

DOCUMENT RESUME

04566 - [B3634881]

[Audit Report for the American National Red Cross for the Year Ended June 30, 1976]. B-55712. December 23, 1977. 1 pp.

Report to Rep. Peter W. Rodino, Jr., Chairman, House Committee on the Judiciary; by Robert F. Keller, Deputy Comptroller General.

Issue Area: Accounting and Financial Reporting (2800).

Contact: Financial and General Management Studies Div.

Budget Function: Miscellaneous; Financial Management and Information Systems (1002).

Organization Concerned: American National Red Cross; Department of the Army; Army Audit Agency.

Congressional Relevance: House Committee on the Judiciary.

Authority: P.L. 89-504. 36 U.S.C. 1.

A review of the audit report prepared by the U.S. Army Audit Agency for the American National Red Cross for the year ended June 30, 1976, showed that the audit and financial reporting requirements of the act of January 5, 1905, chartering the corporation, had been met. Findings/Conclusions: The audit report included a statement of the scope of the audit and the audit agency's opinion that, except for the effects of certain unrestricted donations being included as endowment funds and certain campaign contributions for support of the following year being reported as income in the fiscal year in which they were received or receivable, the Combined Statement of Support, Revenue, Expenses, and Transfers and the Combined Statement of Functional Expenses by Object Classification presented fairly the results of operations of the Red Cross for the year ended June 30, 1976, in conformity with generally accepted accounting principles. These principles were applied on a basis consistent with the preceding year except for an accounting change with which the audit agency concurs. The audit report was based on the Army Audit Agency's examination and the audit reports of certified public accountants covering the accounts of the national organization and 91% of the total support, revenue, and expenses reported by chapters and blood centers. (SC)

FGMS



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

04566

B-55712

DEC 23 1977

The Honorable Peter W. Rodino, Jr.
Chairman, Committee on the Judiciary
House of Representatives

Dear Mr. Chairman:

As requested in your letter of November 4, 1977, we have reviewed the audit report prepared by the Department of Defense (U.S. Army Audit Agency) for the American National Red Cross for the year ended June 30, 1976. Our review was directed to determining whether the report complies with the financial reporting requirements of the act of January 5, 1905 (36 U.S.C. 1), which chartered the corporation, and differ from the requirements of Public Law 88-504.

The audit report included a statement of the scope of audit and the audit agency's opinion, which was based upon its examination and the audit reports of certified public accountants covering the accounts of the national organization and 91 percent of the total support, revenue and expenses reported by chapters and blood centers. The audit agency's opinion states that except for the effects of (1) certain unrestricted donations being included as endowment funds and (2) certain campaign contributions for support of the following year being reported as income in the fiscal year in which it was received or receivable, the Combined Statement of Support, Revenue, Expenses, and Transfers and the Combined Statement of Functional Expenses by Object Classification present fairly the results of operations of the American National Red Cross for the year ended June 30, 1976, in conformity with generally accepted accounting principles applied on a basis consistent with the preceding year, except for an accounting change with which the audit agency concurs. In our opinion, the audit and financial reporting requirements of the act of January 5, 1905, chartering the corporation, have been met.

We are returning the audit report sent with your letter of November 4, 1977.

Sincerely yours,

R. F. KELLER

Deputy Comptroller General
of the United States

Enclosure