

September 1996

# FINANCIAL AUDIT

## Congressional Award Foundation's 1995 and 1994 Financial Statements



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**Comptroller General  
of the United States**

B-272944

September 24, 1996

To the President of the Senate and the  
Speaker of the House of Representatives

This report presents our opinion on the financial statements of the Congressional Award Foundation for the fiscal years ended September 30, 1995 and 1994. These financial statements are the responsibility of the Congressional Award Foundation. This report also presents (1) our opinion on the Foundation management's assertions regarding the effectiveness of its system of internal controls as of September 30, 1995, and (2) our evaluation of the Foundation's compliance with laws and regulations during fiscal year 1995. In addition, this report discusses (1) the expiration of the Foundation's statutory authority to carry out the Congressional Award Program after September 30, 1995, and (2) the Foundation's financial performance during fiscal year 1995.

We conducted our audits pursuant to section 8 of the Congressional Award Act, as amended (2 U.S.C. 807), and in accordance with generally accepted government auditing standards.

We are sending copies of this report to the Chairman of the National Board of Directors, Congressional Award Program; the National Director, Congressional Award Foundation; the Chairman and Ranking Minority Member of the Senate Committee on Governmental Affairs; the Chairman and Ranking Minority Member of the House Committee on Economic and Educational Opportunities; and other interested parties.

This report was prepared under the direction of Robert W. Gramling, Director, Corporate Audits and Standards.



Charles A. Bowsher  
Comptroller General  
of the United States

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**Comptroller General  
of the United States**

B-272944

To the President of the Senate and the  
Speaker of the House of Representatives

We have audited the statements of financial position of the Congressional Award Foundation as of September 30, 1995 and 1994, and the related statements of revenues and expenses and changes in fund balance, and statements of cash flows for the fiscal years then ended. We found

- the financial statements were reliable in all material respects;
- the Congressional Award Foundation's management fairly stated that internal controls in place on September 30, 1995, were effective in safeguarding assets from material loss, assuring material compliance with relevant laws and regulations, and assuring that there were no material misstatements in the financial statements; and
- no reportable noncompliance with laws and regulations we tested for the fiscal year ended September 30, 1995. As discussed below, although the Foundation's authority to carry out the Congressional Award Program under the Congressional Award Act expired on October 1, 1995, the Foundation has continued to operate since October 1, 1995.

The following sections discuss significant matters that we considered in performing our audit and forming our conclusions, and provide additional detail concerning our conclusions and the scope of our audit.

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**Significant Matters**

Discussed below is (1) the expiration of the Foundation's statutory authority to carry out the Congressional Award Program after September 30, 1995, and (2) the Foundation's financial performance during fiscal year 1995 and during the first 8 months of fiscal year 1996.

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**Expiration of the  
Foundation's Statutory  
Authority**

The Congressional Award Act, as amended, established the Congressional Award Board and provided for the Board to establish and administer the Congressional Award Program. As discussed in note 9 to the Congressional Award Foundation's financial statements, section 7 of the Act (2 U.S.C. 806(i)) states that the Board shall provide for the establishment of a private nonprofit corporation for the sole purpose of assisting the Board to carry out the Congressional Award Program. Section 7 also states that the articles of incorporation of the corporation shall provide that the extent of the authority of the corporation shall be

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the same as that of the Board. The Board established the Congressional Award Foundation in 1979, consistent with section 7. The Foundation's articles of incorporation specify that its purpose is to assist in carrying out the purposes and functions of the Congressional Award Program established by the Congressional Award Act. The Board's authority to carry out the Program expired on October 1, 1995, under section 9 of the Act (2 U.S.C. 808), which states that the Board shall terminate on October 1, 1995. The Board and the Foundation have nevertheless continued to operate after October 1, 1995. The extent of the Board's and the Foundation's operations included holding meetings, engaging in fundraising, presenting awards, and paying employees.

On October 13, 1995, the Senate passed a bill entitled the Congressional Award Act Amendments of 1995 (S.1267), to extend the termination date of the Board to October 1, 1998. An identical bill, the Congressional Award Act Amendments of 1995 (H.R. 2396), was referred to the Committee on Economic and Educational Opportunities of the House of Representatives on September 25, 1995. However, as of September 17, 1996, the Committee had not acted on the bill.

