

PENDING APPROVAL

dwg, inc.

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Oklahoma City, OK 73107

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December 22, 2009

To the Board of Trustees
The Oklahoma County Public Buildings Authority

We have audited the component unit financial statements of the Oklahoma County Public Buildings Authority as of and for the year ended June 30, 2009, and have issued our report thereon dated December 22, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated July 1, 2009 our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the component unit financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the Oklahoma County Public Buildings Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the compliance of the Oklahoma County Public Buildings Authority with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Oklahoma County Public Buildings Authority are described in Note 1 to the component unit financial statements. We noted no transactions entered into by the Oklahoma County Public Buildings Authority during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the component unit financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the component unit financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Depreciation of fixed assets is based on management's estimate of the economic life of each asset purchased or constructed. We evaluated the key factors and assumptions used to develop the estimated life of each asset in determining that its related depreciation expense is reasonable in relation to the financial statements taken as a whole.

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Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the component unit financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Oklahoma County Public Buildings Authority that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the component unit financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's component unit financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

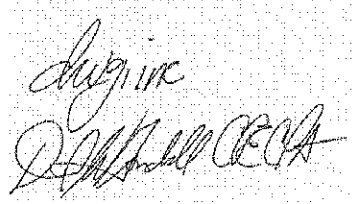
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the auditors for the Oklahoma County Public Buildings Authority. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the board of trustees and management of the Oklahoma County Public Buildings Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

The image shows two handwritten signatures in black ink. The top signature is cursive and appears to read 'dwg, inc'. The bottom signature is also cursive and appears to read 'David W. Gandall, CFE, CPA'. Both signatures are written over a light gray grid background.

dwg, inc.
David W. Gandall, CFE, CPA

PENDING APPROVAL

THE OKLAHOMA COUNTY PUBLIC BUILDINGS AUTHORITY

**Management's Discussion and Analysis,
Financial Statements
and
Independent Auditor's Report**

As of and for the Year Ended June 30, 2009

dwg, inc.

*1912 N. Drexel Blvd.
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PENDING APPROVAL

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The Oklahoma County Public Buildings Authority

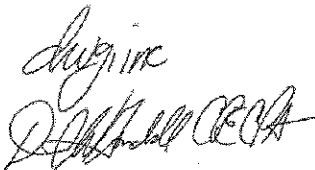
We have audited the accompanying financial statements of the Oklahoma County Public Buildings Authority, a component unit of Oklahoma County, as of and for the year ended June 30, 2009, as listed in the table of contents. These component unit financial statements are the responsibility of the management of the Oklahoma County Public Buildings Authority. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Oklahoma County Public Buildings Authority, a component unit of Oklahoma County, as of June 30, 2009 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis information beginning with page i, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009 our consideration of the internal controls over financial reporting of the Oklahoma County Public Buildings Authority, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



dwg, inc.
December 22, 2009

PENDING APPROVAL

Oklahoma County Public Buildings Authority
Statement of Net Assets
June 30, 2009

ASSETS	2009	2008
Current Assets:		
Restricted Assets:		
Cash and cash equivalents	\$ 3,390,512	\$ 3,429,689
Accounts receivable	66,903	47,369
Total current assets	<u>3,457,415</u>	<u>3,477,058</u>
Noncurrent Assets:		
Restricted Assets:		
Bond issuance costs	321,586	338,939
Total restricted assets	<u>321,586</u>	<u>338,939</u>
Capital Assets:		
Land	2,275,936	2,275,936
Buildings	17,450,203	17,224,717
Equipment	21,274	27,118
Less accumulated depreciation	<u>(6,334,184)</u>	<u>(5,661,189)</u>
Total capital assets (net of accumulated depreciation)	<u>13,413,229</u>	<u>13,866,582</u>
Total noncurrent assets	<u>13,734,815</u>	<u>14,205,521</u>
Total Assets	<u><u>17,192,230</u></u>	<u><u>17,682,579</u></u>
LIABILITIES		
Current liabilities payable from restricted assets:		
Accounts payable	76,380	30,610
Prepaid rent	33,185	32,979
Revenue bonds payable	<u>870,000</u>	<u>840,000</u>
Total current liabilities	<u>979,565</u>	<u>903,589</u>
Noncurrent liabilities:		
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	<u>15,349,215</u>	<u>16,138,992</u>
Total noncurrent liabilities	<u>15,349,215</u>	<u>16,138,992</u>
Total Liabilities	<u><u>16,328,780</u></u>	<u><u>17,042,581</u></u>
NET ASSETS		
Invested in capital assets, net of related debt	(2,915,551)	(3,175,999)
Restricted for debt	<u>3,779,001</u>	<u>3,815,997</u>
TOTAL NET ASSETS	<u><u>\$ 863,450</u></u>	<u><u>\$ 639,998</u></u>

