



Presentation of the December 31, 2023  
Financial Statements  
By  
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# Sites

Thank-you for allowing us  
this opportunity

# What is an Audit?

Our Shared responsibility for accuracy and disclosure

# Financial Statement Audit Defined

*A Financial Statement audit is an independent examination of the organization's financial statements and disclosures by independent auditors with the goal of providing a materially true and fair view of the organization's financial performance.*

The auditor is a watchdog not a bloodhound.

– Lord Justice Topes

# Fechter & Company's Responsibility

## Our Responsibilities

- We are responsible for forming and expressing an **opinion** about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared, in all material respects, in accordance with ***Generally Accepted Accounting Principles***
- Our **engagement** as auditors and the performance of the audit of the financial statements **does not relieve** management or those charged with governance of their **responsibilities**.

***An audit only provides reasonable assurance NOT absolute assurance on the accuracy of the financial statements***

# Fechter & Company's Responsibility

## Our Responsibilities – Single Audit

- Forming and expressing an opinion of the Agency's Federal program compliance in accordance with the applicable standards and Uniform Guidance
- Meet all professional standards required for yellow book examinations

*An audit only provides reasonable assurance NOT absolute assurance on the accuracy of the financial statements*

# Sites Management Responsibility

Management and the Board are responsible for fair and accurate financial reporting and establishing the systems and policies necessary to achieve that goal.

- Specifically Management's responsibilities include:
  - Selection of accounting policies
  - Financial Statement presentation and accuracy
  - Implementation of a system of internal controls
  - Complying with the requirements of receiving federal funds

*Management and the Board have full responsibility for the Financial Statements and SEFA presentation and accuracy*

# Overview of the Financial Statements and Schedule of Expenditures of Federal Awards (SEFA)

A snapshot



# Scope of Work

- Financial Statement Audit for the Year Ended December 31, 2023
- Single Audit of SEFA

# Independent Auditor's Report

Clean Opinion on Financial Statements

No opinion on Required Supplementary Information

- Managements Discussion and Analysis (MD&A)
- Budgetary Information
- Other information
  - Schedule of Expenditure of Federal Awards (SEFA)
- Other report
  - Report on Internal Control over Federal Awards

# Balance Sheet

2023

2022

2021

## Assets

Cash and investments	\$ 26,432,571	\$24,276,372	\$17,226,150
Grants Receivable	4,664,143	9,016,756	5,693,555
Other Assets	28,272	24,961	23,050
<i>Cash as a percentage of assets</i>	<i>85%</i>	<i>73%</i>	<i>75%</i>

# Balance Sheet

2023

2022

2021

Current Payable	\$ 3,137,193	\$ 3,039,725	\$ 1,226,334
Participant reimbursement policy	9,039,559	9,039,559	9,039,715

# Balance Sheet

- Net Position
  - Assets less liabilities = Net Position
  - Equals the accumulated net earnings since inception

	2023	2022	2021
• Unrestricted	\$18,948,234	\$ 21,238,805	12,886,706
<i>% of net assets held in cash</i>	<i>139.5%</i>	<i>114.3%</i>	<i>133.7%</i>

# Revenues

	2023	2022	2021
• Revenues			
• Membership/Authority	\$ 455,000	\$ 505,000	\$ 505,000
• Membership water	16,450,300	17,850,300	6,654,800
• Grants	22,692,297	14,799,296	14,540,276
• Interest and other	660,342	131,608	83,445
<b>Total</b>	<b>\$ 40,257,939</b>	<b>\$ 33,286,204</b>	<b>\$ 21,783,521</b>

# Expenditures

	2023	2022	2021
Total expenditures	\$ 42,548,510	\$ 24,934,105	\$ 18,956,126
Professional fees	42,221,382	24,475,217	18,777,030
% spent on project costs	99%	98%	99%

# Audit Issues

- One adjustment recorded
  - Grant receivables totaling \$4,664,143
- This is a recurring issue arising from the manual processes employed, that may be cured with the discussed financial reporting system.



# Single Audit

Required as a result of expenditure of Federal Funds in Excess of \$750,000

- Unmodified opinion
- One Finding Reported
  - Related to proper completion of the Schedule of Federal Awards
  - Type of finding – Significant Control Deficiency
    - Based on guidance from US Department of the Treasury, this is an automatic finding
    - One of the most common findings
    - Does not generate any additional scrutiny from the grantors
  - Not a MATERIAL WEAKNESS Control Finding



**Thank You**