

April 14, 2010

John Doe, Controller  
XYZ, Inc.  
1234 Any Street, Suite # 1000  
Any Town, WA 98555-1000

Re: XYZ, Inc. Overhead Schedule  
Fiscal Year End December 31, 2008

Dear Mr. Doe:

On April 13, 2010,, as a WSDOT representative, Jane Doe, Audit Specialist, completed a desk review of your proposed FYE December 31, 2008, Overhead Schedule. Jane also reviewed the documentation provided by XYZ, Inc. during this review process.

The reviewed data included, but was not limited to, the schedule of the indirect cost rate, a description of the company, basis of accounting and description of XYZ's accounting system, and the basis of indirect costs.

Based on our work, we are issuing this letter of review establishing XYZ's overhead rate for FYE December 31, 2008, at 136.68% (rate includes Facilities Cost of Capital) of direct labor. Costs billed to actual agreements will still be subject to audit of actual costs.

Please check with the WSDOT Consultant Services Office (HQ) and/or the WSDOT Area Consultant Liaison to determine when this reviewed rate will be applicable to your WSDOT agreement (s).

If you or any representative of XYZ, Inc.. have any questions, please contact Martha Roach, Jeri Sivertson or Steve McKerney at 360-705-7003.

Sincerely,

Martha S. Roach  
Agreement Compliance Audit Manager

MR:ds  
Enclosures

cc: Steve McKerney, Director of Internal Audit  
Jeri Sivertson, Assistant Director of Internal Audit  
File