The accompanying notes are an integral part of these financial statements

PENDING APPROVAL

Oklahoma County Public Buildings Authority
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2009

	2009	2008
Operating Revenues:		
Rental Revenue	\$ 3,058,461	\$ 3,094,652
Insurance reimbursement	0	4,900
Total Operating Revenues	<u>3,058,461</u>	<u>3,099,552</u>
Operating Expenses:		
Depreciation	678,839	689,961
Cost of sales and services	700,021	602,486
Administration	345,096	336,347
Total Operating Expenses	<u>1,723,956</u>	<u>1,628,794</u>
Operating Income	<u>1,334,505</u>	<u>1,470,758</u>
Non-Operating Revenues (Expenses):		
Investment Income	28,797	92,772
Bond Issuance costs	(17,353)	(17,353)
Bond Interest Expense	(855,079)	(877,228)
Amortization	(80,222)	(80,222)
Trustee and Other Expenses	(12,226)	(8,115)
Total Non-Operating Revenue (Expenses)	<u>(936,083)</u>	<u>(890,146)</u>
Income before contributions and transfers	398,422	580,612
Transfers (Out)	<u>(174,970)</u>	<u>13,892</u>
Change in Net Assets	223,452	594,504
Total Net Assets- Beginning	639,998	45,494
Total Net Assets-Ending	<u>\$ 863,450</u>	<u>\$ 639,998</u>

The accompanying notes are an integral part of these financial statements

PENDING APPROVAL

Oklahoma County Public Buildings Authority
Statement of Cash Flows
For the Year Ended June 30, 2009

	2009	2008
Cash Flows From Operating Activities		
Cash received from:		
Customers and Users	\$ 3,039,133	\$ 3,071,342
Payments to suppliers	(654,251)	(629,707)
Payments to employees	(345,096)	(336,347)
	<hr/>	<hr/>
Net cash provided from operations	2,039,786	2,105,288
Cash flows from Capital Financing Activities:		
Trustee Fees	(7,926)	(8,115)
Arbitrage rebate service	(4,300)	0
Principal paid on capital debt	(840,000)	(825,000)
Interest paid on capital debt	(855,079)	(877,227)
Payment for capital assets	(225,485)	(15,320)
	<hr/>	<hr/>
Net Cash Provided (Used) by capital financing activities	(1,932,790)	(1,725,662)
Cash Flows From Investing Activities		
Interest and dividends	28,797	92,772
Transfer to Oklahoma County	(174,970)	0
Transfers to investment accounts	(1,702,749)	(1,706,865)
Transfers from investment accounts	1,702,749	1,706,865
	<hr/>	<hr/>
	(146,173)	92,772
Net increase (decrease) in cash and investments	<hr/>	<hr/>
	(39,177)	472,398
Beginning cash	3,429,689	2,957,291
Ending cash	<u>\$ 3,390,512</u>	<u>\$ 3,429,689</u>
Reconciliation of income from operations to net cash from operations:		
Operating income (loss)	\$ 1,334,505	\$ 1,470,758
Adjustments to income from operations:		
Depreciation and amortization	678,839	689,961
Change in Assets and Liabilities		
(Increase) decrease in receivables	(19,534)	(43,122)
Increase (decrease) in prepaid rent	206	14,912
Increase (decrease) in payables	45,770	(27,221)
Net cash provided by operations	<u>\$ 2,039,786</u>	<u>\$ 2,105,288</u>

The accompanying notes are an integral part of these financial statements

PENDING APPROVAL

**The Oklahoma County Public Buildings Authority
Notes to the Financial Statements
As June 30, 2009**

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Oklahoma County Public Buildings Authority (OCPBA) is a public trust authority established March 4, 1968, under the provisions of Title 60, Oklahoma Statutes 1961, Sections 176 to 180, inclusive, the Oklahoma Trust Act, and other applicable statutes of the State of Oklahoma. The trustees are the Oklahoma County Commissioners and the purpose of the OCPBA is to finance, operate, construct, and administer any public works, improvements or facilities for the benefit of Oklahoma County. Currently, the OCPBA is responsible to collect the rental revenues from the Metro Parking Garage, Investor's Capital Building, and the Lincoln Building property which are pledged for payment of its 2003 series lease revenue bonds. Oklahoma County established an Enterprise Fund for the proper accounting of the revenues and expenses of the Authority. Revenue generated by the properties are used to pay the principal and interest of the outstanding bonds and all direct expenses to manage and operate said properties under the amended management agreement between the OCPBA and Oklahoma County dated July 7, 2005. Under the agreement if any additional funds exist subsequent to the payment of ongoing operating costs, a payment to cover the County's overhead costs for supportive service will be paid to the County in July. The duration of the contract is the life of the bonds issued by OCPBA unless modified in writing. The Oklahoma County Public Buildings Authority is a component unit of Oklahoma County and is reported as a blended component unit.

