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United States General Accounting Office
Washington, DC 20548

August 7, 2003

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

Subject: *Federally Chartered Corporation: Review of the Financial Statement Report for the Blue Star Mothers of America, Inc., for Fiscal Year 2001*

Dear Mr. Chairman:

As requested, we reviewed the report covering the financial statements of the Blue Star Mothers of America, Inc., a federally chartered corporation, for the fiscal year ended August 31, 2001. The corporation's purpose is to perpetuate the memory of the men and women who have served our country as members of the Armed Forces.

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 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. However, we did not review the auditors' working papers, and we are not rendering an audit opinion.

We were informed by the individual performing the work that he does not conduct audits of financial statements but performs only reviews of financial records and prepares the financial statements. This individual said that he is not a certified or licensed independent public accountant. The audit requirement under 36 U.S.C. §10101 states a certified or licensed independent public accountant is to perform the audit. A corporation official said resources are insufficient at this time to engage a certified or licensed independent public accountant. The corporation reported income of \$5,752 and expenses of \$7,102 for fiscal year 2001, and net assets of \$344 as of August 31, 2001. The corporation is undertaking an initiative to improve its funding. We are returning the report you sent with your letter.

Sincerely yours,

A handwritten signature in black ink that reads "Jeanette M. Franzel". The signature is written in a cursive style with a large, looping initial 'J'.

Jeanette M. Franzel
Director
Financial Management and Assurance

w/o Enclosure

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