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## The Foundation's Financial Performance

As reflected in the Foundation's fiscal year 1995 financial statements, the Foundation reported an excess of expenses over revenues after other income (net loss) of over \$61,000 for the fiscal year ended September 30, 1995. This was the second consecutive year the Foundation reported a net loss, and represents a significant increase over the net loss of about \$19,000 reported for the fiscal year ended September 30, 1994. These net losses were primarily attributable to losses incurred by the South Bronx Project Fund<sup>1</sup> and significant increases in the expenses incurred by the Foundation as a whole, accompanied by a small decrease in revenues.

Of the \$61,000 net loss incurred by the Foundation in fiscal year 1995, about \$30,000 (49 percent) was incurred by the South Bronx Project Fund. During fiscal year 1994, the Foundation's \$19,000 reported net loss included a net loss of over \$35,000 incurred by the South Bronx Project Fund.

In addition, during fiscal year 1995, the Foundation's total expenses increased over \$64,000 (16 percent) from fiscal year 1994. The increase in total expenses was due to significant increases in fundraising, program

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<sup>1</sup>The South Bronx Project Fund was created in 1990 to extend the Foundation's fundraising activities into the New York area. Effective August 9, 1996, the Foundation ceased funding for the South Bronx Project.

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services, and salary expenses during fiscal year 1995. Fundraising expenses increased about \$45,000 from the prior fiscal year, which was primarily due to the Foundation sponsoring a golf tournament, its first major fundraising event, in September 1995. Program service expenses increased about \$31,000 in fiscal year 1995, which was principally the result of costs incurred in the design and purchase of new program materials for the Foundation. Salary expenses increased about \$26,000 during fiscal year 1995, which was primarily attributable to a Board decision to increase the compensation of Foundation personnel as part of the Foundation's annual personnel assessment process.

These increases were partially offset by significant declines in promotion and professional fee expenses during fiscal year 1995. Promotion expenses decreased about \$24,000 from its fiscal year 1994 level. This was due to approximately \$27,000 in costs the Foundation incurred in fiscal year 1994 to produce a promotional video about the Congressional Award Program. Professional fees decreased about \$12,000 in fiscal year 1995, as a result of lower fees for accounting services.

During the same period, as total expenses increased, total revenues decreased by about \$12,000 (3 percent), due principally to decreases in contributions. This resulted in a net operating loss for fiscal year 1995 of over \$80,000. A significant increase in the market value of the Congressional Award Fellowship Trust (Trust) (see note 4 to the Foundation's financial statements) helped reduce the Foundation's fiscal year 1995 net loss. The Foundation reported a market value gain of over \$18,000 for the Trust in fiscal year 1995, compared to a market value loss of over \$15,000 in fiscal year 1994. The Foundation's financial records indicate that, for the first 8 months of fiscal year 1996,<sup>2</sup> the Foundation experienced a net operating loss of about \$21,000, exclusive of the effects of any change in the market value of the Trust.

In addition to incurring a net loss in fiscal year 1995, the Foundation reported a negative cash flow from operations totaling over \$111,000 during fiscal year 1995. In comparison, the Foundation experienced a positive cash flow from operations of about \$33,000 in fiscal year 1994. The decline in the Foundation's cash position was primarily due to the net operating loss of over \$80,000 incurred during fiscal year 1995. In addition, over \$23,000 in contribution revenues recognized during fiscal year 1995 were not collected until fiscal year 1996, although cash was disbursed on fundraising expenses during fiscal year 1995 to earn these contributions.

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<sup>2</sup>The Foundation's fiscal year 1996 financial records have not been audited.



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During the first 8 months of fiscal year 1996, the Foundation's cash balance increased nearly \$10,000 despite the continued operating losses. This was primarily attributable to significant collections on the contributions that had been earned but not collected during fiscal year 1995.

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## Opinion on Financial Statements

In our opinion, the financial statements and accompanying notes present fairly, in all material respects, in conformity with generally accepted accounting principles, the Congressional Award Foundation's financial position as of September 30, 1995 and 1994, and the results of its operations and its cash flows for the fiscal years then ended.

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## Opinion on Management's Assertions About the Effectiveness of the Foundation's Internal Controls

We evaluated the Foundation management's assertions about the effectiveness of its internal controls designed to:

- safeguard assets against loss from unauthorized acquisition, use, or disposition;
- assure the execution of transactions in accordance with management's authority and with selected provisions of those laws and regulations that have a direct and material effect on the financial statements of the Foundation; and
- properly record, process, and summarize transactions to permit the preparation of reliable financial statements and to maintain accountability for assets.

