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**NEW ORLEANS BALLET ASSOCIATION**

**Financial Statements**

**June 30, 1999 and 1998**

**(With Independent Auditors' Report Thereon)**

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 ~~OCT 13 1999~~

**MICHAEL A. PLEMER**  
CERTIFIED PUBLIC ACCOUNTANT  
NEW ORLEANS, LOUISIANA

# NEW ORLEANS BALLET ASSOCIATION

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**MICHAEL A. PLEMER**  
CERTIFIED PUBLIC ACCOUNTANT  
"Small Business Specialist"

**Independent Auditor's Report**

**To the Board of Directors of  
New Orleans Ballet Association**

I have audited the accompanying statements of financial position of the New Orleans Ballet Association (a nonprofit organization) as of June 30, 1999 and 1998, and the related statements of activities and cash flows for the year's then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

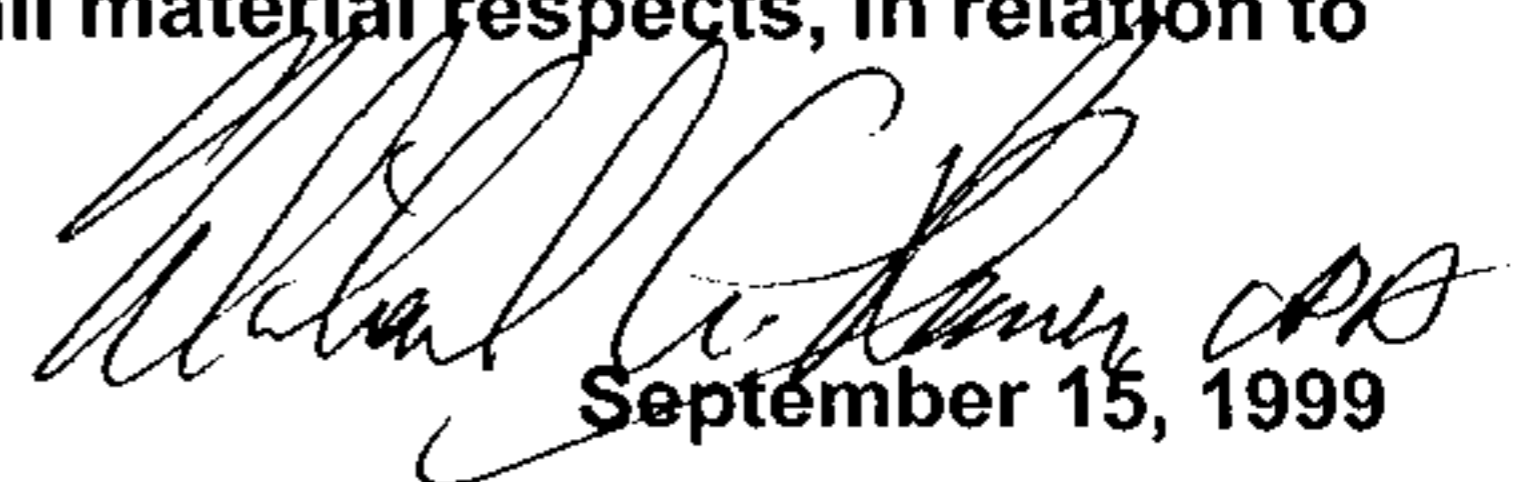
I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides 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 New Orleans Ballet Association as of June 30, 1999 and 1998, and the changes in its net assets and its cash flows for the year's then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 15, 1999, on my consideration of New Orleans Ballet Association's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was performed for the purpose of forming an opinion on the basic financial statements of New Orleans Ballet Association taken as a whole. The accompanying schedule of expenditures of awards on page 9 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is 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.

