Board of Commissioners  
Interstate Medical Licensure Compact Commission  
Littleton, Colorado  

We have audited the financial statements of the Interstate Medical Licensure Compact Commission (IMLCC), which comprised the statement of net position as of June 30, 2018, and the related statements of revenues, expenses and change in net position and cash flows for the year ended June 30, 2018, and the related notes to the financial statements and have issued our report dated June 3, 2020. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

**Significant audit findings**

**Qualitative aspects of accounting practices**

**Accounting policies**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the IMLCC are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2018.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

**Accounting estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s 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 significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

**Financial statement disclosures**

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.
Difficulties encountered in performing the audit
The completion of our audit was delayed primarily due to significant reconciliation issues identified through the audit relating to fund balance, liabilities, and expenses, and other material account balances that required our assistance to resolve. This required extensive work to be performed outside the scope of the audit. A summary of the corrected misstatements are attached to this letter and also summarized in a separate letter dated June 3, 2020, communicating internal control related matters identified during the audit.

Uncorrected misstatements
Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements.

Corrected misstatements
The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

Disagreements with management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations
We have requested certain representations from management that are included in the attached management representation letter dated June 3, 2020.

Management consultations with other independent accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues
We have provided a separate letter to you dated June 3, 2020, communicating internal control related matters identified during the audit.
Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors’ opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Board of Commissioners and management of the Interstate Medical Licensure Compact Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Broomfield, Colorado
June 3, 2020
### Adjusting Journal Entries JE # 2

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>W/P Ref</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1800</td>
<td>Prepaid Assets</td>
<td></td>
<td>6,900.00</td>
<td></td>
</tr>
<tr>
<td>5006.1</td>
<td>IT Charges - Docusign</td>
<td></td>
<td></td>
<td>6,900.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>6,900.00</strong></td>
<td><strong>6,900.00</strong></td>
</tr>
</tbody>
</table>

**Adjusting Journal Entries JE # 2**

Audit AJE to defer expense to FY 2019 and record a Prepaid for the portion of the Docusign Invoice that pertained to the time period of 7/1/18 - 12/31/18.

### Adjusting Journal Entries JE # 3

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>W/P Ref</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>5007</td>
<td>Executive Director</td>
<td></td>
<td>2,000.00</td>
<td></td>
</tr>
<tr>
<td>2101</td>
<td>Accounts Payable (A/P)</td>
<td></td>
<td></td>
<td>2,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>2,000.00</strong></td>
<td><strong>2,000.00</strong></td>
</tr>
</tbody>
</table>

**Adjusting Journal Entries JE # 3**

Audit adjustment to properly accrue Executive Director payroll for the final pay period of the year, that was not approved to be paid out.

### Adjusting Journal Entries JE # 4

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>W/P Ref</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>4001</td>
<td>FSMB GRANT PAYOUT</td>
<td></td>
<td>3,758.00</td>
<td></td>
</tr>
<tr>
<td>4005</td>
<td>Miscellaneous Revenue</td>
<td></td>
<td></td>
<td>3,758.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>3,758.00</strong></td>
<td><strong>3,758.00</strong></td>
</tr>
</tbody>
</table>

**Adjusting Journal Entries JE # 4**

Adjustment to reclassify revenue improperly booked to grant revenue in order to accurately reflect grant revenue in the statements.

### Adjusting Journal Entries JE # 5

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>W/P Ref</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1300</td>
<td>Accounts Receivable - CLA</td>
<td></td>
<td>9,168.00</td>
<td></td>
</tr>
<tr>
<td>5000 - CLA</td>
<td>Grant Expenditures - CLA Added</td>
<td></td>
<td>41,755.00</td>
<td></td>
</tr>
<tr>
<td>4001</td>
<td>FSMB GRANT PAYOUT</td>
<td></td>
<td>9,168.00</td>
<td></td>
</tr>
<tr>
<td>5009.11</td>
<td>Contractor - Wanda Bowling IT</td>
<td></td>
<td>2,241.00</td>
<td></td>
</tr>
<tr>
<td>5009.4</td>
<td>Contractor - Executive Director</td>
<td></td>
<td>24,050.00</td>
<td></td>
</tr>
<tr>
<td>5009.6</td>
<td>Contractor - Kevin Bohnenblust</td>
<td></td>
<td>935.00</td>
<td></td>
</tr>
<tr>
<td>5009.8</td>
<td>Contractor - Tier Two Services</td>
<td></td>
<td>13,635.00</td>
<td></td>
</tr>
<tr>
<td>5010.1</td>
<td>Travel - Airline Flight - SWA</td>
<td></td>
<td>658.00</td>
<td></td>
</tr>
<tr>
<td>5010.2</td>
<td>Travel - Other</td>
<td></td>
<td>236.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>50,923.00</strong></td>
<td><strong>50,923.00</strong></td>
</tr>
</tbody>
</table>

