

GAO

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

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March 2003

# FINANCIAL AUDIT

## Senate Restaurants Revolving Fund for Fiscal Years 2002 and 2001



G A O

Accountability \* Integrity \* Reliability

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

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March 14, 2003

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, 2002, and 2001, 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/PCIE<sup>1</sup> 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.

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<sup>1</sup>President's Council on Integrity and Efficiency (PCIE).

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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,<sup>2</sup> 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 primarily by the Architect of the Capitol and 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 Restaurant as a whole.

- The Fund's financial statements for fiscal years 2002 and 2001 include direct financial support provided by the Architect, which, after deducting repayment of loans to the Senate contingent fund, totaled \$850,000 and \$700,000, respectively from transferred appropriations.
- The Fund's financial statements for fiscal years 2002 and 2001 do not include other support that benefits the operation of the restaurants. Specifically, the Architect of the Capitol provided approximately \$200,000 and \$110,000 in fiscal years 2002 and 2001, respectively, for the purchase and maintenance of restaurant-related capital items, which remain the property of the Architect. In addition, during fiscal years 2002 and 2001, 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 operating trends continue, the Fund will continue to require future support to maintain continuing 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

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<sup>2</sup>Reportable 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.

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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.

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This report is a matter of public record and is intended for the use of the U.S. Senate, the Architect of the Capitol, 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](http://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 by E-mail at [WilliamsM1@gao.gov](mailto:WilliamsM1@gao.gov) or [herryh@gao.gov](mailto: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 2002 and 2001, 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, 2002, and
- no reportable noncompliance in fiscal year 2002 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, 2002 and 2001 and the results of operations and cash flows for the years then ended.

As discussed in note I, 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. 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.

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As discussed in note 1, the operations of the Fund are economically dependent on direct support provided through the United States Senate and the Architect. If operating trends continue, the Fund will continue to require financial support to maintain operations.

**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, 2002 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 2002 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, 2002, 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.



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- 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.

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, 2002; and (6) tested compliance in fiscal year 2002 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, 2002. 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 13, 2002

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**Restaurants Revolving Fund**

**Balance Sheets**

**UNITED STATES SENATE RESTAURANTS REVOLVING FUND**  
**BALANCE SHEETS**  
**September 30, 2002 and 2001**

**ASSETS**

	<u>2002</u>	<u>2001</u>
Cash:		
Funds with U. S. Treasury	\$ 395,471	\$ 990,309
Petty cash and change funds	<u>20,500</u>	<u>20,500</u>
Total cash	415,971	1,010,809
Accounts receivable, Senate customer accounts (note 3)	302,116	153,378
Vendor commissions and other income receivables (note 2(d))	24,881	22,032
Food, beverage, and merchandise inventory (note 2(c))	137,563	135,278
China, glassware, silverware, and tableware (note 2(c))	116,246	109,489
Prepaid expenses	<u>1,329</u>	<u>7,141</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 998,106</u></b>	<b><u>\$ 1,438,127</u></b>

**LIABILITIES AND U. S. GOVERNMENT EQUITY**

Accounts payable and accrued expenses:		
Duc to vendors and customers	\$ 195,557	\$ 164,977
Payroll and related benefits	133,943	268,413
Deferred income (note 2(e))	<u>28,323</u>	<u>38,146</u>
Total accounts payable and accrued expenses	<u>357,823</u>	<u>471,536</u>
Other liabilities:		
Employees' accrued leave (note 2(f))	251,105	235,472
Loans from Senate contingent fund (note 5)	<u>-</u>	<u>350,000</u>
Total other liabilities	<u>251,105</u>	<u>585,472</u>
Total liabilities	<u>608,928</u>	<u>1,057,008</u>
U. S. Government equity:		
Appropriated capital (note 5)	2,847,144	2,847,144
Cumulative results of operations (deficit)	<u>(2,457,966)</u>	<u>(2,466,025)</u>
Total U. S. Government equity	<u>389,178</u>	<u>381,119</u>
<b>TOTAL LIABILITIES AND U. S. GOVERNMENT EQUITY</b>	<b><u>\$ 998,106</u></b>	<b><u>\$ 1,438,127</u></b>

