate’s contingent fund. Loan proceeds and increases in appropriated capital provided by the Senate are used to finance the Fund’s recurring operating losses. If losses from operations continue, the Fund will continue to require future support to maintain operations. Subsequent to September 30, 2003, the Fund has received \$1,100,000 appropriated funds to date from the Architect for fiscal year 2004 for the support of management personnel and other operating expenses of the Restaurants.

For the fiscal years ended September 30, 2003 and 2002, the Fund’s financial statements include direct financial support received from the Architect and the Senate through transferred appropriations in each year as follows:

	2003	2002
Transfers of appropriations from the Architect	\$1,095,000	\$ 650,000
Emergency Response Fund appropriation	-	550,000
Repayment of loans to Senate contingent fund	-	(350,000)
Total direct support	\$1,095,000	\$ 850,000

During fiscal year 2002, the Architect transferred \$550,000 of its emergency supplemental appropriations it received pursuant to the Legislative Branch Emergency Response Fund, established “for emergency expenses to respond to the terrorist attacks on the United States...” to the Fund.

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**UNITED STATES SENATE RESTAURANTS REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002**

NOTE 1 – ORGANIZATION (CONTINUED)

The Architect also provides other financial support that is not included in the Fund’s financial statements. The Architect uses appropriated funds to purchase and maintain Restaurant-related capital items, which remain the property of the Architect. For the fiscal year ended September 30, 2003 and 2002, this support totaled \$176,300 and \$200,092, respectively. Identifiable costs paid directly by the Architect on behalf of the Fund for these items in fiscal years 2002 and 2001, are as follows:

	2003	2002
Equipment maintenance	\$ 24,941	\$ 26,315
Equipment purchases	151,359	173,777
Total	\$ 176,300	\$ 200,092

In addition, the Architect and the Government Printing Office use appropriated funds—the value of which cannot readily be determined—to provide the Fund with space, utilities, garbage disposal, and printing in support of Restaurant operations. These costs are typically borne by the landlord or agency in situations where an in-house restaurant operation exists and as such are likely to continue.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates and assumptions may also affect the reported revenues and expenses during the reporting period. Actual results could differ from management’s estimates.

(b) FUNDS WITH U. S. TREASURY

Cash receipts from sales and commissions are deposited in the U. S. Treasury and credited to the Fund for use in operating the various restaurant facilities.

(c) ACCOUNTS RECEIVABLE

Accounts receivable are uncollateralized customer obligations, which generally require payment within thirty days from the invoice date. Accounts receivable are stated at the invoice amount. Payments of accounts receivable are applied to the specific invoices identified on the customer’s remittance advice or, if unspecified, to the earliest unpaid invoices.

**UNITED STATES SENATE RESTAURANTS REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management has determined that there is no need for an allowance for doubtful accounts, which is based on management's assessment of the collectibility of specific customer accounts and the aging of the accounts receivable. If there is a deterioration of a major customer's credit worthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due the Fund could be adversely affected.

(d) INVENTORY

Under its authority to use funds as necessary for restaurant operations, the Fund acquires various types of inventory items (food, beverage, merchandise, china, glassware, silverware, and tableware). These inventories are valued at lower of cost or market using the first-in, first-out method.

Charges for breakage and shortages of china, glassware, silverware, and tableware purchased by the Fund are based on periodic physical counts and are treated as current period expenses in the Fund's statements of operations.

Additionally, the Architect may use Senate Office Building and Capitol Building appropriations to purchase china, glassware, silverware, and tableware for restaurant operations. Because these assets are owned by the Architect and not the Fund, they are not recorded in the Fund's financial statements, but are recorded as contra inventory that is being written down to zero.

(e) VENDOR COMMISSIONS RECEIVABLE

Vendor commissions receivable represents vending machine commissions earned in the current fiscal year but not received until next fiscal year.

(f) DEFERRED INCOME

Deferred income represents catering deposits received as of September 30, for events that will occur subsequent to year end.

(g) EMPLOYEES' ACCRUED LEAVE

Employees accrue annual leave on a biweekly basis. Full-time hourly and salaried workers accrue leave at rates ranging from 4 to 8 hours, depending on length of service. Part-time employees accrue leave at fluctuating biweekly rates, based on the amount of hours worked each pay period. Employees may carryover a maximum of 240 hours each calendar year.

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**UNITED STATES SENATE RESTAURANTS REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002**

NOTE 3 – ACCOUNTS RECEIVABLE, SENATE CUSTOMER ACCOUNTS

The Committee allows Senators, former Senators, and certain Senate officials to have customer accounts. A comparison of the aged customer accounts receivable at September 30, 2003 and 2002 follows:

	<u>2003</u>		<u>2002</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Days Outstanding				
0 to 30	\$ 88,437	46.7	\$ 168,836	55.9
31 to 60	9,344	4.9	3,565	1.2
61 to 90	26,867	14.2	31,185	10.3
Over 90	<u>64,897</u>	<u>34.2</u>	<u>98,530</u>	<u>32.6</u>
Total	<u>\$ 189,545</u>	<u>100.0</u>	<u>\$ 302,116</u>	<u>100.0</u>

In accordance with policies established by the Committee, the Fund's accounting office mails monthly delinquent notice letters to customers whose accounts are delinquent over 30 days.

