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BY THE COMPTROLLER GENERAL

110576

Report To The Congress

OF THE UNITED STATES

**Audit Of The Senate Building
Beauty Shop, For The Fiscal Year
Ended February 28, 1979**

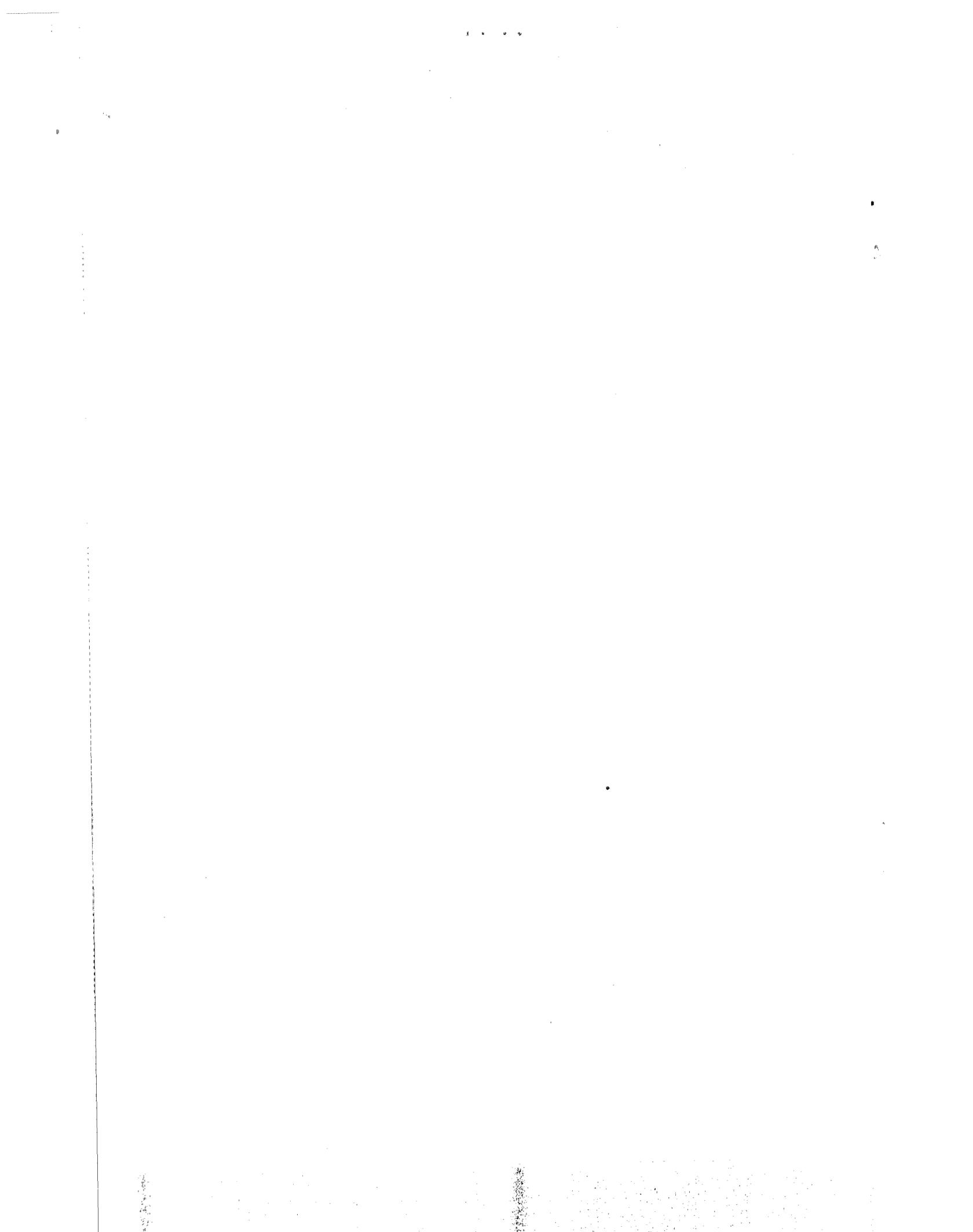


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GGD-80-2
OCTOBER 12, 1979





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

B-133046

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

We audited the accounts of the Senate Building Beauty Shop for the fiscal year ended February 28, 1979, pursuant to section 451 of the Legislative Reorganization Act of 1970 (40 U.S.C. 193m-1). This is our first audit report on this organization.

