May 13, 2020

Board of Directors
Satsop School District No. 104
Satsop, Washington

Management Letter

This letter includes a summary of specific matters that we identified in planning and performing our accountability audit of the Satsop District No. 104 from September 1, 2018 through August 31, 2019. We believe our recommendations will assist you in improving the District’s compliance in these areas.

We will review the status of these matters during our next audit. We have already discussed our comments with and made suggestions for improvements to District officials and personnel. If you have any further questions, please contact me at (564) 999-0862.

This letter is intended for the information and use of management and the governing body and is not suitable for any other purpose. However, this letter is a matter of public record and its distribution is not limited.

We would also like to take this opportunity to extend our appreciation to your staff for the cooperation and assistance given during the course of the audit.

Sincerely,

Cheryl Thresher, Audit Manager

Attachment
Establishment of local revenue and expenditure accounts

The Washington State Legislature passed regulations in March 2018 requiring school districts to create a sub-fund of the General Fund to track local revenues and expenditures. Beginning in the 2018-2019 school year, school districts must meet the requirements (RCW 84.52.0531 and RCW 28A.320.330) to track local funds in a sub-fund.

During our audit, we found that the District knew of the requirement, and established a sub-fund. However, the District did not understand that it needed to track local revenues and expenditures to the sub-fund beginning with the 2018-2019 school year.

We recommend the District record local revenues and local expenditures to the sub-fund, as required by RCW 84.52.0531, RCW 28A.320.330 and the School District Accounting Manual.