New Orleans, LA  
EIN 72-1188147

  
September 15, 1999

**NEW ORLEANS BALLET ASSOCIATION**  
**Statements of Financial Position**  
**June 30, 1998 and 1998**

	<u>1999</u>	<u>1998</u>
<b><u>Assets</u></b>		
Cash	\$ 220,509.	42,276.
Investments-currently available (note 2)	47,547.	45,130.
Accounts and awards receivable	17,027.	31,309.
Prepaid expenses	9,997.	9,986.
Assets held for permanently restricted net assets:		
Funds held in trust by others (note 3)	112,897.	105,850.
Fixed assets, net (note 4)	<u>29,960.</u>	<u>52,454.</u>
<b>Totals</b>	<b>\$ <u>437,937.</u></b>	<b><u>287,005.</u></b>
 <b><u>Liabilities</u></b>		
Accounts payable and accrued expenses	\$ 0.	13,736.
State award payable (note 6)	7,397.	18,000.
Deferred performance revenues	<u>86,448.</u>	<u>5,000.</u>
<b>Total liabilities</b>	<b><u>93,845.</u></b>	<b><u>36,736.</u></b>
 <b><u>Net assets</u></b>		
Unrestricted	201,055.	123,952.
Temporarily restricted (note 6)	34,817.	24,325.
Permanently restricted	<u>108,220.</u>	<u>101,992.</u>
<b>Total net assets</b>	<b><u>344,092.</u></b>	<b><u>250,269.</u></b>
<b>Totals</b>	<b>\$ <u>437,937.</u></b>	<b><u>287,005.</u></b>

See accompanying notes to financial statements.

NEW ORLEANS BALLET ASSOCIATION

Statements of Activities

For the years ended June 30, 1999 and 1998

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds 1999</u>	<u>1998</u>
Revenues, Gains & Other Support:					
Contributions	\$ 317,129.	0.	0.	317,129.	326,134.
Awards and grants	136,121.	0.	0.	136,121.	118,879.
Performances	334,274.	0.	0.	334,274.	370,268.
Fund-raising	325,201.	0.	0.	325,201.	104,370.
Interest and dividends	7,275.	0.	0.	7,275.	6,579.
Miscellaneous	3,000.	0.	0.	3,000.	2,518.
Net assets added to restrictions	(9,674.)	9,674.	0.	0.	0.
Total revenues, gains & other support	<u>1,113,326.</u>	<u>9,674.</u>	<u>0.</u>	<u>1,123,000.</u>	<u>928,748.</u>
Expenses:					
Production	363,702.			363,702.	392,673.
Fund-raising	201,092.			201,092.	34,505.
Selling, general & administrative	471,429.			471,429.	642,295.
Total operating expenses	<u>1,036,223.</u>	<u>0.</u>	<u>0.</u>	<u>1,036,223.</u>	<u>1,069,473.</u>
Increase (decrease) in net assets from operations	77,103.	9,674.	0.	86,777.	(140,725.)
Other changes:					
Endowment earnings not in current operations	0.	818.	6,228.	7,046.	9,079.
Increase (decrease) in net assets	77,103.	10,492.	6,228.	93,823.	(131,646.)
Net Assets - beginning of year	<u>123,952.</u>	<u>24,325.</u>	<u>101,992.</u>	<u>250,269.</u>	<u>381,915.</u>
Net Assets - end of year	<u>\$ 201,055.</u>	<u>34,817.</u>	<u>108,220.</u>	<u>344,092.</u>	<u>250,269.</u>

See accompanying notes to financial statements.



**NEW ORLEANS BALLET ASSOCIATION**  
**Statements of Cash Flows**  
For the years ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets from operations	\$ 93,823.	(140,725)
Adjustment to reconcile (decrease) increase from operations to net cash (used) provided by operating activities:		
Depreciation	22,494.	26,892.
Changes in:		
Accounts and awards receivable	14,282.	50,695.
Prepaid expenses	(11.)	6,301.
Accounts payable and accrued expenses	(13,736.)	4,038.
State award payable	(10,604.)	0.
Deferred performance revenues	<u>81,448.</u>	<u>(79,791)</u>
Net cash provided (used) in operating activities	<u>187,696.</u>	<u>(132,590)</u>
 <b>Cash flows from investing activities:</b>		
Earnings from funds held in trust by others	(7,046.)	0.
Acquisition of fixed assets	(0.)	<u>(24,229)</u>
Net cash used by investing activities	<u>(7,046.)</u>	<u>(24,229)</u>
 Net increase (decrease) in cash	180,650.	(156,819)
 Cash or cash equivalents - beginning of year	<u>87,406.</u>	<u>244,225.</u>
 Cash or cash equivalents - end of year	\$ <u>268,056.</u>	<u>87,406.</u>

See accompanying notes to financial statements.

