

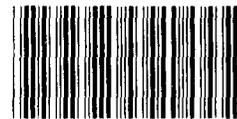
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REPORT BY THE

Comptroller General

OF THE UNITED STATES

Audit Of The Senate Recording Studio Revolving Fund For The Fiscal Year Ended March 31, 1980



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

B-199745

The Honorable F. Nordy Hoffmann
Sergeant at Arms
United States Senate

Dear Mr. Hoffmann:

We audited the Senate Recording Studio Revolving Fund for the fiscal year ended March 31, 1980, pursuant to your February 4, 1980, request.

GENERAL COMMENTS

The Senate Recording Studio was established pursuant to section 105 of the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 123b). The Studio, operated by the Sergeant at Arms of the Senate under the direction and control of the Senate Committee on Rules and Administration, makes film, video tape, and audiotape recordings for the Vice President, Senators, and committees of the Senate. The prices charged for these services are set by the Committee on Rules and Administration.

Studio operations are financed from a revolving fund and from funds appropriated to the Secretary of the Senate. All moneys received from operations are deposited into the revolving fund and are available for the operation of the Studio. Employee salaries and benefits and certain other operating expenses, such as utilities, are paid from appropriated funds. These expenses are neither recorded in the Studio's accounting records nor included in determining the results of Studio operations.

FINANCIAL POSITION

A comparative statement of assets, liabilities, and capital of the revolving fund at March 31, 1980 and 1979, is presented as schedule 1. The following comments relate to items on that statement.

Accounts receivable

Accounts receivable amounted to \$38,207 on March 31, 1980. An analysis of the age of the accounts receivable at March 31, 1980 and 1979, follows.

<u>Days outstanding</u>	<u>March 31, 1980</u>		<u>March 31, 1979</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
1 through 59	\$26,783	70.1	\$14,990	56.8
60 through 89	2,850	7.5	5,616	21.2
90 through 119	2,065	5.4	2,365	9.0
120 or more	<u>6,509</u>	<u>17.0</u>	<u>3,427</u>	<u>13.0</u>
Total	<u>\$38,207</u>	<u>100.0</u>	<u>\$26,398</u>	<u>100.0</u>

As of June 6, 1980, \$27,733, or 73 percent, of the accounts receivable balance had been paid.

Equipment

A summary of the changes in the equipment account for the period ended March 31, 1980, follows.

<u>Equipment</u>	<u>Balance March 31, 1979</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance March 31, 1980</u>
Motion picture	\$ 255,872	\$ -	\$192,532	\$ 63,340
Radio	70,711	-	250	70,461
Video	<u>700,674</u>	<u>19,457</u>	<u>74</u>	<u>720,057</u>
Total	<u>\$1,027,257</u>	<u>\$19,457</u>	<u>\$192,856</u>	<u>\$853,858</u>

During the period, the Studio added a video cap meter and a VW-1 frame synchronizer and transferred 37 pieces of motion picture equipment (see app. I) and a radio Ampex mixer unit to the General Services Administration for disposal. The Studio also reduced the recorded value of donated video equipment.

OPERATIONS

A comparative statement of revolving fund operations for the periods ended March 31, 1980 and 1979, is presented as schedule 2. During fiscal year 1980, costs exceeded revenue by \$29,242, a decrease of \$19,132 over the excess costs for

the period ended March 31, 1979. Operating results improved primarily because sales increased by 63.9 percent while costs increased by only 31.7 percent.

SCOPE OF AUDIT

We reviewed the Senate Recording Studio's accounting records and financial transactions in accordance with the Comptroller General's standards for financial and compliance audits. Our examination included such tests of the accounting records and such auditing procedures as we considered necessary.

OPINION ON FINANCIAL STATEMENTS

We prepared the accompanying financial statements for the Revolving Fund from the Studio's accounting records. We adjusted these records, which were maintained on a cash basis, to present the financial position and results of the revolving fund operations on an accrual basis. The statements do not include the cost of salaries, employee benefits, and certain other benefits or services, such as space, building repairs and maintenance, and utilities, which are paid from appropriated funds and not charged to the Revolving Fund.

