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TIGER ATHLETIC FOUNDATION
BATON ROUGE, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 07 1999

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MEMBER
AMERICAN INSTITUTE CPAs
LOUISIANA SOCIETY CPAs

INDEPENDENT AUDITOR'S REPORT

February 4, 1999

Members of the Board of Directors
Tiger Athletic Foundation
Baton Rouge, Louisiana

I have audited the accompanying Statement of Financial Position of Tiger Athletic Foundation (a non-profit organization) as of December 31, 1998, and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended. These financial statements are the responsibility of Tiger Athletic Foundation's management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tiger Athletic Foundation as of December 31, 1998, and the changes in net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purposes of forming an opinion on the basis financial statements taken as a whole. The supplementary information is presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted



TIGER ATHLETIC FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1998

ASSETS

Operating Cash	\$506,298
Money Market Accounts	3,342
Certificate of Deposits - Board Designated	719,032
Restricted Cash & Cash Equivalents	846,393
Restricted Investments - Endowments	1,386,567
Receivables	76,316
Land - Golf Course	3,090,000
Furniture & Equipment, Net	1,831,305

TOTAL ASSETS	8,459,253
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LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts Payable	\$76,519
Payroll Taxes and Employee Withholdings	931
Tickets and Parking Payable	39,929
Notes Payable	2,147,790

TOTAL LIABILITIES	2,265,169
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NET ASSETS:

Unrestricted:	
Undesignated	3,242,092
Restricted By Board - University Club	164,914
Restricted By Board - Airplane Maintenance	280,000
Restricted By Board - 10% Excess Budeted Revenues	274,118
Restricted:	
Endowment Funds	1,386,567
Coaches and Athletic Director Funds	244,564
Baseball	5,025
Al Moreau Memorial Fund	8,860
Football Squad	46,564
Marty Broussard Sports Clinic	56,181
Special Donations	37,641
Tiger Den	65,000
Top 100 Tigers	380,288
Tiger Walk	2,270

Total Net Assets	6,194,084
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TOTAL LIABILITIES & NET ASSETS	8,459,253
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

TIGER ATHLETIC FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 1998

SUPPORT AND REVENUE:

Donation of Land	\$3,090,000
Donations From TAF Members	2,681,217
Restricted Donations	1,545,970
Aircraft Services	331,169
Ticket Sales	1,919,620
Special Events	12,899
Interest Income	245,066
Merchandise Revenue	1,491
Miscellaneous Income	3,951
	<hr/>
Total Revenue Collected	9,831,383
	<hr/>

EXPENSES:

Contributions to LSU - Athletic Department	2,938,567
Contributions to LSU - Non Athletic	71,495
Aircraft Services	853,038
Tickets Purchased	1,858,696
Special Events	34,590
Fund Raising	218,877
General and Administrative	500,672
Merchandise Expenses	4,577
	<hr/>
Total Expenses Paid	6,480,512
	<hr/>

INCREASE IN NET ASSETS

3,350,871

NET ASSETS, Beginning of Year
PRIOR PERIOD ADJUSTMENT

2,871,553
(28,339)