also to subject 125N9

GENERAL COMMENTS

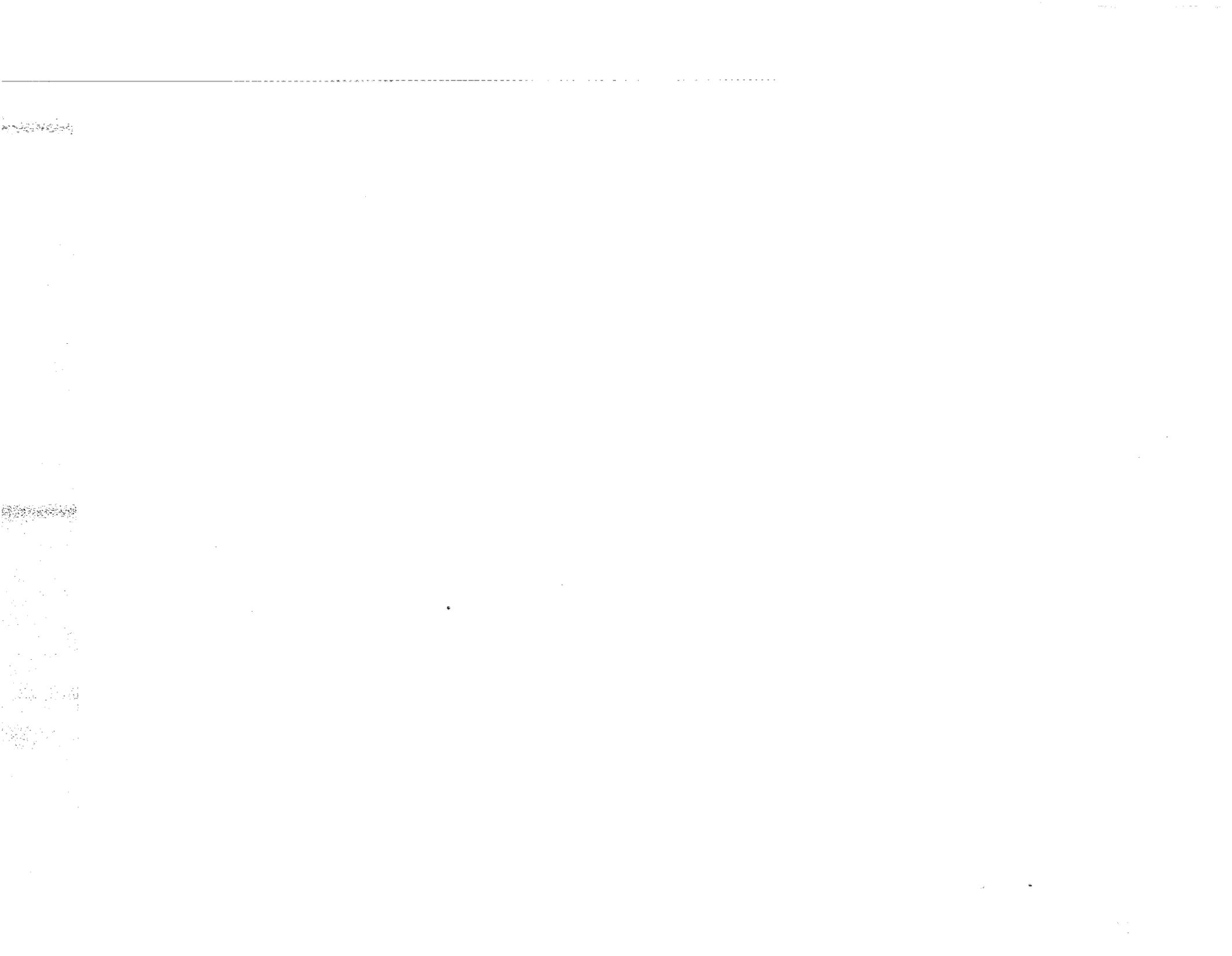
The Senate Building Beauty Shop, a partnership established in March 1973, by Mario and Liria Vouzikas, operates under the jurisdiction of the Sergeant at Arms of the Senate. The Beauty Shop provides a convenient source for Senate employees to obtain beauty services,--hair-dressing and manicuring--and various personal service products--cosmetics, rinses, conditioners, dyes, combs, brushes, and hosiery.

RESULTS OF OPERATIONS

The Beauty Shop realized net income of \$14,780.78 for the fiscal year ended February 28, 1979. This income was divided equally between the two partners.

