



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

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B-216351

JULY 29, 1985

The Honorable Howard Wolpe, Co-Chairman
Environmental and Energy Study Conference

Dear Mr. Chairman:

Subject: Examination of the Financial Statements of
the Environmental and Energy Study Confer-
ence for the Years Ended December 31, 1984
and 1983 (GAO/AFMD-85-67)

Pursuant to your December 20, 1984, request, we have examined the balance sheet of the Environmental and Energy Study Conference at December 31, 1984 and 1983, and the related statements of operations and fund balance and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted government auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Environmental and Energy Study Conference as of December 31, 1984 and 1983, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles and the accounting policies described in note 2 to the financial statements applied on a consistent basis.

Enclosure I contains our report on internal accounting controls and compliance with laws and regulations. Enclosures II through V present the Conference's financial statements and accompanying notes for calendar years ended December 31, 1984 and 1983.

Sincerely yours,

Henry Schweger

for

Comptroller General
of the United States



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Enclosures

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REPORT ON INTERNAL ACCOUNTING CONTROLS
AND COMPLIANCE WITH LAWS AND REGULATIONS

We have examined the financial statements of the Environmental and Energy Study Conference for the years ended December 31, 1984 and 1983. Our examinations were made in accordance with generally accepted government auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures, including tests of compliance with laws and regulations, as we considered necessary in the circumstances. This report pertains only to our study and evaluation of the system of internal accounting control and our review of compliance with laws and regulations for the year ended December 31, 1984. (Our report on internal accounting controls and compliance with laws and regulations for the year ended December 31, 1983, is presented in GAO/AFMD-84-71, dated September 28, 1984.)

We did not complete a study and evaluation of the Conference's internal control system for the purpose of determining the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the Conference's financial statements. We concluded that it was more efficient to expand our substantive audit tests in examining the financial statements for the year ended December 31, 1984.

While we did not complete the study and evaluation of the Conference's internal control system, we did not become aware of any condition during our expanded substantive audit tests which we believe to be a material weakness. In audits where we do make a study and evaluation of the internal control system, material weaknesses in the internal control system would not necessarily be disclosed. Accordingly, even in such cases we would not be able to express an opinion on the system taken as a whole.

As a part of our examination, we also tested the Conference's compliance with applicable laws and regulations. In our opinion, the Environmental and Energy Study Conference complied with the terms and provisions of laws and regulations for the transactions tested that could have materially affected its financial statements. Nothing came to our attention, in connection with our examination, that caused us to believe that the Conference was not in compliance with the terms and provisions of laws and regulations for those transactions not tested.

ENVIRONMENTAL AND ENERGY STUDY CONFERENCEBALANCE SHEET

	<u>December 31,</u>	
	<u>1984</u>	<u>1983</u>
<u>ASSETS</u>		
Cash in bank	\$ <u>217,280</u>	\$ <u>212,785</u>
Total assets	<u>\$217,280</u>	<u>\$212,785</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Accounts payable	\$ 124	\$ 16,216
Accrued liabilities	<u>5,942</u>	<u>3,496</u>
Total liabilities	6,066	19,712
Fund balance	<u>211,214</u>	<u>193,073</u>
Total liabilities and fund balance	<u>\$217,280</u>	<u>\$212,785</u>

The accompanying notes in enclosure V are an integral part of this statement.

ENVIRONMENTAL AND ENERGY STUDY CONFERENCESTATEMENT OF OPERATIONS AND FUND BALANCE

	<u>Years ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
Revenues:		
Membership dues	\$110,091	\$73,950
Special assessments	<u>20,000</u>	<u>20,563</u>
	<u>130,091</u>	<u>94,513</u>
Expenses: (note 3)		
Salaries and wages	72,542	75,736
Printing and supplies	10,979	18,849
Equipment rental	8,873	15,857
Postage	967	399
Office supplies	1,868	11,684
Meetings and official functions	288	3,950
Payroll taxes	8,050	8,081
Dues and subscriptions	3,483	3,466
Telephones	4,186	6,376
Professional fees	-	1,052
Miscellaneous	<u>714</u>	<u>1,894</u>
	<u>111,950</u>	<u>147,344</u>
Net income (loss)	18,141	(52,831)
Fund balance, beginning of year	<u>193,073</u>	<u>245,904</u>
Fund balance, end of year	<u><u>\$211,214</u></u>	<u><u>\$193,073</u></u>

The accompanying notes in enclosure V are an integral part of this statement.

ENVIRONMENTAL AND ENERGY STUDY CONFERENCE
STATEMENT OF CHANGES IN FINANCIAL POSITION

	<u>Years ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
FUNDS PROVIDED:		
Operating income	\$18,141	\$ -
Decrease in other assets	-	126
Increase in accounts payable	-	9,579
Increase in accrued liabilities	<u>2,446</u>	<u>-</u>
Total funds provided	<u>20,587</u>	<u>9,705</u>
FUNDS APPLIED:		
Operating loss	-	52,831
Decrease in accounts payable	16,092	-
Decrease in accrued liabilities	<u>-</u>	<u>135</u>
Total funds applied	<u>16,092</u>	<u>52,966</u>
Increase (decrease) in cash	<u>\$ 4,495</u>	<u>\$(43,261)</u>

The accompanying notes in enclosure V are an integral part of this statement.

ENVIRONMENTAL AND ENERGY STUDY CONFERENCENOTES TO FINANCIAL STATEMENTSDECEMBER 31, 1984 AND 1983Note 1. Organization

The Environmental and Energy Study Conference (EESC) is a legislative service organization (LSO) sponsored by a group of congressional Members who pool their resources to pursue a common legislative goal. It operates as an extension of the participating Members' individual offices and coordinates their efforts for reasons of efficiency and effectiveness. Its purpose is to provide its congressional sponsors with information concerning environmental and energy issues affecting federal legislation.

Prior to 1982, EESC was an unincorporated, voluntary membership organization comprised of Members of the U.S. Congress and other interested parties. On October 21, 1981, the House Committee on House Administration adopted regulations and rules pertaining to LSOs. These regulations provided that

--Effective January 1, 1983, a LSO may not use dues or assessments to generate additional income, including income from interest-bearing accounts or time deposits.

--Effective January 1, 1983, a LSO may not receive income or contributions from any source other than the Congress or its Members.

Note 2. Accounting policies

Revenues are received for membership dues and special assessments from funds appropriated for Members' allowances. This income is recognized when it is received.

Expenses are recognized when incurred.

The organization is exempted from federal income taxes under section 501(c)(4) of the Internal Revenue Code.

Note 3. Appropriated funds support

Costs for office space, utilities, some operating expenses, and salaries of certain staff members are paid from legislative branch appropriations and are not shown in the Conference's financial statements.