**NEW ORLEANS BALLET ASSOCIATION**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 1 -Description of the Organization and Summary of Significant Accounting Policies**

**(a) Organization**

The New Orleans Ballet Association (the Association) is a not-for-profit organization chartered on August 14, 1969 with a name change becoming effective October 18, 1991. It engages principally in the promotion of dance through live performances and also the encouragement and development of an appreciation of dance.

Unrestricted Funds include funds received from subscription revenues, contributions and grants from both individuals, corporate and government entities which impose no restrictions on the Association as to their use or purpose. Such funds are expended for charitable purposes and the promotion of dance as deemed appropriate by the Board of Directors of the Association. Some Unrestricted Funds are designated by the board for specific purposes.

Temporarily Restricted Funds include funds that are donor designated gifts and grants, whereby the donor at the time of the gift may specifically identify the type of charitable or dance activity to be benefitted and provide guidelines for the timing of distribution. These type of funds are handled by the Association as a service to donors and beneficiaries. In addition, the unexpended income derivable from permanently restricted funds is recorded in those funds.

Permanently Restricted Funds includes an endowment which provided that the principal assets of its trust fund are to be maintained inviolate and in perpetuity.

**(b) Summary of Significant Accounting Policies**

**New Donations**

New donations are accrued when all the events required for the transfer of the assets from the donor to the Association have occurred.

**Promises To Give**

Contributions or grants are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions or grants that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the year in which the contribution are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**NEW ORLEANS BALLET ASSOCIATION**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 1 - Description of the Organization and Summary of Significant Accounting Policies (continued)**

**(b) Summary of Significant Accounting Policies**

**Investments**

The Association records donated securities at their fair market value at the date of donation. Investments are shown in the financial statements at approximate current market value. Realized and unrealized gains and losses are included in the statement of activities.

Dividend and interest income from investments is accrued as the income is earned.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**(c) Income Tax Status**

The Association and is exempt from federal income taxes under section 501 (c)(3) of the U.S. Internal Revenue Code. Gifts to the Association are tax deductible.

**Note 2 - Investments**

Investments in currently available accounts are shown at market values. These investments are in mostly government securities located in fixed income money-market type funds. The market values and cost of these investments are:

		<u>June 30, 1999</u>		<u>June 30, 1998</u>	
		Market	Assigned	Market	Assigned
		<u>Value</u>	<u>Amount</u>	<u>Value</u>	<u>Amount</u>
Fixed income funds	\$	<u>47,547.</u>	<u>30,453.</u>	<u>45,130.</u>	<u>30,453.</u>



**NEW ORLEANS BALLET ASSOCIATION**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 3 - Funds Held in Trust by Others**

The Association has an endowment fund held by The Greater New Orleans Foundation which is the trustee. This fund originated from a grant by the Arts Council of New Orleans under its Partnership Endowment Grant Program through the National Endowment for the Arts. Under the terms of this endowment fund, the Association in a prior year contributed \$22,500 in order to receive the accumulated balance in the fund since 1987 (the date of the grant). The Association is allowed to withdraw only 5% annually of the endowment fund's average balance over the last twelve quarters which for the year's ended June 30, 1999 and 1998 amounted to \$4,676 and \$3,858, respectively. The Association has not withdrawn any of these available funds, and therefore, they are being shown as temporarily restricted net assets. This endowment continues for as long as the Association is in legal existence.

