

**REPORT TO  
THE UNITED STATES CAPITOL POLICE BOARD**

**REVIEW OF OPERATIONS  
OF  
UNITED STATES CAPITOL GUIDE FORCE  
FISCAL YEAR 1959**



**BY  
THE COMPTROLLER GENERAL OF THE UNITED STATES**

**MARCH 1960**



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON 25

B-133224

MAR 3 - 1960

Honorable Zeake W. Johnson, Jr., Chairman  
United States Capitol Police Board

Dear Mr. Chairman:

Herewith is our report on review of the operations of the United States Capitol Guide Force for the fiscal year ended June 30, 1959.

Our recommendations, designed to effect needed improvements in accounting procedures, are summarized on pages 1 and 2. We shall be pleased to discuss any of our comments in greater detail with you or members of the Board or Guide Force.

Sincerely yours,

A handwritten signature in cursive script, reading "Eugene Campbell", is written over the typed name.

Comptroller General  
of the United States

Enclosure

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REPORT ON  
REVIEW OF OPERATIONS  
OF  
UNITED STATES CAPITOL GUIDE FORCE  
FISCAL YEAR 1959

The General Accounting Office has reviewed the operations of the UNITED STATES CAPITOL GUIDE FORCE (Guide Force) for the fiscal year ended June 30, 1959, pursuant to the request dated August 13, 1959, of the United States Capitol Police Board. The scope of our review is described on page 24 of this report.

The Guide Force is a self-sustaining activity providing official guide service to visitors in the United States Capitol. The visitors are charged nominal fees which are distributed among the guides as sole remuneration for their services. In fiscal year 1959, the net income of the Guide Force amounted to \$148,322. The distributive share of each guide who worked the entire year amounted to \$6,564.

Our examination disclosed the need for improved accounting procedures, and we are recommending that the Guide Force be required:

1. To establish and maintain over-all controls of unnumbered tickets received, assigned for sale, issued, and on hand. (See p. 9.)
2. With regard to sales on account, to (1) issue tickets in the same denomination as that of the charge made, (2) record the serial numbers of the tickets sold, and (3) maintain a ledger account for each charge-account customer showing the charges, payments, and balance due. (See p. 11.)

3. To (1) prepare daily cash settlements with each guide cashier showing any shortages or overages, (2) maintain a formal cash book to record all receipts and disbursements, and (3) reconcile the monthly bank statements with the formal record of cash deposits, checks issued, and cash balance. (See p. 13.)
4. To compute earnings on the basis of an actual count of the ticket stubs collected from visitors; to prepare formal payrolls showing for each guide the distributable earnings, deductions for Federal and State withholding taxes and savings, and the net pay; and to maintain a complete earnings record for each guide. (See p. 17.)
5. To prepare and submit to the Capitol Police Board periodic statements of operations and financial condition. (See p. 18.)

We are also suggesting that the Capitol Police Board give consideration to:

1. The adoption of a plan for the payment of compensation to guides at a level rate throughout the year. (See p. 17.)
2. The need for fidelity bonds to cover all guide cashiers. (See pp. 11 to 14.)

## HISTORY AND ORGANIZATION

The United States Capitol Guide Force was created about 1876 by the Capitol Police Board, apparently under authority of their general police power, for the purpose of establishing some system for the handling of Capitol tourists.<sup>1</sup>

Prior to 1876 there had been no regulated guide system of any kind. There were some persons around the Capitol who took sight-seeing parties through the rotunda and showed them a little of the city. However, so many complaints were received about persons' being gouged that the Capitol Police Board--consisting of the Architect of the Capitol, the Sergeant at Arms of the Senate, and the Sergeant at Arms of the House--conceived the idea of having special guides appointed and putting them under the jurisdiction of the Police Board. They first appointed three guides who received no salary but were allowed to collect tips as their remuneration. Additional guides were appointed as the number of tourists increased.

Rules and regulations for the United States Capitol Guides issued by the Capitol Police Board, as revised February 1, 1955, provide for the appointment and supervision of guides, fees for services, and compensation, in pertinent part, as follows:

"United States Capitol Guides shall not exceed 24 in number, 12 appointed by the Sergeant at Arms of the Senate and 12 appointed by the Sergeant at Arms of the House.

