



Exit Recommendations
Centralia College
Audit Period Ending: 6/30/2018

We are providing the following exit recommendations for management's consideration. They are not referenced in the audit report. We may review the status of the following exit items in our next audit.

Financial Statements:

Net Investment in Capital Assets

The College did not correctly calculate Net Investment in Capital Assets. An amortized premium was included in the calculation (accidentally) resulting in an overstatement of investment in capital assets by \$393,153, and an understatement of unrestricted net position by the same amount.

The correct calculation of Net Investment in Capital assets is as follows:

Capital Assets, Net \$76,042,091

Land and CIP \$7,997,441P

Less: Related Debt \$2,948,153

Total: \$81,091,379

The College made the correction to the financial statements.

We recommend the College dedicate more time reviewing this calculation in the future to ensure the accuracy and completeness of their financial statements.

GASB 75_Cumulative effect of Change in Accounting Principle

The College included a prior period adjustment related to an error in calculated pension amounts in their cumulative effect of change in accounting principle. This resulted in an overstatement of \$41,410.

We recommend the college ensure they are reporting the correct amounts and ensure the amounts are properly reviewed for accuracy.