

## LETTER OF REPRESENTATION TO BE TYPED ON CLIENT LETTERHEAD

March 7, 2019

Washington State Auditor's Office  
ATTN: Evva Kirkwood, Assistant State Auditor  
3200 Sunset Way S.E.  
Olympia, WA 98504-0031

To the Washington State Auditor's Office:

We are providing this letter in connection with your audit of Centralia College for the period from July 1, 2017 through June 30, 2018. Representations are in relation to matters existing during or subsequent to the audit period up to the date of this letter.

Certain representations in this letter are described as being limited to matters that are significant or material. Information is considered significant or material if it is probable that it would change or influence the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, having made appropriate inquiries to be able to provide our representations, the following representations made to you during your audit. If we subsequently discover information that would change our representations related to this period, we will notify you in a timely manner.

### **General Representations:**

1. We have provided you with unrestricted access to people you wished to speak with and made available requested and relevant information of which we are aware, including:
  - a. Financial records and related data.
  - b. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - c. Other internal or external audits, examinations, investigations or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.
  - d. Communications from regulatory agencies, government representatives or others concerning possible material noncompliance, deficiencies in internal control or other matters that might concern the objectives of the audit.
  - e. Related party relationships and transactions.
  - f. Results of our internal assessment of business risks and risks related to financial reporting, compliance and fraud.

2. We acknowledge our responsibility for compliance with requirements related to confidentiality of certain information, and have notified you whenever records or data containing information subject to any confidentiality requirements were made available.
3. We acknowledge our responsibility for compliance with applicable laws, regulations, contracts and grant agreements.
4. We have identified and disclosed all laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
5. We have complied with all material aspects of laws, regulations, contracts and grant agreements.
6. We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations and safeguarding of public resources, including controls to prevent and detect fraud.
7. We have established adequate procedures and controls to safeguard public resources and ensure compliance with applicable laws and regulations.
8. We have no knowledge of any loss of public funds, illegal activity, loss of assets, or any allegations of fraud or suspected fraud involving management or employees.
9. In accordance with RCW 43.09.200, all material events and transactions have been properly recorded in the financial records.

**Additional representations related to the financial statements:**

10. We acknowledge our responsibility for fair presentation of financial statements and believe financial statements are fairly presented in conformity with generally accepted accounting principles in the United States of America.
11. We acknowledge our responsibility for establishing and maintaining effective internal control over financial reporting.
12. The financial statements include financial information of the primary government and all component units, fiduciary and other activity required by generally accepted accounting principles to be included in the financial reporting entity.
13. The financial statements properly classify all funds and activities.
14. All funds that meet the quantitative criteria in GASB requirements or are otherwise particularly important to financial statement users, are presented as major funds.
15. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and depreciated as applicable.

16. We have no plans or intentions that may materially affect the reported value or classification of assets, liabilities or net position.
17. Revenues are appropriately classified by fund and account.
18. Expenses have been appropriately classified by fund and account, and allocations have been made on a reasonable basis.
19. Net position components (net investment in capital assets, restricted and unrestricted) are properly classified and, as applicable, approved.
20. Significant assumptions we used in making accounting estimates are reasonable.
21. The following have been properly classified, reported and disclosed in the financial statements, as applicable:
  - a. Interfund, internal, and intra-entity activity and balances.
  - b. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - c. Joint ventures and other related organizations.
  - d. Guarantees under which the government is contingently liable.
  - e. All events occurring subsequent to the fiscal year end through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
  - f. Effects of all known actual or possible litigation, claims, assessments, violations of laws, regulations, contracts or grant agreements, and other loss contingencies.
22. We have accurately disclosed to you all known actual or possible pending or threatened litigation, claims or assessments whose effects should be considered when preparing the financial statements. We have also accurately disclosed to you the nature and extent of our consultation with outside attorneys concerning litigation, claims and assessments.
23. We acknowledge our responsibility for reporting supplementary information in accordance with applicable requirements and believe supplementary information is fairly presented, in both form and content in accordance with those requirements.
24. We have disclosed to you all significant changes to the methods of measurement and presentation of supplementary information, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation.
25. We acknowledge our responsibility for the supplementary information required by generally accepted accounting principles in the United States (RSI) and believe RSI is measured and presented within prescribed guidelines.

26. We have disclosed to you all significant changes in the methods of measurement and presentation of RSI, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation of the RSI.
27. We believe there are no uncorrected misstatements that would be material individually and in the aggregate to each applicable opinion unit
28. We acknowledge our responsibility not to publish any document containing the audit report with any change in the financial statements, supplementary and other information referenced in the auditor's report. We will contact the auditor if we have any needs for publishing the audit report with different content included.

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Bob Mohrbacher, Ed.D.  
President

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Marla Miller  
Director of Fiscal Services

## NOTES TO THE PREPARER

- ① The date of the letter should match the date of the reports issued by the auditor. This date should be obtained from the auditor.

The period covered by the representation letter must be the same as the period described in the audit reports. For example, a report on comparative financial statements requires a representation letter addressing both years covered in our report.

- ② Only include “Except as ...” if there is a reported or disclosed issue or exception related to the representation. This representation should be included both when a known issue was disclosed and when the auditor is reporting on issues previously unknown to management. When issues are reported, this representation signifies that all relevant information regarding reported issues has been shared with the auditor, in addition to complete disclosure of all known issues.

- ③ Only include this section when a financial statement audit has been conducted.

- ④ The auditor will communicate all non-trivial known or likely misstatements identified to management. If you have not yet received this communication or are unclear as to the nature, amount or effect of any uncorrected misstatements, contact the auditor.

If management believes certain items identified by the auditor are not misstatements, management’s belief may be acknowledged by adding to the representation, for example, “We do not agree that items XX and XX constitute misstatements because {*description of reasons*}.”

- ⑤ Only include this section when a Single Audit has been conducted on federal programs under 2 CFR § 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

- ⑥ Only include this section when a Single Audit has been conducted and when the government has subrecipients expending Federal awards as defined by 2 CFR § 200.93.

- ⑦ Only include these representations when the government has subrecipients expending \$750,000 or more in Federal awards in a year, which would cause the subrecipient to have their own Single Audit.

- ⑧ The letter should be signed by members of management with overall responsibility for financial and operating matters who are responsible and knowledgeable about, directly or through others, the matters covered in the representations. Generally, the letter is signed by the chief executive officer (e.g. city manager, mayor, superintendent) and the chief financial officer (e.g. finance officer, business manager, clerk/treasurer).

Any deviation from standard language provided in the template above should be discussed with the auditor. If you need clarification on any point or feel that you cannot make a representation, please contact the auditor.