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United States General Accounting Office

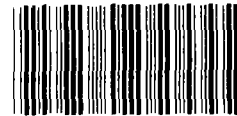
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Report to the Co-Chairman,
Environmental and Energy Study
Conference, U.S. Congress

November 1987

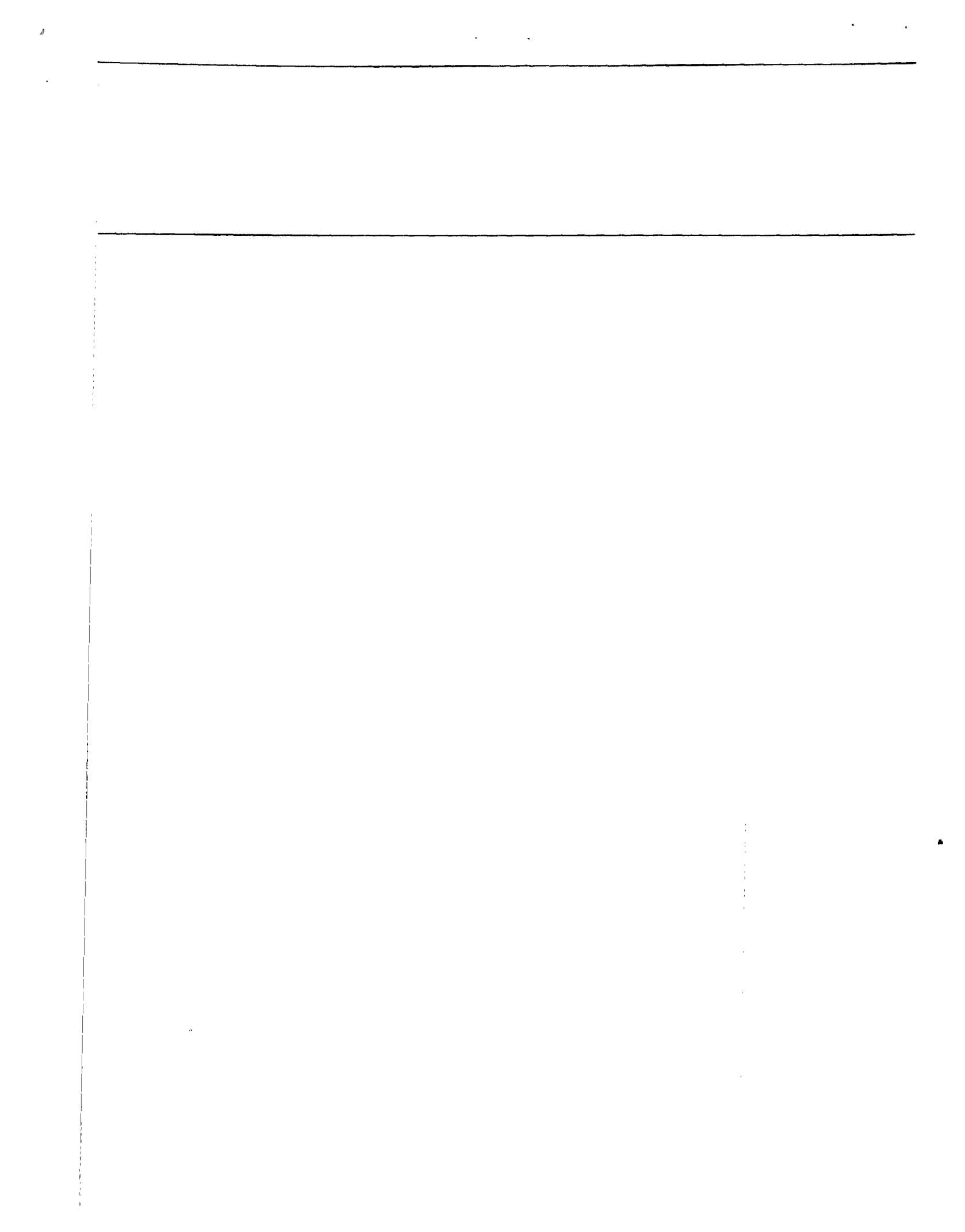
FINANCIAL AUDIT

Environmental and Energy Study Conference Financial Statements for 1986 and 1985



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Comptroller General
of the United States