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<sup>1</sup>Section 3644, Cannon's Precedents of the House of Representatives; page 138 of hearings on Legislative Establishment Appropriation Bill, 1926, before Subcommittee of House Committee on Appropriations.



"The guides shall be under the supervision of a Captain and shall observe the regulations prescribed by the United States Capitol Police Board.

"The Captain shall be elected by the guides the first Saturday in each January and serve for a term of 1 year. The election shall be alternative; a House guide shall succeed a Senate guide, and conversely. A pro tempore Captain may be designated by the Captain to serve in his absence. Extra compensation of 50 cents a day shall be allowed the Captain.

#### "FEES FOR SERVICE

"Guides may charge 25 cents for each person conducted through the Capitol Building. For school organizations a charge of 15 cents per person shall be made.

"At the close of each day an equal division of proceeds shall be made and checks issued weekly to each guide for same; provided he has completed his week's work in compliance with the rules set forth in this book.

"A minimum of 10 guides shall be maintained by both the Sergeant at Arms of the Senate and the Sergeant at Arms of the House.

\* \* \* \* \*

#### "NEW GUIDES

"It shall be the duty of the Captain to provide prompt and proper instruction for new guides.

"A new guide shall study and receive instruction for 7 days. The Captain or his representative shall then give him an examination of the Capitol which he must pass before conducting tours through the building."

The rules and regulations provide also for hours of work, leave, accounting, rules of conduct, penalties, meetings, and other matters.

It thus appears that, although the Guide Force was not established by specific legislation, it has developed by custom over a period of about 83 years. The position of guide has many characteristics of legislative positions. The guides are subject to appointment and removal by the respective Sergeants at Arms, and

their duties and responsibilities are prescribed by rules and regulations of the Capitol Police Board. However, the guides' compensation is paid from special receipts--that is, fees for guide services--and, in the absence of legislation therefor, are not entitled to the usual benefits applicable to legislative employees, such as Federal retirement and insurance. The Treasury Department in a letter dated February 11, 1953, on the basis of information furnished by the Captain of the Guides, ruled, in effect, that the distributive share of compensation received by each guide was subject to the tax imposed by the Self-Employment Contribution Act (26 U.S.C. 1401), and therefore the guides are entitled to social security retirement benefits.

At June 30, 1959, the Guide Force consisted of 24 guides, including 1 new guide in the process of completing the 7-day period of instruction. Mr. Floyd Kirby, a Senate guide, was serving as Captain for the calendar year 1959, having succeeded Mr. James Connell, a House guide, who served as Captain for the prior calendar year. We were informed that Messrs. Kirby and Connell have alternated as Captain and Assistant Captain for a number of years.



### OPERATIONS

Guide service is provided from 9 a.m. to 4 p.m. every day of the year except Thanksgiving, Christmas, and New Year's Day when no service is provided.

The tours are designed to take about 40 minutes but may be shortened if the volume of visitors is heavy. Included in the tour are the galleries of the House and the Senate, Statuary Hall, the rotunda, the British stairway, the grand stairways, and the President's Room. The guides lecture on the history and features of the Capitol and the organization of the House and the Senate.

The fees charged for this service are 25 cents a person for general visitors and 15 cents a person for school organizations, as provided by the regulations, with the following exceptions.

1. For groups brought in by local sight-seeing companies, a fee of 15 cents is charged for children 5 years and under 10 years of age and no fee is charged for children under 5 years of age.
2. For other general visitors, no fee is charged for children under 10 years of age.

Tickets to general visitors are sold for cash. Tickets to school organizations and local sight-seeing companies are sold in blocks either (1) on a prepaid basis or (2) on account against a stipulated deposit or subject to weekly settlements.

The base of the guides' operations is the crypt on the first floor directly beneath the rotunda. The Captain, Assistant Captain, and one or more of the guides are stationed at the entrances to this area to sell tickets. Visitors who have tickets are assembled in groups. A guide takes charge of each group and conducts the tours. Guides who are awaiting their turns congregate in the

area around a number of tables and chairs and a cabinet which is used for storing tickets and current records. This arrangement results in confusion and creates a somewhat disorderly atmosphere. We have been informed that, upon completion of the extension of the east front of the Capitol, more suitable arrangements will be made so that the guides may conduct their activities in a more orderly and dignified manner.

