



Cheltenham School District

Audit Presentation

Agenda

- Review of financial report for June 30, 2018
- Audit responsibilities and audit process
- Required audit communications and single audit
- Upcoming GASB pronouncements

Government-Wide Financial Statements

Statement of Financial Position

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Cash and Investments	\$34,267,271	\$68,302,848	\$67,156,522	\$37,244,044
Receivables	\$9,086,305	\$6,486,530	\$6,171,941	\$5,039,461
Other Assets, Less Other Liabilities	\$6,659,045	\$5,010,970	\$4,295,062	\$3,732,579
Capital Assets, Net	\$167,469,328	\$149,368,931	\$125,216,132	\$119,224,739
Accounts Payable and Accrued Exp	\$14,654,949	\$17,687,070	\$13,592,346	\$9,225,472
Debt	\$169,110,776	\$174,068,993	\$147,983,757	\$116,250,926
Compensated Absences	\$983,078	\$944,969	\$869,446	\$852,082
Net Pension Liability	\$186,441,000	\$183,261,000	\$154,549,000	\$140,868,000
OPEB Obligation (Asset)	\$10,865,968	(\$506,719)	(\$658,380)	(\$613,615)
Net Deferred Outflows (Inflows)	(33,706,044)	(36,365,123)	(13,978,956)	(1,751,207)
Net Position	(\$130,867,778)	(\$109,920,911)	(\$99,517,556)	(\$99,590,835)

Government-Wide Financial Statements

Statement of Activities

Revenues and Change in Net Position:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Property Taxes	\$83,980,426	\$81,951,665	\$80,125,186	\$77,745,479
Earned Income Taxes	\$3,982,772	\$3,913,591	\$3,796,555	\$3,742,463
Grants	\$26,779,866	\$25,508,277	\$22,983,185	\$21,918,958
Charges for Services	\$2,438,013	\$2,454,676	\$2,461,682	\$2,319,237
Other	\$1,173,995	\$818,063	\$370,898	\$223,238
TOTAL REVENUES	\$118,355,072	\$114,646,272	\$109,737,506	\$105,949,375
TOTAL EXPENSES	\$128,357,325	\$125,049,623	\$109,664,227	\$107,842,356
CHANGE IN NET POSITION	(\$10,002,253)	(\$10,403,351)	\$73,279	(\$1,892,981)

Government-Wide Financial Statements

Statement of Activities

Expenses:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction	\$71,046,702	\$69,059,658	\$62,049,013	\$62,612,333
Support Services	\$41,506,319	\$39,388,931	\$35,057,768	\$32,886,418
Non-instructional Services	\$2,964,380	\$2,882,020	\$2,737,466	\$2,520,393
Debt Service	\$6,124,461	\$6,627,518	\$3,584,189	\$4,296,118
Depreciation	\$3,976,917	\$4,276,041	\$4,170,468	\$3,252,559
Food Service	\$1,885,219	\$1,964,477	\$1,862,191	\$1,866,646
Refund of Prior Year Revenues	\$853,327	\$850,978	\$203,132	\$407,889
TOTAL EXPENSES	\$128,357,325	\$125,049,623	\$109,664,227	\$107,842,356

Fund-Level Statements

General Fund:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund Balance - Total	\$14,640,656	\$17,707,084	\$17,687,227	\$16,443,225
General Fund Balance - Unassigned	\$4,747,147	\$8,670,632	\$6,752,711	\$8,792,262
Net Change in Fund Balance	(3,066,428)	\$19,857	\$1,244,002	\$3,599,859

Food Service Fund:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position	94,485	205,968	362,691	82,662
Income (Loss) Before Transfers	(111,483)	(156,720)	(29,971)	(129,148)
Transfers from General Fund	-	-	310,000	213,000
Change in Net Position	(111,483)	(156,720)	280,029	83,852

Capital Assets and General Obligation Bonds

Governmental Activities

Capital Assets and General Obligation Bonds:

	Balance			Balance
	July 1, 2017	Additions	Deletions	June 30, 2018
Land and site improvements	\$ 209,837	\$ -	\$ -	\$ 209,837
Construction in progress	33,829,937	19,387,195	(3,259,333)	49,957,799
Buildings and building improvements	152,592,518	5,617,903	-	158,210,421
Accumulated depreciation	(40,590,666)	(2,985,551)	-	(43,576,217)
Furniture and equipment	14,429,778	352,297	-	14,782,075
Accumulated depreciation	<u>(11,152,321)</u>	<u>(991,366)</u>	<u>-</u>	<u>(12,143,687)</u>
CAPITAL ASSETS, net	149,319,083	21,380,478	(3,259,333)	167,440,228
GENERAL OBLIGATION BONDS	165,140,000	7,610,000	(11,615,000)	161,135,000

Budget vs. Actual General Fund

Budget vs. Actual:

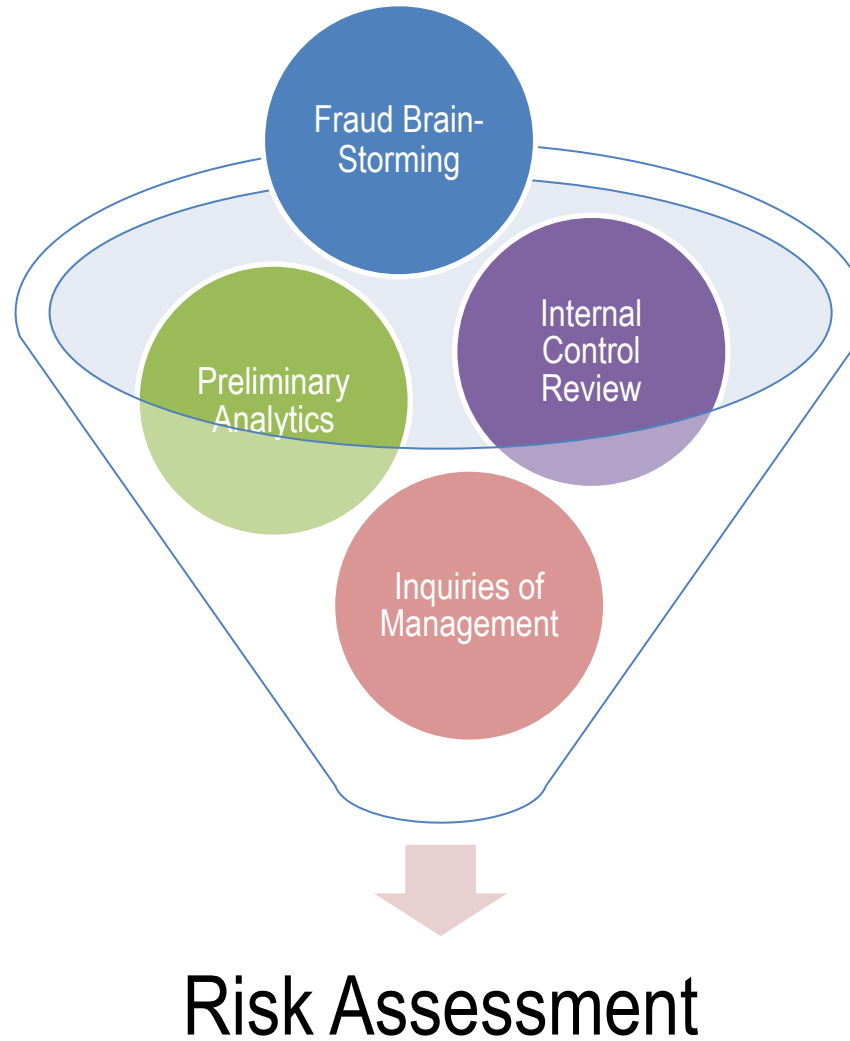
	Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
REVENUES			
Local sources	\$ 88,319,015	\$ 90,725,016	\$ 2,406,001
State sources	23,772,019	24,739,963	967,944
Federal sources	617,116	627,906	10,790
TOTAL REVENUES	112,708,150	116,092,885	3,384,735
EXPENDITURES			
Instruction	62,129,501	65,675,904	(3,546,403)
Support services	37,769,903	39,980,862	(2,210,959)
Operation of non-instructional services	2,825,545	2,810,164	15,381
Refund of prior year revenues	-	853,327	(853,327)
TOTAL EXPENDITURES	102,724,949	109,320,257	(6,595,308)
EXCESS OF REVENUES OVER EXPENDITURES	9,983,201	6,772,628	(3,210,573)

Audit Responsibilities

- Unmodified opinion on financial statements
 - No material misstatements
 - Materiality concept
- Fraud responsibilities
- Internal control responsibilities
- Federal programs audit
 - No material noncompliance

Audit Process

Planning:



Audit Process

Substantive Audit Testing

- Trial balance and supporting account analysis
- Cash and investments – reconciliations and Act 72 collateral
- Capital assets – vouch additions; recalculate depreciation
- Accounts payable – search for unrecorded liabilities
- Debt – confirmation
- Revenue – confirmation and reconciliation
- Expenses – pivot tables

Audit Process

Data Analytics

- Filter, sort and index the general ledger
- Journal entry testing
- Payroll analysis
- Subsequent disbursements
- Pivot table analysis
- Vendor and employee address match
- Benford's Law analysis (fraud detection)

Required Audit Communications

- Unmodified opinion on financial statements
- SAS 114 report to audit committee
- No internal control deficiencies to report
- Single Audit for federal programs
 - Major program tested for 17/18 - IDEA

GASB Pronouncements

GASB Pronouncements

- GASB 75 OPEB - implemented for 17/18
- GASB 84 Fiduciary Funds – 19/20
- GASB 87 Leases – 20/21



Thank You