



Our World Neighborhood Charter School
Elementary School
Kindergarten to Grade 5
36-12 35th Avenue
Astoria, NY 11106

Middle School
Grade 6 to Grade 8
31-20 37th Street
Astoria, NY 11103

October 26, 2009

RECEIVED OCT 28 2009

Charter Schools Institute
State University of New York
41 State Street, Suite 700
Albany, New York 12207
Attn: David Hruby

Dear Mr David Hruby:

Enclosed please find the audited Financial Statements for Our World Neighborhood Charter School for the fiscal year ended June 30, 2009.

Please feel free to contact me at (718) 392-3405 X 207 if you have any questions.

Thank you for your continued assistance.

Sincerely,

Karrine Montaque, CPA
Business Manager, OWNCS

**OUR WORLD
NEIGHBORHOOD CHARTER SCHOOL**

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORTS**

JUNE 30, 2009 AND 2008

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

TABLE OF CONTENTS

Independent Auditor's Report on Financial Statements

Exhibit

A - Balance Sheet

B - Statement of Activities

C - Statement of Functional Expenses

D - Statement of Cash Flows

Notes to Financial Statements

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

TABLE OF CONTENTS
(continued)

**Independent Auditor's 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**

Schedule of Findings and Questioned Costs



Independent Auditor's Report on Financial Statements

Board of Trustees Our World Neighborhood Charter School

We have audited the accompanying balance sheet of Our World Neighborhood Charter School as of June 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Our World Neighborhood Charter School's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Our World Neighborhood Charter School's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Our World Neighborhood Charter School as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 2009 on our consideration of Our World Neighborhood Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Loeb & Troper LLP

September 22, 2009

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

BALANCE SHEET

JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets		
Cash	\$ 2,328,075	\$ 1,783,146
Grants and contracts receivable	142,469	81,114
Accounts receivable (net of allowance for doubtful accounts of \$13,000 in 2009 and \$18,000 in 2008)	14,442	19,685
Prepaid expenses	18,820	26,255
Security deposits	59,356	64,865
Deferred rent expense (Note 4)	<u>105,162</u>	<u>105,163</u>
Total current assets	2,668,324	2,080,228
Deferred rent expense (Note 4)	202,515	307,678
Fixed assets - net (Note 3)	<u>2,753,327</u>	<u>2,692,743</u>
Total assets	<u>\$ 5,624,166</u>	<u>\$ 5,080,649</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 183,572	\$ 243,899
Accrued salaries, vacations and related liabilities	478,511	419,107
Loan payable (Note 5)	<u>184,391</u>	<u>170,320</u>
Total current liabilities	846,474	833,326
Loan payable (Note 5)	<u>148,381</u>	<u>332,772</u>
Total liabilities	994,855	1,166,098
Net assets - unrestricted (Exhibit B)	<u>4,629,311</u>	<u>3,914,551</u>
Total liabilities and net assets	<u>\$ 5,624,166</u>	<u>\$ 5,080,649</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

STATEMENT OF ACTIVITIES

YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Operating revenues		
State and local per-pupil operating revenues	\$ 8,855,869	\$ 7,914,384
Government grants and contracts	255,940	201,045
Food program grants	125,181	110,838
Contributions	119,785	92,212
Interest income	14,522	56,369
Sales and other revenues	<u>110,711</u>	<u>106,769</u>
Total operating revenues	<u>9,482,008</u>	<u>8,481,617</u>
Expenses		
Program services		
Education	6,489,945	5,648,059
Special education	<u>335,331</u>	<u>195,161</u>
Total program services	<u>6,825,276</u>	<u>5,843,220</u>
Supporting services		
Management and general	1,825,744	1,844,326
Fund raising	<u>116,228</u>	<u>80,707</u>
Total supporting services	<u>1,941,972</u>	<u>1,925,033</u>
Total expenses (Exhibit C)	<u>8,767,248</u>	<u>7,768,253</u>
Change in unrestricted net assets (Exhibit D)	714,760	713,364
Net assets - unrestricted - beginning of year	<u>3,914,551</u>	<u>3,201,187</u>
Net assets - unrestricted - end of year (Exhibit A)	<u>\$ 4,629,311</u>	<u>\$ 3,914,551</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

EXHIBIT C

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2009
(With Summarized Financial Information
for the Year Ended June 30, 2008)

