

**D.C. EVEREST AREA SCHOOL DISTRICT  
SCHOFIELD, WISCONSIN**

**INDEPENDENT AUDITORS' REPORTS ON COMMUNICATION  
WITH THOSE CHARGED WITH GOVERNANCE  
AND MANAGEMENT ADVISORY COMMENTS**

**JUNE 30, 2025**

**D.C. EVEREST AREA SCHOOL DISTRICT**  
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**INDEPENDENT AUDITORS' REPORT ON  
COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

To the Board of Education  
D.C. Everest Area School District  
Weston, Wisconsin

We have audited the financial statements of the D.C. Everest Area School District as of and for the year ended June 30, 2025, and have issued our report thereon dated December 15, 2025. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 12, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the D.C. Everest Area School District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and other matters noted during our audit in a separate letter to you dated December 15, 2025.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

**Significant Risks Identified**

We have identified the following significant risks:

- Management Override of Controls - professional standards require the auditor to address the risk that management is in a unique position to override controls that otherwise appear to be operating effectively.
- Improper Revenue Recognition - professional standards require the auditor to presume that risks of material misstatements exist in revenue recognition.

We have designed our audit procedures to adequately address the significant risks identified.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the D.C. Everest Area School District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates and Related Disclosures*

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of the Wisconsin Retirement System pension was calculated by the State of Wisconsin Department of Employee Trust Funds' third party actuary.
- Management's estimate of the Wisconsin Retirement System local retiree life insurance fund was calculated by the State of Wisconsin Department of Employee Trust Funds' third-party actuary.
- Management's estimate of the other post employment benefit was calculated by the entity's third-party actuary.

We evaluated the factors and assumptions used to develop the estimates listed above and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the D.C. Everest Area School District's financial statements relate to: revenue recognition, Wisconsin Retirement System pension, Wisconsin Retirement System local retiree life insurance fund, and other post employment benefits.



## **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We have not identified any significant unusual transactions during the audit.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the D.C. Everest Area School District's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated December 15, 2025.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

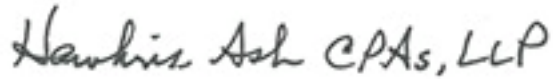
## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the D.C. Everest Area School District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material

misstatement. None of the matters discussed resulted in a condition to our retention as the D.C. Everest Area School District's auditors.

This report is intended solely for the information and use of the Board of Education, and management of the D.C. Everest Area School District and is not intended to be and should not be used by anyone other than these specified parties.

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The script is cursive and somewhat stylized, with the letters "H", "A", and "C" being particularly prominent.

Manitowoc, Wisconsin  
December 15, 2025



## INDEPENDENT AUDITORS' REPORT ON MANAGEMENT ADVISORY COMMENTS

To the Board of Education  
D.C. Everest Area School District  
Weston , Wisconsin

We have audited the general purpose financial statements of the D.C. Everest Area School District as of and for the year ended June 30, 2025 and have issued our report thereon dated December 15, 2025. We have also issued compliance reports and reports on the internal control structure in accordance with *Government Auditing Standards*. These reports disclosed any material instances of noncompliance, federal and state program findings and questioned cost, material weaknesses and significant deficiencies that were identified during the audit.

Other matters involving the internal control structure and the District's operations which came to our attention during the audit are reported on the following pages as management advisory comments.

We would like to take this opportunity to acknowledge the many courtesies extended to us by the District's personnel during the course of our work. In particular, we would like to note the considerable assistance and cooperation provided to us by Kelley Strike and her staff.

We shall be pleased to discuss any of the matters referred to in this letter. Should you desire assistance in implementing any of the following suggestions, we would welcome the opportunity of assisting you in these matters.

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads 'Hawkins Ash CPAs, LLP'.

Manitowoc, Wisconsin  
December 15, 2025

## MANAGEMENT ADVISORY COMMENTS

### Current Year Comments

#### New Standard - GASB Statement No. 103 - Financial Reporting Model Improvements

This statement's objective is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The statement also addresses certain application issues.

