PART V

INTERNAL CONTROL AND COMPLIANCE OPINIONS
REPORT ON COMPLIANCE AND ONINTERNAL
CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Overseers of Harvard College
and Trustees of Radcliffe College:

We have audited the financial statements of Harvard University ("Harvard") and Radcliffe College
("Radcliffe") as of and for the year ended June 30, 1999, and have issued our reports thereon, dated
November 5, 1999 and September 23, 1999, except for Note 16, as to which the date is October 1, 1999,
respectively. Our November 5, 1999 report included an explanatory paragraph relating to the inclusion
of supplemental data on the estimated replacement cost of Harvard facilities and the related
depreciation. We conducted our audits in accordance with generally accepted auditing standards and the
standards applicable to financial audits contained in Government Auditing Standards, issued by the
Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Harvard's and Radcliffe's financial statements
are free of material misstatement, we performed tests of their compliance with certain provisions of
laws, regulations, contracts and grants, noncompliance with which could have a direct and material
effect on the determination of financial statement amounts. However, providing an opinion on
compliance with those provisions was not an objective of our audits and, accordingly, we do not express
such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be
reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Harvard's and Radcliffe's internal controls over
financial reporting in order to determine our auditing procedures for the purpose of expressing our
opinions on the financial statements and not to provide assurance on the internal control over financial
reporting. Our consideration of the internal control over financial reporting would not necessarily
disclose all matters in internal control over financial reporting that might be material weaknesses. A
material weakness is a condition in which the design or operation of one or more of the internal control
components does not reduce to a relatively low level the risk that misstatements in amounts that would
be material in relation to the financial statements being audited may occur and not be detected within a
timely period by employees in the normal course of performing their assigned functions. We noted no
matters involving internal control over financial reporting and its operation that we consider to be
material weaknesses. However, we noted other matters involving the internal control over financial
reporting, which we have reported to management of Harvard in a separate letter dated November 15,
This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

November 5, 1999 as to Harvard University and September 23, 1999 (except for Note 16, as to which the date is October 1, 1999) as to Radcliffe College
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Overseers of Harvard College and Trustees of Radcliffe College:

Compliance

We have audited the compliance of Harvard University ("Harvard") and Radcliffe College ("Radcliffe") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of their major federal programs for the year ended June 30, 1999. Harvard's and Radcliffe's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Harvard's and Radcliffe's managements. Our responsibility is to express an opinion on Harvard's and Radcliffe's compliance based on our audits.

We conducted our audits of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Harvard's and Radcliffe's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion. Our audits do not provide a legal determination on Harvard's and Radcliffe's compliance with those requirements.

In our opinion, Harvard and Radcliffe complied, in all material respects, with the requirements referred to above that are applicable to each of their major federal programs for the year ended June 30, 1999. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 99-1 through 99-7.
Internal Control Over Compliance

The management of Harvard and Radcliffe are responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audits, we considered Harvard’s and Radcliffe’s internal controls over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

December 14, 1999