SCOPE OF AUDIT

We prepared the accompanying statement of financial condition as of February 28, 1979, and statements of income and expense, and changes in partners' capital accounts for the year then ended from the Beauty Shop's accounting records, which except for depreciation and accrued taxes, were maintained on a cash basis. These statements do not include the costs of certain benefits and services--such as space, utilities, and ordinary building repairs and maintenance--that are furnished to the Beauty Shop without charge.



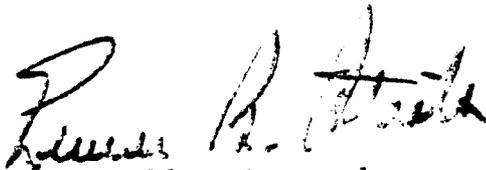
We made our audit in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and financial transactions, and such other auditing procedures as we considered necessary.

OPINION ON FINANCIAL STATEMENTS

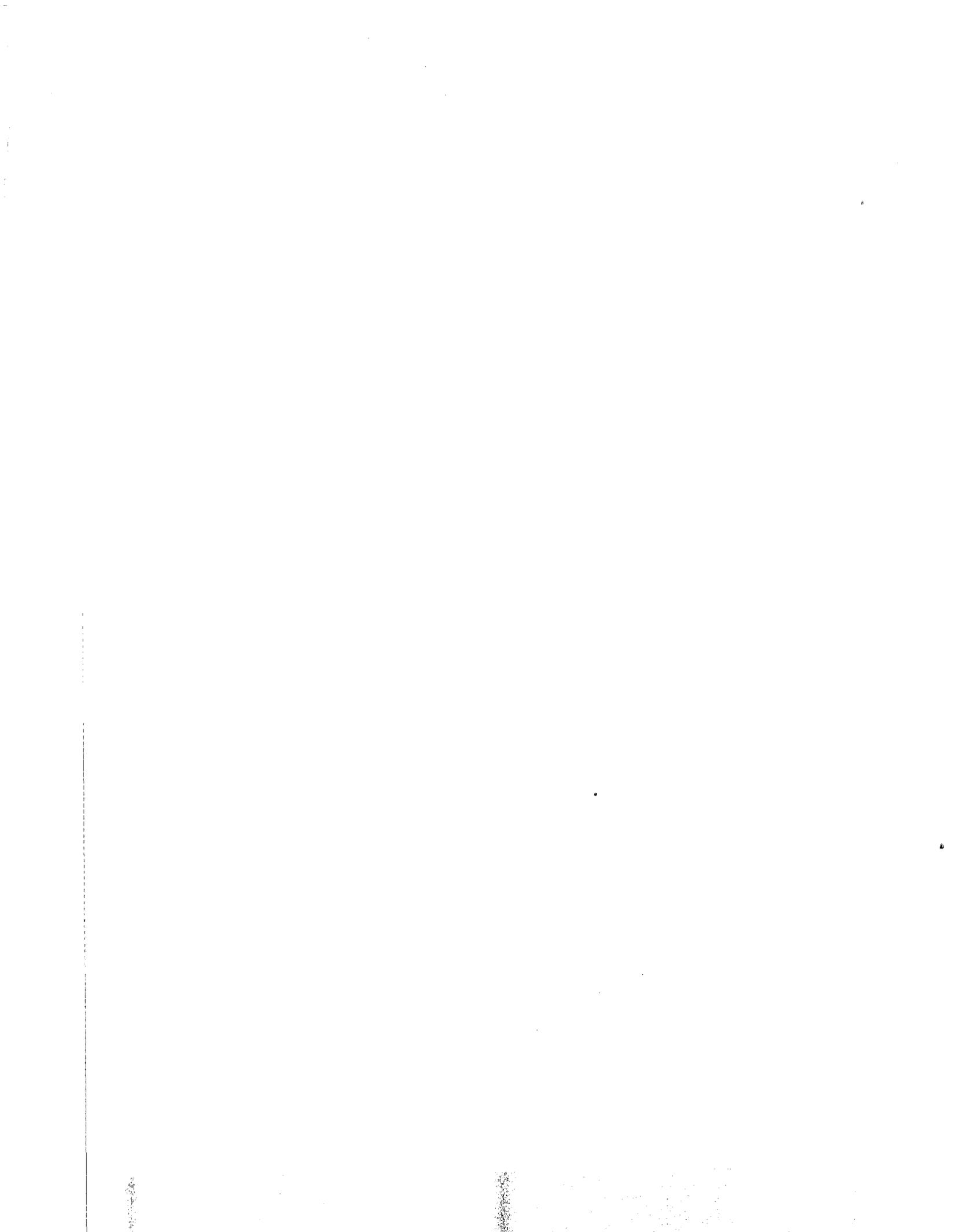
In our opinion, the accompanying financial statements (schs. 1, 2, and 3), prepared in accordance with the financial arrangements described above, present fairly the financial position of the Senate Building Beauty Shop at February 28, 1979, and the results of its operations for the fiscal year then ended.

