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# **REPORT OF THE COMPTROLLER GENERAL OF THE UNITED STATES**

RELEASED

**Audit Of  
The House Of Representatives  
Restaurant Revolving Fund  
July 6, 1975, To July 3, 1976**

RELEASED



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

B-114891

The Honorable Frank Thompson, Jr., Chairman  
Committee on House Administration  
House of Representatives

Dear Mr. Chairman:

We audited the House of Representatives Restaurant Revolving Fund for the period July 6, 1975, to July 3, 1976, pursuant to the standing request of your Committee.

GENERAL COMMENTS

House Resolution 317, 92d Congress (section 2 of which was made permanent by Public Law 92-51, approved July 9, 1971) assigned responsibility for operating the House Restaurant to the Committee on House Administration. The House Restaurant is operated primarily for Members and employees of the House.

As of July 3, 1976, restaurant facilities consisted of (1) two cafeterias, one each in the Longworth and Rayburn Buildings, (2) the congressional and Members' dining rooms in the House wing of the Capitol, (3) a catering service in the Rayburn Building, (4) a bakery in the Longworth Building, and (5) five carryouts, one each in the Longworth, Cannon, Rayburn, Capitol, and House Office Annex No. 2 Buildings. In addition to the food service facilities, there were five tobacco and candy stands, two in the Capitol Building and one each in the Longworth, Rayburn, and Annex No. 2 Buildings.

Sales revenues and, when needed, allocations from the appropriations for House of Representatives Miscellaneous Items provide funds for operating the restaurant. These funds are deposited in the U.S. Treasury and credited to the House Restaurant Revolving Fund. Funds appropriated to the Architect of the Capitol for construction or maintenance are used to purchase restaurant equipment. The equipment is not recorded as restaurant assets.

RESULTS OF OPERATIONS

House Restaurant operations in fiscal year 1976 resulted in a net income of \$534, compared with a net

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income of \$33,985 in fiscal year 1975. The decrease in net income resulted primarily from costs rising faster than sales. The number of guests served were 2,595,935 and 2,151,578 in fiscal years 1976 and 1975, respectively.

A comparison of sales and commissions and operating results for each of the restaurant activities for fiscal years 1976 and 1975 follows on page 3.

A comparative statement of assets and liabilities of the House of Representatives Restaurant Revolving Fund on July 3, 1976, and July 5, 1975; a comparative statement of operations for fiscal years 1973 through 1976; and a comparative statement of changes in financial position for fiscal years ended July 3, 1976, and July 5, 1975, are presented as schedules 1, 2, and 3. A comparison of sales and operating results, prepared by the House Restaurant accounting staff, for each of the units for fiscal year 1976 is presented as appendix I.

ACCUMULATED PROFITS:  
WHAT SHOULD BE DONE WITH THEM?

Prior to the House Restaurant Revolving Fund's transfer to the Committee on House Administration in 1971, the restaurant had been operating at a loss, and it incurred an operating loss in fiscal year 1972. For the last 4 fiscal years, however, the restaurant has operated at a profit and increased its equity by \$106,388.

The Committee on House Administration apparently intended that the revolving fund's equity should be maintained at \$50,000.

Profits realized in one accounting period were intended to offset losses in another period. The Committee did not provide for the disposition of accumulated profits, apparently because it did not contemplate that the restaurant would be profitable year after year.

While the operating profit during the fiscal year ended July 3, 1976, was significantly lower than profits realized in the preceding 3 years, there is nothing to suggest that the restaurant will incur future losses comparable to the accumulated profits. Accordingly, we believe the Committee should specify what should be done with accumulated operating profits.

