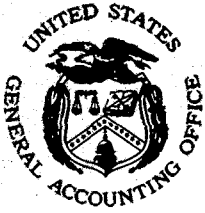


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REPORT OF THE COMPTROLLER GENERAL OF THE UNITED STATES

Audit Of The House Recording Studio Revolving Fund For Fiscal Year 1975

House Of Representatives



COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-114842

p
2 The Honorable W. Pat Jennings *GHS-3*
Clerk of the House of Representatives

Dear Mr. Jennings:

We have audited the House Recording Studio Revolving Fund for the fiscal year ended June 30, 1975, pursuant to your request dated June 5, 1975. *GHS 11*

GENERAL COMMENTS

CA The House Recording Studio was established pursuant to the provisions of section 105 of the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 123b). The Studio, which is operated by a director under the jurisdiction of the Clerk of the House of Representatives and subject to the direction and control of the Committee on the House Recording Studio, makes film and audiotape and video tape recordings for Members and committees of the House of Representatives. The prices to be charged for services are set by the Clerk of the House, subject to the approval of the Committee on the House Recording Studio. *173800*

Studio operations are financed from a revolving fund and from funds appropriated to the Clerk of the House. 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 payments are not recorded in the Studio's accounting records but are referred to in a footnote to schedule 2 of the financial statements.

FINANCIAL POSITION

A comparative statement of assets and liabilities of the revolving fund at June 30, 1975 and 1974, is presented as schedule 1. The following comments relate to items on that statement.

Accounts receivable

Accounts receivable amounted to \$22,164 at June 30, 1975, a decrease of \$1,714 from the amount at June 30, 1974. The ages of the accounts receivable at June 30, 1975 and 1974, follow:

<u>Days outstanding</u>	<u>June 30, 1975</u>		<u>June 30, 1974</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
1 through 59	\$21,033	94.91	\$21,125	88.47
60 through 89	932	4.20	2,190	9.18
90 through 119	163	.73	542	2.26
120 or more	36	.16	21	.09
Total	<u>\$22,164</u>	<u>100.00</u>	<u>\$23,878</u>	<u>100.00</u>

Equipment and furnishings

A summary of the changes in the equipment and furnishings account during the fiscal year follows:

	<u>Balance June 30, 1974</u>	<u>Addi- tion</u>	<u>Dis- posals</u>	<u>Balance June 30, 1975</u>
Video	\$592,709	\$ 8,643	\$ 5,544	\$595,808
Motion picture	133,475	5,507	10,512	128,470
Radio	58,665	-	1,285	57,380
Office and shop	<u>6,295</u>	<u>-</u>	<u>59</u>	<u>6,236</u>
Total	<u>\$791,144</u>	<u>\$14,150</u>	<u>\$17,400</u>	<u>\$787,894</u>

Equipment additions were as follows: two master transport consoles, two cameras, three lenses, two prompter monitors, two color video cassette recorder-reproducers, two color television receivers, a video patch panel, a film hood, and a film analyzer.

Disposals consisted of items traded in on new equipment and items used to offset costs of repairing other equipment.

OPERATIONS

A comparative statement of revolving fund operations for the fiscal years ended June 30, 1975 and 1974, is presented as schedule 2. Revenues exceeded costs by \$23,986 for fiscal year 1975 compared with \$51,166 for fiscal year 1974. The decrease of \$27,180 for the fiscal year resulted from a \$9,943 decrease in total sales, a \$14,058 increase in operating costs, and a \$3,179 increase in loss on disposal of inventory and equipment.

SCOPE OF AUDIT

We made our audit in accordance with generally accepted auditing standards and included a review of the controls over equipment and inventories, an examination of selected financial transactions, and such other auditing procedures as we considered necessary.

OPINION ON FINANCIAL STATEMENTS

We prepared the accompanying financial statements from the Studio's accounting records, which were maintained on an accrual basis. Employee salaries and benefits and certain other operating expenses were paid from appropriated funds and are referred to in a footnote to schedule 2.

In our opinion, schedules 1, 2, and 3, which were prepared on a basis consistent with that of the preceding year and in accordance with the financial arrangements described above, present fairly the financial position of the House Recording Studio Revolving Fund at June 30, 1975, and June 30, 1974, the results of its operations, and the changes in its financial position for the years then ended.

Copies of this report are being furnished for transmittal to the Members of the Committee on the House Recording Studio. A copy is also being sent to the Chairman, Committee on House Administration.