These financial statements should be read only in connection with  
the accompanying notes to financial 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, 2002 and 2001**

	<b>2002</b>	<b>2001</b>
<b>SALES AND OTHER OPERATING INCOME (NOTE 6)</b>		
Sales:		
Regular food services	\$ 3,261,946	\$ 3,917,258
Catering	3,678,472	4,419,352
Sundry shop sales	633,504	700,501
Vending machine commissions and other operating income	325,629	329,007
Total	7,899,551	9,366,118
<b>COST OF SALES</b>		
Food and beverages	2,385,443	2,688,127
Sundry shop merchandise	462,160	555,488
Total	2,847,603	3,243,615
Gross income from sales and other operating income	5,051,948	6,122,503
<b>OPERATING EXPENSES</b>		
Personnel and benefits (note 4)	5,788,535	5,873,655
Supplies and materials	420,938	532,267
Miscellaneous	34,416	67,344
Total operating expenses	6,243,889	6,473,266
Loss from operations	(1,191,941)	(350,763)
<b>OTHER SOURCES OF FUNDS</b>		
Appropriated funds (note 1)	1,200,000	750,000
Net income	8,059	399,237
<b>U. S. GOVERNMENT EQUITY (DEFICIT), BEGINNING OF YEAR</b>	381,119	(18,118)
<b>U. S. GOVERNMENT EQUITY, END OF YEAR</b>	\$ 389,178	\$ 381,119

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

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**Statements of Cash Flows**

**UNITED STATES SENATE RESTAURANTS REVOLVING FUND**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended September 30, 2002 and 2001**

	<b>2002</b>	<b>2001</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 8,059	\$ 399,237
Adjustments to reconcile net income to net cash provided by operating activities:		
Effects of changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(151,587)	(46,798)
Food, beverage, and merchandise inventory	(2,285)	7,777
China, glassware, silverware, and tableware	(6,757)	(33,820)
Prepaid expenses	5,812	4,212
Increase (decrease) in liabilities:		
Due to vendors	30,580	(193,087)
Payroll and related benefits	(134,470)	(35,429)
Employees' accrued leave	15,633	52,453
Deferred income	(9,823)	10,945
Net cash provided by operating activities	(244,838)	165,490
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan repayments to Senate contingent fund	(350,000)	(50,000)
Net increase (decrease) in cash	(594,838)	115,490
<b>CASH, BEGINNING OF YEAR</b>	<b>1,010,809</b>	<b>895,319</b>
<b>CASH, END OF YEAR</b>	<b>\$ 415,971</b>	<b>\$ 1,010,809</b>

These financial statements should be read only in connection with the accompanying notes to financial statements.

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Restaurants Revolving Fund**

**Notes to Financial Statements**

**UNITED STATES SENATE RESTAURANTS REVOLVING FUND  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2002 and 2001**

**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 positions and the results of activities of the Fund and are not intended to present the financial position and results of operations of the Senate Restaurants as a whole.

**ECONOMIC DEPENDENCY**

The Fund's operations are economically dependent on direct financial support provided by the Architect of the Capitol (the Architect) and 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 operating trends continue, the Fund will continue to require future support to maintain operations. Subsequent to September 30, 2002, the Fund has received \$545,000 appropriated funds to date from the Architect for fiscal year 2003 for the support of management personnel and other operating expenses of the Restaurants. The total amount to be received by the Fund will be determined upon approval of the 2003 budget.