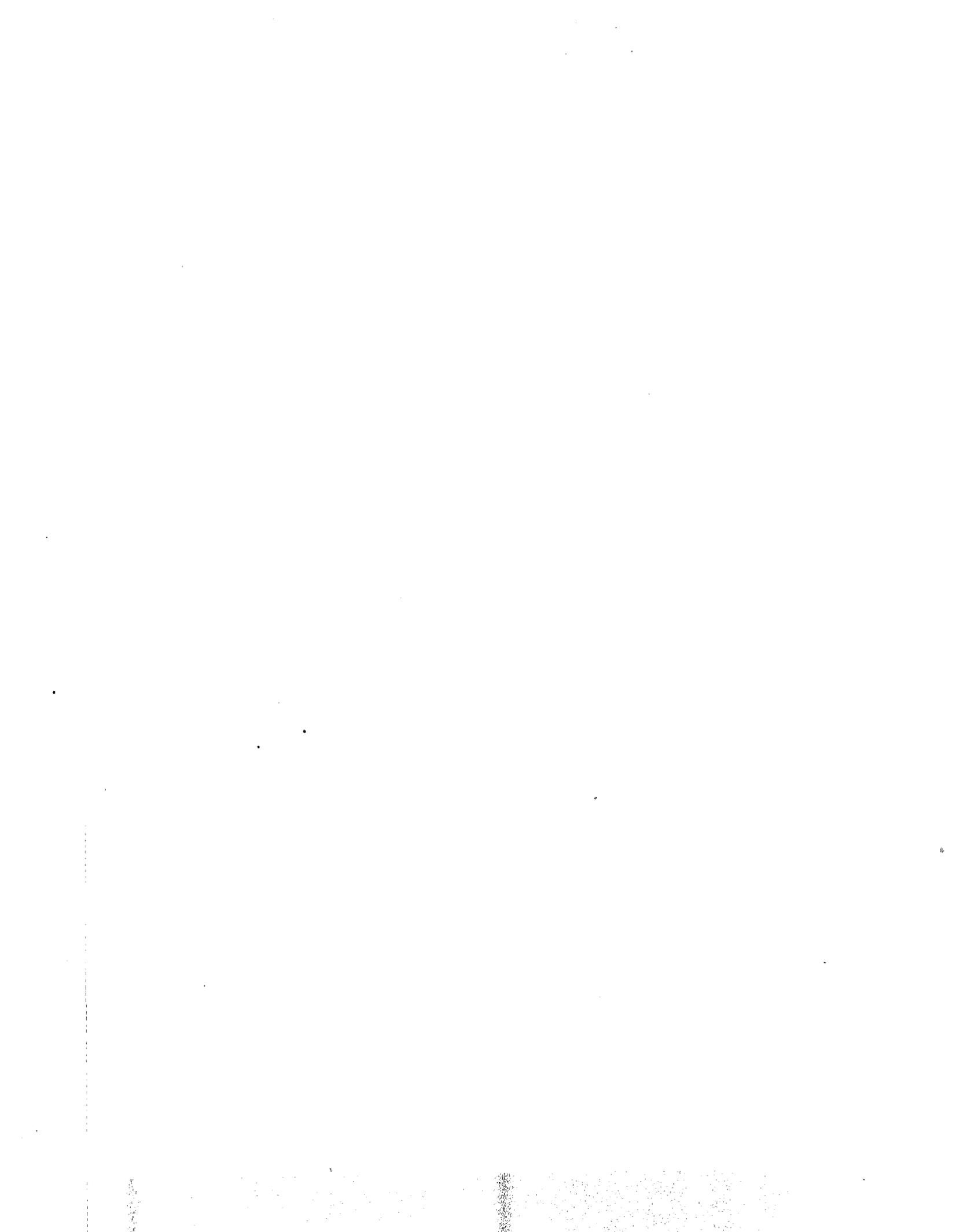
In our opinion, schedules 1, 2, and 3, which were prepared on the basis of the financial arrangements described above, present fairly the financial position of the Senate Recording Studio Revolving Fund at March 31, 1980 and 1979; the results of its operations; and the changes in its financial position for the periods then ended on a basis consistent with that of preceding years.

Sincerely yours,



Comptroller General
of the United States

SCHEDULES



SENATE RECORDING STUDIO

REVOLVING FUND

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, AND CAPITAL

MARCH 31, 1980 AND 1979

A S S E T S

	March 31, <u>1980</u>	March 31, <u>1979</u>
CURRENT ASSETS:		
Cash (in U.S. Treasury)	\$ 985,381	\$ 915,309
Accounts receivable	38,207	26,398
Inventory of materials and supplies, at cost	<u>27,572</u>	<u>39,623</u>
Total current assets	<u>1,051,160</u>	<u>981,330</u>
FIXED ASSETS:		
Equipment (note a)	853,858	1,027,257
Less accumulated deprecia- tion	<u>696,334</u>	<u>798,643</u>
Total	<u>157,524</u>	<u>228,614</u>
New Studio facilities	531,896	531,896
Less accumulated deprecia- tion	<u>256,421</u>	<u>229,826</u>
Total	<u>275,475</u>	<u>302,070</u>
Tools and minor equipment	<u>750</u>	<u>750</u>
Total fixed assets	<u>433,749</u>	<u>531,434</u>
TOTAL ASSETS	<u>\$1,484,909</u>	<u>\$1,512,764</u>

a/The estimated value of equipment obtained from the General Services Administration at no cost and valued at \$240 for fiscal year 1980 and at \$314 for fiscal year 1979 is included in equipment.

Our opinion on this statement appears on page 3 of the letter.

