



# Review of 2019 Annual Audit



Presented by:

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# Our Vision and Mission

## Our Vision:

We prepare scholars to achieve globally, to contribute locally, and to be fulfilled individually

## Our Mission:

We develop scholars through world class learning experiences to attain an exceptional knowledge base, critical & relevant skill sets, and the necessary dispositions for great success.



# Strategic Plan

## **Commitment #5: A Culture of Accountability and Excellence**

- A culture of accountability and excellence must permeate the entire district in order for us to achieve the goals outlined in this strategic plan. Thoughtful planning, deliberate and consistent use of systems and data analysis, and a deep commitment to professional learning will enable us to build—and sustain—a districtwide culture of accountability and excellence.



# Objectives

- Review the results of the 2019 financial audit
  - Highlights of Financial Position
  - Review of Findings and Corrective Actions



# Key Concepts

## Types of Audit Opinions:

- Modified: financial statements require additional amendments in order to be clear; some misstatements in financial reports
- Unmodified: financial statements are presented fairly, accurately and in accordance with Generally Accepted Accounting Practices (GAAP)

JPS received an **unmodified** opinion for 2019

**Fund Balance:** Total assets less total liabilities in each fund

- Reserved: amount of fund balance reserved for specific purposes
- Unreserved: available for any purpose



# Key Concepts

**Cash Balance:** the level of monetary assets (cash) at any given time within a fund

**Net Position:** the difference between all assets and all liabilities

## Types of Findings:

- **Deficiencies:** a deficiency in internal control exists when the operation of a control does not detect and/or correct misstatements in a timely basis
- **Material Weakness:** a deficiency or combination of deficiencies that there is a reasonable possibility that a material misstatement may occur
- **Significant Deficiency:** a deficiency or combination of deficiencies that are less severe than a material weakness but are important enough to merit attention



