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BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

Audit Of The Office Of The Attending Physician Revolving Fund—Fiscal Year 1981



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

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

This report summarizes the results of our examination of the fiscal 1981 financial transactions of the Office of the Attending Physician Revolving Fund, pursuant to the Legislative Branch Appropriation Act of 1976. Comparative revolving fund financial statements are on pages 4 to 7. Our opinion on these statements is on page 2.

The Office of the Attending Physician was established in 1928 to serve the medical needs of the Members of Congress. The 1976 Legislative Branch Appropriation Act established the Office of the Attending Physician Revolving Fund--effective August 1, 1975. In accordance with the act's provisions, the balance in the Office of the Attending Physician suspense account capitalized the fund.

The act requires that the Office deposit in the revolving fund all moneys received from the sale of drugs or any other sources. Further, the act permits disbursements from the fund for purchasing drugs for resale.

After restoring any impairment of capital, the fund's net income, as established by our annual audit, is required to be transferred to the U.S. Treasury's general fund. The net income for fiscal 1981 was \$1,291.19. (See sch. 2.)

REVOLVING FUND ACTIVITIES

Receipts

Prescription drug sales

The purchase and resale of prescription drugs make up the majority of the fund's receipts and disbursements. The Office purchases wholesale drugs and resells them to Members' families and to congressional employees. The price charged is based upon the unit cost of the drug rounded upward to the nearest nickel. The Office receives a 2-percent cash discount from its wholesaler for prompt payment. During the fiscal year, prescription drug sales and net income were \$23,100.81 and \$754.93, respectively.

Immunization receipts

At the direction of the Attending Physician, free gamma globulin, polio, and influenza immunizations are provided to Members and officials of the Congress. During fiscal 1981 the Office charged a \$1 fee for gamma globulin and polio immunizations, and \$2.50 for influenza immunizations given to congressional employees. The immunization receipts for fiscal 1981 were \$776.00, and net income was \$275.36.

Our review of the costs and revenues for the revolving fund activities resulted in a net adjustment of \$203.28 due to the revolving fund from appropriated funds at September 30, 1981, as reimbursement for vaccines used for free immunizations.

Insurance receipts

The Office furnishes medical transcripts and performs physical examinations for life insurance applicants. Payments of \$335.00 were received from life insurance companies for these services and deposited in the revolving fund during the fiscal year.

AUDITOR'S OPINION

We have examined the balance sheets of the Office of the Attending Physician Revolving Fund as of September 30, 1981, and September 30, 1980, and the related statements of operations and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted government auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Office of the Attending Physician Revolving Fund as of September 30, 1981, and September 30, 1980, and the results of the fund's operations and changes in financial position for the years then ended, in conformity with the financial accounting policies described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

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As required by the Legislative Branch Appropriation Act of 1976, we are sending copies of this report to the Subcommittee

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on the Legislative Branch, House and Senate Committees on Appropriations; the House Committee on Government Operations; the Senate Committee on Governmental Affairs; and the Clerk of the House of Representatives.

A handwritten signature in cursive script that reads "Charles A. Bowsher".

Comptroller General
of the United States

CONGRESS OF THE UNITED STATES
OFFICE OF THE ATTENDING PHYSICIAN
REVOLVING FUND
COMPARATIVE BALANCE SHEETS
AT SEPTEMBER 30 (note 1)

A S S E T S

	<u>1981</u>	<u>1980</u>
CURRENT ASSETS:		
Cash in U.S. Treasury	\$1,396.98	\$1,283.74
Change fund	25.00	25.00
Undeposited receipts	1,104.46	1,214.40
Inventory--Drugs (note 2)	171.75	189.60
Inventory--Vaccines (note 3)	1,611.86	919.38
Amount due from Office of Attending Physician appropriated funds	<u>203.28</u>	<u>133.07</u>
Total current assets	<u>\$4,513.33</u>	<u>\$3,765.19</u>

