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Accountability \* Integrity \* Reliability

United States General Accounting Office  
Washington, DC 20548

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September 20, 2002

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

Subject: Federally Chartered Corporation: Review of the Financial Statement Audit Report for the National Federation of Music Clubs for Fiscal Year 2001

Dear Mr. Chairman:

As requested, we reviewed the audit report covering the financial statements of the National Federation of Music Clubs, a federally chartered corporation, for the fiscal year ended June 30, 2001. The corporation's purpose is to encourage American musical activities. The corporation advances its objectives by granting awards and scholarships, publishing periodicals, and sponsoring various music-related activities.

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 auditors' 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, and reviewed the auditors' report. 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 report included the auditors' opinion that the financial statements of the corporation were presented fairly on a modified cash basis of accounting. We are returning the audit report 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 Enclosure

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