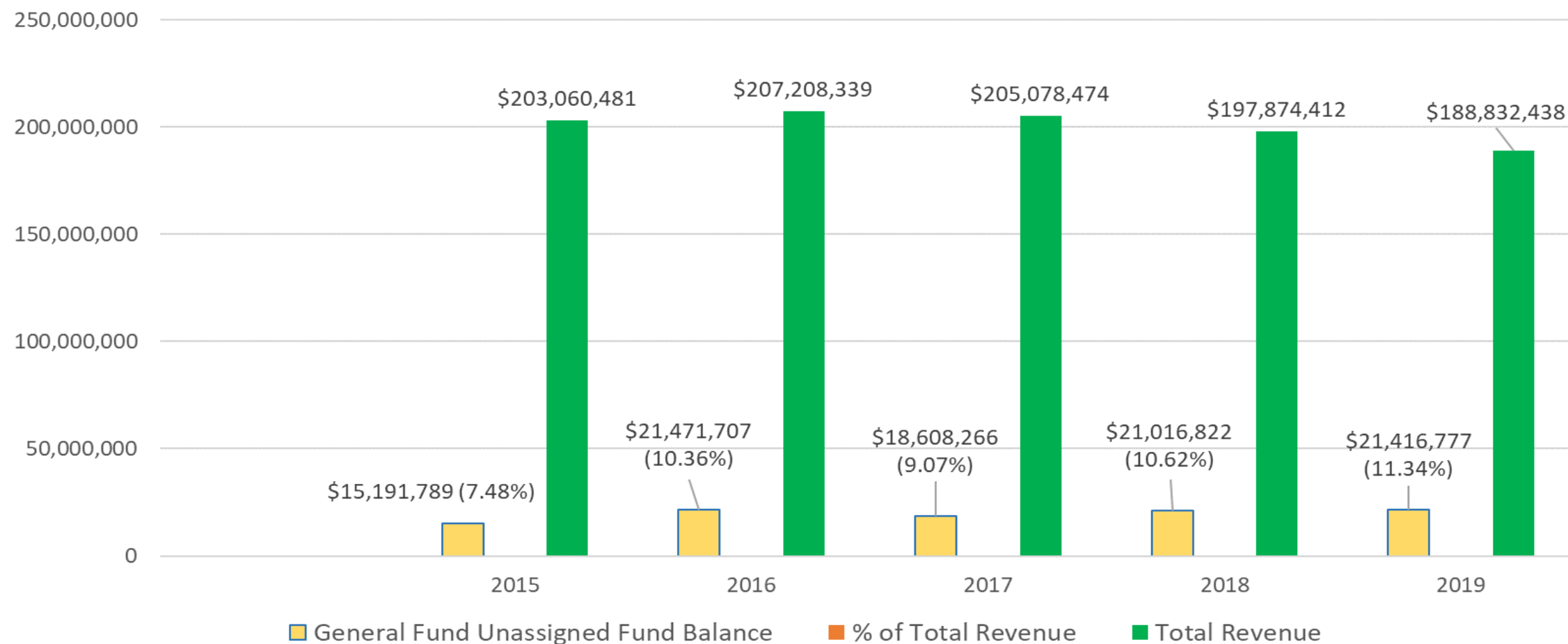
# Financial Highlights

- Net position decreased by 1% from 2018 (remains positive net of Other Post Employment Benefits-OPEB and Pension liability)
- General Fund fund balance decreased by \$1,903, 164 from 2018; a net effect of charter school payments
- Capital assets (buildings and properties) decreased due to the disposal of buildings, mobile equipment, furniture, etc.
- Long term debt increased due the issuance of general obligation bonds (\$65 million)



# General Fund- Fund Balance

- Board Policy DGA- requires an unassigned fund balance in the general fund at fiscal year end of no less than 7% of total revenue





# Revenue and Expenditures (General Fund)

		2019	2018	2017
REVENUE:				
Local Sources	\$	72,264,269	\$ 74,936,573	\$ 75,840,472
State Sources		114,656,963	120,173,514	126,597,679
Federal Sources		270,870	1,565,316	1,321,008
Sixteenth Section		1,640,336	1,199,009	1,319,315
TOTAL REVENUE	\$	188,832,438	\$ 197,874,412	\$ 205,078,474
EXPENDITURES:				
Instruction	\$	108,185,589	\$ 107,066,830	\$ 110,672,255
Support Svcs		80,373,141	86,976,798	84,710,391
Non inst. Svcs		90,080	57,951	44,379
Sixteenth Section		382,352	86,280	61,371
Debt Service		193,916	159,535	78,058
TOTAL EXPENDITURES	\$	189,225,078	\$ 194,347,394	\$ 195,566,454



# Audit Standards

## State Compliance Review:

- Finding 1: Some retirees have been paid more than allowed and retirement forms have not been filed with PERS within five (5) days of re-employment
  - Resolution: Staff is reviewing all schedules and timesheets submitted for retirees to ensure that they do not exceed the amount of payment allowed. Human Resources has developed a verification system to ensure that paperwork is submitted timely
- Finding 2: Instances of invoices paid after 45 days of receipt
  - Resolution: Business Office has put procedures in place to pay invoices within the time required



# Audit Standards

## State Compliance Review:

- Finding 3: Board members failed to file the required Statement of Economic Interest by May 1st
  - Resolution: Staff is working with all board member to ensure compliance
- Finding 4: 16<sup>th</sup> Section leases that were delinquent more than 60 days were not cancelled
  - Resolution: CFO will bring leases forward that are delinquent for either cancellation or approval of a payment plan/schedule



# Audit Standards

Financial Statement Findings (all significant deficiencies):

- Finding 1: Purchase orders (3 of 30 tested) were dated after the date of the invoice
  - Resolution: Business Office staff will provide technical assistance to staff to ensure compliance with state purchasing laws
- Finding 2: Athletic deposits (3 of 25 tested) were not deposited within three(3) business days
  - Resolution: Business Office staff will train ticket takers on the responsibility of making deposits and will make recommendations in the event of continued non compliance
- Finding 3: Child Nutrition reimbursement claim (1 of 10) was not filed timely
  - Resolution: Staff has been trained on the deadlines and a process to ensure compliance has been established



# Next Steps

- Business Office staff will continue to provide technical assistance and professional development of district employees on policies and procedures
- Accountability measures will be put in place to monitor compliance
- Areas of non compliance will be immediately addressed (if not already addressed) and corrected