L I A B I L I T I E S A N D G O V E R N M E N T E Q U I T Y

CURRENT LIABILITIES:		
Accounts payable	<u>\$2,755.72</u>	<u>\$2,312.97</u>
GOVERNMENT EQUITY:		
Balance at beginning of period	1,452.22	1,436.86
Less: Amount transferred to U.S. Treasury	<u>985.80</u>	<u>970.44</u>
	466.42	466.42
Plus: Net income for year	<u>1,291.19</u>	<u>985.80</u>
Balance at end of period (note 4)	<u>1,757.61</u>	<u>1,452.22</u>
Total liabilities and Government equity	<u>\$4,513.33</u>	<u>\$3,765.19</u>

The accompanying notes are an integral part of this statement.

CONGRESS OF THE UNITED STATES
OFFICE OF THE ATTENDING PHYSICIAN
REVOLVING FUND
COMPARATIVE STATEMENT OF OPERATIONS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30 (note 1)

	<u>1981</u>	<u>1980</u>
REVENUE:		
Prescription drug sales	\$23,100.81	\$25,067.50
Immunization receipts	776.00	825.00
Insurance receipts	<u>335.00</u>	<u>370.00</u>
Total revenue	<u>24,211.81</u>	<u>26,262.50</u>
COSTS:		
Prescription drugs	22,345.88	24,500.56
Immunization vaccines	500.64	753.29
Loss on disposal of vaccines	<u>74.10</u>	<u>22.85</u>
Total costs	<u>22,920.62</u>	<u>25,276.70</u>
NET INCOME	<u>\$ 1,291.19</u>	<u>\$ 985.80</u>

The accompanying notes are an integral part of this statement.

CONGRESS OF THE UNITED STATES
OFFICE OF THE ATTENDING PHYSICIAN
REVOLVING FUND
COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30 (note 1)

	<u>1981</u>	<u>1980</u>
FUNDS PROVIDED:		
Prescription drug sales	\$23,100.81	\$25,067.50
Immunization receipts	776.00	825.00
Insurance receipts	<u>335.00</u>	<u>370.00</u>
Total funds provided	<u>\$24,211.81</u>	<u>\$26,262.50</u>
FUNDS APPLIED:		
Cost of prescription drugs	\$22,345.88	\$24,500.56
Cost of immunization vaccines	500.64	753.29
Loss on disposal of vaccines	74.10	22.85
Increase in working capital	305.39	15.36
Amount transferred to U.S. Treasury	<u>985.80</u>	<u>970.44</u>
Total funds applied	<u>\$24,211.81</u>	<u>\$26,262.50</u>

ANALYSIS OF CHANGES IN WORKING CAPITAL

	<u>Increase or</u> <u>(decrease)</u>	<u>Increase or</u> <u>(decrease)</u>
WORKING CAPITAL CHANGES:		
Cash	\$ 3.30	\$ (291.29)
Inventories	674.63	(109.01)
Amount due from Office of Attending Physician appropriated funds	70.21	42.29
Accounts payable	<u>(442.75)</u>	<u>373.37</u>
NET INCREASE IN WORKING CAPITAL	<u>\$ 305.39</u>	<u>\$ 15.36</u>

The accompanying notes are an integral part of this statement.

CONGRESS OF THE UNITED STATES
OFFICE OF THE ATTENDING PHYSICIAN

REVOLVING FUND

NOTES TO FINANCIAL STATEMENTS

FISCAL YEARS ENDED SEPTEMBER 30, 1981 AND 1980

1. The books are maintained on a cash basis and converted to an accrual basis at the end of the fiscal year.
2. Drug inventory consists of filled prescriptions not picked up by customers.
3. Vaccines are stated at cost, using the first-in, first-out method of valuation.
4. As explained on page 1 of the letter, \$1.291.19 is to be transferred to the U.S. Treasury. The amount transferred for 1980 was \$985.80.

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