

MaherDuessel

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Chartiers Valley School District

PRESENTATION OF THE RESULTS OF THE 2022-2023 AUDIT

March 12, 2024

Audit Deliverables

- ❑ Single Audit
 - Opinions/Reports to be finalized this month
 - Will be filed with the Federal Audit Clearing House, PA Office of Budget, and Allegheny County Prothonotary
- ❑ Communication to those Charged with Governance
- ❑ Management Letter
- ❑ Data Collection Form
 - To be submitted and certified electronically by the March 31st deadline



Required Audit Communications

Required Audit Communications

- ❑ Our responsibilities under U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance are to perform procedures to provide a reasonable basis for our opinion.
- ❑ Our audit does not relieve you or management of your responsibilities to ensure the financial statements are fairly presented.
 - While we do assist in drafting the financial statements and the preparation of the Data Collection Form, the information is reviewed and approved by management to demonstrate their approval of the content.

Required Audit Communications

- ❑ No new accounting standards or policies were adopted or changed in 2023.
- ❑ No material audit adjustments proposed.
 - Immaterial audit adjustments proposed and posted during the audit process
- ❑ Significant Estimates and Disclosures:
 - School District Net OPEB Liability
 - PSERS Net Pension Liability and Net OPEB Liability
- ❑ The financial statement disclosures are neutral, consistent, and clear.
- ❑ No difficulties encountered, no disagreements with management, no consultations with other accountants, and no issues discussed prior to retention as auditors.

PENSION & OPEB LIABILITIES

PSERS Net Pension Liability

- \$97,231,000
- Increase of \$4,155,000 from 2022

PSERS Net OPEB Liability

- \$4,022,000
- Decrease of \$1,353,000 from 2022

Net OPEB Liability

- \$11,367,388
- Increase of \$758,476 from 2022



Financial Highlights

FISCAL YEAR 2023

Fiscal Year 2023

- ❑ COVID-19 ESSER funds of approximately \$1.7 million expended and tested as a major federal program
 - Designated as high risk by the Federal Agency
- ❑ Ongoing construction and capital activity
 - Approximately \$1.6 million expended for construction related
 - \$575,000 recorded for new financed purchase
- ❑ Positive change in net position of \$175,000 in the Food Service Fund

Fund Balances at 6/30/23

	General Fund	Capital Improvement	Debt Stabilization	Designated Trust & Activities	TOTAL
Nonspendable ¹	\$733,343	\$0	\$0	\$0	\$733,343
Restricted ²	0	15,583,224	0	0	15,583,224
Committed ³	1,380,643	970,071	3,357,894	133,035	5,841,643
Unassigned	5,002,109	0	0	0	5,002,109
TOTAL	\$7,116,095	\$16,553,295	\$3,357,894	\$133,035	\$27,160,319
Increase (Decrease) from 2022	\$323,835	(\$1,019,932)	\$143,949	\$9,965	(\$542,183)

1 – Represents insurance premiums that were required to be paid at the beginning of the premium period

2 – Funds are restricted for use in accordance with the bond issuance

3 – Funds have been committed to be used for specified purposes, such as capital projects, debt stabilization, OPEB benefits, etc.

Fund Balance for the General Fund

	Fiscal Year		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
Fund Balance, July 1	\$ 2,925,777	\$ 7,070,396	\$ 6,792,260
Net Change in Fund Balance	<u>4,144,619</u>	<u>(278,136)</u>	<u>323,835</u>
Fund Balance, June 30	<u>\$ 7,070,396</u>	<u>\$ 6,792,260</u>	<u>\$ 7,116,095</u>
Fund Balance Breakdown:			
Nonspendable	1,052,022	1,024,239	733,343
Committed	2,319,274	1,687,618	1,380,643
Unassigned	<u>3,699,100</u>	<u>4,080,403</u>	<u>5,002,109</u>
	<u>\$ 7,070,396</u>	<u>\$ 6,792,260</u>	<u>\$ 7,116,095</u>

Fund Balance for the General Fund (cont.)



Unassigned Fund Balance as a % of
Expenditure Budget = **6.7%**

- 8% cap by PDE for budgeting of unassigned fund balance
- GFOA recommends two months minimum in unassigned fund balance

Fund Balance for the Capital Improvement Fund

- ❑ Breakdown of Capital Improvement Fund Balance
 - Bond Fund - \$15,583,224 restricted
 - Capital Reserve Fund - \$970,071 committed (funds to be spent on current vehicle financed purchase payments)
 - No additional capital reserve funds currently available for future projects
- ❑ \$500,000 was transferred to the Capital Reserve Fund from the General Fund during 2023


Management Letter

Financial Reporting	Interfund Accounts	Capital Asset Valuation	Bank Reconciliations	Delinquent Taxes
<ul style="list-style-type: none"> • A variety of adjustments were necessary to properly record account balances in the fund financial statements. • Management provided support for the adjustments. • We recommend the School District review these adjustments and ensure they are posted to the trial balance, when applicable, prior to year-end closing. 	<ul style="list-style-type: none"> • We recommend that the School District review their interfund account balances and determine whether the funds have the ability to repay the balance or, if not, whether or not to eliminate the balances by recording a transfer 	<ul style="list-style-type: none"> • We recommend that the School District implement procedures to appropriately capture and communicate all capital asset additions and that the School District review the final reports and communicate any discrepancies noted to the third-party service provider for correction. 	<ul style="list-style-type: none"> • We recommend that the School District review their reconciliation policy to ensure accounts are reconciled in a timely manner, reconciled balances agree to the general ledger, and the reconciliations are reviewed by an individual independent of the reconciliation process. 	<ul style="list-style-type: none"> • We recommend the School District develop an allowance methodology to review delinquent real estate collections and accurately assess the collectability of the receivables. • Continued monitoring of delinquent tax collections




Future Considerations


Considerations/Changes for Next Year




Budget constraints,
including final year of
ESSER



Changes in leadership



Cybersecurity risks



Pending accounting
standards

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