NOTE 4 – PERSONNEL AND BENEFITS

Fund employees are covered by the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS), to which the Fund contributes. For employees covered by FERS, the Fund also contributes one percent of pay to the Thrift Savings Plan (TSP) and matches employee contributions to the TSP, up to an additional four percent of pay. While the Fund has no liability for benefit payments to its former employees under the pension programs, the federal government is liable for the benefit payments through the Office of Personnel Management.

The Fund also contributes to other employee benefits including health insurance (FEHBP), life insurance (FEGLI), social security (FICA), Medicare (HIT), leave expense, employee meals, local transportation assistance, and employee physicals.

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**UNITED STATES SENATE RESTAURANTS REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002**

NOTE 4 – PERSONNEL AND BENEFITS (CONTINUED)

Contributions made by the Fund during fiscal years 2003 and 2002 are listed in the following table:

	<u>2003</u>	<u>2002</u>
Pension-related and other benefits		
FEHBP	\$ 494,183	\$ 426,040
FERS	423,901	390,745
Leave expense	259,972	273,845
FICA	199,204	188,136
TSP	105,507	97,761
Employee meals	74,394	77,574
Transportation	56,960	32,582
HIT	56,940	57,809
CSRS	56,188	66,607
FEGLI	<u>6,645</u>	<u>6,560</u>
Total benefits	<u>\$ 1,733,894</u>	<u>\$ 1,617,659</u>

NOTE 5 – FINANCING ACTIVITIES

In managing the Fund, the Architect has access to two types of supplemental funding: (1) appropriations, and (2) loans. Under 2 U.S.C. 2044 (formerly 40 U.S.C. 174j-4), the Secretary of the Senate, at the request of the Architect and with the approval of the Committee, may transfer funds from the Senate's contingent expenses appropriation account to the Fund as appropriated capital. The Fund's total appropriated capital is \$2,847,144 at September 30, 2003 and 2002. No appropriated capital transfer was received by the Fund since fiscal year 1999.

Also, 2 U.S.C. 2049 (formerly 40 U.S.C. 174j-9) allows the Architect, with the approval of the Committee, to borrow from the Senate contingent fund the amounts necessary to manage the Fund. The Committee establishes the loan amounts and repayment periods. The loaned funds come from the miscellaneous appropriation account of the Senate's contingent fund, and loan repayments are deposited to the same account.

From October 1988 through September 1998, under the authority provided by 2 U.S.C. 2049 (formerly 40 U.S.C. 174j-9), the Architect of the Capitol requested and received various loans on behalf of the Fund from the Senate's contingent fund totaling \$2,250,000. Since FY 1998, the Fund has not received any new loans. The Fund paid off the loans completely with a final payment of \$350,000 in fiscal year 2002.

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**UNITED STATES SENATE RESTAURANTS REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002**

NOTE 6 – SALES, COMMISSIONS AND OPERATING INCOME

The following schedule provides a comparison of sales, commissions and operating income for the various Fund activities during fiscal years 2003 and 2002.

	Fiscal Year 2003		Fiscal Year 2002	
	Sales and commissions	Operating income (loss)	Sales and commissions	Operating income (loss)
Regular food services:				
Catering	\$ 4,616,692	\$ 368,903	\$ 3,678,472	\$ 99,628
Capitol dining rooms	267,166	(391,876)	260,290	(482,037)
North Servery Cafeteria	2,242,215	(690,007)	1,925,357	(883,634)
South Buffet	312,545	(108,695)	238,552	(118,922)
Snack bar	202,874	(100,728)	198,921	(28,465)
Senate chef	<u>740,073</u>	<u>(64,330)</u>	<u>687,450</u>	<u>(35,906)</u>
Total	<u>8,381,565</u>	<u>(986,733)</u>	<u>6,989,042</u>	<u>(1,449,336)</u>
Sundry shop operations:				
Southside Deli	303,428	(16,546)	243,613	(42,451)
Hart office building	<u>369,489</u>	<u>(660)</u>	<u>341,267</u>	<u>(25,783)</u>
Total sundry	<u>672,917</u>	<u>(17,206)</u>	<u>584,880</u>	<u>(68,234)</u>
Vending machine and other commissions	<u>325,728</u>	<u>325,728</u>	<u>325,629</u>	<u>325,629</u>
Total	<u>\$ 9,380,210</u>	<u>\$ (678,211)</u>	<u>\$ 7,899,551</u>	<u>\$ (1,191,941)</u>

This information is an integral part of the accompanying financial statements.

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