The volume of visitors serviced by the Guide Force is highly seasonal, spring and summer being the busiest seasons. After Labor Day and through the winter, the volume is extremely light, except when unexpected groups from conventions or other activities in the city visit the Capitol. During the spring and summer each guide conducts as many as 10 groups a day, while in the winter each guide may conduct only 1 or 2 groups a day.

### ACCOUNTING CONTROLS AND PROCEDURES

The accounting records maintained are inadequate to effectively control and properly account for the cash receipts and disbursements, the operating income, and the assets and liabilities of the Guide Force.

Many detailed records are maintained, but they are not integrated into a system that provides internal checks. No general ledger is kept. The accounting data is not classified and summarized to permit the preparation of periodic summaries of operations and analyses of financial condition.

### CONTROL OF TICKETS

No over-all control is maintained of tickets received, issued, and on hand.

Prenumbered white tickets--25 cents--and pink tickets--15 cents--with perforated prenumbered stubs are used. The tickets are serially numbered from 1 to 20,000 in blocks prefixed with letters A through Z. The tickets are furnished to the Guide Force by the Sergeants at Arms of the Senate and of the House at no cost. Unissued tickets are stored in a cabinet located in the area used by the guides as their base of operations. Only the Captain, the Assistant Captain, and certain other guides are designated to sell tickets, but all guides have access to the cabinet in which the unissued tickets are stored.

Present procedures provide for recording the serial numbers of tickets sold each day for cash or on account, except for tickets sold on account to the White House Sightseeing Corporation. (See p. 10.) No over-all record is maintained of tickets

received, tickets assigned for sale, tickets sold, and tickets on hand. Tickets on hand are not inventoried to determine whether the total tickets received, less the inventory, have been properly accounted for as recorded sales. Therefore, the present procedures do not provide a means to ascertain whether all revenues from the sale of tickets have been properly accounted for.

We believe that present procedures should be revised to utilize the control afforded by prenumbered tickets in accounting for revenues.

#### Recommendation

To provide more positive control over income from the sale of tickets, we recommend that the Guide Force be required to establish and maintain over-all controls of prenumbered tickets received, assigned for sale, issued, and on hand.

#### CONTROL OF PREPAID TICKETS

Control of outstanding prepaid tickets is maintained on the basis of actual tickets sold and estimates of tickets used.

Blocks of 25-cent and 15-cent tickets are sold to several sight-seeing companies and school organizations prior to actual use. A memorandum account is maintained for each organization, showing the money value of tickets purchased, the estimated value of tickets used, and the outstanding balance. At the end of each calendar year, a verbal inquiry is made of each organization as to the number and denomination of unused tickets on hand. Adjustments of the accounts are made on the basis of the information received.

The value of prepaid tickets honored each day is included in the daily calculation of earnings and is also recorded in the memorandum accounts on an estimated basis rather than on a basis of an actual count of ticket stubs collected. The memorandum accounts of prepaid tickets outstanding are used primarily to avoid overestimates of earnings; that is, when an organization's account shows a zero balance, any further tickets honored from that organization are disregarded and are not included in the computation of daily earnings.

Adjustments of underestimates of tickets honored are made at the end of each calendar year when the outstanding tickets are confirmed, and the resulting additional earnings are distributed as a bonus to the guides at that time. (See p. 15.)

#### CONTROL OF TICKETS SOLD ON ACCOUNT

The procedures for accounting for certain tickets sold on account do not provide positive control over amounts due.

Blocks of 25-cent tickets are reserved for issuance to visitors brought in by the White House Sightseeing Corporation. When these groups arrive, 25-cent tickets are issued to all individuals in the group. The bus drivers present a slip covering the visitors in each group, showing the number of adults to be charged the 25-cent rate and the number of children to be charged the 15-cent rate. The serial numbers of the tickets issued are not recorded nor is a determination made that the number of tickets issued to each group corresponds with the number of visitors shown on the covering slip. At the end of each week, the slips are totaled and the company is notified by phone of the amount due. Generally,



remittances from the company are received shortly after such notification.

