



**Office of the Washington State Auditor  
Pat McCarthy**

January 30, 2019

**Reply To:** [Evva.Kirkwood@sao.wa.gov](mailto:Evva.Kirkwood@sao.wa.gov)  
or by fax: (360) 753-0646  
or by mail: Washington State Auditor's Office  
3200 Sunset Way S.E.  
Olympia, WA 98504

Marla Miller, Director of Fiscal Services  
Centralia College  
600 Centralia College Blvd  
Centralia, WA 98513

Dear Ms. Miller:

As part of our audit of the Centralia College's financial statements, we are required by professional standards to request the following information:

1. A list of all litigation, claims and assessments, including threatened or unasserted claims that are probable of assertion and that, if asserted, would have at least a reasonable possibility of an unfavorable outcome. The list may be limited to matters involving amounts over \$50,000 individually or in the aggregate. For each matter, the list should include:
  - a. A description of the matter, including the period in which the underlying cause for legal action occurred.
  - b. Progress of the matter to date and how the government is responding or intends to respond, if applicable (for example: seeking arbitration, contesting the case, appealing the verdict, seeking an out-of-court settlement, etc).
  - c. Whether the matter has been referred to external legal counsel.
2. A statement regarding whether any of the matters listed have a reasonable possibility of resulting in a loss of more than \$50,000 or a loss that cannot be estimated. If any such matters exist, please either include the following information for each matter with the list or arrange for a time to discuss this information verbally with the auditor:
  - a. The likelihood of an unfavorable outcome.
  - b. The estimated amount or range of the potential loss before insurance coverage is applied.

- c. The extent to which losses will be covered by insurance or a risk pool and whether there are any disputes, disagreements or uncertainties regarding whether the insurer will pay the claim as expected.
3. The nature and reasons for any limitation in your response.

Your response should include all matters that existed as of June 30, 2018 as well as all matters that arose subsequent to that date up to the effective date of your response.

At the conclusion of the audit, we will request a management representation letter which will include representations regarding legal matters. Accordingly, if any new information comes to your attention during the course of the audit on matters covered in your response or on additional matters not covered in your original response, we request that you inform us as soon as practicable.

If you have any questions about our request or anticipate needing more than 10 business days to respond, please contact me at (360) 725-5366 or by email as listed above.

Sincerely,

Evva Kirkwood  
Auditor in Charge