

Schoharie Central School District

TO: Board of Education Members
Mr. David Blanchard, Superintendent

FROM: Robert W. Bonaker, Assistant Superintendent - Business

DATE: September 28, 2015

RE: Independent Audit Report for 2014-15: Summary Information



The independent (external) audit firm, Marvin & Company CPAs, P.C., has completed the required annual examination of the financial transactions of Schoharie Central School District. The attached documents are for the school fiscal year that ended June 30, 2015. I am sharing the information with you now in advance of the auditor's presentation during the Audit Committee/Board Meeting on October 15th.

The auditor's report is an **unqualified opinion** regarding our finances for 2014-15. This term is more commonly known as a "clean opinion". This is exactly the audit result we work so hard each year to achieve.

The audit result speaks well of the District as a whole regarding the stewardship of the money that has been entrusted to us. We are indeed fortunate to have the able assistance of our employees in the Business Office, Julie Langan, Sue Schuppel and Barb Smith, through whose diligence and expertise this excellent audit result is largely possible.

As you wade through all the data in the 1st Document "Financial Report June 30, 2015" please note the following:

- Pages A3. and A4. show the districtwide net financial position and change compared to the prior year. As is indicated, net position for 2015 had a positive change.
- Pages A6. and A7. show the capital assets and the long-term debt.
- Pages A7. and A8. show the "big picture" of the factors that could play a large part in ensuing budget cycles. The text on those two pages is the sole authorship and responsibility of the school district.
- Pages B2. to B4. are "bottom line" tables that detail our financial condition. The total equity of the General Fund at 6-30-15 was \$6,419,909, of which \$1,442,500 has been designated for allocation to supplant property taxes.
- Pages B15. to B17. detail the reserved fund balance entries, and there is an explanation for each reserve account. The amount in reserve accounts for the purposes indicated is \$3,898,525, as authorized by action of the Board of Education.

continued on next page

Independent Auditor's Report - Summary Analysis

September 28, 2015

Page 2

- Pages C1. to C2. summarize the major revenue and expense categories of the 2014-15 General Fund budget, including authorized budget amendments and carry-forward encumbrances from the previous school year.

The 2nd Document is the "Single Audit Supplementary Financial Report June 30, 2015".

- On page 5. please note the auditor's confirmation of an unqualified/unmodified opinion.
 - There were no material weaknesses or significant deficiencies.
 - There were no findings on the financial statements.
 - There were no findings or questioned costs of expenses in the Special Aid Fund.
- Please note that we are a low-risk auditee because even though we have a small Business Office staff and personnel have to perform many duties, making it difficult to segregate responsibilities; we do have strong compensating internal financial controls.

The 3rd Document is the auditor's report of "Extraclassroom Activity Funds". As you will note, we also have a clean opinion for the accuracy of the club money transactions and balances on this report. There is a finding: the auditor is recommending that the District in the future have tighter controls over club receipts and fundraisers. Please note that no public money is involved in these accounts.

The 4th Document is the auditor's "Required Communications" letter, especially with regard to the items that form the basis of their opinions. The auditors state that they encountered no disagreements in dealing with management in performing and completing their audit.

I hope the above information has been a useful overview of the independent audit for 2014-15. It bears repeating that this was a clean audit and we are very pleased with that result.

Thank you for reviewing this summary. If you have any questions, please do not hesitate to contact me.

Encs.