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	1976		1975	
	Sales and commis- sions	Operating profit or loss (-)	Sales and commis- sions	Operating profit or loss (-)
Food:				
Dining rooms:				
Congressional (note a)	\$ 325,659	\$-297,565	\$ 290,864	\$-233,110
Members	29,020	-31,804	24,784	-32,971
Cafeterias:				
Longworth Building				
(note b)	824,737	3,075	666,854	3,759
Rayburn Building	581,214	-27,283	474,798	-17,913
Carryout service:				
Longworth Building	227,688	41,811	178,868	33,626
Cannon Building	245,875	40,357	211,350	40,540
Rayburn Building	191,089	34,409	152,028	33,166
Capitol Building	146,665	25,154	136,456	23,153
Annex No. 2 Building				
(note c)	94,652	-27,945	-	-
Catering service:				
Rayburn Building	394,453	120,852	335,228	103,734
Bakery (note d)	-	-8,469	-	-14,119
	<u>\$3,061,052</u>	<u>\$-127,408</u>	<u>\$2,471,230</u>	<u>\$-60,095</u>
Tobacco and candy stands:				
Congressional dining				
room	44,112	11,218	37,181	7,691
Cafeterias:				
Longworth Building	298,796	60,443	219,182	37,819
Rayburn Building	154,715	31,883	130,666	36,183
Carryout service:				
Capitol Building	23,659	5,959	14,992	4,510
Annex No. 2 Building				
(note c)	24,513	-4,831	-	-
	<u>545,795</u>	<u>114,334</u>	<u>402,021</u>	<u>86,203</u>
Vending machine commissions	<u>13,608</u>	<u>13,608</u>	<u>7,877</u>	<u>7,877</u>
Total	<u>\$3,620,455</u>	<u>\$ 534</u>	<u>\$2,881,128</u>	<u>\$ 33,985</u>

a/Includes catering sales of \$53,359 for fiscal year 1976 and \$51,639 for fiscal year 1975.

b/Includes catering sales of \$40,246 for fiscal year 1976 and \$21,273 for fiscal year 1975.

c/Began operations in August 1975.

d/Sales of \$124,364 in fiscal year 1976 and \$90,218 in fiscal year 1975 were made to other restaurant facilities and are included in their costs.

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NEED TO IMPROVE CONTROLS  
OVER CASH RECEIPTS

We conducted unannounced cash counts at 13 of the 15 cashier stations located at the various restaurant units to test the adequacy of cash controls. We found small cash overages or shortages at 11 stations.

The likely causes for the cash differences are the failure to record sales or to give a customer correct change. Either case could result in a loss of revenue to the restaurant.

Failing to record sales creates a cash overage which could easily be pocketed by the cashier. The unrecorded amounts would not be included in the cash register total and the cashier would be able to turn in the amount of cash shown on the cash register's control tape.

Achieving absolute control of cash receipts is difficult. Errors are bound to happen and cannot be completely eliminated. In our view, customers provide adequate controls to insure cashiers give correct change regularly. However, further controls are needed to assure that all sales are recorded.

RECOMMENDATIONS

We recommend that the Committee require cashiers to furnish a cash register receipt to each customer to increase assurance that all sales are recorded.

To further segregate the handling of cash, the unit manager should be required at the close of each day to

- ring out the cash register,
- count the cash in the presence of the cashier,
- record the cash register totals and the cash count on the cashier's report and note any cash overage or shortage, and
- supervise preparation and verify the accuracy of deposit slips before they are sent to the House Finance Office.

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In addition, unit managers should be required to make unannounced periodic cash counts at each cashier station.

IMPROVEMENT NEEDED  
IN CASH DEPOSIT PROCEDURES

Cashiers are responsible for counting daily cash receipts and depositing them with the House Finance Office. Unit managers are responsible for verifying the cash counts and insuring that the correct amount, date, and unit identification are shown on the deposit ticket.

The House Finance Office credits the deposit to the House Restaurant Revolving Fund control account and sends a copy of the deposit ticket to the restaurant accounting office after depositing the moneys with the U.S. Treasury. The restaurant accounting office uses this deposit ticket copy to record the cash receipts and daily sales for each unit.

Our audit showed that

- deposit tickets did not always contain correct dates and unit identification,
- at one unit the manager was not verifying the cashier's deposits before they were sent to the House Finance Office,
- deposits to the House Finance Office were not always delivered each day, and
- the cash account balance on the House Restaurant's records was not reconciled monthly with the revolving fund control account maintained by the House Finance Office.

A monthly reconciliation of the cash account balance in the restaurant accounting office's records and the House Finance Office's revolving fund control account balance was initiated by the restaurant accounting office staff in October 1976.

RECOMMENDATION

To improve control over cash deposits sent to the House Finance Office, the Committee should require that

- unit managers verify that the correct amount, date, and unit identification are on deposit tickets, and

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--unit managers deliver deposits to the House Finance Office each day.

#### PETTY CASH AND CHANGE FUNDS

The restaurant's petty cash and change funds are larger than necessary and should be reduced.

