



United States Government Accountability Office
Washington, DC 20548

October 7, 2005

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

Subject: *Federally Chartered Corporation: Financial Statement Audit Reports for
the Reserve Officers Association of the United States for Fiscal Years
2004 and 2003*

Dear Mr. Chairman:

As requested, we read the audit reports covering the financial statements of the Reserve Officers Association of the United States, a federally chartered corporation, for the fiscal years ended March 31, 2004 and 2003. The corporation's purpose is to support a military policy for the United States that will provide adequate national security.

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.

Our objective was to advise you of any matters in the reports regarding compliance with the financial reporting requirements of the law. In carrying out our work, we read the corporation's financial statements and the accompanying notes, performed certain analytical procedures related to information presented in the financial statements, and read the auditor's reports. We also held limited discussions with the corporation's auditor regarding potential enhancements that could be made to the corporation's financial reporting. We did not identify any instance of noncompliance with the above financial reporting requirements of the law.

We did not perform an audit or review the auditor's working papers, and we are not rendering an audit opinion.

The audit reports included the auditor's opinions that the financial statements of the corporation were presented fairly in accordance with U.S. generally accepted accounting principles. We are returning the audit reports you sent with your letters.

This letter is intended solely for your use and the use of the Committee on the Judiciary. This letter will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you have any questions or would like to discuss this letter, please contact me at (202) 512-3406 or by e-mail at sebastians@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this letter. Key contributors to this letter were David Elder, Charles Payton, and Lien To.

Sincerely yours,

A handwritten signature in black ink, reading "Steven J. Sebastian". The signature is written in a cursive style with a large, stylized "S" and "J".

Steven J. Sebastian
Director
Financial Management and Assurance

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