



# CITIZENS SUMMARY

## Findings in the audit of the Joplin School District

Financial Condition	The financial condition of the Joplin Schools General and Capital Projects Funds have declined in recent years. The General Fund balance is projected to decline from approximately \$16 million in July 2011 to \$4.6 million in June 2015. The Capital Projects Fund balance is projected to decline from approximately \$29 million in July 2011 to \$5 million in June 2015. The declining fund balances are due in large part to the impact of the May 22, 2011, tornado and atypical disaster related expenditures. Decreased property values and a tax increment financing agreement entered into between the city, master developer, and the district has also affected local funding. In addition, the decline in the Capital Projects Fund balance necessitates the district obtaining additional financing to pay for construction expenditures until the district receives final federal and state disaster funding.
Accounting Controls and Procedures	District employees do not always issue receipt slips and reconcile them to transmittals/deposits, record receipts timely, or deposit receipts timely and intact. In addition, school officials do not maintain adequate supporting documentation or track receipts and disbursements for the petty cash funds at South Middle School and the high school. The district does not issue tickets to those who attend district athletic events or have another method to account for attendees, and as a result has no method to reconcile collections to deposits and ensure all receipts are deposited. Further, the district does not maintain inventory records of concession items purchased, sold, and on hand. The district also has not adequately segregated the duties of receiving, recording, and depositing or transmitting monies at any of the 5 schools auditors visited or perform documented reviews of accounting records.
School Stores	The student run school store and coffee shop collection procedures at the high school need improvement. Neither the teachers nor student workers maintain proper inventory records, conduct periodic physical inventories, or reconcile inventory to sales and purchases.
Financing Arrangements, Procurement Procedures, and Contracts	The district used the same provider to serve as both financial advisor and bond underwriter for all bond and lease participation certificates, and sold general obligation bonds and lease participation certificates using a negotiated sale rather than a competitive bid process. In addition, the district did not always follow its purchasing policy, enter into written contracts when appropriate, or monitor contracts effectively. For example, the district made payments totaling approximately \$4.3 million to the rebuild projects construction manager for general conditions fees and acceleration costs without obtaining adequate supporting documentation to ensure reasonableness and compliance with contract terms.
Sunshine Law	The district did not adequately document justification for Sunshine Law fees charged prior to November 2013 and does not maintain a log of public requests to ensure the district handles all requests in compliance with the Sunshine Law. Also, the Board of Education did not make public the results of some votes taken and the final disposition of matters discussed in closed meetings, when required.

Bright Futures Joplin	District personnel do not reconcile the Bright Futures (BF) Joplin store inventory to purchases and sales and do not conduct periodic physical inventories. In addition, personnel at the BF Joplin distribution center do not maintain a perpetual inventory record and do not perform periodic inventories.
Attendance	The district's attendance system does not adequately track all changes made to attendance records or limit the time frame during which district employees can make changes. Further, district officials do not review changes made to current school year attendance records to ensure they are appropriate.
Student Promotion and Retention	The district did not require eleven at-risk 4th grade students who were reading below a 3rd grade level at the end of the 2013-2014 school year to attend summer school prior to the district promoting them to 5th grade. Although summer school is required by statute in this situation, the district suggests at-risk students attend summer school, and does not require attendance if the parents refuse.
Capital Assets, Fuel Usage, and Mileage Logs	The district has not performed an annual physical inventory of district assets since 2010, and has yet to remove numerous items destroyed in the May 22, 2011, tornado from the district's capital asset listing. In addition, the capital asset listing does not include more than \$11.7 million in capital assets purchased after the tornado. The district also does not reconcile fuel purchased for its 2 bulk fuel tanks to usage recorded on district mileage logs, and for 2 of the district's 9 fuel cards the district does not reconcile charge receipts to fuel card statements. Also, the district's mileage logs are not always complete.
Personnel Policies and Procedures	The district hired some employees for positions in which they did not possess the minimum required qualifications, and there was no documentation supporting the district's acceptance of other qualifications or experience in lieu of the stated qualifications. The district has not documented the basis for administrative employee mileage stipends, and does not have a travel policy to address meal allowances, mileage reimbursements, mileage stipends and the submission of related supporting documentation. The district's cell phone policy is also out of date.
Internal Audit Function	The district does not have an internal audit function to audit its numerous cash collection points and compliance and policy requirements.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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