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To the Board of Directors
Tennessee Arts Academy Foundation

I have audited in whole several categories of expenses and income from the books of the Tennessee Arts Academy Foundation (a nonprofit organization). This is as of the end of the most recent fiscal year ending in 2014. In my opinion adequate records of expenses and income are being kept and any suggestions made have been utilized. Records of receipts are in accordance with Internal Revenue Code. Required reporting to the state of Tennessee has been done timely. TAAF is now required to file a detailed tax form each year due to its growth in revenue. Before now it has been filed using form 990N. Due to more information needed a timely extension has been filed for the tax return to ensure and complete and accurate return is submitted. We are planning to complete that by years end as soon as all statements needed meet approval of management and are returned to me.

A double receipt system for cash was discussed for the banquet so as to ensure cash is tracked completely and would be audit proof. Earlier in the year it was noted that all receipts for \$250 or more had to have the phrase such as "no goods or services were provided in whole are in part for your donation." That has been implemented and since then all such receipts are in compliance with IRS requirements.

Personally I would like to thank all of you for your time and efforts to help ensure the future of the Tennessee Arts Academy as it has and will continue to enrich the arts programs of all who participate and their students.

Tim T. Pate, E.A.