Basis of Accounting

The Oklahoma County Public Buildings Authority uses the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. The OCPBA applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails.

Cash and Cash Equivalents

OCPBA has defined cash and cash equivalents to be cash on hand, demand deposits, cash with fiscal agents, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are accounted for in accordance with GASB-31, *Accounting and Financial Reporting for Certain Investments*, which states that investments held at year end with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost.

Receivables

All receivable are reported at their gross value. None are expected to be uncollectible.

Capital Assets

OCPBA increased its capitalization threshold from assets with initial, individual costs exceeding \$250 to \$5,000 effective July 1, 2002. Contributed assets are reported at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Land and Land Improvements are not depreciable assets. Capital Assets are depreciated using the straight-line basis over the following

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**The Oklahoma County Public Buildings Authority
Notes to the Financial Statements
As June 30, 2009**

assigned useful lives as follows:

Buildings and improvements	25-40 years
Equipment	6 years

Operating and Non-operating Revenue

Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations. Operating revenue consists of parking garage rental fees and rental fees from space at the Investors Capital and Lincoln building. Operating expenses include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues or expenses. These include investment earnings, principal and interest expense and transactions that result from non-exchange or ancillary activities.

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the OCPBA's policy to use restricted resources first, then unrestricted resources as they are needed.

2. Stewardship and Accountability

Budgets and Financial Reports

Title 60, Section 176(G) requires public trusts to submit budgets and financial reports sufficient to demonstrate the fiscal activity of the trusts to the beneficiary each year. An Estimate of Needs was prepared and a budget adopted for the newly created Enterprise Fund for the current fiscal year.

3. Restricted Cash and Investments

Certain cash and investments are required to be maintained in separate accounts by the 2003 series bond indenture. All such accounts are being maintained as required.

4. Deposits and Investments

Deposits and investments made by the OCPBA are summarized below. The deposits are classified as to credit risk within the following three categories:

- Category 1 Insured or collateralized, with securities held by the OCPBA or its agent in its name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the OCPBA's name.
- Category 3 Uncollateralized (This includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the OCPBA's name.)

	1	2	3	Carrying Value
Demand deposits	0			0
Money market accounts	3,390,512		0	3,390,512
Total	3,390,512	0	0	3,390,512

PENDING APPROVAL

**The Oklahoma County Public Buildings Authority
Notes to the Financial Statements
As June 30, 2009**

5. Property and Equipment

A summary of property and equipment is presented below:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$2,275,936			\$2,275,936
Buildings & improvements	17,224,717	225,485	0	17,450,202
Equipment	27,118		(5,844)	21,274
Construction in progress	0	0	0	0
	<u>19,527,771</u>	<u>225,485</u>	<u>(5,844)</u>	<u>19,747,412</u>
Accumulated depreciation	(5,661,189)	(678,838)	5,844	(6,334,183)
Net value	<u>\$13,866,582</u>	<u>(453,353)</u>	<u>0</u>	<u>\$13,413,229</u>

6. Bonds Payable

On October 1, 1997, OCPBA issued Capital Improvement Revenue Bonds, Series 1997 in the amount of \$6,800,000 with interest rates that vary from 4% to 4.9%. The proceeds of the bond issue were used to purchase computer equipment, software, hardware, training facilities and related costs to computerize the Oklahoma County government and provide needed repairs and improvements to property of OCPBA. The bonds are secured by the OCPBA property and gross revenues and mature October 1, 2013. Additionally, OCPBA purchased an insurance policy guaranteeing payment of the bonds.

The Oklahoma Industries Authority issued \$20,560,000 of lease revenue bonds on July 28, 2003 with interest rates that vary from 2.25% to 5.85%. The bonds consist of \$7,230,000 Series 2003A and \$13,330,000 taxable series 2003B. Interest on both series is payable semi-annually July 1 and January 1, commencing January 1, 2003. Bonds will mature and pay interest at variable interest rates.