Management of the Congressional Award Foundation fairly stated that those controls in place on September 30, 1995, provided reasonable assurance that losses, noncompliance, or misstatements material in relation to the financial statements would be prevented or detected on a timely basis. Management made this assertion based on criteria in the Office of Management and Budget's Circular A-123 and consistent with the requirements of the Federal Managers' Financial Integrity Act of 1982.

Although management's assertion regarding the effectiveness of internal controls is fairly stated in all material respects based on the control criteria cited above, we noted certain matters involving the Foundation's internal accounting controls and its operations. These matters, while not significant, nevertheless warrant management's attention. We will be reporting these matters separately to them.

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## Compliance With Laws and Regulations

Our current year audit tests for compliance with selected provisions of laws and regulations disclosed no instances of noncompliance that would be reportable under generally accepted government auditing standards. However, the objective of our audit was not to provide an opinion on overall compliance with laws and regulations. Accordingly, we do not express such an opinion.

As discussed above, the Foundation's authority to carry out the Congressional Award Program under the Congressional Award Act expired on October 1, 1995. The Foundation has continued to operate after October 1, 1995.

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## Objectives, Scope, and Methodology

The Foundation's management is responsible for

- preparing the Foundation's annual financial statements in conformity with generally accepted accounting principles;
- establishing, maintaining, and assessing the Foundation's internal control structure to provide reasonable assurance that the internal control objectives mentioned above are met; and
- complying with applicable laws and regulations.

We are responsible for obtaining reasonable assurance about whether (1) the financial statements are free of material misstatement and presented fairly, in all material respects, in conformity with generally accepted accounting principles and (2) management's assertion about the effectiveness of internal controls is fairly stated in all material respects based upon the control criteria used by the Foundation's management in making the assertion. We are also responsible for testing compliance with selected provisions of laws and regulations.

In order to fulfill these responsibilities, we

- examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessed the accounting principles used and significant estimates made by the Foundation's management;
- evaluated the overall presentation of the financial statements;
- obtained an understanding of the internal control structure related to safeguarding assets, compliance with laws and regulations, and financial reporting;

- tested relevant internal controls over safeguarding, compliance, and financial reporting and evaluated management's assertion about the effectiveness of internal controls; and
- tested compliance with selected provisions of the Congressional Award Act, as amended.

We did not evaluate all internal controls relevant to operating objectives such as controls relevant to ensuring efficient operations. We limited our internal control testing to those controls necessary to achieve the objectives outlined in our opinion on management's assertion about the effectiveness of internal controls. Because of inherent limitations in any internal control structure, losses, noncompliance, or misstatements may nevertheless occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate.

We conducted our audits from April 25, 1996, to July 19, 1996. Our audits were conducted in accordance with generally accepted government auditing standards.

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## Foundation Comments

We provided a draft of our report to Congressional Award Foundation officials for their review and comment. The Foundation officials agreed with the contents of our report.