	Program Services			Supporting Services		Total	
	Education	Special Education	Total	Management and General	Fund Raising	2009	2008
Salaries	\$ 3,191,875	\$ 237,117	\$ 3,428,992	\$ 1,099,466	\$ 75,315	\$ 4,603,773	\$ 4,198,514
Payroll taxes and employee benefits	832,465	61,842	894,307	286,749	19,643	1,200,699	871,911
Occupancy (Note 4)	719,814		719,814	79,979		799,793	772,964
Contracted services	206,228	33,975	240,203	52,956		293,159	268,605
Supplies and equipment	518,042	2,397	520,439	108,208	12,982	641,629	599,221
Repairs and maintenance	201,604		201,604	22,400		224,004	179,433
Printing and postage				22,400		22,400	17,000
Professional fees				12,966		12,966	37,260
Security	69,262		69,262	34,420		34,420	76,958
Dues and subscription	8,844		8,844	7,696		7,696	18,063
Insurance	74,793		74,793	9,219		9,219	18,724
Advertising				8,310		8,310	84,582
Telephone				21,192		21,192	17,058
Bad debts	64,834		64,834	7,203		7,203	45,632
Travel	16,830		16,830	26,791		26,791	32,619
Interest (Note 5)	32,979		32,979	3,664		3,664	1,331
Food services	170,030		170,030				49,791
Professional development	221,466		221,466	21,813	8,288	30,101	153,273
Depreciation and amortization	160,879		160,879	17,875		17,875	124,177
Miscellaneous expenses				4,837		4,837	211,151
							24,813
Total expenses (Exhibit B)	\$ 6,489,945	\$ 335,331	\$ 6,825,276	\$ 1,825,744	\$ 116,228	\$ 1,941,972	\$ 8,767,248
							\$ 7,768,253

See independent auditor's report.

The accompanying notes are an integral part of these statements.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Change in net assets (Exhibit B)	\$ 714,760	\$ 713,364
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	339,633	211,151
Decrease (increase) in assets		
Grants receivable	(61,355)	(44,054)
Other receivables	5,243	4,564
Security deposits	5,509	
Prepaid expenses	7,435	2,998
Deferred rent expense	105,164	105,163
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(60,327)	105,474
Accrued salaries, vacations and related liabilities	59,404	39,436
Net cash provided by operating activities	1,115,466	1,138,096
Cash flows from investing activities		
Fixed asset acquisitions	(400,217)	(321,964)
Cash flows from financing activities		
Principal payments on loans	(170,320)	(157,286)
Net increase in cash	544,929	658,846
Cash - beginning of year	1,783,146	1,124,300
Cash - end of year	\$ <u>2,328,075</u>	\$ <u>1,783,146</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ <u>36,643</u>	\$ <u>49,791</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

NOTE 1 - NATURE OF ORGANIZATION

Our World Neighborhood Charter School (OWN) is an educational corporation that operates as a charter school in the borough of Queens, New York City. On March 20, 2007, the Board of Regents and the Board of Trustees of the University of the State of New York for and on behalf of the State Education Department granted OWN a charter valid for a term of 5 years and renewable upon expiration. OWN was organized to increase learning opportunities for students through innovative educational programs and to enable parents to be more involved in their children's education. In both fiscal year 2009 and 2008, OWN operated classes for approximately 700 students in grades K-8.

Our World Neighborhood Charter School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. OWN is supported primarily by state and local per-pupil operating revenues.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements are prepared on the accrual basis.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable - Accounts receivable consist of unpaid tuition balances. Accounts receivable are presented net of allowances for doubtful accounts. The allowances are based on management's evaluation of the collectibility of the related accounts. Interest is not accrued or recorded on outstanding receivables.

Allowance for doubtful accounts - OWN determines whether an allowance for uncollectibles should be provided for pledges and accounts receivable. Such estimates are based on management's assessment of the aged basis of its contributions and other sources, current economic conditions and historical information. Accounts receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted.

-continued-

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donors. The gifts are reported as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional allocation of expenses - Expenses are allocated among the program and supporting services based on the nature of the expense.

Fixed assets - Fixed assets are recorded at cost. Items with a cost of \$1,000 or more are capitalized.

Depreciation and amortization - Leasehold improvements are amortized on the straight-line basis over the lesser of their useful lives or the term of the lease, whichever is shorter. Depreciation and amortization are provided on the straight-line basis over the estimated following useful lives of assets:

Leasehold improvements	37-39 years
Furniture and equipment	3-5 years

Unrestricted net assets - Unrestricted net assets include funds having no restrictions as to use or purpose imposed by donors.

Revenues - Revenues from the state and local governments resulting from OWN's charter status and based on the number of students enrolled are recorded when services are performed in accordance with the charter agreement. Federal and state grants are recorded by OWN when expenditures are incurred and billed.

Revenues from other government grants to which OWN is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by OWN.

Restatement - Certain numbers in the 2008 financial statements have been restated to conform with the current year's presentation.

-continued-

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements on a Nonrecurring Basis

As permitted by FSP 157-2, the fair value measurement disclosure was deferred for any (a) long-lived assets and finite-lived intangible assets in the determination of impairment under SFAS No. 142 or SFAS No. 144, (b) asset retirement obligations initially measured at fair value under SFAS No. 143, *Accounting for Asset Retirement Obligations*, and (c) nonfinancial liabilities for exit or disposal activities initially measured at fair value under SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities*.

SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of SFAS No. 115* (SFAS No. 159), permits but does not require measurement of financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. As OWN did not elect to fair value any of the financial instruments under the provisions of SFAS No. 159, the adoption of this statement effective July 1, 2008 did not have an impact on the financial statements.