Inasmuch as no formal account showing the charges, payments, and balance due was maintained for the White House Sightseeing Corporation, we compared the recorded amounts of weekly sales with the amounts of payments received. No payment was recorded for sales of \$85.85 for the week ended May 21, 1959. Also, we observed numerous minor differences between the recorded sales and the recorded payments.

We believe that the practice of issuing a 25-cent ticket where a 15-cent charge is made should be discontinued and that controls should be established for tickets sold to and amounts due from charge-account customers.

#### Recommendation

To provide more effective controls over the sale of tickets and amounts due from sales on account, we recommend that the Guide Force be required to (1) issue tickets in the same denomination as that of the charge made (2) record the serial numbers of the tickets sold, and (3) maintain a ledger account for each charge-account customer, showing the charges, payments, and balance due.

#### CONTROL OF CASH TRANSACTIONS

Existing practices do not provide a desirable degree of control over financial transactions. No adequate record of receipts and disbursements is maintained. Daily settlements with each guide cashier are not documented, and monthly bank statements are not reconciled.



The funds of the Guide Force are kept in two checking accounts--used on an alternating basis--in the Riggs National Bank, subject to withdrawal on the joint signatures of the Captain and Assistant Captain. The cash received by each guide cashier from the sale of tickets and from other sources is turned over to the Captain at the end of each day, but no settlement sheets are prepared showing shortages or overages, if any. None of the guides handling cash are under bond. The total cash receipts are deposited daily by the Captain or Assistant Captain in the night depositary of the bank. The amount of the deposit is entered in a pass book by the bank on the following business day. Disbursements are made by check with the exception of those for small purchases of supplies which are made from current receipts.

A memorandum record is kept in a so-called cashbook--used primarily to determine the amount of daily earnings--which shows the daily cash receipts from ticket sales to the general public and to local sight-seeing companies and collections of accounts receivable. However, no record is maintained showing the cash on hand and on deposit in the bank. No checkbook balance is maintained; deposits and returned items are not entered, amounts of checks issued are not totaled, and monthly bank statements are not reconciled.

The alternate checking accounts are used as a device to determine the additional funds available for distribution to the guides as a bonus. These checking accounts are designated as "U. S. Capitol Guide Force Account" and "U. S. Capitol Guide Association Account." Deposits into and withdrawals from one checking account

are made through October of each year. Beginning with November the other account is used, into which there is transferred from the first account amounts sufficient to cover outstanding liabilities, such as customer deposits, taxes withheld, savings, and the determined value of outstanding prepared tickets. On the assumption that all outstanding checks drawn on the first account have cleared by the end of the calendar year, the balance in the account at that time, less \$100 retained in the account, is distributed to the guides as a bonus. This bonus distribution, in effect, operates as an adjustment for all overages, shortages, and overestimates and underestimates of used prepaid tickets which occurred throughout the year.

Our examination disclosed numerous minor differences between the recorded cash receipts and bank deposits representing unrecorded shortages and overages. These differences resulted in total shortages of \$14.50 and overages of \$52.95.

We believe that a more adequate system should be developed and adopted to obtain better control over the recording of cash transactions and to furnish a basis for verification of cash balances.

#### Recommendation

To provide improved control of cash, we recommend that the Guide Force be required to:

1. Prepare daily cash settlements with each guide cashier, showing any shortages or overages. Differences should be investigated.
2. Maintain a formal cashbook to record all receipts and disbursements.

3. Reconcile the monthly bank statements with the formal record of cash deposits, checks issued, and cash balances.

Also, we suggest that the Capitol Police Board consider the need for fidelity bonds to cover all guide cashiers.

## ACCOUNTING FOR EARNINGS AND DISTRIBUTION

The determination of earnings on an estimated basis does not provide an equitable distribution of the earnings among the guides. No adequate payroll and earning records are maintained.

The gross earnings for each day are determined by totaling:

1. The amount of cash received for tickets sold to general visitors.
2. The dollar amount of tickets sold on account and used on date of issue. In the case of the White House Sightseeing Corporation, the amount is based on the number of visitors as shown on bus drivers' slips.
3. The estimated dollar amount of prepaid tickets presented by members of groups of school organizations and sight-seeing companies.