L I A B I L I T I E S A N D C A P I T A L

	March 31, <u>1980</u>	March 31, <u>1979</u>
CURRENT LIABILITIES:		
Accounts payable	\$ <u>3,954</u>	\$ <u>2,493</u>
CAPITAL AND EXCESS OF REVENUE OVER COSTS:		
Contributed capital	183,619	183,619
Standby equipment donated	<u>240</u>	<u>314</u>
Total	<u>183,859</u>	<u>183,933</u>
Excess of revenue over costs:		
Balance prior years	1,326,338	1,374,712
Fiscal period	<u>(29,242)</u>	<u>(48,374)</u>
Total	<u>1,297,096</u>	<u>1,326,338</u>
Total capital and excess of revenue over costs	<u>1,480,955</u>	<u>1,510,271</u>
TOTAL LIABILITIES AND CAPITAL	<u>\$1,484,909</u>	<u>\$1,512,764</u>

SENATE RECORDING STUDIO

REVOLVING FUND

COMPARATIVE STATEMENT OF OPERATIONS

FOR FISCAL YEARS ENDED MARCH 31, 1980 AND 1979

	Total		Motion picture		Radio		Video	
	FY 1980	FY 1979	FY 1980	FY 1979	FY 1980	FY 1979	FY 1980	FY 1979
REVENUE:								
Sales	\$175,878	\$107,326	\$ 807	\$ 4,247	\$ 71,182	\$ 38,055	\$103,889	\$ 65,024
COSTS:								
Motion picture, radio, and video materials	50,960	31,996	202	5,442	26,691	13,488	24,067	13,066
Maintenance and repairs	28,055	3,816	69	391	214	137	27,772	3,288
Maintenance supplies	505	200	5	7	202	71	298	122
Office supplies and miscellaneous expenses	208	634	69	211	70	211	69	212
Outside processing of film	726	-	726	-	-	-	-	-
Depreciation of equipment	84,070	92,189	6,459	15,636	6,523	6,523	71,088	70,030
Depreciation of new Studio facilities	26,595	26,595	8,865	8,865	8,865	8,865	8,865	8,865
Loss on obsolete inventory	7,598	270	7,352	90	246	90	-	90
Loss on obsolete equipment	6,403	-	6,403	-	-	-	-	-
Total costs (note a)	<u>205,120</u>	<u>155,700</u>	<u>30,150</u>	<u>30,642</u>	<u>42,811</u>	<u>29,385</u>	<u>132,159</u>	<u>95,673</u>
EXCESS OF REVENUE OVER COSTS OR (EXCESS OF COSTS OVER REVENUE)	<u>\$(29,242)</u>	<u>\$(48,374)</u>	<u>\$(29,343)</u>	<u>\$(26,395)</u>	<u>\$28,371</u>	<u>\$ 8,670</u>	<u>\$(28,270)</u>	<u>\$(30,649)</u>

a/ Salaries of \$480,088 for the fiscal year ended March 31, 1980 (\$433,870 for the fiscal year ended March 31, 1979), employee benefits, and certain other operating expenses of the Studio have been paid from appropriated funds and are not included as expenses in determining the excess of revenue over costs or the excess of costs over revenue of the revolving fund.

Our opinion on this statement appears on page 3 of the letter.

SENATE RECORDING STUDIO

REVOLVING FUND

COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FISCAL YEARS ENDED MARCH 31, 1980 AND 1979

	March 31, <u>1980</u>	March 31, <u>1979</u>
FUNDS PROVIDED:		
Sales	\$ <u>175,878</u>	\$ <u>107,326</u>
Total funds provided	\$ <u>175,878</u>	\$ <u>107,326</u>
FUNDS APPLIED:		
Costs (excluding depreciation and other items not requir- ing the outlay of funds)	\$ 88,052	\$ 36,916
Net equipment additions	19,457	3,538
Increase in working capital	<u>68,369</u>	<u>66,872</u>
Total funds applied	\$ <u>175,878</u>	\$ <u>107,326</u>

ANALYSIS OF CHANGES IN WORKING CAPITAL
FOR FISCAL YEARS ENDED 1980 AND 1979

	Increase or (decrease) in working capital	
	March 31, <u>1980</u>	March 31, <u>1979</u>
WORKING CAPITAL CHANGES:		
Cash	\$ 70,072	\$ 85,818
Accounts receivable	11,809	(8,230)
Inventory of materials and supplies	(12,051)	(12,580)
Accounts payable	<u>(1,461)</u>	<u>1,864</u>
INCREASE IN WORKING CAPITAL	\$ <u>68,369</u>	\$ <u>66,872</u>

Our opinion on this statement appears on page 3 of the letter.

MOTION PICTURE EQUIPMENT TRANSFERRED TO THE
GENERAL SERVICES ADMINISTRATION FOR DISPOSAL
IN FISCAL YEAR 1980

Moviola Differential Rewind
Mixing Console and Transformer
16 mm Recorder
Film Recorder
Baby Spot
Transformer
Differential Rewind
Microphone-2
Battery Eliminator-2
Teleprompter Equipment
Two Prompter Speech Package
Preamplifier-2
Compressor-Recording Amplifier
Amplifier
Pako Hydromixer
16 mm Photosound Recorder
16 mm Mag Recorder Reproducer
Master Control Console
Dual Dubbing Unit
Recorder
Looping Attachment
Rectifier-2
Siemens 2000 Projector
Hydromixer
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Double Sound Track Applicator System
Color Processor
Corning Meter
Loop Trees
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