



United States General Accounting Office
Washington, DC 20548

November 21, 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 Reports for the American Historical Association for Fiscal Years 1998-2002*

Dear Mr. Chairman:

As requested, we reviewed the audit reports covering the financial statements of the American Historical Association, a federally chartered corporation, for the fiscal years ended June 30, 1998, through June 30, 2002. The purpose of the corporation is to promote historical studies.

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 reports 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' reports. 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 reports included the auditors' opinions that the financial statements of the corporation, except for Fiscal Year 1999, were presented fairly in accordance with U.S. generally accepted accounting principles. The audit opinion for 1999 was qualified on the basis that the membership dues and subscriptions were being recognized as revenues in the period received rather than in future periods when they are earned in accordance with generally accepted accounting principles. We are returning the audit reports 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 Enclosures

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