Ticket stubs collected are discarded at the end of each tour. No verification of tickets used is made by actual count of ticket stubs.

After deducting from the daily gross earnings 50 cents for the Captain and minor expenses paid, the net earnings are apportioned in multiples of 5 cents to the participating guides on the basis of attendance. Any difference or breakage is apportioned to the Captain or Assistant Captain in charge on that day. This method of distribution is not strictly in accordance with the rules which provide for an equal distribution of net proceeds.

Experience indicates that the estimates of prepaid tickets honored have been unreliable. For a number of years underestimates have been disclosed when annual confirmation of the outstanding balances are obtained from the sight-seeing companies. (See p. 9.) The underestimates have resulted in additional earnings which have been distributed as a bonus to the guides at the end of

the calendar year. Inasmuch as the apportionments throughout the year are based on attendance, there is no assurance that the amount distributed to each guide as a bonus represents his equitable share of the earnings at the time the understatements occurred.

In lieu of formal payrolls, weekly computations of amounts due each guide--accumulated apportionments less applicable deductions for Federal and State withholding taxes and for savings--are made on individual check stubs and checks are issued for the net pay due.

A voluntary savings plan has been adopted to partly offset the seasonal fluctuation in the compensation of the guides. Because of the seasonal nature of the business, the weekly compensation of a guide varies from about \$200 during the spring and summer to about \$20 during the fall and winter. Under the savings plan, a guide may elect to have \$25 a week withheld during 14 weeks of the busy season and the withheld amount repaid either in a lump sum or at the rate of \$25 a week during the slack season. Eighteen guides participated in this plan.

An earning record is maintained for each guide, which shows the gross earnings and amounts withheld for Federal and State taxes but does not show the savings withheld and net payments made.

We believe that the large participation in the savings plan indicates the desirability of paying distributable earnings at a level rate throughout the year, based on conservative estimates of annual earnings. Comparisons of the actual with the estimated earnings should be made periodically so that the established rates of payment may be adjusted if found to be excessive. Final



adjustment for any undistributed earnings should be made as of the end of each year.

#### Recommendation

To provide for a more equitable distribution of earnings and the maintenance of more adequate records, we recommend that the Guide Force be required (1) to compute earnings on the basis of an actual count of the ticket stubs collected from visitors, (2) to prepare formal payrolls showing for each guide the distributable earnings, deductions for Federal and State withholding taxes and savings, and the net pay, and (3) to maintain a complete earnings record for each guide. Also, we suggest that the Capitol Police Board give consideration to the adoption of a plan for the payment of compensation to guides at a level rate throughout the year.

#### REPORTING

No statements of financial condition and operating results are prepared and furnished to the Capitol Police Board.

The only report prepared is an annual statement of distribution, copies of which are sent to the Sergeant at Arms of the Senate and the Sergeant at Arms of the House. This statement shows the amounts of monthly and annual distributions of net earnings to each guide. However, since no financial statements are prepared, the accuracy of the statement of distribution cannot be readily determined.

An apparent shortage of \$777 at December 1958 was disclosed in the process of transferring funds for outstanding liabilities from one checking account to the other checking account in accordance with the method for determining the amount of the annual



bonus. Ordinarily a shortage would have resulted from an over-distribution of net earnings. However, no action was taken either to investigate or recover the shortage.

Our examination disclosed, however, that, instead of the existence of a shortage of \$777 at December 1958, about \$1,655 should have been available for distribution as a bonus because a duplicate payment of \$2,432 had been made in January 1958 of Federal income taxes withheld, as follows:

<u>Month</u>	<u>Federal income taxes withheld</u>	<u>Date paid</u>	<u>Federal income taxes paid</u>	<u>Over- payment</u>
Oct. 1957	\$1,503.40	Nov. 1, 1957	\$1,503.40	
Nov. 1957	929.10	Dec. 13, 1957	929.10	
Dec. 1957	<u>836.10</u>	Jan. 3, 1958	<u>3,268.60</u>	<u>\$2,432.50</u>
	<u>\$3,268.60</u>		<u>\$5,701.10</u>	<u>\$2,432.50</u>

This matter was brought to the attention of the Captain of the Guide Force. The Guide Force thereafter filed a claim with the Internal Revenue Service to recover the overpayment and on January 20, 1960, received a refund of \$2,676.14 for the amount overpaid and accumulated interest.

