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FY18 AUDIT SUMMARY

To: Basin School District No. 72

Overall Audit Comments: We are pleased to report that the audit process went very well. Cindy was once again instrumental in providing the financial documentation in scanned/digital form. This made for another successful paperless audit this year and helped speed up the process for both her and us. She also continues to make progress in having the books in good shape which is key to experiencing a seamless audit.

Finances

Auditor's Report (pages 1-3): Unmodified opinion (best possible, i.e. "clean") with qualification on GASB 45 OPEB health insurance implicit rate subsidy issue – same as last year.

Fund Finance Analysis (pages 9-10):

Fund Name	Increase (Decrease)	Ending Fund Balance	Comments
General	\$58,232	\$384,252	The increase brought the fund balance up significantly (now 1.6-month operating reserve), but still on the low end of the recommended 1.5 – 3 months. See discussion on next page.
Forest Reserve	\$66,987	\$115,248	Received funding this year, which helped boost the fund balance.
Child Nutrition	(\$5,812)	\$12,404	This is the third straight year this fund has operated at a loss. However, the prior years the loss was around \$15K; this year it is better, at just under \$6K. Keep up the good work getting out of the red and being able to operate within the revenues and budget provided.
Plant Facilities	(\$103,393)	\$37,505	As expected, the fund decreased due to the levy ending. The fund will be closed once the balance is spent or transferred to the general fund for qualifying plant/maintenance expenditures.
Other Governmental	\$36,775	\$91,285	These are the School's nonmajor governmental funds (i.e. Title I-A). All these funds are performing as they should.

Internal Control Over Financial Reporting and Compliance

Auditor's Report (pages 38-39): No *internal control over financial reporting or compliance* findings are reported.

Other Recommendations or Comments

Great job ending the year with an overall increase of just under \$53,000. Compared with last year's decrease of (\$270,550), this is a tremendous step forward. As mentioned above, the general fund currently has a 1.6-month operating reserve, which is still the minimum fund balance we want to see there for operating/cash flow purposes. While the School made progress this year (especially in the first year after the plant facilities levy expired), the operating reserve number is one we'll want to continue to watch and ensure we keep building toward the optimal 3-month reserve.

Thank you for having us perform your audit and please contact us should you have any questions.

Tim Hoyt, CPA, CMA

Quest CPAs PLLC