**SCHOOL DISTRICT NO. 86**
**S H**
**Custer County, Montana**

**June 30, 2014**

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# ROSS R. STALCUP

CERTIFIED PUBLIC ACCOUNTANT, P.C.


## INDEPENDENT ACCOUNTANTS REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Board of Trustees
School District No. 86
S H
Custer County, Montana

We have performed the procedures enumerated below, which were agreed to by School District No. 86, S H, Custer County, Montana, and the State of Montana, solely to perform a financial review of the School District as of and for the year ended June 30, 2014, as required by Section 2-7-503, MCA. The school district's management is responsible for the financial statements, compliance with the specified requirements and internal control over compliance with those requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the State of Montana, as required by Section 2-7-503, MCA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

a. We reconciled the District's cash/investment balances as reported on the Trustees' Financial Summary (See Schedule A) with the records of the County Treasurer, or bank accounts, if applicable.

   **We found no exceptions as a result of these reconcilement procedures.**

b. We examined the July, 2014 disbursements journals and expenditures made in that month to determine if payables are recorded at June 30, 2014. (See Schedule A)

   **We found no exceptions in the recording of payables as a result of these procedures.**

c. We determined whether the District maintained records of capital assets and had documentation to support the records, as required by Administrative Rules. (ARM 10.10.407)

   **The District did not have documentation to support the capital assets records.**

d. We compared budgeted property tax revenues to actual property tax revenues for each budgeted fund; noted any variances in excess of 5% or $ 500, whichever is greater; and determined the reasons for such variances.


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**No variances in excess of the limits described above that were noted as a result of these comparisons.**

e. We reconciled total District revenues and expenditures (See Schedule B) to total cash receipts and disbursements for the District as reported by the County Treasurer.

**We found no exceptions as a result of these reconcilement procedures.**

f. We observed whether:

- The District maintained accounting records, including a disbursement ledger.
- The expenditures, including payroll, appear to be supported by appropriate documentation and coded correctly. (MCA 20-9-207 and coded correctly ARM 10.10.406)
- The District maintained minutes of School Board meetings and whether they contained detailed statements of expenditures as required by MCA 20-3-323.
- The District maintained pupil attendance records.
- The District reconciled monthly with the reports of the County Treasurer. (ARM 10.10.501 and 10.10.205)
- The District maintained payroll records, including a payroll register for each employee.
- The District reconciled its federal and state payroll reports to the annual wage and tax statements submitted to the Social Security Administration.
- The District reconciled the total cash in the Miscellaneous Programs fund with the individual projects within the fund.
- The District reconciled the student activity fund individual accounts with the total cash in the Student Extracurricular Fund. (Not applicable)

**We found no exceptions as a result of these procedures.**

g. We reconciled the enrollment as reported on the Fall, Winter, and Spring enrollment reports to the school district's enrollment records (See Schedule C).

**We found no exceptions as a result of these reconcilement procedures.**

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h. We verified that total expenditures for each budgeted fund did not exceed the budgeted expenditures for the fund. (MCA 20-9-133; 20-9-209; ARM 10.10.305)

**Total expenditures for each budgeted fund did not exceed the budgeted expenditures for the fund.**

Accompanying are the following schedules:

Schedule A presents the District's assets, liabilities, and fund equity, by fund, as of June 30, 2014.

Schedule B presents the District's beginning fund equity, the total revenues and other financing sources, the total expenditures and other financing uses, prior period adjustments, and the ending equity balance for each fund for the year ended June 30, 2014.

Schedule C presents the District's enrollment as reported on the Fall, Winter, and Spring pupil enrollment reports and per the District's enrollment records.

Schedule D presents findings and recommendations resulting from performing the above agreed-upon procedures.

We were not engaged to, and did not conduct an examination or audit, the objective of which would be the expression of an opinion on the specified accounts and transactions or on compliance or effectiveness of internal control over compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of School District No. 86, S H, Custer County, Montana, and the State of Montana, and is not intended to be and should not be used by anyone other than these specified parties.

May 30, 2015

Ross R. Stalcup
Certified Public Accountant

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# SCHOOL DISTRICT NO. 86, S H, CUSTER COUNTY, MONTANA

## Schedule of Assets, Liabilities, and Fund Balance - All Funds
## June 30, 2014

| | General Fund | Transportation Fund | Retirement Fund | Misc Programs Fund | Technology Fund | Flexibility Fund | Building Fund | Total |
|---|---|---|---|---|---|---|---|---|
| **Assets:** | | | | | | | | |
| Cash & Investments | $21,854 | $519 | $1,342 | $28,520 | $476 | $1,056 | $5,655 | $59,422 |
| Taxes Receivable | 534 | | | | | | | 534 |
| Taxes Receivable - Protested | 88 | | | | | | | 88 |
| Due from Other Governments | | | | 6,930 | | | | 6,930 |
| Total | 22,476 | 519 | 1,342 | 35,450 | 476 | 1,056 | 5,655 | 66,974 |
| **Liabilities & Fund Equity:** | | | | | | | | |
| Due to Other Governments | | | | | | | | 0 |
| Deferred Inflows | 622 | | | | | | | 622 |
| Total | 622 | 0 | 0 | 0 | 0 | 0 | 0 | 622 |
| Reserve for Inventories | | | | | | | | 0 |
| Reserve for Encumbrances | 500 | | | | | | | 500 |
| Unreserved Fund Balance | 21,354 | 519 | 1,342 | 35,450 | 476 | 1,056 | 5,655 | 65,852 |
| Total Liabilities & Fund Equity | 22,476 | 519 | 1,342 | 35,450 | 476 | 1,056 | 5,655 | 66,974 |

# SCHOOL DISTRICT NO. 86, S H, CUSTER COUNTY, MONTANA

## Schedule of Changes in Fund Balance - All Funds
## Budgetary Basis of Accounting
## June 30, 2014

| | General Fund | Transportation Fund | Retirement Fund | Misc Programs Fund | Technology Fund | Flexibility Fund | Building Fund | Total |
|---|---|---|---|---|---|---|---|---|
| Fund Balance- July 1, 2013 | $9,703 | $519 | $1,050 | $37,839 | $327 | $1,050 | $6,030 | $56,518 |
| Total Revenues & Other Financing Sources | 61,908 | 4,784 | 4,695 | 13,032 | 149 | 6 | 183 | 84,757 |
| Total Expenditures & Other Financing Uses | 50,257 | 4,784 | 4,403 | 15,421 | 0 | 0 | 558 | 75,423 |
| Increase/Decrease in Reserve for Encumbrances | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 500 |
| Increase/Decrease in Reserve for Inventories | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance- June 30, 2014 | $21,854 | $519 | $1,342 | $35,450 | $476 | $1,056 | $5,655 | $66,352 |

# SCHOOL DISTRICT NO. 86, S H
## Custer County, Montana

## Schedule of School District Enrollment - Per Fall and Spring Enrollment Reports and District Records
## Year June 30, 2014

| | Per Report Filed With OPI | Per District Enrollment Records | Difference |
|---|---|---|---|
| School District Enrollment - Fall Report | 5 | 5 | 0 |
| School District Enrollment - Winter Report | 5 | 5 | 0 |
| School District Enrollment - Spring Report | 5 | 5 | 0 |

**SCHOOL DISTRICT NO. 86, S H**
**Custer County, Montana**

**Report of Findings and Recommendations Resulting from Performing Agreed-Upon Procedures**

**June 30, 2014**

Finding No. 2014-01

School District No. 86, SH School, Custer County, Montana did not have documentation to support capital assets record, as required by Administrative Rules (ARM 10.10.407).