We believe that the preparation of financial statements would have provided a timely disclosure of such overpayment. Also, we believe that a full disclosure of the operating results and financial condition of the Guide Force will assist the Capitol Police Board in its control over this activity.

#### Recommendation

We recommend that the Guide Force be required to prepare and submit to the Capitol Police Board periodic statements of operations and financial condition.

### INCOME AND DISTRIBUTION

As shown on schedule 1, net income for fiscal year 1959 amounted to \$148,322.44, of which \$146,655.30 was distributed to the guides, leaving \$1,667.14 undistributed. The undistributed income resulted from:

Reduction in estimated prepaid tickets outstanding at December 15, 1958	\$1,449.95
Underestimated sales to White House Sightseeing Corporation	123.45
Net effect of 24 errors in the records	104.65
Overages in bank deposits	<u>52.95</u>
Total	1,731.00

Less:

Expenses paid from checking account	\$49.36	
Shortages in bank deposits	<u>14.50</u>	<u>63.86</u>
Net undistributed income		<u>\$1,667.14</u>

The reduction in estimated prepaid tickets outstanding represents the difference between the tickets outstanding based on estimated usage at December 15, 1958, in the amount of \$5,087.95 and the tickets outstanding as confirmed by telephone by the guides at the same date in the amount of \$3,638. The net undistributed income at December 15, 1958, was \$1,655. However, this additional income was not distributed to the guides because, as indicated on page 17, there was an apparent shortage in the checking account resulting from an overpayment of withholding taxes.

### FINANCIAL CONDITION

A statement of financial condition of the Guide Force at June 30, 1959, presented as schedule 2, shows assets of \$14,240.61, liabilities of \$12,521.20, and undistributed income of \$1,719.41. Comments on each item shown in schedule 2 follow:

#### CASH ON HAND

Cash on hand at June 30, 1959, consisted of:

Change funds	\$ 15.00
Undeposited receipts	<u>500.70</u>
Total	<u>\$515.70</u>

Three change funds of \$5 each are used by the guides designated to sell tickets. The undeposited receipts are the cash receipts of June 30, 1959.

#### CASH IN BANK

At June 30, 1959, the following amounts were on deposit:

U.S. Capitol Guide Force Account	\$ 7,696.05
U.S. Capitol Guide Association Account	<u>3,129.26</u>
Total	<u>\$10,825.31</u>

As explained on page 12, two checking accounts are maintained at the Riggs National Bank. The U.S. Capitol Guide Association Account was active through October 27, 1958, after which the U.S. Capitol Guide Force Account became active. A check for \$3,029.26 was drawn on January 8, 1959, to transfer that amount from the U.S. Capitol Guide Association Account to the U.S. Capitol Guide Force Account. However, the bank erroneously charged as well as credited the check to the Guide Force account, thereby causing the amount to remain in the Guide Association account.

### ACCOUNTS RECEIVABLE

Only two accounts were open at June 30, 1959, as follows:

White House Sightseeing Corporation	\$ 467.10
Internal Revenue Service	<u>2,432.50</u>
Total	<u>\$2,899.60</u>

Accounts receivable from the White House Sightseeing Corporation are composed of:

Estimated sales for the week ended May 21, 1959	\$ 85.85
Actual sales for the week ended June 25, 1959	251.60
Estimated sales for the period June 26 to 30, 1959	<u>129.65</u>
Total	<u>\$467.10</u>

Collections for June sales were received, recorded, and deposited in July 1959. However, the records did not show any collection from the White House Sightseeing Corporation for tickets issued for their account during the week ended May 21, 1959.

The account receivable from the Internal Revenue Service represents an overpayment of Federal income taxes withheld during December 1957. A claim was filed with Internal Revenue Service, and a refund of the overpayment with interest was received in January 1960. (See p. 18.)

