

The logo for WIPFLI, consisting of the letters "WIPFLI" in white, bold, sans-serif font, centered within a solid blue rectangular background.

To the Board of Education
Hinckley-Big Rock Community Unit School District No. 429

Dear Board of Education,

Since I had a conflict and will be unable to attend the Board meeting on the 16th, I wanted to provide a summary memo to cover the highlights of the audit for your consideration.

First of all, I will start out by saying the audit went very smooth and we had no difficulties in performing the audit. We had no adjustments to the financial records which is a very rare occurrence and is a great accomplishment for your District staff.

As far as the audit goes, the opinion on the financial statements is on pages 1-4. There were no new accounting standards adopted this year, so the opinion wording and the wording in the notes to the financial statements is the same as last year, just updated numbers and dates.

The opinion on the financial statements is qualified on the regulatory basis due to lack of detailed fixed asset reporting and adverse due to the financial statements being presented on the regulatory basis and not following GASB 34 formatting. The state allows and developed the method of fixed asset reporting which you are using, it just does not follow governmental accounting standards, therefore we have to issue the qualified opinion. Other than the fixed asset issue, it is a clean opinion on the regulatory basis.

Page 4 of the actual AFR form, pdf page 42, is the estimated financial profile which is a formula the state has come up with to evaluate the financial strength of a District. The District scored a perfect 4.0 score. One item of note on the profile is that the District has an estimated days cash on hand of 531 days which is a healthy reserve for the future.

All funds had positive fund balances and all funds except the Tort fund showed a positive net income.

With ESSER funding decreasing for many of our schools, it was requiring us to have to test multiple federal programs to gain the required coverage and was beginning to cause us to get backed up in our audit fieldwork. We made the decision to concentrate on getting the AFR portion of all our school audits done first so the reports could be sent to the Regional Superintendent by the deadline. The single audit deadline is later, so we will be circling back to the single audit work and wrapping up that portion of the audit within the next week or two.

We appreciate the opportunity to be of service to the District and should the board have further questions on the audit or single audit, I would be more than happy to attend a meeting in a future month.

Sincerely,
Jerry Funk, Senior Manager