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United States General Accounting Office  
Washington, DC 20548

Accounting and Information  
Management Division

B-284318

March 3, 2000

The Honorable Henry J. Hyde  
Chairman, Committee on the Judiciary  
House of Representatives

Subject: Federally Chartered Corporation: Review of the Financial Statement Audit Report for the Civil Air Patrol, Incorporated, for Fiscal Years 1996 and 1997

Dear Mr. Chairman:

As requested, we reviewed the audit report covering the financial statements of the Civil Air Patrol, Incorporated, a federally chartered corporation, for the fiscal years ended September 30, 1996 and 1997. The purpose of the corporation is to encourage and foster civil aviation in local communities and to provide adequate facilities to assist in meeting local and national emergencies.

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

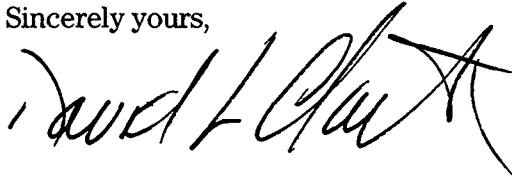
- present the corporation's assets and liabilities and reasonable detail on the corporation's income and expenses in annual financial statements,
- obtain an annual financial audit by an independent public accountant, and
- submit the auditor's report and the corporation's financial statements to the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

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, reviewed the auditor's report, and made inquiries to corporation officials or the auditor as we deemed necessary. We did not review the auditor's working papers.

The audit report included the auditor's opinion that with certain exceptions, the financial statements of the corporation were presented in accordance with generally accepted accounting principles. The exceptions related to units below wing level not being audited and not being included in these financial statements, certain donated assets not being properly valued, and certain accounting records being inadequate. The effects of these exceptions were not readily determinable. The exceptions are discussed in detail in the notes to the financial statements and in the auditor's report.

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

Sincerely yours,

A handwritten signature in black ink, appearing to read "David L. Clark", with a stylized flourish at the end.

David L. Clark  
Director, Audit Oversight and Liaison

w/o Enclosure

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