### DEPOSIT--WHITE HOUSE SIGHTSEEING CORPORATION--\$215.00

We have been informed by the Captain that the White House Sightseeing Corporation has deposited \$215 with the Guide Force, against which the Guide Force issues tickets. We have treated this amount as a deposit rather than an advance because it appears that the amount does not act as a limitation on the amount of credit extended to the Corporation nor are sales charged against the advance.

### GUIDES' SAVINGS

Voluntary savings of individual guides at June 30, 1959,  
were as follows:

Guides' savings--1958	\$ 25.00
Guides' savings--1959	<u>2,250.00</u>
Total	<u>\$2,275.00</u>

"Guides' savings--1958" represents savings due Mr. Redford Howell, a member of the Guide Force. This amount was not paid to Mr. Howell on December 15, 1958, when a lump-sum payment was made to him of savings due, apparently because of an oversight.

"Guides' savings--1959" represents savings withheld for 18 guides at the rate of \$25 a week during the period June 1-29, 1959.

### ACCRUED DISTRIBUTIONS PAYABLE--\$1,525.25

"Accrued distributions payable" represents the earnings of the Guide Force for June 29 and 30, 1959, which were due and paid on July 6, 1959.

### WITHHELD INCOME TAXES

The following taxes were withheld from the distributions to the guides prior to July 1, 1959, and were remitted in July 1959:

Federal income tax withheld during June 1959	\$3,610.15
District of Columbia income taxes withheld:	
April 1959	\$318.90
May "	250.20
June "	<u>274.80</u>
Total, District of Columbia	<u>843.90</u>
Total income taxes withheld	<u>\$4,454.05</u>



### ESTIMATED PREPAID TICKETS OUTSTANDING

The dollar amount of the estimated number of tickets in the hands of various sight-seeing companies at June 30, 1959, follows:

AB&W Transit Company	\$ 39.25
Attwood's Capitol View Tours	128.75
Boro Bus Company	.45
D.C. Transit System	2,294.85
Dixie Sightseeing Service	297.40
Gray Line Sightseeing Tours	893.15
Green Tours	18.65
Lincoln Transit	11.10
WMA Transit Company	<u>368.30</u>
Total	<u>\$4,051.90</u>

We have adjusted the tickets outstanding to account for the sale of \$250 worth of tickets to Gray Line Sightseeing Tours on January 5, 1959, which was not recorded in the records, and for 29 minor errors and discrepancies in the records subsequent to December 15, 1958 (the date on which tickets outstanding were confirmed and adjusted).

### UNDISTRIBUTED INCOME

At June 30, 1959, undistributed income amounted to \$1,719.41 comprised of:

Balance at June 30, 1958	\$ 52.27
Fiscal year 1959	<u>1,667.14</u>
Total	<u>\$1,719.41</u>

The undistributed income at June 30, 1958, represents the excess of assets over estimated liabilities at that date and probably resulted from errors and discrepancies in the records which occurred between November 18, 1957--when the annual confirmation of tickets outstanding and computation of bonus were made--and June 30, 1958. Net undistributed income for fiscal year 1959 is discussed on page 19.



### SCOPE OF REVIEW

Our review of the operations of the United States Capitol Guide Force for the fiscal year ended June 30, 1959, included: (1) discussions with the Captain of the Guide Force to ascertain the functions and activities of the guides and the accounting procedures used, (2) a limited examination of the accounting records, (3) a reconciliation of the bank accounts, (4) an evaluation of the accounting procedures, and (5) a summarization of accounting data and the preparation of financial statements based on the records of the Guide Force, as adjusted for errors and discrepancies disclosed by our examination.

We did not count the change funds or obtain independent confirmation of the bank balances or prepaid tickets outstanding.

### OPINION OF FINANCIAL STATEMENTS

The accompanying statements of income and distribution (schedule 1) and of financial condition (schedule 2) were prepared by us from the records of the United States Capitol Guide Force and information obtained from the Captain of the Force and were adjusted for errors and discrepancies disclosed by our examination of the records.

Because of the lack of control over unissued tickets and the unreliability of the estimated amount of prepaid tickets outstanding, we cannot express an opinion that the accompanying financial statements present fairly the financial position of the United States Capitol Guide Force at June 30, 1959, and the results of its operations for the fiscal year ended on that date.

