



United States General Accounting Office
Washington, DC 20548

October 10, 2003

The Honorable F. James Sensenbrenner, Jr.
Chairman, Committee on the Judiciary
House of Representatives

Subject: *Federally Chartered Corporation: Review of the Financial Statement Audit Report for the Pearl Harbor Survivors Association for Fiscal Year 2002*

Dear Mr. Chairman:

As requested, we reviewed the audit report covering the financial statements of the Pearl Harbor Survivors Association, a federally chartered corporation, for the fiscal year ended September 30, 2002. The corporation's purpose is to collate, preserve, and encourage the study of historical episodes, chronicles, mementos, and events pertaining to "The Day of Infamy, 7 December 1941", and in particular those memories and records of patriotic service performed by the heroic Pearl Harbor survivors and nonsurvivors.

Federally chartered corporations are required under 36 U.S.C. §10101 to

- present the corporation's assets and liabilities and reasonable detail on the corporation's income and expenses in annual financial statements, and
- obtain an annual financial audit by an independent public accountant.

The objective of our review was to determine whether the audit report complied with the financial reporting requirements of the law. In carrying out our work, we reviewed the corporation's financial statements and the accompanying notes, performed certain analytical procedures related to information presented in the financial statements, and reviewed the auditors' report. We also held limited discussions with the corporation's auditors regarding potential enhancements that could be made to the corporation's financial reporting. However, we did not review the auditors' working papers, and we are not rendering an audit opinion. Our review disclosed no reportable instances of noncompliance with the financial reporting requirements of the law.

The audit report included the auditors' opinion that, with one exception, the financial statements of the corporation were presented fairly on a modified cash basis of accounting. The exception related to the fact the auditors were not present to observe the physical inventory count at September 30, 2002 and the Association's records do not permit adequate retroactive tests of inventory balances.

We are returning the audit report you sent with your letter.

Sincerely yours,

A handwritten signature in black ink that reads "Jeanette M. Franzel". The signature is fluid and cursive, with "Jeanette" and "M." being more stylized and "Franzel" having a more formal, printed-like appearance.

Jeanette M. Franzel
Director
Financial Management and Assurance

w/o Enclosure

(194334)

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