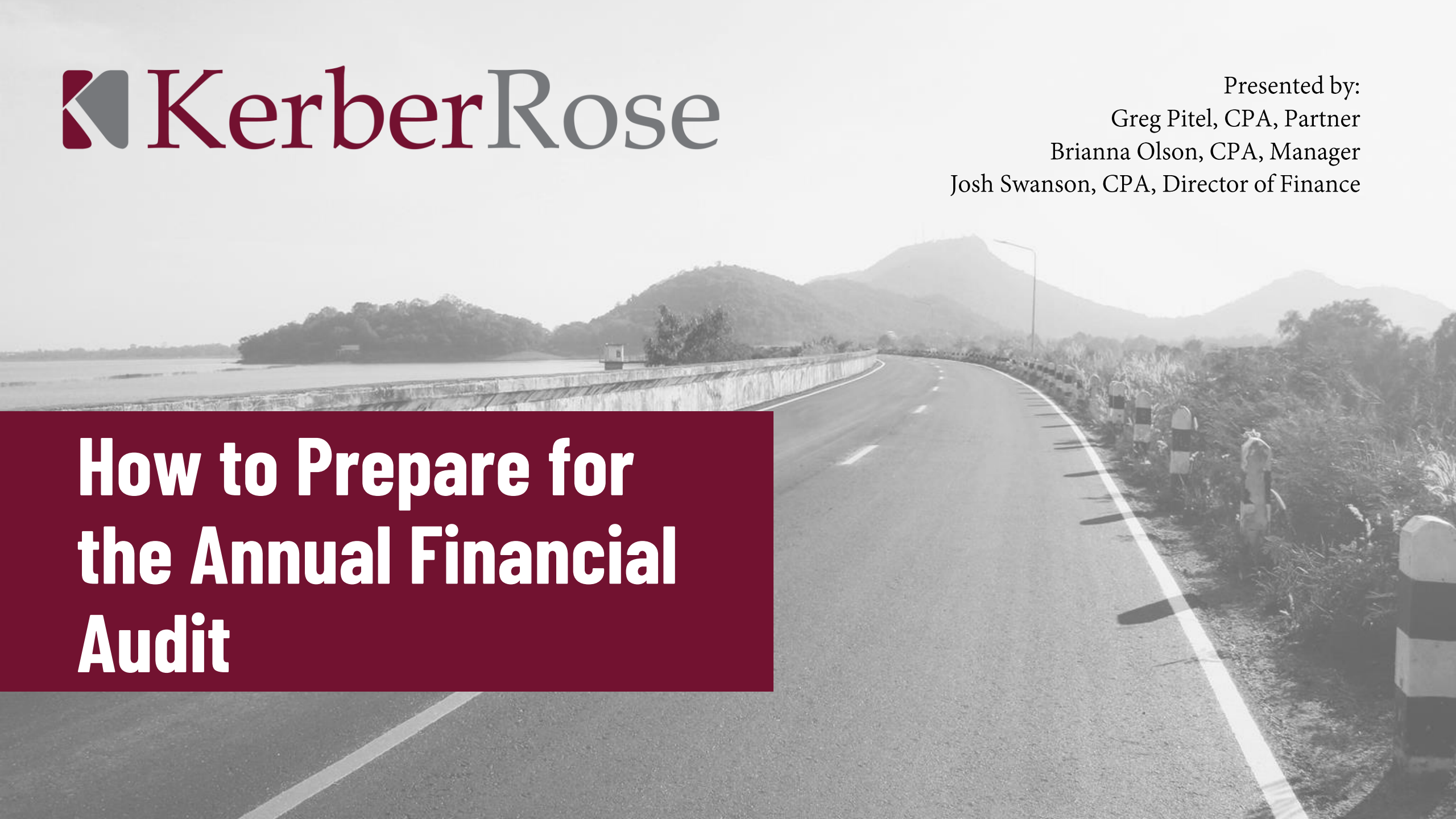




Presented by:
Greg Pitel, CPA, Partner
Brianna Olson, CPA, Manager
Josh Swanson, CPA, Director of Finance

The background of the slide is a grayscale photograph of a paved road that curves to the right. On the left side of the road is a concrete barrier wall, and beyond that is a large body of water. In the distance, there are several hills or mountains under a clear sky. On the right side of the road, there are several white and black striped bollards. A street lamp is visible on the right side of the road.