Charles A. Bowsher  
Comptroller General  
of the United States

July 19, 1996

# Financial Statements

## Statements of Financial Position

### The Congressional Award Foundation Statements of Financial Position as of September 30

Assets	1995	1994
Sequoia Checking .....	\$20,671.21	\$0.00
Sequoia Statement Savings.....	263.06	10,029.06
Sequoia MMA .....	5,417.75	5,264.05
Sequoia Passbook Savings.....	25,663.68	151,265.93
Congressional Award Ball Account .....	0.00	4,632.63
<i>Total Cash (See Note 3)</i> .....	<u>\$52,015.70</u>	<u>\$171,191.67</u>
Accounts Receivable		
General .....	2,667.25	2,982.21
Contributions .....	26,107.50	0.00
Trust Fund Contributions .....	250.00	0.00
Council Development.....	48,868.58	46,656.97
Vendors .....	0.00	265.00
Total Accounts Receivable .....	<u>\$77,893.33</u>	<u>\$49,904.18</u>
Prepaid Expenses .....	769.15	3,426.56
<i>Total Current Assets</i> .....	<u>\$130,678.18</u>	<u>\$224,522.41</u>
Trust Fund Accounts (See Note 4).....	\$189,656.66	\$166,674.41
Office Furniture and Fixtures .....	200.00	4,350.00
Equipment .....	33,250.35	31,682.55
Contributed Equipment .....	13,628.00	13,628.00
Less Allowance for Depreciation .....	<u>(36,941.93)</u>	<u>(35,082.77)</u>
<i>Total Fixed Assets</i> .....	<u>\$10,136.42</u>	<u>\$14,577.78</u>
<b>Total Assets</b> .....	<b><u>\$330,471.26</u></b>	<b><u>\$405,774.60</u></b>
<b>Liabilities and Fund Balance</b> .....		
Accounts Payable .....	\$32,346.01	\$36,299.93
Lease Obligations (See Note 5).....	0.00	1,879.44
Accrued Salaries .....	6,392.69	5,082.63
Accrued Payroll Taxes .....	603.80	603.80
Deferred Revenue (Restricted) .....	<u>43,778.48</u>	<u>43,325.64</u>
<i>Total Current Liabilities</i> .....	<u>\$83,120.98</u>	<u>\$87,191.44</u>
Escrowed Funds — Missouri .....	0.00	9,976.57
<b>Total Liabilities</b> .....	<b><u>\$83,120.98</u></b>	<b><u>\$97,168.01</u></b>
<b>Funds</b>		
<i>Restricted</i>		
Congressional Award Fellowship Trust (see Note 4).....	\$189,906.66	\$166,674.41
<i>Unrestricted</i>		
South Bronx Project Fund Balance .....	(67,661.99)	(37,428.37)
Stanley C. Morris Scholarship Fund .....	0.00	752.15
General Fund .....	<u>125,105.61</u>	<u>178,608.40</u>
<b>Total Funds</b> .....	<b><u>\$247,350.28</u></b>	<b><u>\$308,606.59</u></b>
<b>Total Liabilities &amp; Funds</b> .....	<b><u>\$330,471.26</u></b>	<b><u>\$405,774.60</u></b>

The accompanying notes are an integral part of these financial statements.

Financial Statements

Statements of Revenue and Expenses and Changes in Fund Balance

The Congressional Award Foundation  
 Statements of Revenue and Expenses and Changes in Fund Balance  
 for the Fiscal Year ended September 30

Revenue	1995	1994
Contributions .....	\$298,360.80	\$305,144.41
Contributions — In Kind (See Note 6) .....	21,685.51	32,632.50
Congressional Award Fellowship Trust Contributions .....	4,250.00	5,688.70
Administrative Processing Fees .....	8,697.00	7,482.00
Registration Fees .....	3,781.00	3,140.00
Gold Award Ceremony .....	9,657.35	17,173.13
Program Materials .....	12,419.05	2,461.95
Shipping Reimbursement .....	1,283.99	577.93
Promotion .....	1,835.40	1,220.00
Interest .....	15,161.02	16,644.48
Miscellaneous .....	0.00	4.00
Furniture Sales .....	260.46	742.70
Congressional Award Ball Ticket Sales .....	3,780.00	0.00
<b>Total Revenue</b> .....	<b><u>\$381,171.58</u></b>	<b><u>\$392,911.80</u></b>
<b>Expenses</b>		
Salaries .....	\$186,991.77	\$160,940.00
Taxes .....	15,519.81	13,536.95
Benefits .....	30,998.35	26,147.91
Professional Fees .....	16,945.16	29,529.32
Travel & Related Expenses .....	6,361.03	2,613.89
Program Services .....	70,639.11	39,509.03
Gold Award Ceremony .....	17,048.24	25,556.17
Administrative Expenses .....	3,242.23	5,811.50
Fundraising Expense .....	46,193.21	793.50
Interest Expense .....	69.06	272.03
Depreciation .....	6,036.12	6,992.23
Promotion Expense .....	5,363.94	30,223.79
Events .....	56,002.11	54,628.74
<b>Total Expenses</b> .....	<b><u>\$461,410.14</u></b>	<b><u>\$396,555.06</u></b>
<b>Excess of Expenses over Revenue</b> .....	<b><u>(\$80,238.56)</u></b>	<b><u>(\$3,643.26)</u></b>
<b>Other Income (Loss)</b>		
Restricted - Unrealized Gain (Loss) Due to Market Changes in Trust .....	<u>\$18,982.25</u>	<u>(\$15,680.83)</u>
<b>Excess of Expenses over Revenue After Other Income</b> .....	<b><u>(\$61,256.31)</u></b>	<b><u>(\$19,324.09)</u></b>
Fund Balance at Beginning of Year .....	\$308,606.59	\$328,120.66
Prior Period Adjustments to Fund Balance .....	<u>\$0.00</u>	<u>(\$189.98)</u>
<b>Fund Balance, End of Year</b> .....	<b><u>\$247,350.28</u></b>	<b><u>\$308,606.59</u></b>

The accompanying notes are an integral part of these financial statements.