NET ASSETS, End of Year

6,194,085

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

TIGER ATHLETIC FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1998

	CONTRIBUTIONS		AIRCRAFT SERVICES	TICKET PURCHASES	SPECIAL EVENTS	MERCHANDISE EXPENSE	GENERAL AND ADMINISTRATIVE	FUND RAISER	TOTAL
	TO L S U ATHLETIC	NON-ATHLETIC							
INDIVIDUAL SPORTS	\$577,373	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$577,373
LSU ATHLETIC DEPART	231,427	0	0	0	0	0	0	0	231,427
LSU - OTHER	75,000	0	0	0	0	0	0	0	75,000
ACADEMIC CENTER	38,711	0	0	0	0	0	0	0	38,711
FOOTBALL SQUAD	46,612	0	0	0	0	0	0	0	46,612
GOLDEN CENTURY	1,389,526	0	0	0	0	0	0	0	1,389,526
CROSS	1,800	0	0	0	0	0	0	0	1,800
PEZANT & MCDUFF	1,816	0	0	0	0	0	0	0	1,816
TOP 100 TIGERS	0	2,400	0	0	0	0	0	0	2,400
CARL TRIMBLE EXPENSE	0	3,300	0	0	0	0	0	0	3,300
TIGER WALK	0	800	0	0	0	0	0	0	800
CONSULTING FEES	98,000	0	0	0	0	0	0	0	98,000
COACHES SUPPLEMENTS	85,000	0	0	0	0	0	0	0	85,000
A D SUPPLEMENTS	15,000	0	0	0	0	0	0	0	15,000
JERSEY EXPENSE	22,154	0	0	0	0	0	0	0	22,154
COMPUTER TICKETING PKG	70,515	0	0	0	0	0	0	0	70,515
STADIUM MASTER PLAN	226,510	0	0	0	0	0	0	0	226,510
ALEX BOX SEATS	14,277	0	0	0	0	0	0	0	14,277
ACADEMIC AWARDS	0	48,000	0	0	0	0	0	0	48,000
DUES AND SUBSCRIPTIONS	0	0	776	0	0	0	2,466	0	3,242
FUEL	0	0	78,748	0	0	0	0	0	78,748
INSPECTION & MAINTENANCE	0	0	115,480	0	0	0	0	0	115,480
EXCISE TAXES	0	0	21,058	0	0	0	0	0	21,058
TICKETS	0	0	0	1,858,696	0	0	0	0	1,858,696
PREGAME PARTY EXPENSE	0	0	0	0	34,590	0	0	0	34,590
MERCHANDISE EXPENSE	0	0	0	0	0	4,577	0	0	4,577
SALARIES AND RELATED	0	0	71,950	0	0	0	253,131	69,142	394,223
ACCOUNTING	0	0	0	0	0	0	7,883	0	7,883
BANQUET EXPENSES	0	0	0	0	0	0	28,242	0	28,242
BANK CHARGES	0	0	0	0	0	0	38,416	0	38,416
BOARD MEETINGS	0	0	0	0	0	0	4,250	0	4,250
CASUAL LABOR	0	0	0	0	0	0	1,067	0	1,067
COMPUTER SERVICES	0	0	0	0	0	0	7,571	0	7,571
DEPRECIATION	0	0	324,721	0	0	0	15,622	0	340,343
TAF DIRECTORS EXPENSES	0	0	0	0	0	0	2,473	0	2,473
INSURANCE	0	0	29,715	0	0	0	23,833	0	53,548
INTEREST	0	0	195,023	0	0	0	0	0	195,023
LEGAL	44,846	0	0	0	0	0	0	0	44,846
MISCELLANEOUS	0	0	1,036	0	0	0	9,356	0	10,392
OFFICE SUPPLIES	0	0	0	0	0	0	6,928	0	6,928
KITCHEN SUPPLIES	0	0	0	0	0	0	2,743	0	2,743
OFFICE EQUIPMENT	0	0	0	0	0	0	4,216	0	4,216
PARKING	0	0	0	0	0	0	10,675	0	10,675
POSTAGE & BOX RENT	0	0	0	0	0	0	19,901	0	19,901
PRINTING	0	0	0	0	0	0	12,253	0	12,253
RENT-BUILDING	0	0	5,840	0	0	0	20,005	0	25,845
SEMINARS	0	0	0	0	0	0	957	0	957
TELEPHONE	0	0	258	0	0	0	28,684	0	28,942
TRAVEL	0	0	8,433	0	0	0	0	20,294	28,727
PARK/T WALK/GOLF COURSE	0	16,995	0	0	0	0	0	0	16,995
STADIUM CLUB	0	0	0	0	0	0	0	107,184	107,184
MEMBERSHIP	0	0	0	0	0	0	0	22,257	22,257
TOTAL	2,938,567	71,495	853,038	1,858,696	34,590	4,577	500,672	218,877	6,480,512

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

TIGER ATHLETIC FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 1998

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Increase In Net Assets	\$3,350,871
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:	
Depreciation	340,342
Donation of Land	(3,090,000)
Prior Period Adjustment	(28,339)
(Increase) Decrease In Operating Assets:	
Accounts Receivables	(73,332)
Increase (Decrease) In Operating Liabilities:	
Accounts Payable	76,519
Withholding	(775)
Tickets Payable	(2,333)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>572,953</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of Equipment	(16,392)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
Repayment of Long-Term Debt	(260,977)
NET INCREASES (DECREASE) IN CASH AND CASH EQUIVALENTS	295,584
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>3,166,049</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>3,461,633</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

TIGER ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE #1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Tiger Athletic Foundation (TAF) was organized on February 20, 1985, as a non-profit corporation under Louisiana R.S. 12:201 (7).