**How to Prepare for
the Annual Financial
Audit**

Scope of the Audit

- Preliminary Fieldwork
 - Internal Controls
 - Financial Audit
 - Single Audit
 - Debt Schedules
 - Capital Assets
 - Credit Card Testing
 - Journal Entry Testing
- Final Fieldwork
 - Individual Fund Activity
 - Transactions Testing
 - Balance Sheet Reconciliations
 - Internally Balance and Reconcile Balance Sheet Items at 6/30



Third Party Uses



- Actuarial Studies
 - Stipend Pensions and Single Employer Other Post Employment Benefits
 - Actuarial Study Status
 - Full study every 2 Years
 - Table updates for the opposite years
 - Pensions (WRS) and Cost Sharing Other Post Employment Benefits (LRLIF)
 - State Audit Conducted
 - Actuary conducts an actuarial study based off of this audit
 - Reports Typically Released Around October 1

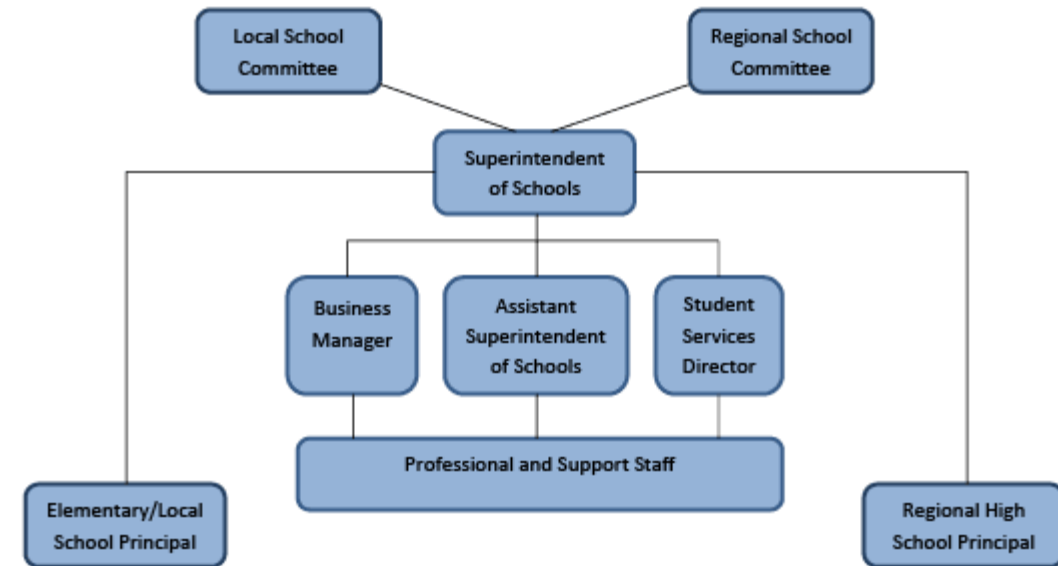
Third Party Uses



- Fixed Assets
 - Auditors Maintain Depreciation Schedules
 - Be sure to code all capital additions to object 500s
 - Review of prior year asset listing for disposals
 - Appraisal Company
 - Schedule inventory date to ensure coverage of all assets
 - June timeframe, allows for the appraisal report to be returned in time for final fieldwork

Who to Involve in the Audit

- Finance Department
 - Interim and Final Fieldwork
- HR/Payroll
 - Payroll balance sheet reconciliations
 - Single audit testing
- Department Heads
 - Create a cutoff for AP and Prepays
- Student Services
 - When Medicaid is a major program for single audit
 - Student files and IEPs selections
- Building Admin/Secretaries
 - Student activity selections
- School Board and Management
 - Fraud inquiries