For the fiscal years ended September 30, 2002 and 2001, the Fund's financial statements include direct financial support received from the Architect and the Senate through transferred appropriations in each year as follows:

	<b>2002</b>	<b>2001</b>
Transfers of appropriations from the Architect	\$ 650,000	\$ 750,000
Emergency Response Fund appropriation	550,000	-
Repayment of loans to Senate contingent fund	(350,000)	(50,000)
Total direct support	<b>\$ 850,000</b>	<b>\$ 700,000</b>

The AOC 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  
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**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, 2002 and 2001, this support totaled \$200,092 and \$109,584, 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:

	<u>2002</u>	<u>2001</u>
Equipment maintenance	\$ 26,315	\$ 8,664
Equipment purchases	<u>173,777</u>	<u>100,920</u>
Total	<u>\$ 200,092</u>	<u>\$ 109,584</u>

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. If operating trends for the Restaurants continue, the Fund will require future support, as described above, to maintain continuing operations.

**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.

**UNITED STATES SENATE RESTAURANTS REVOLVING FUND  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2002 and 2001**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) 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 of the Capitol 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 of the Capitol and not the Fund, they are not recorded in the Fund's financial statements. Charges for the breakage and normal wear and tear of assets owned by the Architect of Capitol are based upon past replacement costs. Management has estimated that these assets should be depreciated over life of five years.

**(d) VENDOR COMMISSIONS RECEIVABLE**

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

**(e) DEFERRED INCOME**

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

**(f) 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, 2002 and 2001**

**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, 2002 and 2001 follows:

	2002		2001	
	Amount	Percent	Amount	Percent
Days Outstanding				
0 to 30	\$ 168,836	55.9%	\$ 71,314	47.0%
31 to 60	3,565	1.2%	10,854	7.0%
61 to 90	31,185	10.3%	25,110	16.0%
Over 90	98,530	32.6%	46,100	30.0%
Total	\$ 302,116	100.0%	\$ 153,378	100.0%

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 newer 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, 2002 and 2001**

**NOTE 4 – PERSONNEL AND BENEFITS (CONTINUED)**

Contributions made by the Fund during fiscal years 2002 and 2001 are listed in the following table:

	<b>2002</b>	<b>2001</b>
<b>Pension-related and other benefits</b>		
CSRS	\$ 66,607	\$ 63,204
FERS	390,745	363,894
TSP	97,761	86,944
FEHBP	426,040	378,852
FEGLI	6,560	6,337
FICA	188,136	187,332
HIT	57,809	54,387
Leave expense	273,845	253,633
Employee meals	77,574	80,660
Transportation	32,582	22,233
Total benefits	<b><u>\$ 1,617,659</u></b>	<b><u>\$ 1,497,476</u></b>

**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, 2002 and 2001. 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, 2002 and 2001**

**NOTE 5 – FINANCING ACTIVITIES (CONTINUED)**

The loan outstanding at September 30, 2002 and September 30, 2001 is as follows:

	<b>2002</b>	<b>2001</b>
Loan issued October 1996, due by September 30, 2003	\$ -	\$ 350,000
Total	\$ -	\$ 350,000

**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 2002 and 2001.

	<b>Fiscal Year 2002</b>		<b>Fiscal Year 2001</b>	
	<b>Sales and commissions</b>	<b>Operating income (loss)</b>	<b>Sales and commissions</b>	<b>Operating income (loss)</b>
Regular food services:				
Catering	\$ 3,678,472	\$ 99,628	\$ 4,419,352	\$ 573,525
Capitol dining rooms	260,290	(482,037)	467,279	(404,673)
North Servery Cafeteria	1,925,357	(883,634)	2,261,198	(606,384)
South Buffet	238,552	(118,922)	282,112	(115,603)
Coffee shop	-	-	19,016	(820)
Snack bar	198,921	(28,465)	190,696	(48,026)
Senate chef	687,450	(35,906)	726,875	(7,319)
Total	6,989,042	(1,449,336)	8,366,528	(609,300)
Sundry shop operations:				
Southside Deli	243,613	(42,451)	263,857	(20,155)
Hart office building	341,267	(25,783)	406,726	(50,315)
Total sundry	584,880	(68,234)	670,583	(70,470)
Vending machine commissions and other operating income	325,629	325,629	329,007	329,007
Total	\$ 7,899,551	\$(1,191,941)	\$ 9,366,118	\$ (350,763)

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

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