



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

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APR 02 2007

March 26, 2007

Ms. Alice Brekke
Director, Budget and Assistant to the President
University of North Dakota
Twamley Hall, Room 405
Grand Forks, ND 58202-8233

Dear Ms. Brekke:

This is in response to your transmittal of a revised Cost Accounting Standards Board (CASB) Disclosure Statement (DS-2) for the University of North Dakota. As the Administrative Contracting Officer (ACO), I am required to determine the adequacy and compliance of the DS-2. Based on the results of the Defense Contract Audit Agency's Report Number 3541-2007A19100001 on the Adequacy and Compliance of the University's disclosure statement and a review performed by our Western Field Office, we have determined that your DS-2 adequately discloses the cost accounting practices required to be disclosed by CASB's rules, regulations, and standards, and that those practices are compliant with applicable Federal cost accounting principles.

Should you have any questions, please contact Jay Mervis of my staff at (202) 260-2381.

Sincerely,

Darryl W. Mayes
National Director
Division of Cost Allocation