##### Need to limit use of petty cash fund

The petty cash fund of \$10,000 at the restaurant accounting office is used primarily to pay expenses connected with special functions. Most of these expenses are so large that payment from petty cash is not appropriate. Large cash payments are made for waiters' wages and gratuities, beverages, and flowers.

Payment of wages and gratuities from petty cash creates a further problem. The restaurant did not report as income for tax purposes the wages and gratuities paid to the waiters nor withhold taxes as required by the Internal Revenue Code.

Control would be improved if payments for services, beverages, and other costs associated with special functions were vouchered and paid by check.

#### RECOMMENDATIONS

We recommend, therefore, that the restaurant administrative officer establish procedures to pay wages and gratuities, and other large expenses relating to special functions by check. We also recommend that, after such procedures are in effect, the restaurant accounting office analyze the use of the petty cash fund and reduce the size of the fund to an appropriate amount.

##### Change funds larger than needed

The restaurant change fund of \$9,200 consists of \$3,700 at the House Finance Office and \$5,500 used for cashier banks.

The \$3,700 at the House Finance Office is used to provide change for both the restaurant and other House activities. Because this fund is not used exclusively for restaurant activities, accountability for the fund should be transferred from the revolving fund to the House Finance Office.

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The size of the cashiers' banks, which range from \$150 to \$500, are larger than necessary. This requires the restaurant to maintain excessive cash and increases the risk of loss.

#### RECOMMENDATIONS

We recommend that the restaurant administrative officer

- determine the size of the change fund which should be maintained at the House Finance Office to meet its needs and arrange to transfer accountability for any excess funds to the House Finance office and
- analyze the activities of each cashier station and, where indicated, reduce the size of the cashier's bank to a more appropriate level.

#### PROCEDURES TO IMPROVE CONTROL OVER GUEST CHECKS

The Congressional Restaurant and Members' Dining Room used prenumbered guest checks for both cash and charge sales. The manager of the restaurant unit issued the checks, in numerical order, to the dining room hostesses who then issued checks to the waiters when customers were assigned to them. Guest checks were issued randomly to the waiters and no attempt was made by the hostesses or waiters to account for missing checks. Each morning the previous days' guest checks and cash register tapes were sent to the restaurant accounting office.

The restaurant accounting office compared the total of the guest checks to the cash register tapes. Any difference between the two was recorded as cash short or over; no attempt was made to account for the difference.

In fiscal year 1976 the restaurant accounting office discontinued inspecting the guest checks to see that all were accounted for. As a result, there was no assurance that all sales were reported.

#### RECOMMENDATION

To improve control over guest checks used in the Congressional Restaurant and Members' Dining Room, we recommend (1) that hostesses issue the checks in numerical sequence to the waiters, (2) dining room cashiers put the checks in



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numerical order as they are turned in, and (3) the restaurant accounting office review the checks each day to determine whether all checks are accounted for and the reasons for missing checks.

NEED TO ANALYZE TABLEWARE AND  
KITCHENWARE REPLACEMENT EXPENSE

Over the past 4 years there has been a substantial increase in the tableware and kitchenware replacement expense. For example, the fiscal year 1976 replacement expense for tableware and kitchenware was about 70-percent higher in relation to sales than in the prior fiscal year.

Replacement expense is an allocation of the cost of tableware and kitchenware based on an estimate of the items expended during the year. The restaurant accounting office computes the replacement expense charge using a formula based on the amount of purchases and sales during the year. The following table shows the charges made for replacement expense and the relation to sales for the last 4 fiscal years.

<u>Fiscal year</u>	<u>Replacement expense</u>	<u>Percent of sales</u>
1976	\$59,548	1.9
1975	26,531	1.1
1974	13,394	.6
1973	10,891	.7

We could not evaluate the reasonableness of the replacement expense charge because no inventories were taken of tableware or kitchenware items during the 4-year period.

RECOMMENDATION

Because of the substantial increase in replacement expense, we recommend that the restaurant administrative officer (1) determine, in coordination with the restaurant managers, the causes for the increase, (2) take periodic inventories of the tableware and kitchenware to ascertain whether its present cost allocation procedures result in an accurate replacement expense charge, and (3) review the adequacy of physical controls over tableware and kitchenware and, as appropriate, establish more effective controls to reduce the replacement expense.