**Financial Statements**

**Statements of Cash Flows**

**The Congressional Award Foundation  
Statements of Cash Flows  
for the Fiscal Year ended September 30**

	<b>1995</b>	<b>1994</b>
Cash Flows from Operating Activities		
Cash Provided by:		
Contributions .....	\$274,494.53	\$307,151.49
Councils & Independents .....	32,052.64	32,907.71
Interest .....	<u>15,161.02</u>	<u>16,634.93</u>
Cash Provided by Operating Activities .....	<u>\$321,708.19</u>	<u>\$356,694.13</u>
Cash Disbursed For:		
Employees .....	(232,199.87)	(201,226.70)
Vendors .....	<u>(201,210.09)</u>	<u>(122,177.75)</u>
Cash Disbursed for Operating Activities .....	<u>(\$433,409.96)</u>	<u>(\$323,404.45)</u>
Net Cash Flow from Operating Activities .....	<u>(\$111,701.77)</u>	<u>\$33,289.68</u>
Cash Flow from Investing Activities		
Cash Paid to Lease or Acquire Equipment .....	(\$3,474.20)	(\$12,531.20)
Restricted — Cash Invested in Trust .....	<u>(\$4,000.00)</u>	<u>(\$5,688.70)</u>
Cash Disbursed for Investing Activities .....	<u>(\$7,474.20)</u>	<u>(\$18,219.90)</u>
Cash Flow from Other Activities		
Cash Received for Missouri Council .....	<u>0.00</u>	<u>9,976.57</u>
Net (Decrease) Increase in Cash .....	(\$119,175.97)	\$25,046.35
Cash at Beginning of Year .....	\$171,191.67	\$146,145.32
Cash at End of Year .....	<u>\$52,015.70</u>	<u>\$171,191.67</u>
Reconciliation of Excess of Expenses over Revenue to Net Cash Used by Operating Activities		
Excess of Expenses over Revenue .....	(\$61,256.31)	(\$19,324.09)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities		
Unrealized (Gain) Loss in Trust Investments .....	(\$18,982.25)	15,680.83
Prior Period Adjustment .....	0.00	(189.98)
Depreciation Expense and Other .....	6,036.12	6,992.00
Increase in Accounts Receivable .....	(27,989.15)	(48,056.20)
Decrease (Increase) in Prepaid Expenses .....	2,657.41	(1,605.20)
Increase (Decrease) in Accounts Payable .....	(3,953.92)	34,322.42
Increase in Accrued Liabilities .....	1,310.06	2,494.55
Increase (Decrease) in Deferred Revenue .....	(9,523.73)	42,975.35
Net Cash Flow from Operating Activities .....	<u>(\$111,701.77)</u>	<u>\$33,289.68</u>

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

Notes to Financial Statements

September 30, 1995 and September 30, 1994

Note 1: Organization

The Congressional Award Foundation was formed in 1979 under Public Law 96-114 and is a non-profit, IRS designated tax-exempt organization under section 501(c)(3) established to promote initiative, achievement, and excellence among youth in the areas of public service, personal development, physical and expedition fitness. In October, 1992, President George Bush signed into law P.L. 102-457 to reauthorize the program through September 30, 1995. Section 637 of P.L. 103-329 (September 30, 1994) provides that the United States Mint charge the Numismatic Public Enterprise Fund for the cost of striking Congressional Award Medals.

Note 2: Summary of Significant Accounting Policies

- a. Basis of accounting - The financial statements are prepared on the accrual basis of accounting with the Fiscal Year ending September 30. Assets and services which are contributed to the Foundation are included in the financial statements at fair value as of the date of the contribution.
- b. Office Furniture and Equipment - Office furniture and equipment is stated at cost to the Foundation, or, as described in a. above, fair value at the date of contribution. The fixed assets of office furniture and equipment of \$500 or more are capitalized and are depreciated on the straight line basis over their estimated useful lives of five years with no salvage value.
- c. Reclassifications have been made to the audited 1994 financial statements to conform to 1995 presentation.