		<u>1999</u>	<u>1998</u>
Market value	\$	<u>112,897.</u>	<u>105,850.</u>
(As stated in trustee's quarterly report)			

**Note 4 - Fixed Assets**

Fixed assets at June 30, are summarized as follows:

		<u>1999</u>	<u>1998</u>
Ballet equipment	\$	21,648.	21,648.
Office furniture and equipment		<u>121,882.</u>	<u>121,882.</u>
		143,530.	143,530.
Less accumulated depreciation		<u>(113,570.)</u>	<u>(91,076.)</u>
Fixed assets, net	\$	<u>29,960.</u>	<u>52,454.</u>

Depreciation charged to management and general expenses for the year's ended June 30, 1999 and 1998 was \$22,494 and \$26,892, respectively. Fixed assets are recorded at cost. Depreciation is provided on the straight-line basis method. Computer and office equipment are depreciated over a five-year period.

**NEW ORLEANS BALLET ASSOCIATION**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 5 - Building Lease and Other Rentals**

The Association's office space is being provided as a donation by the New Orleans Charities Building Corp. over a five year period. Based on comparable market rents for similar office space the Association has recorded a contributed rent expense for the year's ended June 30, 1999 and 1998 of \$46,978 and \$46,655, respectively. The Association also has various short-term lease agreements for equipment used in the performances and lease of its performance facilities on an as needed basis only. Total rental expense for the years ended June 30, 1999 and 1998 was approximately \$81,199 and \$90,081, respectively, and includes rental of office and rehearsal space, performance facilities and equipment.

## **SUPPLEMENTAL INFORMATION**

**NEW ORLEANS BALLET ASSOCIATION**  
**Schedule of Expenditures of Government Awards**  
**June 30, 1999**

<u>Government Agency and Award Number</u>	<u>Program Supported</u>	<u>Period of Award</u>	<u>Amount Awarded</u>
1. National Endowment of the Arts #98-3300-5101	Ballet Hispanico/ Ballet Met/Sydney Dance Company	Sep. 1, 1998- May 31, 1999	\$ 25,000.
2. Southern Arts Federation #454/99	Ballet Hispanico	Oct. 22, 1998- Oct. 24, 1998	\$ 5,000.
3. Southern Arts Federation #447/99	Donald Byrd	Jan. 20, 1999- Jan. 23, 1999	\$ 2,900.(a)
4. Louisiana Office of Cultural Development, Division of the Arts # F/Y 99-242	New Orleans Recreation Dept/ Center for Dance	Jul. 1, 1998- Jun. 30, 1999	\$ 3,820.(b)
5. Louisiana Office of Cultural Development, Division of the Arts # F/Y 99-093	General Operating Support	Jul. 1, 1998- Jun. 30, 1999	\$ 59,067.(b)
6. Louisiana Office of Cultural Development, Division of the Arts # F/Y 99-199	Artist in the Classroom Center for dance	Jul. 1, 1998- Jun. 30, 1999	\$ 4,590.(b)
7. Louisiana Endowment for the Humanities #FY98-604-009	Jazz Train	Jan. 19, 1999- Jan. 23, 1999	\$ <u>2,000.</u>
<b>Total Governmental Awards</b>			\$ <u>102,377.</u>

**Notes to Schedule:**

- a. This represents the total award granted of which \$400 is in receivables at 6/30/99.
- b. These represent the total awards granted of which \$14,597 are in receivables at 6/30/99.

**NEW ORLEANS BALLET ASSOCIATION**  
**Schedule of Expenditures of Government Awards**  
**(Continued)**  
**June 30, 1999**

**Notes to Schedule (continued):**

- c. All of the above awards (except as noted above ) have been fully received and if allocated for a specific program those programs have all been performed and proper supporting documents have been filed with those respective agencies. In addition, all of the above listed awards were in cash and there was not any non-cash governmental assistance.**
  
- d. Since the Association received less than \$300,000 in Federal awards for the year it is exempt from Federal audit requirements under OMB's Circular No. A-133 "Audit of States, Local Governments and Non-Profit Organizations" (revised June 24, 1997) although the Association records are available for review or audit by any appropriate Federal, City or State agencies and also that these financial statements and schedule conform to that OMB circular's requirements.**



**MICHAEL A. PLEMER**  
**CERTIFIED PUBLIC ACCOUNTANT**  
"Small Business Specialist"

**Report on Compliance and on Internal Control over Financial  
Reporting Based on an Audit of Financial Statements Performed  
In Accordance with *Government Auditing Standards***

To the Board of Directors of  
New Orleans Ballet Association

I have audited the financial statements of New Orleans Ballet Association as of and for the year's ended December 31, 1999 and 1998, and have issued my report thereon dated September 15, 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 New Orleans Ballet Association'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 New Orleans Ballet Association'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 I consider to be material weaknesses.

