



Dear Mark Day Families,

One of the critical fiduciary responsibilities of the Mark Day School Board of Trustees is ensuring the school's sound financial foundation. This responsibility takes many forms, including developing the annual operating budget and monitoring the school's investment assets. The Board of Trustees is also responsible for ensuring a thorough review of the school's financial statements and accounting practices, via an annual audit.

This annual audit of the school's finances is overseen by the Board's Audit Subcommittee, working closely with the school's Director of Finance and Operations. Through this audit process, the Board confirms that the financial controls in place at Mark Day School adhere to best practices and serve to ensure an accurate understanding of the school's current finances and prevent misappropriation of school resources.

For over 30 years, Mark Day School has contracted with third-party audit firms to perform annual evaluations of the school's finances and financial controls. For more than 15 years, we have worked with Armanino LLP, an accounting and business consulting firm with more than 120 independent school clients. Their breadth of experience working with independent schools enables them to provide the Board with valuable insights into how our key financial metrics benchmark relative to comparable schools.

The Board recently reviewed Armanino's audit report covering the year ended June 30, 2022, which concluded that there were no material findings or deficiencies concerning the school's finances and financial controls. Armanino also provided the Board with a "Financial Statement Report Card" for the 2021-22 fiscal year, which compared Mark Day against peer schools on a variety of financial metrics. Armanino graded the school's overall financial health as "best in class." Overall, this year's audit is consistent with prior years in its confirmation of the school's robust financial practices and careful stewardship.

In addition to our annual audit, the school utilizes many best-practice financial controls to ensure the integrity and quality of our operations. These practices include and are not limited to the below:

Separation of duties:

- There is a separation of duties between Finance, Controllershship, Accounts Receivable/ Payables, and Development. This results in a system of checks and balances.
- Access to all key accounts and systems is limited to a select number of individuals (Director of Finance and Operations, the Controller, and the Accounting Assistant).
- Our Business Office is separate from our Development Office, which allows each department to reconcile contribution accounts on a monthly basis. This ensures that every payment or donation received by the school is accounted for by both departments independently.

Strict internal oversight:

- The school's Business Office oversees all financial accounts and records, and all payments and transactions require two discrete approvals from senior administrators prior to disbursement by our financial institution.
- The Head of School has accountability for reviewing the monthly bank statements, including all cash disbursements.
- The Board Chair is accountable for reviewing the Head of School's expenses.

These practices help to drive the operational excellence of our Business Office, resulting in a financial reporting process that is accurate, compliant, and efficient.

For additional information about the board, please visit the [Board of Trustees section](#) of the school website. If you have any questions about this newsletter, please contact Ethan Dornhelm, Board President, or David Shapiro, Governance Chair.

Sincerely,

Mark Day School Board of Trustees

39 Trellis Drive San Rafael, CA 94903 / 415.472.8000

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