The statement establishes new accounting and financial reporting requirements or modifies existing requirements related to the following:

- a. Management discussion and analysis - improve the analysis in this section and discuss the activities that have had a significant impact on the government's balances and results of operations in comparison with the prior year
- b. Unusual or infrequent items - updates reporting and disclosure requirements
- c. Budgetary comparison information - updates reporting by adding an original and final variance column and explaining significant variances in the notes to required supplementary information

The requirements of this statement are effective for fiscal years beginning after June 15, 2025. Your June 30, 2026 financial statement will be updated for these new reporting requirements.

### Status of Prior Year Findings

#### New Standard - GASB Statement No. 101 - Compensated Absences (6/30/24)

The statement establishes standards of accounting and financial reporting for compensated absences and associated salary related payments, including certain defined contribution pensions and defined contribution other postemployment benefits.

A liability should be recognized for leave that has not been used if all of the following are true:

- a. The leave is attributed to services already rendered
- b. The leave accumulates
- c. The leave is more likely than not (more than 50%) to be used for time off or otherwise paid in cash or settled through noncash means.

The leave should be evaluated by assessing relevant factors, including the following:

- a. The employment policies related to compensated absences
- b. Whether leave that has been earned is, or will become, eligible for use or payment in the future
- c. Historical information about the use, payment, or forfeiture of compensated absences
- d. Information known to the government that would indicate that historical information may not be representative of future trends or patterns.

Some leaves are excluded from the liability: military leave, parental leave, jury duty, unlimited leave, holiday leave, and leave more likely than not to be settled through conversion to defined benefit pension or other postemployment benefits.

The requirements of this statement are effective for fiscal years beginning after December 15, 2023. Your June 30, 2025 financial statement will be updated for these new reporting requirements.

Status: Resolved

## APPENDIX A

Client: **0201873 - D.C. Everest Area School District**  
Engagement: **25 Audit - D.C. Everest Area School District**  
Period Ending: **6/30/2025**  
Trial Balance: **Database**  
Workpaper: **1501 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 46</b>				
2025 - Adjustment made per client subsequent to importing the trial balance.				
10 E --- 846 41----	INTERFUND/OPERATING TRANSFER		2,329,959.00	
46 A 000 000 714100 000 000 000	DUE FROM OTHER FUNDS		2,329,959.00	
10 L 000 000 812000 000 000 000	DUE TO OTHER FUNDS			2,329,959.00
46 R 809 110 411000 000 ---	OPER. TRANSFERS TO DIF FUND			2,329,959.00
<b>Total</b>			<b>4,659,918.00</b>	<b>4,659,918.00</b>
<b>Adjusting Journal Entries JE # 47</b>				
2025 - To record SBITA payment in proper account.				
10 E --- 676 28----	SUBSCRIPTION-BASED IT AGREEMENT PRINCIPAL		60,152.00	
10 E --- 686 28----	SUBSCRIPTION-BASED IT AGREEMENT INTEREST		9,006.00	
10 E --- 310 22----	INST STAFF SERVICES			5,887.00
10 E --- 362 29----	OTHER SUPPORT SERVICES			30,904.00
10 E --- 480 22----	INST STAFF SERVICES			32,367.00
<b>Total</b>			<b>69,158.00</b>	<b>69,158.00</b>
<b>Adjusting Journal Entries JE # 49</b>				
2025 - To record Wisconsin Department of Natural Resources grant in proper account.				
10 A 000 000 715600 000 000 000	DUE FROM FED GOVERNMENT		93,725.00	
10 R 809 699 500000 000 ---	DISTRICT WIDE		93,725.00	
10 A 000 000 715500 000 000 000	DUE FROM STATE GOVERNMENT			93,725.00
10 R 809 780 500000 000 ---	DISTRICT WIDE			93,725.00
<b>Total</b>			<b>187,450.00</b>	<b>187,450.00</b>
<b>Adjusting Journal Entries JE # 50</b>				
2025 - To record the youth risk behavior survey grant in proper account.				
10 R 809 699 500000 000 ---	DISTRICT WIDE		300.00	
10 R 809 630 500000 395 ---	DISTRICT WIDE			300.00
<b>Total</b>			<b>300.00</b>	<b>300.00</b>
<b>Adjusting Journal Entries JE # 51</b>				
2025 - Adjustment made per client subsequent to importing the trial balance.				
10 E --- 218 11----	UNDIFFERENTIATED CURRICU		2,484.00	
10 E --- 218 11----	UNDIFFERENTIATED CURRICU		2,483.00	
10 E --- 218 11----	UNDIFFERENTIATED CURRICU		2,483.00	
73 A 000 000 714100 000 000 000	DUE FROM OTHER FUNDS		7,450.00	
10 L 000 000 812000 000 000 000	DUE TO OTHER FUNDS			7,450.00
73 R 809 951 500000 000 ---	DISTRICT WIDE			7,450.00
<b>Total</b>			<b>14,900.00</b>	<b>14,900.00</b>
<b>Total Adjusting Journal Entries</b>			<b>4,931,726.00</b>	<b>4,931,726.00</b>
<b>Total All Journal Entries</b>			<b>4,931,726.00</b>	<b>4,931,726.00</b>

