



Audit Committee Meeting

Date: January 21, 2025

Time: 3:30-5:00 pm in person at Bonar Street, 2nd Floor

Facilitator: Pauline Follansbee

In Attendance

Laurie Snowden, Isaiah Roter, Dan Lindheim, Pauline Follansbee, Emily Mayer, Kadajah Brown

Auditors: Jeff Jenson & Charles Raibley were in attendance to review the Financials audit for 2023-24

Member Jennifer Shanowski was delayed and arrived after the meeting began.

Call to order was made by Member Laurie Snowden and Quorum was established

Approval of Minutes

Approval of Minutes - None - June 10 minutes deferred to next meeting.

Public Comments

No public comments

Assistant Superintendent Comments

Assistant Superintendent Follansbee shared information coming from Governor's workshop, major news: COLA is about .5 less which equates to \$500K less. Block grant discretionary funding, advised not to include this revenue in budgets yet until more information is known. More on the TK, UTK fully implemented class size is 10-1 with stiff penalties if we don't comply.

New Business – 2023-24 Financials Audit Review

Partner Jeff Jenson begins his presentation of the June 30, 2024 audited financial statements for the district and will discuss the report in detail that the committee would want to go through, as well as answer any questions the committee may have. We point board members to this because it is a good summary of the different sections of our audit and everything that goes into this report. Link to audit report <https://www.berkeleyschools.net/audits/> Good audit results for year ending 2024 walking through opinion, working from summary at back page.

*₁ **Unmodified Opinion** regarding the district's financial statement. Financial statements are free of material misstatements and comply with all applicable accounting pronouncements that are required for this year.

Internal Controls this is where we highlight material weaknesses and any significant deficiencies and internal control needed. No internal controls comments this year, which is a good thing. Which means you have sound fiscal controls here at the office. Tremendous improvement of process of information due to Emily joining the district.

Federal Awards, unmodified opinion regarding your federal compliance, on SPED and Child Nutrition were tested, so there were no federal compliance findings regarding those programs we selected. More detail on SPED education asked by member Isaiah Roter What is done to test special education: most of the cost is related to payroll, teachers and paraprofessionals within the program. Make sure personnel working in that program are approved by PAF that the employee works in SPED and it matches with payroll records.

Member Isaiah Roter asks Jeff Jenson about non public school agencies (NPS): how is it looked at? Jeff; with those costs go to federal dollars or elsewhere. Jeff asks for Pauline's input; If it's a SPED program even if they are not going to NPS, it's charged to special ed resources. not charged to federal resources all the time, there is a match, we tend to focus on the state. Fed funding is very small compared to overall funding. It depends on the disability the federal funds are geared toward disability. Federal funds are focused more on personnel than students. From a compliance perspective we only review the federal. The dept of education can audit special education dollars for compliance. We focus on expenditures in the right place regarding federal dollars. Where we have found findings where the paperwork was not properly documented. Laurie asks : you don't test if it's not federal. Yes.

Isaiah Roter expressed his concern regarding special education rising costs and how to get control of those dollars.

Brief discussion on special education ; where and how can the district gain control of the budget.

E.Mayer: - reminder of maintenance of effort

I.Roter: - efforts are being made to reorganize to avoid overpaying personnel

The last area is **State Compliance**. This year there was a qualified opinion , if you are following along the next two pages are blank, that is good no financial findings or no state financial finding. There are three state compliance opinions/comments : minor in nature, but have to be reported

1. attendance records for two school sites incorrect ADA resulting in an error of.02 ADA which is immaterial but must be reported . Next comment is Independent Study review of contracts - 2 of the 25 long term independent study teachers had not signed an agreement with their student/parents prior to program start. 3rd - Short term independent study student agreement did not comply with Ed code disallowed resulting in an error of 1.9 ADA = \$25K We advised to revise in P2 report.

Dan L: does this change how you review it next year: **Jenson:** does not change. Not large enough to trigger review again next year.

Isaiah R. What is the procedure, it seems something that should have been caught? P. Follansbee responded that internal controls at sites has to be constantly reinforced especially when there is staff turnover. It's basically a training issue.

Jeff Jenson continues with the last comment regarding Afterschool ACE's safety program, attendance records at each site make sure it agrees with what is being reported. Impact was understated 116 days of attendance. There is no calculated penalty from our perspective, no fiscal impact, but would review again because prior finding in the same program/ compliance area as the last audit.

Isaiah: Was there money left on the table due to underreporting. Jensen, refers to internal controls he cannot determine if there was any money left due to underreporting.

The last page to report back on the comments from last year, report back the progress. 1. Aces reporting and 2. instructional materials were implemented and did not repeat this year. No audit adjustments this year, board approved numbers are without modifications. This year's audit went very well.

Jeff Jenson closed the meeting with no further comments on the audit other than Superintendent Follansbee and the team efforts and fulfilling our request with the information we needed to render an opinion and gain evident that we needed to complete our audit and be here today to talk with you about it, and I think untimely overall, as you look at the audit report, there are a lot of positive marks in the report and certainly there are a couple of things to improve upon.

Dan L: questions if the sites and personnel making errors will be properly trained?

Meeting adjourned at 5:30 pm

Next Meeting Date: March 4, 2025 – 2nd Interim review

Financials can be found @ <https://www.berkeleyschools.net/departments/business-services-division/>