STATUS OF ACCOUNTS RECEIVABLE

Accounts receivable have increased annually at an average of about 38 percent over the past several years--from about \$49,000 as of June 30, 1972, to \$177,390 as of June 30, 1976. Accompanying this dollar increase has been a marked increase in the amount and percentage of accounts outstanding over 60 days. As of June 30, 1976, \$45,311, or 25.5 percent of the accounts receivable, were outstanding 61 days or more, compared with \$33,202, or 22.3 percent at June 30, 1975, and \$5,322, or 10.8 percent, as of June 30, 1972.

A comparison of accounts receivable at June 30, 1976, and 1975, follows:

<u>Days out- standing</u>	<u>June 30, 1976</u>		<u>June 30, 1975</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
0 to 30	\$ 86,096	48.6	\$ 65,931	44.4
31 to 60	45,983	25.9	49,474	33.3
61 to 90	18,489	10.4	15,445	10.4
Over 90	<u>26,822</u>	<u>15.1</u>	<u>17,757</u>	<u>11.9</u>
Total	<u>\$177,390</u>	<u>100.0</u>	<u>\$148,607</u>	<u>100.0</u>

At August 27, 1976, about 56 percent of the amounts outstanding 61 days or more as of June 30, 1976, had been paid; \$20,028 remained unpaid.

The administrative officer of the restaurant accounting office has since prepared a list of those accounts outstanding 61 days or more and submitted the list to the Ad Hoc Restaurant Subcommittee for collection action.

SCOPE OF AUDIT

We made our audit in accordance with generally accepted auditing standards. We reviewed operations and applicable Federal laws, observed the physical count of stock on hand, examined selected financial transactions and records, confirmed Members' account balances, and carried out such other auditing procedures as we considered necessary.

OPINION ON FINANCIAL STATEMENTS

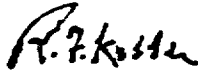
We prepared the accompanying financial statements (schs. 1, 2, and 3) from the accounting records maintained on an accrual basis by the restaurant accounting office. The

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statements do not include the cost of equipment and furnishings acquired with funds appropriated to the Architect of the Capitol or the cost of certain benefits and services, such as space, building repairs and maintenance, utilities, garbage disposal, menus and forms printed by the Government Printing Office, and services of the staffs of the Ad Hoc Restaurant Subcommittee and the Committee on House Administration, all of which are furnished to the restaurant without charge.

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 of Representatives Restaurant Revolving Fund at July 3, 1976, and July 5, 1975; the results of its operations; and the changes in its financial position for the years then ended.