Sincerely yours,

R. F. Kellum
Acting Comptroller General
of the United States

SCHEDULE 1

HOUSE RECORDING STUDIO

REVOLVING FUND

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES

JUNE 30, 1975 AND 1974

A S S E T S

	<u>1975</u>	<u>1974</u>
CURRENT ASSETS:		
Cash revolving fund	\$310,853	\$301,932
Petty cash	<u>39</u>	<u>90</u>
Total	310,892	302,022
Accounts receivable	22,164	23,878
Inventory of materials and supplies, at cost	<u>24,190</u>	<u>21,109</u>
Total current assets	<u>357,246</u>	<u>347,009</u>
FIXED ASSETS:		
Equipment and furnishings	<u>a/787,894</u>	<u>a/791,144</u>
Less accumulated depreciation	<u>386,434</u>	<u>329,447</u>
Total fixed assets	<u>401,460</u>	<u>461,697</u>
TOTAL ASSETS	<u>\$758,706</u>	<u>\$808,706</u>

a/The current estimated value of excess property acquired from other Federal agencies at no cost during prior years is included at \$3,881 for fiscal year 1975 and at \$4,366 for fiscal year 1974 in equipment and furnishings.

SCHEDULES

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

	<u>1975</u>	<u>1974</u>
CURRENT LIABILITIES:		
Accounts payable	\$ <u>4,355</u>	\$ <u>77,856</u>
CAPITAL AND EXCESS OF REVENUE OVER COSTS:		
Contributed capital	183,410	183,410
Excess property acquired from other Federal agencies	<u>3,881</u>	<u>4,366</u>
Total	<u>187,291</u>	<u>187,776</u>
Excess of revenue over costs:		
Balance prior years	543,074	492,545
Prior year's adjustments	-	-637
Fiscal year additions	<u>23,986</u>	<u>51,166</u>
Total	<u>567,060</u>	<u>543,074</u>
Total capital and excess of revenue over costs	<u>754,351</u>	<u>730,850</u>
TOTAL LIABILITIES AND CAPITAL	<u>\$758,706</u>	<u>\$808,706</u>

HOUSE RECORDING STUDIO

REVOLVING FUND

COMPARATIVE STATEMENT OF OPERATIONS

FISCAL YEARS ENDED JUNE 30, 1975 AND 1974

	Total		Motion Picture		Radio		Video	
	1975	1974	1975	1974	1975	1974	1975	1974
REVENUE:								
Sales	\$133,142	\$143,085	\$19,357	\$23,129	\$38,746	\$47,196	\$75,039	\$72,760
COSTS:								
Film materials	9,797	12,949	9,797	12,949	-	-	-	-
Supplies used	442	548	23	75	419	466	-	7
Outside processing	284	134	284	134	-	-	-	-
Maintenance and repairs	22,797	12,977	5,636	3,457	814	495	16,347	9,025
Depreciation of equipment	68,354	62,148	10,202	10,116	4,862	5,120	53,290	46,912
Office supplies and expenses	2,123	2,279	708	759	707	760	708	760
Miscellaneous expenses	2,235	939	745	313	745	313	745	313
Total costs (note a)	106,032	91,974	27,395	27,803	7,547	7,154	71,090	57,017
Excess of revenue over costs or excess of costs over revenue (-) from operations before loss on disposals	27,110	51,111	-8,038	-4,674	31,199	40,042	3,949	15,743
EQUIPMENT AND INVENTORY DISPOSALS:								
Sale of surplus studio property	-	87	-	87	-	-	-	-
Gain or loss (-) on disposal of equipment and inventory	-3,124	-32	-1,823	-10	-115	-11	-1,186	-11
EXCESS OF REVENUE OVER COSTS OR EXCESS OF COSTS OVER REVENUE (-)	\$ 23,986	\$ 51,166	-\$ 9,861	-\$ 4,597	\$31,084	\$40,031	\$ 2,763	\$15,732

a/ Salaries of \$316,047 (\$280,775 in 1974), 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 over costs of the revolving fund.

HOUSE RECORDING STUDIO

REVOLVING FUND

COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION

FISCAL YEARS ENDED JUNE 30, 1975 AND 1974

	June 30, <u>1975</u>	June 30, <u>1974</u>
FUNDS PROVIDED:		
Sales	\$133,142	\$143,085
Sale of equipment	-	87
Gain on trade-in of purchased equipment	3,109	870
Gain on trade-in of donated equipment	-	100
Inventory materials acquired at no cost	-	134
Total funds provided	<u>\$136,251</u>	<u>\$144,276</u>
FUNDS APPLIED:		
Costs (excluding depreciation and other items not requiring outlay of funds)	\$ 38,363	\$ 29,958
Equipment additions	14,150	79,876
Increase in working capital	<u>83,738</u>	<u>34,442</u>
Total funds applied	<u>\$136,251</u>	<u>\$144,276</u>

Analysis Of Changes In Working Capital
Fiscal Year Ended June 30, 1975

	Increase or decrease (-) in working <u>capital</u>
CURRENT ASSETS:	
Cash	\$ 8,870
Accounts receivable	-1,714
Inventory of materials and supplies	<u>3,081</u>
Net increase in current assets	10,237
CURRENT LIABILITIES:	
Accounts payable	<u>73,501</u>
Net increase in working capital	<u>\$83,738</u>