National Association for the Advancement of Colored People, 69 Fifth Avenue, New York City.

GENTLEMEN:

Our examination of the accounting records of the

NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE—GENERAL DEPARTMENT

has been completed for the year ended December 31, 1926. In connection therewith we have prepared and submit herewith the following financial statements:

Exhibit A-Balance Sheet, December 31, 1926.

- B—Statement of Income and Expenses (Exclusive of Special Funds) for the Year Ended December 31, 1926.
- C—Summary Statement of Special Funds for the Year Ended December 31, 1926.

While a detailed audit of the accounts was not made, extensive tests were applied to determine the correctness and accuracy of the various entries. We have made the usual verification of balance sheet items.

There has been a decided shift in asset and liability items during the year, as reflected in the condensed comparative balance sheets at December 31, 1926 and 1925, shown below:

ASSETS	1926	1925
Cash	\$20,622.46	\$46,726.75
Bonds	27,521.25	
Inventory	55.50	55.50
Furniture and Fixtures (Net of Depreciation) Deferred Charge	3,806.80 121.11	3,869.12
Total Assets	\$52,127.12	\$51,044.75

LIABILITIES Special Fund Reserves Accounts Payable	1926 \$40,818.92 167.42	1925
Total Liabilities	\$40,986.34	\$29,922.12
NET WORTH Balance, January 1st. Net Gain or Loss for Year.	\$21,122.63	\$6,972.96 14,149.67
Net Worth, December 31st	\$11,140.78	\$21,122.63

It was noted that there were minor expenses amounting to less than \$200.00 applicable to the year 1926, which were not entered in the books before closing. On the other hand, there was interest on bank accounts amounting to about the same figure, which also had not been entered in the books before closing. We have not asked that the books be adjusted for these small amounts, and the statements presented herewith are in accord with the books.

In our opinion the appended balance sheet and statement of income and expenses state, with substantial accuracy, the financial position of the General Department of the National Association for the Advancement of Colored People at December 31, 1926, and the financial operations for the year then ended.

Very truly yours,

W. C. HEATON AND COMPANY.