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The Legislative Reorganization Act of 1970 requires that the results of our audit be reported to the Congress. Accordingly, copies of this report are being furnished to cognizant congressional committees. A copy of this report is being sent to the Sergeant at Arms of the Senate and copies will be available to Members and the public.



Comptroller General
of the United States



SENATE BUILDING BEAUTY SHOP
STATEMENT OF FINANCIAL CONDITION

FEBRUARY 28, 1979 (note a)

ASSETS

CURRENT ASSETS:		
Cash		\$9,197.01
Employees' loans receivable		569.95
Inventory (note b)		<u>899.02</u>
Total current assets		\$10,665.98
FIXED ASSETS: (note c)		
Furniture, fixtures and equipment	\$16,395.55	
Less: accumulated depreciation	<u>10,166.61</u>	
		6,228.94
Improvements	5,345.90	
Less: accumulated amortization	<u>2,476.51</u>	
		<u>2,869.39</u>
Total fixed assets		<u>9,098.33</u>
TOTAL ASSETS		<u><u>\$19,764.31</u></u>

LIABILITIES AND PARTNERS' CAPITAL

CURRENT LIABILITIES:		
Salary payable	\$ 99.29	
D.C. withholding taxes payable	196.76	
D.C. sales taxes payable	159.96	
Accrued Federal and D.C. unemployment taxes payable	<u>407.52</u>	
Total liabilities		\$ 863.53
PARTNERS' CAPITAL: (See sch. 3)		
Liria Vouzikas	9,450.41	
Mario Vouzikas	<u>9,450.37</u>	
Total partners' capital		<u>18,900.78</u>
TOTAL LIABILITIES AND PARTNERS' CAPITAL		<u><u>\$19,764.31</u></u>

Our opinion on this statement appears on page 2 of the letter.

GAO note: The accompanying notes on page 4 are an integral part of this statement.



SENATE BUILDING BEAUTY SHOP
STATEMENT OF INCOME AND EXPENSE
FISCAL YEAR ENDED FEBRUARY 28, 1979 (note a)

INCOME:		
Beauty services and retail sales		\$122,646.40
OPERATING EXPENSES:		
Salaries	\$75,233.96	
Beauty supplies and purchases	17,469.83	
Payroll taxes	6,856.86	
Insurance	2,198.39	
Depreciation and amortization	1,883.28	
Accounting and legal fees	1,540.00	
Office supplies	984.45	
Entertainment	670.02	
Shop supplies	292.44	
Other taxes	254.57	
Dues and subscriptions	195.78	
Advertising	141.16	
Postage	52.69	
Short and over	50.06	
Bank charges	<u>42.13</u>	
Total operating expenses		<u>107,865.62</u>
NET INCOME (note d)		<u>\$ 14,780.78</u>

Our opinion on this statement appears on page 2 of the letter.

GAO note: The accompanying notes on page 4 are an integral part of this statement.



SENATE BUILDING BEAUTY SHOP
CHANGES IN PARTNERS' CAPITAL ACCOUNTS
FISCAL YEAR ENDED FEBRUARY 28, 1979 (note a)

	<u>Mario Vouzikas</u>	<u>Liria Vouzikas</u>	<u>Total</u>
Balance, March 1, 1978	\$8,553.92	\$8,553.93	\$17,107.85
Prior years' adjustments	<u>510.29</u>	<u>510.29</u>	<u>1,020.58</u>
Adjusted Balance, March 1, 1978	9,064.21	9,064.22	18,128.43
Partners' drawings	<u>7,004.23</u>	<u>7,004.20</u>	<u>14,008.43</u>
	2,059.98	2,060.02	4,120.00
Distribution of net income	<u>7,390.39</u>	<u>7,390.39</u>	<u>14,780.78</u>
	<u>\$9,450.37</u>	<u>\$9,450.41</u>	<u>\$18,900.78</u>

Our opinion on this statement appears on page 2 of the letter.