**Adjusting Journal Entries JE # 5**

Audit adjustment to reclassify grant expenses booked to travel, contractors, and Executive Director to a Grant Expenses Account to match Grant Revenues, and to accrue grant billings not received at year end.
<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>W/P Ref</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>5000 - CLA</td>
<td>Grant Expenditures - CLA Added</td>
<td></td>
<td>149,821.00</td>
<td>149,821.00</td>
</tr>
<tr>
<td>4001</td>
<td>FSMB GRANT PAYOUT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>149,821.00</strong></td>
<td><strong>149,821.00</strong></td>
</tr>
</tbody>
</table>

**Adjusting Journal Entries JE # 6**

Audit adjustment to record the grant expense and revenue for the grant activity that was directly paid by the FSMB during 2018.

**Adjusting Journal Entries JE # 7**

CLA adjustment to roll Fund Balance to prior year audited ending of 66,143.

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>W/P Ref</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>5015</td>
<td>Uncategorized Expense</td>
<td>0910.01</td>
<td>2.00</td>
<td>2.00</td>
</tr>
<tr>
<td>3000</td>
<td>CLA-Unrestricted Fund Balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>2.00</strong></td>
<td><strong>2.00</strong></td>
</tr>
</tbody>
</table>
## SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT

Interstate Medical Licensing Compact Commission
General Fund
Year Ended June 30, 2018

### UNCORRECTED ADJUSTMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Assets</th>
<th>Liabilities</th>
<th>Net Position</th>
<th>Change in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>The revenues and refunds to clients per the monthly STRIPE and PayPal activity statements were higher than the amounts recorded in the trial balance, understating revenues</td>
<td></td>
<td></td>
<td>$ 12,642</td>
<td>$ (12,642)</td>
</tr>
<tr>
<td>Net current year misstatements (Iron Curtain Method)</td>
<td></td>
<td></td>
<td></td>
<td>(12,642)</td>
</tr>
<tr>
<td>Net prior year misstatements</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Combined current and prior year misstatements (Rollover Method)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 12,642</td>
<td>$ (12,642)</td>
</tr>
<tr>
<td>Financial statement totals</td>
<td>$ 785,430</td>
<td>$ 373,748</td>
<td>$ 411,682</td>
<td>$ 345,539</td>
</tr>
<tr>
<td>Current year misstatement as a % of financial statement totals (Iron Curtain Method)</td>
<td></td>
<td></td>
<td></td>
<td>3%</td>
</tr>
<tr>
<td>Current and prior year misstatement as a % of financial statement totals (Rollover Method)</td>
<td></td>
<td></td>
<td></td>
<td>3%</td>
</tr>
</tbody>
</table>

### INADEQUATE DISCLOSURES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (If Applicable)</th>
</tr>
</thead>
</table>
June 3, 2020

CliftonLarsonAllen LLP
370 Interlocken Blvd., Suite 500
Broomfield, Colorado 80021

This representation letter is provided in connection with your audit of the financial statements of the Interstate Medical Licensure Compact Commission (IMLCC), which are comprised of the statement of net position as of June 30, 2018, and the related statements of revenues, expenses and changes in net position and cash flows for the year ended June 30, 2018, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted 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 light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of June 3, 2020, the following representations made to you during your audit of the financial statements for the year ended June 30, 2018.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 14, 2019, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance 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.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.

7. You have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.

8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.

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 U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.

10. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.

11. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

12. We believe that all material expenditures that have been deferred to future periods will be recoverable.

Information Provided

1. We have provided you with:

   a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.

   b. Additional information that you have requested from us for the purpose of the audit.
c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

e. Access to all audit or relevant monitoring reports, if any, received from funding sources.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

3. 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.

4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
   a. Management;
   b. Employees who have significant roles in internal control; or
   c. Others when the fraud could have a material effect on the financial statements.

5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.

7. 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 U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.

8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

9. 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.

10. We have a process to track the status of audit findings and recommendations.
11. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

12. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to IMLCC, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

13. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

14. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.

15. We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources $750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.

16. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

17. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.

18. The financial statements properly classify all funds and activities.

19. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

20. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
21. Deposits are properly classified as to risk and are properly valued and disclosed.

22. We have appropriately disclosed the entity’s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

23. As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

24. We understand that as part of your audit, you prepared the adjusting journal entries and we acknowledge that we have reviewed and approved those entries and accepted responsibility for them.

Signature: [Signature]

Marshall S. Smith
Executive Director