GASB 96

- Gather IT Agreements
- Determine if Going to Evaluate In-House or with Auditor Assistance



Single Audit vs Financial Audit

- Single Audit
 - Federal expenditures > \$750,000
 - Testing of compliance and controls over major programs
 - Federal and state programs
- Financial Audit
 - Material Weakness vs Significant Deficiency
 - Common Findings
 - Financial Reporting
 - Lack of Segregation of Duties
 - Material Account Adjustments
 - Cash Reconciliations

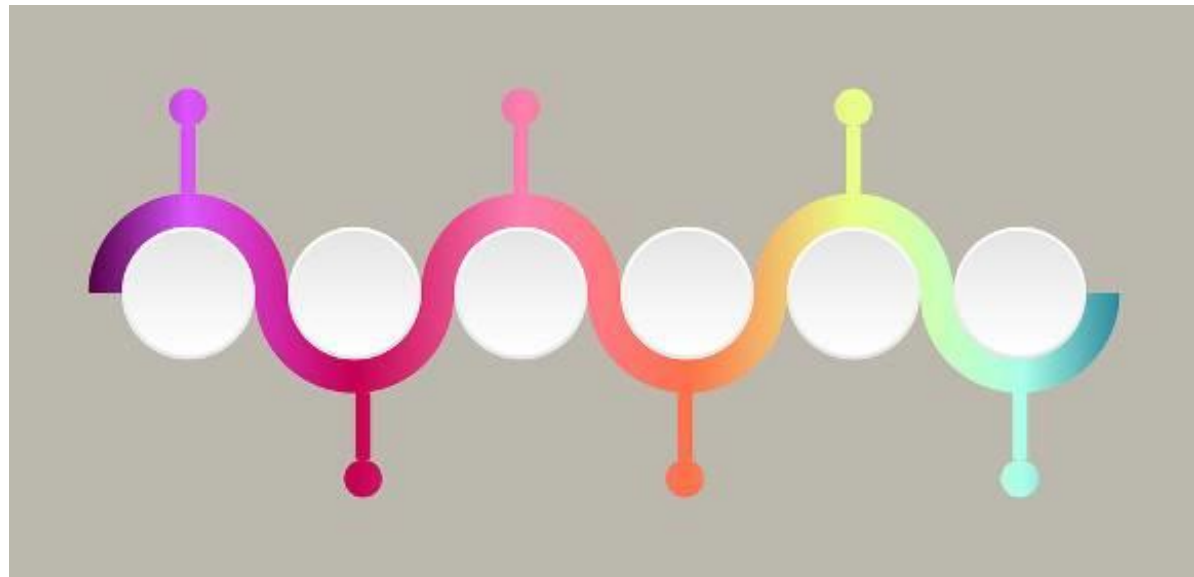


SEFA Preparation

- Schedule of Expenditures of Federal Awards
 - Summarize federal awards by ALN number and award year
 - (Accrued) Deferred Revenue
 - Prior year Accrued (Deferred) Revenue
 - Cash Received
 - AIDS register amounts
 - Expenditures
 - (Accrued) Deferred Revenue + Cash Received + Accrued (Deferred) Revenue
 - Accrued (Deferred) Revenue
 - Current year receivable (deferred) revenue
 - Subrecipient Payments
 - Cash received passed through to other entities

Audit Timeline

- Preliminary Fieldwork
 - June to July
- Final Fieldwork
 - July to September



DPI Deadlines

- PI-1505-AC
 - Last Friday in August
- PI-1506-AC and PI-1506-FB
 - Second Friday in September
- PI-1505-Annual and PI-1505-SE
 - Third Friday in September
- Financial Statements
 - December 15
- General Equalization Calculation
 - Generated early October, based on 1505 and 1506 reports filed



Other Tips and Considerations

- Quarterly Balance Sheet Reconciliations
 - Internal procedures
- Monthly and Timely Cash Reconciliations
 - Within 2 weeks of month-end
- Proactively Reach Out to Auditor with Questions



Thank You

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