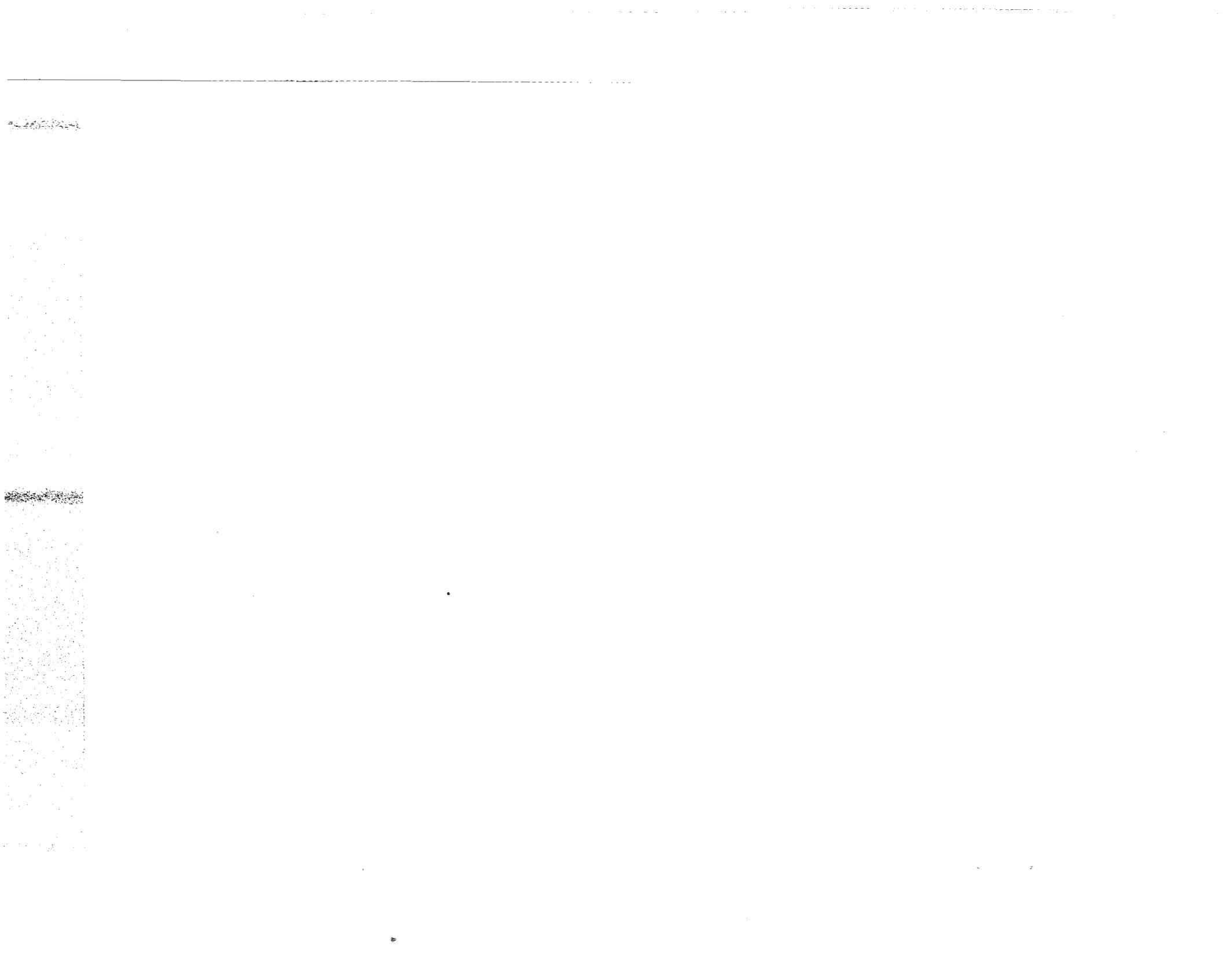
GAO note: The accompanying notes on page 4 are an integral part of this statement.



SENATE BUILDING BEAUTY SHOPNOTES TO FINANCIAL STATEMENTSFISCAL YEAR ENDED FEBRUARY 28, 1979

- a/Accounting records, except for depreciation and accrued taxes, are maintained on a cash basis.
- b/Inventory is stated on the statement of financial condition at cost.
- c/Furniture, fixtures and equipment are depreciated over a 10-year life using the straight line method.
- Improvements are amortized over a 10-year life using the straight line method.
- d/Net income or loss is divided equally between the partners.

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