Sincerely yours,



ACTING Comptroller General  
of the United States

## APPENDIX I

**HOUSE OF REPRESENTATIVES RESTAURANT**  
**STATEMENT OF OPERATIONS**

FISCAL YEAR 19 76

13th ACCOUNTING

1.5.31 Year To Date - July 6, 1975 Thru July.

	COMMONS OPERATIONS		CONGRESSIONAL RESTAURANT		YEAR TO DATE - JULY 6, 1955 THRU JULY 6, 1955		CAPITOL CARRY-OUT	
	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES
<b>FOOD</b>								
SALES								
Food	2,531,136.67	82.7	272,299.88	83.0	29,020.41	100.0	146,665.48	100.0
Carrying	529,715.77	17.3	53,352.93	16.4				
TOTAL	2,061,052.40	100.0	325,652.81	100.0	29,020.41	100.0	146,665.48	100.0
COST OF FOOD SOLD								
Transfers from Bakeries			8,243.96	2.5	915.29	3.2	8,886.79	6.1
Purchases from Vendors	1,297,616.40	42.4	145,466.90	44.7	13,202.83	45.5	48,634.08	33.2
Less Transfers Used Sales								
TOTAL	297,616.40	42.4	153,710.96	47.2	14,118.12	48.7	57,520.87	39.3
GROSS PROFIT ON FOOD	763,436.00	57.6	171,941.85	52.8	14,902.29	51.3	89,144.61	60.7
OPERATING EXPENSES								
Labor - Straight Time	1,151,471.88	37.6	290,937.66	89.3	31,444.88	115.3	36,845.84	25.1
Overtime	96,719.83	3.2	46,780.28	14.4	6.73	.1	3,820.99	2.6
Employee Benefits	249,208.14	8.1	70,745.43	21.7	7,760.28	26.7	7,642.75	5.2
TOTAL LABOR COSTS	1,497,399.85	48.9	408,463.37	125.4	41,211.89	142.1	48,309.58	32.9
Administrative Costs	95,006.77	3.1	20,208.47	6.2	2,200.14	7.9	5,048.76	3.4
Laundry	36,803.10	1.2	12,912.13	4.0	1,283.19	4.4	250.76	.2
Paper Supplies	114,544.00	3.7	7,155.39	2.2	681.19	2.4	9,542.95	6.5
Cleaning Supplies	32,435.18	1.1	4,621.47	1.4	564.14	1.9	161.41	.1
Miscellaneous Expense	55,105.48	1.8	6,380.23	2.0	539.41	1.9	677.00	.5
Depreciation	58,547.67	2.0	9,771.06	3.0	145.15	.5		
Other General Interest & Radio Security								
TOTAL OPERATING EXPENSES	1,890,842.05	61.8	469,512.12	144.2	46,705.11	161.1	63,990.46	43.6
PROFIT OR LOSS ON FOOD OPERATIONS	(127,406.05)	(6.2)	(297,564.17)	(91.4)	(31,803.53)	(109.8)	(25,154.15)	(17.1)
<b>TOBACCO AND CANDY STANDS</b>								
SALES	545,794.60	100.0	44,111.93	100.0			23,658.39	100.0
COST OF SALES	385,222.70	70.6	30,248.90	68.6			16,575.15	70.1
GROSS PROFIT	160,571.90	29.4	13,863.03	31.4			7,083.24	29.9
Labor Expense in Stands	46,238.00	8.5	2,645.28	6.0			1,123.80	4.8
PROFIT OR LOSS ON TOBACCO AND CANDY STANDS OPERATIONS	114,333.90	20.9	11,217.75	25.4			5,959.44	25.1
VENDING MACHINES COMMISSIONS	13,608.20							
NET PROFIT OR (LOSS) ON OPERATIONS	534.05		(286,346.42)		(31,803.52)		31,113.59	
CONTRIBUTION EXPENSES								
NET INCOME OR (DEFICIT)	534.05							

# APPENDIX I

CARRY-OUT % OF SALES	CANNON CARRY-OUT		DAYBURN CAFETERIA		DAYBURN CARRY-OUT		DAYBURN CATERING		ANNEX #2		BARNBY	
	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES
100.0	215,874.47	100.0	539,555.39	92.6	191,089.25	100.0			94,651.94	100.0		
			41,657.78	7.2			394,453.47	100.0			BARNBY SALES TO RESTAURANT	
100.0	245,874.47	100.0	581,213.77	100.0	191,089.25	100.0	394,453.47	100.0	94,651.94	100.0	124,363.99	100.0
4.3	12,426.25	5.1	25,157.58	4.3	8,304.93	4.4	7,438.92	1.9	5,428.96	5.7	(124,363.99)	(100.0)
41.2	106,820.57	43.5	238,968.12	41.1	79,896.68	41.8	104,331.20	26.5	46,616.94	49.3	70,676.27	56.8
											(124,363.99)	100.0
45.5	119,246.82	48.6	264,145.70	45.4	88,201.61	46.2	111,770.12	28.4	52,045.90	55.0	70,676.27	56.8
54.5	126,627.65	51.4	317,068.07	54.6	102,887.64	53.8	282,683.35	71.6	42,606.04	45.0	53,487.72	43.2
22.7	50,290.85	20.5	217,928.24	37.5	42,112.51	22.0	67,369.02	17.1	44,498.80	47.0	45,268.75	36.4
2.0	4,998.83	2.0	5,490.95	.9	1,729.35	.9	3,884.83	1.0	3,924.19	4.2	529.57	.4
4.3	11,551.93	4.7	45,958.47	7.9	9,147.74	4.8	11,562.27	2.9	8,033.29	8.5	9,671.69	7.8
29.0	66,841.61	27.2	269,377.66	46.3	52,989.60	27.7	82,816.12	21.0	56,456.28	59.7	55,470.01	44.6
1.9	5,143.77	2.1	15,051.25	2.6	3,813.68	2.0	10,864.31	2.8	3,532.18	3.7	2,191.84	1.8
.3	654.88	.3	6,887.86	1.2	551.51	.3	4,399.04	1.1	1,259.03	1.3	1,067.73	.9
4.3	11,947.21	4.9	28,468.34	4.9	9,562.52	5.0	12,957.85	3.3	6,331.84	6.7	2,679.83	2.3
.1	626.27	.1	13,475.92	2.3	426.42	.2	2,765.58	.7	793.15	.8	64.75	.1
.6	1,057.35	.4	2,371.78	.4	1,134.90	.6	36,760.78	9.3	1,716.69	1.8	290.17	.3
			8,718.22	1.5			11,267.98	2.9	461.90	.5	384.43	.3
36.2	86,271.09	35.2	344,351.03	59.2	68,478.63	35.8	161,831.66	41.1	70,551.07	74.5	62,156.78	50.2
18.3	40,356.56	16.2	(27,282.96)	(4.6)	34,409.01	18.0	120,851.69	30.5	(27,945.03)	(29.5)	(8,468.06)	(7.0)
			154,715.18	100.0					24,513.05	100.0		
			110,790.52	71.6					19,110.73	78.0		
			43,924.67	28.4					5,402.32	22.0		
			12,042.14	7.8					571.24	2.3		
			31,882.52	20.6					4,831.08	19.7		
	4,649.55				4,981.45				3,977.20			
45.006.11			4,599.56		39,390.46		120,851.69		(19,136.75)		(8,468.06)	