B-216351

November 3, 1987

The Honorable Bill Green
Co-Chairman, Environmental and Energy
Study Conference
United States Congress

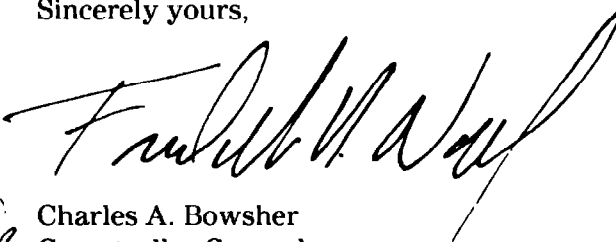
Dear Mr. Chairman:

As requested in your May 4, 1987, letter, we have examined the balance sheets of the Environmental and Energy Study Conference as of December 31, 1986 and 1985, and the related statements of operations and fund balance, and changes in financial position for the years then ended. 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 as we considered necessary in the circumstances. We completed our audit work on July 8, 1987.

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, 1986 and 1985, 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.

Our report on internal accounting controls and compliance with laws and regulations, together with the Conference's financial statements and accompanying notes for the years ended December 31, 1986 and 1985, is included in this report.

Sincerely yours,


for Charles A. Bowsher
Comptroller General
of the United States

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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, 1986 and 1985. 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 preliminary review of the system of internal accounting controls and our review of compliance with laws and regulations for the year ended December 31, 1986. Our report on internal accounting controls and compliance with laws and regulations for the year ended December 31, 1985, is presented in GAO/AFMD-86-59, dated August 15, 1986.

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. Based on our preliminary review, we concluded that it was more efficient to expand our substantive audit tests in examining the financial statements for the year ended December 31, 1986.

While we did not perform a complete 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. Even if we had conducted a study and evaluation of the internal control system, material weaknesses would not necessarily be disclosed and we would not be able to express an opinion on the system taken as a whole.

As 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.

Balance Sheet

	December 31,	
	1986	1985
Assets		
Cash in bank	\$100,761	\$180,557
Total Assets	\$100,761	\$180,557
Liabilities and Fund Balance		
Accounts payable	\$33,028	\$33,153
Accrued liabilities	4,962	7,223
Total liabilities	37,990	40,376
Fund balance	62,771	140,181
Total Liabilities and Fund Balance	\$100,761	\$180,557

The accompanying notes are an integral part of this statement

Statement of Operations and Fund Balance

	Years ended December 31,	
	1986	1985
Revenues		
Membership dues	\$180,414	\$111,319
Special assessments (note 2)	64,559	43,480
Total revenues	244,973	154,799
Expenses (note 3)		
Salaries and wages	213,480	121,185
Printing and supplies	9,918	19,824
Equipment rental	44,438	31,456
Postage	418	0
Office supplies	21,306	15,356
Meetings and official functions	88	815
Payroll taxes	19,096	11,927
Dues and subscriptions	429	1,716
Telephones	7,446	8,222
Professional fees	360	35
Miscellaneous	5,404	1,075
Total expenses	322,383	211,611
Net loss	(77,410)	(56,812)
Fund balance, beginning of year	140,181	196,993
Fund Balance, End of Year	\$62,771	\$140,181

The accompanying notes are an integral part of this statement.

Statement of Changes in Financial Position

	Years ended December 31,	
	1986	1985
Funds Provided		
Net loss from operations	\$(77,410)	\$(56,812)
Increase in accounts payable	0	18,808
Increase in accrued liabilities	0	1,281
Total funds provided	(77,410)	(36,723)
Funds Applied		
Decrease in accounts payable	125	0
Decrease in accrued liabilities	2,261	0
Total funds applied	2,386	0
Decrease in Cash	\$79,796	\$36,723

The accompanying notes are an integral part of this statement.

Notes to Financial Statements

Note 1. Organization

The Environmental and Energy Study Conference is a legislative service organization 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.

On October 21, 1981, the Committee on House Administration adopted regulations and rules pertaining to legislative service organizations. These regulations provided the following:

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

Note 3. Appropriated Funds Support

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

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