Its primary objective is to encourage support and raise funds for the LSU intercollegiate athletic program. Funds attracted by this private, non-profit corporation are used to defray the cost of scholarships of the more than 300 student athletes, to help maintain and improve LSU athletic facilities, and to retire present indebtedness.

BASIS OF PRESENTATION

The financial statements are presented in accordance with Statement of Financial Accounting Standards No. 116 (SFAS No. 116), "Accounting for Contributions Received and Contributions Made" and Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". SFAS No. 116 requires contributions to be recognized as revenue when they are received or unconditionally pledged. SFAS No. 117, which eliminates the utilization of fund accounting for financial reporting purposes, requires net assets to be classified as either 1) unrestricted, 2) temporarily restricted, or 3) permanently restricted depending on limitations placed on the net assets.

DONATED SERVICES

Amounts have not been reported in the statements for donated services because they do not meet the criteria for recognition under SFAS No. 116. A substantial number of volunteers have donated significant amounts of their time to the Organization.

Contributions of service shall be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individual possessing those skills and would typically need to be purchased if not provided by donation.

REVENUE RECOGNITION

Contributions are recognized as revenue when they are received or unconditionally pledged.

Conditions - Contributions are recorded as unrestricted as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

TIGER ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

REVENUE RECOGNITION: CONTRIBUTIONS - Continued...

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purposes restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Contributions receivable represent amounts committed by donors that have not been received by the Organization.

Tax Status

Tiger Athletic Foundation is exempt from Federal Income Taxes under Section 501 (c) (3) of the Internal Revenue Code, and has been designated as an organization which is not a private foundation.

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the organization considers all unrestricted highly liquid investments with maturity of six months or less to be cash equivalents.

INVENTORIES

Inventory is stated at the lower cost or market, determined by the first-in, first-out method. There were no inventories at year end.

PREPAID

Insurance and similar services which extend over more than one accounting period have been recorded as expense.

ACCOUNTS RECEIVABLE

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

USE OF ESTIMATES

The preparation of financial statements in-conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

TIGER ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

PROPERTY AND EQUIPMENT

The purchase of property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment is depreciated using the straight-line method over the estimated useful lives of 5 to 10 years.

NOTE #2. INVESTMENTS

The Foundation's investments consist of funds placed into trust accounts at local banks. The banks, as trustee, invest the funds primarily in Federated Government Money Trust accounts, U.S. Government and U.S. Government Agency bonds and notes and fixed income mutual funds. The effective interest rate on these securities range from 5.625% to 8.50%.

These investments are presented in the financial statements in the aggregate at the lower of cost or fair market value.

Endowment investments are composed of the following:

	<u>COST</u>	<u>MARKET VALUE</u>
Union Planters Bank Trust Account	\$974,610	1,003,189
Bank One - Time Certificates	719,032	719,032
	<hr/>	<hr/>
Total Restricted Investments	<u>1,693,642</u>	<u>1,722,221</u>

NOTE #3. FIXED ASSETS

A summary of Fixed Assets as of December 31, 1998, follows:

	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>BOOK VALUE</u>
Land - Golf Course	\$3,090,000	\$-0-	\$3,090,000
	<hr/>	<hr/>	<hr/>
Furniture	61,844	26,572	35,272
Equipment	78,871	48,592	30,279
Software	18,349	11,500	6,849
Airplane	3,247,208	1,488,303	1,758,905
	<hr/>	<hr/>	<hr/>
Furniture & Equipment	<u>3,406,272</u>	<u>1,574,967</u>	<u>1,831,305</u>
	<hr/>	<hr/>	<hr/>
Total Fixed Assets	<u>6,496,272</u>	<u>1,574,967</u>	<u>4,921,305</u>

TIGER ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE #4. NOTES PAYABLE

A summary of the Foundation's notes at December 31, 1998, follows:

Note payable to City National Bank, originally \$2,988,000 dated May 19, 1994, due in various installments (18 at \$27,225, 102 at \$38,000, and one final payment at \$5,396) including interest at the bank's base rate (7.75%) beginning June 6, 1994, with the final payment due June 6, 2004, collateralized by a Beechcraft B-200 aircraft. \$2,147,790

Maturities on notes payable are as follows:

Year Ending December 31, 1999	\$291,887
Year Ending December 31, 2000	314,976
Year Ending December 31, 2001	339,908
Year Ending December 31, 2002	366,833
Year Ending December 31, 2003	395,904
Year Ending December 31, 2004 to Maturity	438,282

2,147,790

NOTE #5. LETTER OF CREDIT

On December 1, 1998, the Tiger Athletic Foundation obtained a \$3,000,000 letter of credit from Hibernia National Bank. There was nothing outstanding or due on December 31, 1998. However, on January 21, 1999 the TAF borrowed \$600,000 at 7.75 % interest maturing March 31, 1999.