## **APPENDIX B**



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**D.C. Everest Area School District**

6100 Alderson Street  
Weston, WI 54476  
Phone 715-359-4221  
www.dce.k12.wi.us

**MISSION STATEMENT**

D.C. Everest Area School District, in partnership with the community, is committed to being an innovative educational leader in developing knowledgeable, productive, caring, creative, responsible individuals prepared to meet the challenges of an ever-changing global society.

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December 15, 2025

Hawkins Ash CPAs, LLP  
One East Waldo Blvd., Suite 5  
Manitowoc, WI 54220-2912

Dear Hawkins Ash CPAs, LLP,

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the D.C. Everest Area School District which comprise the statement of financial position as of June 30, 2025, and the respective change in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements of the various opinion units are present fairly, in all material respects, in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 15, 2025.

**Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 12, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- 2) The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- 6) All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) We have reviewed and approved the adjusting journal entries you have proposed and they have been recorded in our books.
- 9) We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (FASB Accounting Standards



Codification 450, Contingencies), and we have not consulted a lawyer concerning litigation, claims, or assessments.

- 10) All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- 11) All funds and activities are properly classified.
- 12) All funds that meet the quantitative criteria in Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- 13) All net position components and fund balance classifications have been properly reported and, if applicable, approved.
- 14) All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 15) All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- 16) All interfund and intra-entity transactions and balances have been properly classified and reported.
- 17) Special items and extraordinary items have been properly classified and reported.
- 18) Deposit and investment risks have been properly and fully disclosed.
- 19) Capital assets, including infrastructure assets and right-to-use assets, are properly capitalized, reported, and if applicable, depreciated or amortized.
- 20) All required supplementary information is measured and presented within the prescribed guidelines.
- 21) Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
- 22) We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- 23) We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- 24) We have a process to track the status of audit findings and recommendations.
- 25) We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 26) With regard to items reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- 27) With regard to pensions and OPEB:
  - We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
  - We are unable to determine the possibility of a withdrawal liability from the plan of which we are a sponsor and are not currently contemplating withdrawing from the plan.
  - Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.
- 28) We have conducted a comprehensive risk assessment and disclosed all material concentrations and constraints in accordance with GASB Statement No. 102, *Certain Risk Disclosures*. These disclosures provide sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint, if applicable.
- 29) We have evaluated the concentrations and constraints, including those that occur subsequent to the statement of net position date but before the financial statements are issued and have been properly disclosed in the financial statements as subsequent events, if applicable.
- 30) With respect to the nonattest services provided, we have performed the following:



- Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained controls, including a process to monitor the system of internal control.
- 31) With respect to the supplementary information accompanying the financial statements:
- We acknowledge our responsibility for the presentation of the supplementary information with U.S. GAAP.
  - We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
  - The methods of measurement or presentation have not changed from those used in the prior period.
  - We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
  - When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
  - We acknowledge our responsibility to include the auditors' report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
  - We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditors' report thereon.
- 32) With respect to the required supplementary information accompanying the financial statements:
- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
  - We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
  - The methods of measurement or presentation have not changed from those used in the prior period. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