Note 3: Cash

The cash balance on the Statement of Financial Position includes restricted cash in Fiscal Years 1995 and 1994 of \$14,457.33 and \$15,331.46 respectively.

Note 4: Congressional Award Fellowship Trust

The Congressional Award Fellowship Trust fund was created through contributions from supporters of the Congressional Award program, including members of the World Fellowship, an organization established to promote similar programs throughout the world. Total contributions to the trust since its inception in 1990 are \$170,451.30. The terms of the trust entitle the Foundation to all earnings on the trust principal.

The trust principal is included as a restricted asset in the accompanying Statement of Financial Position. The Foundation believes the earnings from this trust will continue indefinitely. The earnings the Foundation received from this trust in fiscal years 1995 and 1994 were \$11,195.40 and \$11,821.48, respectively.

Note 5: Residual Payments - Leases

As of September 30, 1995, the Foundation has no long term lease agreements. As of September 30, 1994 the Foundation had a balance of \$1,879.44 remaining on a long term lease agreement for a photocopier.

Note 6: Contributed Equipment, Office Space and Services

During Fiscal Years 1995 and 1994 the Foundation received non-cash contributions accounted for as described in Note 2 above and included as contributions and expenses in the financial statements as follows:

	1995	1994
Office Space	\$2,880.00	\$3,880.00
Professional Services (Legal)	10,000.00	10,000.00
Professional Services (Financial Mgmt.)	2,500.00	15,000.00
Event Sponsorship	6,181.51	743.50
Promotion (Video & Photographic Support)	<u>125.00</u>	<u>3,009.00</u>
	<u>\$21,686.51</u>	<u>\$32,632.50</u>

As a means of providing support to the Congressional Award without providing funding, Congress, through Section 7(e) of the Congressional Award Act, as amended by section 7(c) of Public Law 101-525, the Congressional Award Amendments of 1990, states that "...The Board may benefit from in-kind and indirect resources provided by Offices of Members of Congress or the Congress." Resources provided by Congress to the Board include use of office space, office furniture, and certain utilities. These costs cannot be readily determined and are not included in the financial statements. Telephone costs are paid by the Foundation to the U.S. Treasury.

Note 7: Employee Benefit Plan

The Foundation participates in a voluntary 403B tax-deferred annuity plan, which was activated on August 27, 1993. The Foundation is not required to contribute to the plan and has made no contributions to the plan.

**Note 8: Related Party Transactions**

Due to the nature of the Foundation, contributions are often solicited or received from members of the Congressional Award Board or other related parties. The following related party transactions occurred during the fiscal years ending September 30, 1995 and 1994.

An ex-officio Director of the Board and an attorney during fiscal years 1995 and 1994, provided pro bono legal services to the Foundation. The value of legal services (see Note 6) is included in the contributions and professional fees line items.

A Director of the Board provided management services for the Congressional Award Fellowship Trust during fiscal years 1995 and 1994. The value of this Trust is disclosed in Note 4.

**Note 9: Subsequent Events**

The Congressional Award Act (Act), as amended, states that the Congressional Award Board (Board) shall terminate on October 1, 1995. The Act also authorizes the Board to establish a private nonprofit corporation to assist it in carrying out the Congressional Award Program, and provides that this corporation's articles of incorporation specify that the authority of the corporation (the Foundation) is the same as the Board. On October 13, 1995, the Senate passed a bill entitled Congressional Award Amendments Act of 1995 (S. 1267) to extend the Board's termination date to October 1, 1998. The House of Representatives has identical legislation pending.

The Foundation's fiscal year 1995 financial statements include a \$10,000.00 pledge made during fiscal year 1995 and recorded as a contribution receivable and revenue from contributions. At the time the pledge was made, no restrictions had been placed on its use. However, when the contribution was actually received by the Foundation in fiscal year 1996, the donor restricted its use primarily for the establishment of a Congressional Award Program in the state of Oklahoma. Had the restriction been made at the time of the pledge, the \$10,000.00 would have been recorded as deferred revenue until funds were expended primarily for the establishment of the Oklahoma program.



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**Financial Statements**

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