**FINANCIAL STATEMENTS**

## UNITED STATES CAPITOL GUIDE FORCE

## STATEMENT OF INCOME AND DISTRIBUTION

FISCAL YEAR ENDED JUNE 30, 1959

INCOME:		
Tickets sold for immediate use		\$113,512.95
Estimated value of prepaid tickets used by sight-seeing companies		34,823.20
Overages in bank deposits		<u>52.95</u>
Total income		148,389.10
EXPENSES:		
Flowers	\$32.76	
Safe deposit box rental	6.60	
Insurance	10.00	
Miscellaneous	2.80	
Shortages in bank deposits	<u>14.50</u>	
Total expenses		<u>66.66</u>
NET INCOME		148,322.44
DISTRIBUTION OF INCOME TO GUIDES (schedule 3)		<u>146,655.30</u>
NET UNDISTRIBUTED INCOME		<u>\$ 1,667.14</u>

Note: Does not include income from interest accrued on overpaid Federal income taxes withheld.

## UNITED STATES CAPITOL GUIDE FORCE

## STATEMENT OF FINANCIAL CONDITION

JUNE 30, 1959

## ASSETS

CASH ON HAND:		
Change funds	\$ 15.00	
Undeposited receipts	<u>500.70</u>	\$ 515.70
CASH IN BANK:		
U.S. Capitol Guide Force Account	7,696.05	
U.S. Capitol Guide Association Account	<u>3,129.26</u>	10,825.31
ACCOUNTS RECEIVABLE:		
White House Sightseeing Corporation	467.10	
Internal Revenue Service (note a)	<u>2,432.50</u>	<u>2,899.60</u>
Total assets		<u>\$14,240.61</u>

## LIABILITIES AND UNDISTRIBUTED INCOME

LIABILITIES:		
Deposit--White House Sightseeing Corporation	\$ 215.00	
Guides' savings--1958	25.00	
Guides' savings--1959	2,250.00	
Accrued distributions payable	1,525.25	
Federal income tax withheld	3,610.15	
District of Columbia income tax withheld	843.90	
Estimated prepaid tickets outstanding	<u>4,051.90</u>	\$12,521.20
UNDISTRIBUTED INCOME:		
Undistributed income--June 30, 1958	52.27	
Add net undistributed income, fiscal year 1959 (schedule 1)	<u>1,667.14</u>	
Undistributed income--June 30, 1959		<u>1,719.41</u>
Total liabilities and undistributed income		<u>\$14,240.61</u>

<sup>a</sup> Does not include accrued interest on the overpayment of withheld taxes.

## UNITED STATES CAPITOL GUIDE FORCE

## DISTRIBUTION OF INCOME TO GUIDES

FISCAL YEAR ENDED JUNE 30, 1959

<u>Name</u>	<u>Amount</u>
Mary L. Brown	\$ 4,196.65
Vincent Carden	6,350.60
Annie L. Chisholm	6,489.75
Louise Colburn (note a)	3,035.75
James Connell (note b)	6,664.60
Mildred Councilor	6,441.40
William F. Curley	6,490.65
Erma Curry	6,327.00
Earl P. Dugan	6,489.75
Bette Fenlon	6,452.45
Margaret Hamilton	6,489.75
Bedford Howell	6,489.75
Marguerite Jennings	6,489.75
Theodosia M. Johnson (note c)	2,329.80
Calvin Kimbrough	6,440.90
Floyd Kirby (note d)	6,676.60
John D. McDowell (note e)	917.45
Carl Miller	6,489.75
Frank Monroe	6,503.35
Myrtle Murdock	6,489.75
George Poulos	6,489.75
Arlene M. Schamp	6,440.90
Evelyn Schnee	6,489.75
Eloise Seeley	6,489.75
Kathryn Showalter	6,489.70
Total	<u>\$146,655.30</u>

<sup>a</sup>Appointed March 1959.<sup>b</sup>Captain during calendar year 1958, Assistant Captain during calendar year 1959.<sup>c</sup>Resigned October 1958.<sup>d</sup>Captain during calendar year 1959, Assistant Captain during calendar year 1958.<sup>e</sup>Resigned August 1958.