## SCHEDULE 1

## SCHEDULE 1

HOUSE OF REPRESENTATIVES RESTAURANT REVOLVING FUNDCOMPARATIVE STATEMENT OF ASSETS AND LIABILITIESJULY 3, 1976, AND JULY 5, 1975

	<u>July 3, 1976</u>		<u>July 5, 1975</u>	
ASSETS				
CASH:				
Funds with U.S. Treasury	\$182,212		\$158,634	
Undeposited receipts (note a)	17,603		8,995	
Petty cash and change funds	<u>19,200</u>	\$219,015	<u>18,750</u>	\$186,379
PREPAID EXPENSES		3,277		2,677
ACCOUNTS RECEIVABLE		180,939		130,491
INVENTORY OF FOOD, BEVERAGES, MERCHANDISE, AND SUPPLIES, AT COST		<u>85,502</u>		<u>88,172</u>
Total assets		<u>\$488,733</u>		<u>\$407,719</u>
LIABILITIES AND EQUITY				
LIABILITIES:				
Amounts due vendors	\$166,787		\$127,095	
Net payroll and benefits	58,278		44,814	
Federal and state withholding taxes	13,080		6,336	
Employees' accrued leave	70,794		52,316	
Allowance for purchase of china, glassware, silver- ware, and kitchen utensils	<u>2,603</u>		<u>501</u>	
Total liabilities		<u>\$311,542</u>		<u>\$231,062</u>
EQUITY:				
Contributed capital		50,000		50,000
Operating funds:				
Balance at beginning of year	126,057		92,672	
Net profit (sch. 2)	<u>534</u>	<u>127,191</u>	<u>33,985</u>	<u>126,657</u>
Total equity		<u>177,151</u>		<u>176,657</u>
Total liabilities and equity		<u>\$488,733</u>		<u>\$407,719</u>

a/Restaurant undeposited receipts at the House of Representatives Finance Office.