To the Board of Directors:  
New Orleans Ballet Association  
Page 2

**Report on Compliance and on Internal Control over Financial  
Reporting Based on an Audit of Financial Statements Performed  
In Accordance with *Government Auditing Standards*  
(Continued)**

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

New Orleans, LA  
September 15, 1999

A handwritten signature in black ink, appearing to read "Michael A. Kerner, CPA". The signature is written in a cursive style with a horizontal line extending to the right.

**New Orleans Ballet Association  
305 Baronne Street, Suite 700  
New Orleans, Louisiana 70112**

**September 15, 1999**

**Mr. Michael A. Plemer, CPA  
115 Bottinelli Place  
New Orleans, LA 70119**

**We are providing this letter in connection with your audit of the statements of financial position of New Orleans Ballet Association as of June 30, 1999 and 1998 and the related statements of activities and cash flows for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in net assets, and cash flows of New Orleans Ballet Association in conformity with generally accepted accounting principles. We confirm that we are responsible for the fair presentation in the financial statements of financial position, changes in net assets, and cash flows in conformity with generally accepted accounting principle. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.**

**Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.**

**We confirm, to the best of our knowledge and belief, as of September 15, 1999, the following representations made to you during your audit.**

- 1. The financial statements referred to above are fairly presented in conformity with generally accepted accounting principles and include all assets and liabilities under the organization's control.**
- 2. We have made available to you all:**
  - a. Financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.**
  - b. Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.**
- 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices except as noted in footnote # 6 to the financial statements.**
- 4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or the schedule of expenditures of governmental awards.**

5. There has been no:
  - a. Fraud involving management or employees who have significant roles in internal control.
  - b. Fraud involving others that could have a material effect on the financial statements.
6. The Organization has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.
7. The following, if any, have been properly recorded or disclosed in the financial statements:
  - a. Related party transactions, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - b. Guarantees, whether written or oral, under which the Organization is contingently liable.
  - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
8. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that *near term* means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the organization vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
9. We are responsible for:
  - a. Compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
  - b. Establishing and maintaining effective internal control over financial reporting.
10. New Orleans Ballet Association is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
11. There are no:
  - a. Violations or possible violations of laws and regulations and provisions of contracts and grant agreements whose effects should be considered for



disclosure in the financial statements or as a basis for recording a loss contingency.

- b. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with Statement of Financial Accounting Standards No. 5 or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.
        - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5.
        - d. Designations of net assets disclosed to you that were not properly authorized and approved, or reclassifications of net assets that have not been properly reflected in the financial statements.
12. The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
13. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
14. With respect to federal award programs:
  - a. We are responsible for complying and have complied with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
  - b. We have, in accordance with OMB Circular A-133, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
  - c. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each federal program.
  - d. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is



functioning as intended. Also no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to reportable conditions reported in the schedule of findings and questioned costs.

- e. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to each major federal program.
- f. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- g. We have complied, in all material respects, with the compliance requirements, including when applicable, those set forth in the "OMB Circular A-133 Compliance Supplement," relating to federal awards and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews.
- h. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-122, "Cost Principles for Nonprofit Organizations," and Subpart C, "Cost Sharing and Matching," of OMB Circular A-110, "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations."
- i. We have disclosed to you our interpretation of compliance requirements that have varying interpretations, if any.
- j. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- k. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of governmental awards.
- l. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Signed: Jenay R. Hamilton  
Title: Executive Director

Signed: Sandra Zank  
Title: Financial Officer