NOTE #6. LEASE COMMITMENTS AND RENTAL EXPENSE

The Foundation leases its office facilities under a non-cancelable lease which terminates on September 22, 2000.

Total rental expenses paid for the year ended December 31, 1998, was \$19,990.

NOTE #7. LITIGATION

On August 11, 1987, a lawsuit was filed against the Foundation and Robert E. Brodhead, former Athletic Director of LSU, seeking damages in the amount of \$1,335,480 for breach of contract for the renovation and construction of certain athletic facilities owned by LSU. Management of TAF intends to vigorously defend the suit. In the opinion of TAF's Legal counsel it is not possible to reasonably predict the outcome of the case at this time but view the prospects for success as favorable.

TIGER ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE #8. ENDOWMENT FUNDS

TAF maintains two types of endowment funds - Regular endowments and Stadium Club endowments. Regular endowment funds consist of monies accepted from contributors for the purpose of establishing and funding endowed scholarships to aid and assist undergraduate students participating in the LSU intercollegiate athletic program. Stadium Club endowment funds consist of monies accepted from contributors for the right to purchase tickets for seats in the "Stadium Club" section of the stadium for LSU football games for a ten year period. At the end of the ten year period, the principal may be used to establish an endowment in the donor's name. During the ten year period, the earnings from these monies can be used for the current operations of TAF. The restricted fund balance amount for endowment funds at December 31, 1998, represents the principal amount of all endowed contributions maintained by TAF, plus the earnings on the regular endowment, less any net unrealized losses on endowment fund investments. Over the years of its existence, TAF has placed over \$4,000,000 of endowed contributions in the LSU Foundation. Endowed funds placed with the LSU Foundation by TAF are considered permanent gifts to the LSU Foundation and are therefore no longer reflected on the books of TAF. Interest earned on the endowed funds placed with the LSU Foundation is contributed to the Athletic Department in the name of the TAF, to be used for athletic scholarships. Endowment contributions received by TAF during the year ended December 31, 1998, totaled \$61,779. These amounts are included in Contributions -TAF Members on the Statement of Revenue Collected and Expenses and Changes in Fund Balance.

NOTE #9. RETIREMENT SAVINGS PLAN

Tiger Athletic Foundation, Inc. established a Section 403 (b) Tax Shelter Annuity Plan effective January 1, 1993. The plan covers all employees who complete application to participate in the plan and agree to the terms of the plan. Each participant may contribute up to 12 1/2 % of their compensation to the plan each year. TAF will make matching contributions on behalf of each participant up to 7 1/2 % of their contribution. Employees will be 100% vested in the employer contribution upon completion of five years of service. TAF matching contributions of \$13,012 were made for the year ended December 31, 1998.

TIGER ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 10 - PRIOR PERIOD ADJUSTMENT

During 1998, the Tiger Athletic Foundation adopted the accrual basis of accounting on the request of its banker.

As a result, 1997 accounts receivables of \$2,963 received in 1998 and 1997 accounts payable of \$31,302 paid in 1998 were reversed creating a prior period adjustment of \$28,339.

NOTE 11 - SUBSEQUENT EVENTS

The Tiger Athletic Foundation has gone to the Bond Commission to sell an estimated \$48,000,000 in bonds by March 1, 1999, to finance the stadium expansion project.

SUPPLEMENTAL INFORMATION

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

February 2, 1999

To the Board of Directors
Tiger Athletic Foundation, Inc.
Baton Rouge, Louisiana

I have audited the financial statements of the Tiger Athletic Foundation, Inc. as of and for the year ended December 31, 1998, and have issued my report thereon dated February 2, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether Tiger Athletic Foundation, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered Tiger Athletic Foundation, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

