



December 21, 2006

To the Board of Trustees  
University of North Florida  
Jacksonville, Florida

We have audited the financial statements of the University of North Florida Intercollegiate Athletic Program for the year ended June 30, 2006, and have issued our report thereon dated December 21, 2006. Professional standards require that we provide you with the following information related to our audit.

**partners:**

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Our Responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated August 22, 2006, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of The University of North Florida Intercollegiate Athletic Program. 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 University of North Florida Intercollegiate Athletic Program's compliance 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 is responsible for the 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 University of North Florida Intercollegiate Athletic Program are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during year ended June 30, 2006. We noted no transactions entered into by the Organization 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 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 financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements was the estimate of compensated absences.

Management's estimate of compensated absences is based on the estimate of future payments due to employees for accrued vacation and sick time. We evaluated the key factors and assumptions used to develop compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

### Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated).

The following audit adjustments, in our judgment, indicate matters that could have a significant effect on the University of North Florida Intercollegiate Athletic Program's financial reporting process.

Decrease compensated absences for an error in posting vacation time expended - \$25,000

Increase prepaid expenses for excess payments made to the University during 2005 and 2006 - \$40,000

Increase revenue and expenses for revenues that were recorded directly to an expense account which resulted in information being reported at net as opposed to gross - \$120,000

### 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 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 Organization's 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 Organization's auditors. 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

The completion of our audit was delayed because there were a number of adjustments that were required to the initial trial balance presented for audit (see above). Also, as part of our engagement, we completed an agreed upon procedures report on financial information presented to the National Collegiate Athletic Association (NCAA). There were numerous reconciliation issues that were noted in comparing the financial statements to the NCAA report which delayed the release of our financial statements.

This information is intended solely for the use of the Board of Trustees and management of The University of North Florida Intercollegiate Athletic Program and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Berman, Hopkins, Wright & LaHam, CPA's, LLP