

National Aeronautics and
Space Administration



Office of Inspector General
Washington, DC 20546-0001

July 29, 2010

Harper, Rains, Knight & Company, P.A.
Attn: Mr. Thomas Wiygul, Director
1052 Highland Colony, Suite 100
Ridgeland, Mississippi 39157

NASA Exchange Council – John C. Stennis Space Center
Attn: Mr. Patrick Scheuermann, Chair
Stennis Space Center, Bldg 1100
Bay St. Louis, Mississippi 39529

SUBJECT: Initial Review of the Harper, Rains, Knight & Company Audit of the
Stennis Space Center Exchange Financial Statements for the Fiscal Year
Ended September 30, 2009 (Report No. ML-10-007; Assignment
No. D-10-004-00)

Dear Mr. Wiygul and Mr. Scheuermann:

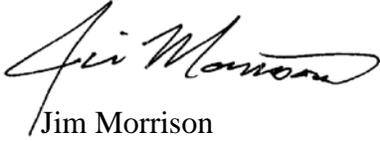
As part of our continuing oversight of the work performed by non-Federal auditors with respect to NASA, we performed an initial review of the audit report by Harper, Rains, Knight & Company, P.A., of the NASA Exchange Operations at Stennis Space Center (the Stennis Exchange) financial statements for the fiscal year ended September 30, 2009. The Inspector General Act of 1978, as amended, section 4, paragraph (b)(1)(C), directs each Inspector General, with respect to the organization within which the office is established, to take appropriate steps to ensure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General.

Our initial review was to determine whether Harper, Rains, Knight & Company's audit report met reporting standards of the Government Accountability Office's *Government Auditing Standards*, 2007 Revision, issued by the Comptroller General of the United States. We also reviewed the presentation of the financial statements in accordance with the Stennis Exchange's elected basis of presentation. We used a portion of the Section 20,600 *Not-for-Profit Audit Engagement Checklist*, published by the American Institute of Certified Public Accountants, to determine whether the financial statements and notes contained the appropriate elements and disclosures. We did not examine the related audit documentation to evaluate the adequacy of the audit work performed.

Based on our review of the financial statements and notes for the fiscal year ended September 30, 2009, we determined that the audit report substantially met the reporting standards of the Government Accountability Office's *Government Auditing Standards*.

If you or your staff would like to meet with us to further discuss this review, please contact Mark Jenson, Financial Management Director, at 202-358-0629 or via e-mail at mark.jenson@nasa.gov.

Sincerely,

A handwritten signature in black ink that reads "Jim Morrison". The signature is written in a cursive, flowing style.

Jim Morrison
Assistant Inspector General for Audits

cc: Crystal Balentine
Treasurer, NASA Exchange Council – John C. Stennis Space Center

Emily Harrington
Manager, Harper, Rains, Knight & Company, P.A.

Susan Kinney
Director, Logistics Management Division, Office of Strategic Infrastructure