The principal of and the interest on the bonds is payable from the lease payments made by the Oklahoma County Public Buildings Authority to the Oklahoma Industries Authority pursuant to terms of a Lease Purchase Agreement date as of July 1, 2003. The Bonds are limited obligation of the issuer, secured by a pledge of the Trust Estate. The Trust Estate consists of the Lease Payments, the Lease Agreement, Revenues, the Parking and Use Agreement, the parking agreements with the Corporate Users, and all funds and accounts established by the Indenture and the monies and investments therein, including any unexpended Bond Proceeds. The Bonds are special and limited obligations of the Issuer payable solely from the Lease Payments and other revenues pledged for payment thereof.

The Bonds were issued to provide funds for the Public Buildings Authority to (1) acquire, construct and equip a parking garage, (2) advance refund the Public Building Authority Capital Improvement Bonds, Series 1997, (3) make improvements to the Metro Parking Garage, (4) make other County improvements, (5) fund capitalized interest, (6) purchase Surety Bonds in lieu of funding a Debt Service Reserve Fund, and (7) pay certain costs of issuing the Bonds.

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The Oklahoma County Public Buildings Authority
Notes to the Financial Statements
As June 30, 2009

An escrow defeasement account was established in July 2003 with \$5,709,094 for the advance refund of the 1997 bonds including the 2% premium payable for early redemption. Accordingly, the escrow accounts and defeased bonds are not included in the financial statements. The investments are set to mature for redemption between October 1, 2007 and September 30, 2008. The defeased bonds were called and paid in full on October 1, 2007 with the proceeds from the escrow account.

A summary of debt activity for the year just ended is as follows:

	<u>Bonds</u>
Debt outstanding 06/30/08	\$17,730,000
Retirements	(840,000)
Debt outstanding 6/30/09	<u>\$16,890,000</u>
Less bond discount	(372,806)
Less amount deferred on refunding	(297,980)
Less due within one year	(870,000)
Long term portion	<u>\$15,349,215</u>

A summary of debt service requirements to maturity by year for Lease Revenue bonds Series 2003A is as follows:

Year	Principal	Interest	Debt Service
2010	615,000	148,918	763,918
2011	630,000	130,385	760,385
2012	650,000	109,738	759,738
2013	670,000	87,455	757,455
2014	695,000	63,388	758,388
2015-2020	1,240,000	191,571	1,431,571
	<u>\$4,500,000</u>	<u>\$731,454</u>	<u>\$5,231,454</u>

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**The Oklahoma County Public Buildings Authority
Notes to the Financial Statements
As June 30, 2009**

A summary of debt service requirements to maturity by year for Lease Revenue Bonds Series 2003B is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2010	255,000	680,856	935,856
2011	265,000	670,316	935,316
2012	275,000	658,429	933,429
2013	290,000	645,285	935,285
2014	300,000	631,048	931,048
2015-2019	1,755,000	2,899,438	4,654,438
2020-2024	2,275,000	2,357,688	4,632,688
2025-2029	3,000,000	1,613,200	4,613,200
2030-2033	3,975,000	608,254	4,583,254
Total	<u>\$12,390,000</u>	<u>\$10,764,513</u>	<u>\$23,154,513</u>

7. Risk Management

OCPBA is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. OCPBA manages this risk through the purchase of commercial insurance policies paid for by Oklahoma County and subject to the terms of a management contract with Oklahoma County that obligates Oklahoma County to defend and pay for any litigation expense or judgment against OCPBA or its property upon demand. Claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. There was no claims activity for the year just ended.

8. Contingent Liabilities

The 2003 bonds were issued subject to certain terms and conditions regarding the use of the bond proceeds in order for the interest on the bonds to be tax-exempt revenues to the purchasers of the bonds. If these terms and conditions are not met, the IRS exemption could be disallowed.

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

The Board of Trustees
The Oklahoma County Public Buildings Authority

We have audited the financial statements of the Oklahoma County Public Buildings Authority, a component unit of Oklahoma County, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the internal control over financial reporting of the Oklahoma County Public Buildings Authority in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Oklahoma County Public Buildings Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Oklahoma County Public Buildings Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Oklahoma County Public Building Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Oklahoma County Public Building Authority's financial statements that is more than inconsequential will not be prevented or detected by the Oklahoma County Public Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Oklahoma County Public Building Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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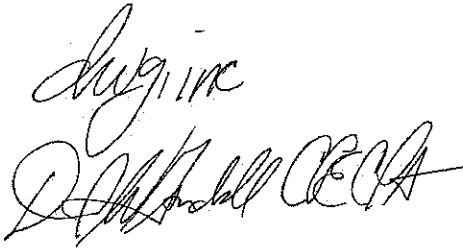
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the OCPBA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no matters required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



The image shows two handwritten signatures. The top signature is in cursive and reads "dwg, inc.". Below it is a more complex signature in cursive that reads "D. M. Marshall CPA".

dwg, inc.
December 22, 2009