

Mr. Rasmus called the November 11, 2021 MASD Finance and Budget Meeting to order at 6:00 p.m.

Present were Joseph Rasmus, David Snodgrass, Brynn Clark, Susan Myers, Jessica Whitmoyer, Alicia Differ, Alexa Longacre, Whitney Holloway, and Kathy Musselman.

Mr. David Snodgrass, Independent Auditor, CPA

David explained what is required to release an audit report - business fact, appearance, and communication with management and board to convey clarification. Auditors understand the objectives, procedures, and compliance requirements relevant to the audit to determine compliance and accountability. Independent auditors perform audits and encompass both financial and compliance components.

Single Audit: is a district-wide financial statement that expends \$750,000 or more in federal fund awards during the fiscal year. A single audit provides assurance to the government that entity has adequate internal controls in place, and complies with requirements and ensure transparency.

Financial Statements: The auditor must determine whether the financial statements are presented fairly in all material respects in accordance with generally accepted accounting principles.

Internal Control: A review is made on internal controls over Federal programs based upon the guidance issued by the Federal Government.

Compliance: The auditor must determine compliance with Federal statutes, regulations, and the terms and conditions of Federal awards, direct and flow-through, that may have a direct and material effect on each of its major programs.

Annual Financial Reports (AFR)

All PA schools are required to file an AFR. The AFR is an expanded version of the audit report, providing more detailed information about line item revenues, taxes, funding sources. AFR's and ACS's are filed with PDE by October 31st, annually, but the state issued automatic extensions to November 30th. The Accuracy Certification Statement (ACS) provides assurance that the AFR submitted, is complete and accurate, and in the auditor's opinion, the financial information reported within the AFR is consistent with the audited financial statements. . Original signed Audit Certification forms are due December 31st.

Mr. David Snodgrass provided an assessment of the Districts financials as to where we were, where we are at, and where we want to get moving forward.

Several in the business manager role over the last five years allowing for inconsistencies and oversight.

- Subsidy funds coming in were greater than expected for 2018-2019 fiscal year.
- September 2019 monies from the past were coming in. David and Malone Business Consultants analyzed to find out why.
- Disclosures beginning closing of 2018-2019.
- Significant PSERS retirement line item and monies intended for the CMVT building/renovation project were incorrect.
- Business Manager started alone on the first day of COVID closure. Inherited records not closed and money not belonging to 2019-2020. Identify funds and roll back to the correct year. A lot of work for the dollar value but necessary for awareness and accuracy.
- Assess quality and application of principles used for 2019-2020.
- Quality and accounting liability on books relevant fund level and fund statements, budget and day-to-day operations.
- Correction in error of financial statement disclosure in footnotes.
- District was fortunate and lucky to acquire Malone Business Consultants to come in and help. They were able to capture and respond appropriately to the inadequacies.

New releases and guidelines forthcoming for 2020-2021 and 2021-2022.

Budget 20-21:

Due to the effects of COVID closures, a six-month single audit extension that have fiscal year ends through June 30, 2021, and had not filed a single audit as of March 19, 2021.

Recommendations moving forward:

- Keep the Board informed
- Awareness and tight budget tolerance.
- Move forward with lessons learned.
- Meet deadlines.
- Take care of things that cannot be late.
- Stay informed.

Thanks to Malone Business Consultants, a smooth transition for Whitney along with her skill set allowing for success. Whitney is committed to correct coding and accuracy.

ADJOURNMENT

The meeting adjourned at 8:00 p.m.

Kathy Musselman
Assistant Board Secretary