



GAO

Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

January 26, 2007

The Honorable F. James Sensenbrenner, Jr.
House of Representatives

Subject: *Federally Chartered Corporation: Financial Statement Audit Reports for the Air Force Sergeants Association for Fiscal Years 2006 and 2005*

Dear Mr. Sensenbrenner:

As requested, we read the audit reports covering the financial statements of the Air Force Sergeants Association, a federally chartered corporation, for the fiscal years ended April 30, 2006 and 2005. The corporation's purposes include maintaining a dedicated and professional corps of enlisted personnel within the United States Air Force, supporting fair and equitable legislation, and providing for the mutual welfare of members and their families.

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,
- obtain an annual financial audit by an independent public accountant, and
- submit the auditor's report and the corporation's financial statements to the Congress.

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 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 audit documentation, and we are not rendering an audit opinion. However, we did hold limited discussions with the corporation's auditor regarding potential enhancements to the corporation's financial reporting.

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. 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 Charles Payton, Assistant Director; David Elder; and Franklin Ng.

Sincerely yours,

A handwritten signature in black ink, reading "Steven J. Sebastian". The signature is fluid and cursive, with the first name "Steven" and last name "Sebastian" clearly legible.

Steven J. Sebastian
Director
Financial Management and Assurance

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "Subscribe to Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Gloria Jarmon, Managing Director, JarmonG@gao.gov (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, D.C. 20548

Public Affairs

Paul Anderson, Managing Director, AndersonP1@gao.gov (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, D.C. 20548