Fair Value Measurements

Financial Accounting Standards Board (FASB) Statement No. 157, *Fair Value Measurements* (FASB Statement No. 157), establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that OWN has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

-continued-

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

FASB Interpretation No. 48 - Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109 (FIN 48)

In July 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109* (FIN 48). FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 was effective for fiscal years beginning after December 15, 2006. On November 7, 2007, the FASB voted to defer FIN 48 for one year until fiscal years beginning after December 15, 2007. On October 15, 2008, the FASB voted to continue the deferral of FIN 48 for non-public companies and not-for-profits for an additional year until fiscal years beginning after December 15, 2008. On July 8, 2009, the FASB decided that the final accounting standards update will be effective for periods ending after September 15, 2009.

As FIN 48 has not yet been adopted, OWN is continuing to use FASB Statement No. 5, *Accounting for Contingencies* (FAS 5) to evaluate uncertain tax positions. OWN is currently evaluating the impact on the financial statements of adopting FIN 48.

NOTE 3 - FIXED ASSETS

	<u>2009</u>	<u>2008</u>
Leasehold improvements	\$ 3,272,602	\$ 3,182,142
Furniture and equipment	<u>1,201,985</u>	<u>1,053,107</u>
	4,474,587	4,235,249
Accumulated depreciation and amortization	<u>(1,721,260)</u>	<u>(1,542,506)</u>
	<u>\$ 2,753,327</u>	<u>\$ 2,692,743</u>

-continued-

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

NOTE 4 - LEASE COMMITMENT

On July 15, 2002, OWN entered into a sublease agreement with Mosaica Education, Inc. (the Sublandlord) for premises located at 36-12 35th Avenue, Astoria, New York for a term ending August 31, 2008 with an option to extend the lease for an additional five years. In consideration of value under the Sublease Agreement, OWN reimbursed the Sublandlord (New York City Economic Development Corporation) and Tenant (36-12 35th Avenue LLC) for executing various agreements of Purchase, Assignment and Assumption of the leased premises. The cost of \$267,063 represents deferred rent expenses and is being amortized over the life of the sublease. On November 6, 2006, OWN purchased the lease agreement from Mosaica Education, Inc. for \$480,000. The \$480,000 represents deferred rent expense and is being amortized over the life of the lease.

OWN entered into a two-year lease of a school building which expired on June 30, 2007. OWN opted to extend the lease for an additional four-year period ending June 30, 2011. The annual rent will be \$148,680.

The future minimum lease payments as of June 30, 2009 are:

2010	\$	460,080
2011		460,080

Rent expense for the years ended June 30, 2009 and 2008 was \$597,933 and \$604,738, respectively.

NOTE 5 - LOANS PAYABLE

On February 8, 2006, OWN entered into a loan for \$840,000, which consists of a variable rate unsecured note payable to the lender (NCB Development Corp.). The interest rate is calculated at 325 basis points above the five-year U.S. Treasury rate. The interest rate at June 30, 2009 was 7.875%. Current monthly payments of \$17,032 include principal and interest. The balance due on the loan as of June 30, 2009 and 2008 was \$332,747 and \$503,092, respectively.

Future principal payments are as follows:

2010	\$	184,391
2011		148,381

Interest expense on the loan was \$36,643 in 2009 and \$49,791 in 2008.

-continued-

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2009 AND 2008****NOTE 6 - PENSIONS**

OWN had a defined contribution retirement plan with Teachers Insurance and Annuity Association and College Retirement Equities Fund which covered substantially all full-time employees. OWN contributed an amount equal to 25% of the employees' contribution to the plan up to the legal maximum amount allowed. This plan was terminated in 2008. Effective October 1, 2008, OWN joined a 401(k) plan administered by ADP Total Source. Pension expense under this plan for the year ended June 30, 2009 and 2008 was \$246,862 and \$29,334, respectively.

NOTE 7 - CONTINGENCIES

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

NOTE 8 - CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject OWN to a concentration of credit risk are cash accounts with major financial institutions in excess of FDIC insurance limits. Management believes that credit risk related to these accounts is minimal.



LOEB & TROPER LLP

**Independent Auditor's 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**

**Board of Trustees
Our World Neighborhood Charter School**

We have audited the financial statements of Our World Neighborhood Charter School as of and for the year ended June 30, 2009, and have issued our report thereon dated September 15, 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 Our World Neighborhood Charter School's internal control over financial reporting as a basis for designing 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 Our World Neighborhood Charter School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness Our World Neighborhood Charter School'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 an entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity'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 entity'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Our World Neighborhood Charter School'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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of Our World Neighborhood Charter School in a separate letter dated September 22, 2009.

This report is intended solely for the information and use of the Board of Trustees, management, the United States Department of Education, the New York State Department of Education and the United States Department of Agriculture and is not intended to be and should not be used by anyone other than these specified parties.



September 22, 2009

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unqualified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified not considered to be material weaknesses?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Section II - Financial Statement Findings

No matters were reported.