#### Information Provided

- 33) We have provided you with:
- Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
  - A written acknowledgement of all the documents that we expect to issue that will be included in the annual report, if applicable, and the planned timing and method of issuance of that annual report;
  - A final version of the annual report, if applicable, (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- 34) The financial statements and any other information included in the annual report, if applicable, are consistent with one another, and the other information does not contain any material misstatements.
- 35) All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 36) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.



- 37) We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions, events present, concentrations and constraints, and we believe that our use of the going concern basis of accounting is appropriate.
- 38) We have no knowledge of any information that we are aware of in relation to fraud or suspected fraud that affects the entity and involves:
- Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- 39) We have no knowledge of any information in that we are aware of regarding relation-to instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contactors), analysts, regulators, or others.
- 40) We have no knowledge of any information that we are aware of regarding instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 41) We have no knowledge of any information that we are aware of regarding instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 42) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, abuse or waste that you have reported to us.
- 43) We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 44) We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- 45) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- 46) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- 47) The entity has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.
- 48) We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
- 49) We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- 50) For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- 51) We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- 52) We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 53) There are no:



- Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- 54) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- 55) We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

### **Federal and State Award Programs**

With respect to federal and state awards, we represent the following to you:

- 56) We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and State Single Audit Guide.
- 57) We are responsible for the preparation and presentation of the schedule of expenditures of federal awards and schedule of state financial assistance in accordance with the Uniform Guidance and State Single Audit Guide.
- 58) We believe the schedule of expenditures of federal awards and schedule of state financial assistance, including its form and content, is fairly presented in accordance with the Uniform Guidance and State Single Audit Guide.
- 59) The methods of measurement or presentation have not changed from those used in the prior period.
- 60) We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and schedule of state financial assistance, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- 61) We are responsible for including the auditors' report on the schedule of expenditures of federal awards and schedule of state financial assistance in any document that contains the schedules and that indicates that the auditor has reported on such information.
- 62) We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance and State Single Audit Guide compliance audit.
- 63) When the schedule of expenditures of federal awards and schedule of state financial assistance are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedules no later than the date of issuance by the entity of the schedules and the auditor's report thereon.
- 64) We have, in accordance with the Uniform Guidance and State Single Audit Guide, identified in the schedule of expenditures of federal awards and schedule of state financial assistance, expenditures made during the audit period for all awards provided by federal and state agencies in the form of grants, cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- 65) We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
- 66) We have made available to you all federal and state awards (including amendments, if any) and any other correspondence relevant to federal and state programs and related activities that have taken place with federal and state agencies or pass-through entities.
- 67) We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- 68) We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of




noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.

- 69) We have disclosed to you any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- 70) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- 71) Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards and schedule of state financial assistance).
- 72) The copies of federal and state program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
- 73) We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance and State Single Audit Guide, as applicable.
- 74) We have charged costs to federal and state awards in accordance with applicable cost principles.
- 75) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and State Single Audit Guide, and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
- 76) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- 77) The reporting package does not contain personally identifiable information.
- 78) We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- 79) We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
- 80) We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditor's role in the preparation of the adjustments.
- 81) We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

- 82) We are responsible for understanding and complying with the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards related to each of our federal and state programs and have identified and disclosed to you the federal and state statutes, regulations, and the terms and conditions of federal and state awards that are considered to have a direct and material effect on each major federal and state program; and we have complied with these direct and material compliance requirements.
- 83) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provide reasonable assurance that we are managing our federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state award that could have a material effect on our federal and state programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
- 84) We are responsible for and have accurately completed the appropriate sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the compliance audit and

have developed a corrective action plan that meets the requirements of the Uniform Guidance and State Single Audit Guide.

  
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Director of Finance

  
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Assistant Superintendent of Operations