



LEWISTON-PORTER CENTRAL SCHOOL DISTRICT

AUDIT COMMITTEE COMMUNICATION

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AUDIT OVERVIEW

RESPONSIBILITIES AND DELIVERABLES



- Our responsibilities detailed in our engagement letter are under:
 - Generally Accepted Auditing Standards
 - Government Auditing Standards
 - Uniform Guidance (new threshold of \$1,000,000)
- Purpose is to express opinions on your financial statements in accordance with U.S. GAAP
 - Includes each major fund of the District, the custodial fund, and the District as a whole
- Required Supplementary Information (RSI) and Supplementary Information (SI)
 - RSI is not audited, however, we apply limited procedures to
 - Management's Discussion and Analysis (MD&A)
 - Pension and OPEB schedules
 - Changes from the original budget to the final budget and actual results
 - SI includes an audit opinion relative to the general fund budget and 4% calculation and the capital projects and single audit schedules
- We will also provide recommendations for process improvements and internal controls in a written letter to management



AUDIT SCHEDULE



SERVICES

Planning meeting with
management and staff

Preliminary Audit Committee
communication

Final field work*

Drafts available

Audit Committee meeting
– draft review

TIMING

June 9

Electronically distributed

Week of August 31

Late September

Late September/Early October (tentative)

* Fieldwork will be conducted remotely and on site as necessary. Our intention is to perform the majority of fieldwork during this week, so please plan to have all requested information uploaded to Suralink prior to this date but available no later than August 28. We ask that District staff be available for phone calls or video conferencing during our audit.



AUDIT PLAN

AUDIT APPROACH

- Risk-based with an entity-wide and major fund focus
- Update understanding of operations and organizational objectives
- Update understanding of the processes in place to address identified risks
- Exercise professional judgment and professional skepticism
- Assess audit and fraud risk
- Evaluate significant accounting estimates for reasonableness
- Design appropriate audit procedures to address assessed risk
- Continuous communication with management



AUDIT PLAN

MAJOR AREAS

- Revenue
 - State aid
 - Property tax revenue
 - Receivables/unearned revenues
- Property and equipment, capital projects and related payables, and outstanding debt
- Payroll and related accruals
- Compensated absences, pensions (ERS/TRS), and OPEB
- Commitments and contingencies
- Uniform Guidance
- Extraclassroom activities



AUDIT PLAN

MATERIALITY

- Metrics-based that applies to each fund of the District and the District as a whole, including capital assets and debt
- Funds with larger account balances and transactions result in a greater materiality
- For example:
 - District as a whole - \$1,896,000
 - Custodial fund - \$35,000



ACCOUNTING STANDARDS UPDATE



GASB 103, Financial Reporting Model Improvements

- This statement attempts to improve key components of the financial reporting model, including limiting management's discussion and analysis to five specific topics, requiring separate presentation of unusual or infrequent items, and requiring that the budgetary comparison be presented as required supplementary information
- Effective for the District's year ending June 30, 2026

GASB 104, Disclosures of Certain Capital Assets

- This statement requires that lease assets, intangible right-to-use assets, and subscription assets be separately disclosed by major class of underlying asset in the capital assets note disclosures
- Effective for the District's year ending June 30, 2026

GASB 105, Subsequent Events

- This statement modifies the time frame under which certain transactions or other events are required to be disclosed, clarifies events that constitute recognized and nonrecognized events, establishes specific note disclosure requirements for nonrecognized events, and requires disclosure of the date through which subsequent events have been evaluated and disclosed
- This statement will be early implemented for the District's year ending June 30, 2026



REQUIRED COMMUNICATIONS

COMMUNICATION UPON COMPLETION OF THE AUDIT

- Auditor responsibility
- Planned scope and timing
- Compliance with ethics requirements regarding independence
- Significant accounting policies, estimates, and financial statement disclosures
- Difficulties encountered during the audit and disagreements with management
- Uncorrected and corrected misstatements/adjustments
- Circumstances affecting the form and content of the auditors' report
- Representations requested from management
- Management's consultation with other accountants
- Other significant matters, findings, or issues



QUESTIONS

CONTACTS

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