

2025 – FN-01 PROFESSIONAL ACCOUNTING SERVICES – FREQUENTLY ASKED QUESTIONS

1. Have there been any significant changes in funding from the previous year?
There will be less federal funds spent in fiscal 2025 compared to fiscal 2024 as most federal CARES funding expired early in fiscal 2025. This was something the district planned for. State aid increased as a result of Maryland's Blueprint for education in fiscal 2025. Those were the most significant changes, but both were planned for.
2. How much time did the previous auditor spend on site vs. remote?
The majority of the audit work has been done remotely. The previous auditor was on site for less than a week in fiscal 2024.
3. What were the fees for the 6/30/2024 audit?
\$83,518
4. Have you considered requesting from the previous auditors their documentation of the various transaction cycles so that management can maintain this going forward?
Not at this point.
5. Was there any difficulties in working with the previous audit firm?
There were no difficulties working with the previous audit firm. The previous firm notified the Board that fiscal 2024 would be the last year the firm was performing audits. ACPS had been an audit client for over 40 years.
6. Are there specific forms / templates you would like us to use for the Contract, Proposal, Addenda Affidavits, Price Proposal and References?
There is an Acknowledgement form and a price proposal form that have been added to the ACPS bids page that are required.
7. Given the rising technology costs all organizations are expending to serve and protect client information, we are adding a technology and client support fee to all of our invoices. In addition to our fixed fee, are you comfortable with us including a 5% technology fee to our professional fees?
Please see RFP Section II (4)(b) Pricing.
8. Are there any significant changes in operations in the current year versus the prior year including changes in policies and procedures, personnel, or the reporting entity?
There are no significant changes in operations in the current year versus the prior year.
9. Please comment and/or provide journal entries proposed by the auditors in the prior year?
Please see attached list. Much of the first page related to the prior period adjustment from GASB 96.

10. Please comment on the extent of decentralized operations within the Board of Education? Describe any decentralized accounting functions that may require site visits during the audit.

The ACPs Central office is located at 108 Washington Street in Cumberland, MD 21502. Finance staff are based within this office.

There are also Maintenance and Operations offices including a warehouse, which also houses the Food and Nutritional Services (FNS) staff about a quarter mile away at 211 Market Street, Cumberland, MD 21502. This location also houses most of the FNS inventory and is typically visited by audit staff at year end to verify inventory.

The current audit firm also typically visits an elementary, a middle, and a high school annually to review their books.

11. What computer systems are used for general ledger operations? Which systems manually interface with the general ledger? Which systems automatically interface with the general ledger?

Munis by Tyler Technologies is the primary financial and human resources system used. At the school level, they use School Funds Online. Food Services uses a stand alone system for inventory and record keeping. Both School Funds Online and the Food Services manually interface with the general ledger.

12. In an effort to understand the level of effort currently exerted by the current auditing firm, please provide (a) hours billed (b) prior year fees and (c) schedule of auditors in the field? For example, 2 people 2 weeks in November and 4 people 3 weeks in April. How did the fees charged compare to the fees quoted in the proposal?

Staffing information is not readily available. The engagement was staffed in a somewhat untraditional manner as the current firm was experiencing staffing challenges. The audit was performed primarily by a senior level manager and an experienced staff member both of which were very familiar with the account.

The base billing for the last year of the contract in fiscal 2024 was \$76,000, however the contract allowed for additional billing for pronouncements added after the original contract was signed. The additional engagement fees for GASB 96 and SAS 143-145 added an additional \$8,342 to the price in fiscal 2024.

13. How many years have the current auditors been serving the Board of Education? How many years have the current engagement partner/principal served the Board of Education?

The previous audit firm has served the Board of Education for over 40 years. The engagement partner has also served the Board of Education for over 40 years.

ALLEGANY COUNTY BOARD OF EDUCATION
CORRECTED JOURNAL ENTRIES
6/30/2024

FY24 GENERATED CORRECTED AJE'S

FUND	ACCOUNTS	DEBIT	CREDIT
Food service	Accounts payable	19,109.74	
	Prepaid expenses		19,109.74
To remove overstatement of prepaid expenses and accounts payable. Entry was not material to the financial statements.			
General	Prepaid expenses		1,098,521.00
	Transfer - General Fund	1,098,521.00	
To record the prior period adjustment to remove SBITA's as prepaids from beginning balances on the FY24 fund statements.			
Restricted	205 Other Instructional		688,978.00
	205 Other Instructional		70,309.00
	Prepaid expenses	759,287.00	
	Transfer -general		759,287.00
	Transfer (expense)	759,287.00	
	Transfer - General Fund	212,135.00	
	Prepaid expenses		212,135.00
To record impact of removing prepaid expenses related to SBITA's on the FY24 fund statements.			
General	Prepaid expenses		955,452.00
	Unassigned fund balance	955,452.00	
	Transfer - Restricted fund		1,098,521.00
	Unassigned fund balance	1,098,521.00	
To record the prior period adjustment to remove SBITA's as prepaids from beginning balances on the FY24 fund statements.			
General	204 Instructional Supply		154,582.00
	205 Other Instructional		591,421.00
	206 Spec Ed		53,484.00
	210 Ops of Facilities		3,946.00
	Prepaid expenses	803,433.00	
	Transfer - restricted	759,287.00	
	Transfer (revenue)		759,287.00
	Capital Outlay	212,135.00	
	Transfer - restricted		212,135.00
To record impact of removing prepaid expenses related to SBITA's on the FY24 fund statements.			

**ALLEGANY COUNTY BOARD OF EDUCATION
PASSED JOURNAL ENTRIES
6/30/2024**

FY23 PASSED ENTRIES IMPACTING FY24

Fund	Account	DR.	CR.
School cons.	Beginning fund balance	2,795.70	
	Construction expenses		2,795.70
Impact of passed prior year entry to correct deferred revenue.			

FY24 GENERATED PASSED AJE'S

General	Current portion of compensated absences (Sick)	108,330.00	
	Beginning fund balance unrestricted		108,330.00
To correct current portion of compensated absences, sick, at 6/30/23			
Food service	Purchased food	1,432.54	
	Inventory		1,432.54
To adjust for the difference between the auditors inventory count and the warehouse inventory reflected on the financial statements. The adjustment is for the actual difference in the sample projected to the entire warehouse inventory.			