## SCHEDULE 2

## SCHEDULE 2

## HOUSE OF REPRESENTATIVES RESTAURANT REVOLVING FUND

## COMPARATIVE STATEMENT OF OPERATIONS

FISCAL YEARS ENDED JULY 3, 1976, JULY 5, 1975,

JULY 6, 1974, AND JUNE 23, 1973

	July 3, 1976		July 5, 1975		July 6, 1974		July 23, 1973	
	Amount	Percent of sales	Amount	Percent of sales	Amount	Percent of sales	Amount	Percent of sales
SALE OF FOOD:								
Regular services	\$2,531,336	82.7	\$2,063,089	83.5	\$1,828,362	84.8	\$1,413,650	84.6
Catering (note a)	529,716	17.3	408,141	16.5	327,333	15.2	256,723	15.4
Total	3,061,052	100.0	2,471,230	100.0	2,155,695	100.0	1,670,373	100.0
Cost of food sold	1,297,618	42.4	1,002,337	40.6	842,982	39.1	634,431	38.0
GROSS PROFIT	1,763,434	57.6	1,468,893	59.4	1,312,713	60.9	1,035,942	62.0
OPERATING EXPENSES:								
Salaries and wages (notes a, b, and c):								
Straight time	1,151,472	37.6	935,006	37.8	840,873	39.0	699,863	41.9
Overtime	96,729	3.2	75,868	3.1	56,308	2.6	39,374	2.4
Leave expense	83,363	2.7	74,739	3.0	66,392	3.1	53,510	3.2
Employee meals	57,130	1.9	45,845	1.9	40,541	1.9	27,008	1.6
Employee benefits	108,715	3.6	84,275	3.4	73,084	3.4	61,439	3.7
Administrative costs (note b):								
Laundry	95,007	3.1	98,247	4.0	112,990	5.2	97,143	5.8
Paper supplies	36,803	1.2	37,542	1.5	34,923	1.6	23,758	1.4
Cleaning supplies	114,544	3.7	98,360	3.6	62,498	2.9	45,790	2.7
Miscellaneous	32,435	1.1	28,728	1.2	20,126	.9	16,173	1.0
Replacement of china, glassware, silverware, and kitchen utensils	55,105	1.8	33,847	1.4	14,946	.7	15,063	.9
Total	59,548	1.9	26,531	1.1	13,394	.6	10,891	.7
LOSS ON FOOD OPERATIONS	1,890,842	61.8	1,528,988	62.0	1,336,075	61.9	1,090,352	65.3
TOBACCO AND CANDY STAND MERCHANDISE:								
Sales	545,795	100.0	402,021	100.0	313,342	100.0	272,739	100.0
Cost of sales	385,223	70.6	278,256	69.2	212,583	67.8	183,079	67.1
GROSS PROFIT TOBACCO AND CANDY STAND LABOR AND BENEFITS (note c)	160,572	29.4	123,765	30.8	100,759	32.2	89,660	32.9
PROFIT ON TOBACCO AND CANDY OPERATIONS	46,238	8.5	37,562	9.3	30,091	9.6	22,112	8.1
VENDING MACHINE COMMISSION	13,608		2,877		5,682		5,443	
NET PROFIT OR LOSS (-) FOR THE FISCAL YEAR	\$ 534		\$ 33,985		\$ 52,988		\$ 18,881	

a/Miscellaneous costs and service costs relating to catered events held outside of normal operating hours are processed separately and are not included by the House Restaurant as sales or operating expenses.

b/Straight time (\$77,442), leave expense (\$8,582), employee meals (\$2,006), and employee benefits (\$6,977) for administrative personnel are reported under administrative costs for the period July 6, 1975, through July 3, 1976.

c/Straight time (\$36,276), overtime (\$1,721), leave expense (\$3,315), employee meals (\$1,401), and employee benefits (\$3,525) for tobacco and candy stand personnel are reported under tobacco and candy stand labor and benefits for the period July 6, 1975, through July 3, 1976.

## SCHEDULE 3

## SCHEDULE 3

HOUSE OF REPRESENTATIVES RESTAURANT REVOLVING FUND  
COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION  
FISCAL YEARS ENDED JULY 3, 1976, AND JULY 5, 1975

	<u>July 3, 1976</u>	<u>July 5, 1975</u>
FUNDS PROVIDED:		
Sales and commissions	\$3,620,455	\$2,881,129
Increase in reserve for replacement of china, glassware, and silver- ware	<u>2,101</u>	<u>-</u>
Total	<u>\$3,622,556</u>	<u>\$2,881,129</u>
FUNDS APPLIED:		
Cost of merchandise sold	\$1,682,841	\$1,280,593
Salaries and wages	1,543,638	1,253,295
Other operating expenses	393,442	313,255
Decrease in reserve for replacement of china, glassware, and silverware	<u>-</u>	<u>7,346</u>
Increase in working capital	<u>2,635</u>	<u>26,640</u>
Total	<u>\$3,622,556</u>	<u>\$2,881,129</u>

ANALYSIS OF CHANGES IN WORKING CAPITAL  
FISCAL YEARS ENDED JULY 3, 1976, AND JULY 5, 1975

	<u>July 3, 1976</u>	<u>July 5, 1975</u>
		<u>Increase or decrease (-) in working capital</u>
WORKING CAPITAL CHANGES:		
Cash	\$32,636	\$-46,726
Accounts receivable	50,448	40,395
Inventories	-2,670	15,796
Prepaid expenses	600	-459
Amounts due vendors	-39,692	17,077
Payroll, benefits, and taxes payable	-20,209	-698
Employees' accrued leave	<u>-18,478</u>	<u>1,255</u>
Increase in working capital	<u>\$ 2,635</u>	<u>\$ 26,640</u>