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Verona Area School District
Executive Summary
Year Ended June 30, 2021

Independent Auditors' Report

- Unmodified opinion is the highest level of assurance we can provide to the District that the financial statements are materially correct in accordance with Generally Accepted Accounting Principles as set by the Government Accounting Standards Board

Governance Communication

- Summary of Significant Accounting Policies: Described in Not 1 to the financial statements
- The District adopted GASB Statement No. 84, *Fiduciary Activities*
- Accounting Estimates
    - Useful lives of capital assets
    - Other postemployment benefit asset, liability, deferred outflows\inflows of resources
    - Pension asset, liability, deferred outflows\inflows of resources
- **No** difficulties encountered in performing the audit
- Uncorrected misstatement
    - Unrecorded grant receivable and revenue for mental health grants ($66,560)
- **No** corrected misstatements
- **No** disagreements with management
- **No** consultation with other independent accountants
- **No** significant issues discussed with management

Management Letter

The auditors shared a few best practice recommendations with management as follows:

- **Review of Journal Entries:** The District Accountant has the ability to prepare, review, and post journal entries to the accounting ledger without the approval of the Finance Director. The District relies on detective controls that is considered sufficient for the purpose of timely identifying and correcting misstatements that may have been the result of error or omission.
  We recommend that the District review the process for preparing, reviewing, and posting journal entries with the intent to identify opportunities to implement preventative controls to reduce the risk of financial statement misstatement due to error or omission

- **Reconciliation of Capital Assets:** The District does not have a process to reconcile of the District's capital assets throughout the year. Currently, the District performs the reconciliation of capital assets and the related activity on an annual basis subsequent to the end of the fiscal year. The District's process does appropriately reconcile the capital assets prior year balance, the additions, and deletions to the year end balance.
  We recommend that the District review the process for reconciling the capital asset activity with the intent to identify opportunities to implement preventative controls to reduce the risk of financial statement misstatement due to error or omission. The District should consider performing this reconciliation on a quarterly or semi-annual basis for the purpose of expediting the financial close and reporting process related to capital assets at the end of the year.

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