Finance and Audit Committee

JANUARY 23, 2019



CHICAGO PUBLIC SCHOOLS ANNUAL FINANCIAL AUDIT & FEDERAL SINGLE AUDIT RESULTS

FOR FISCAL YEAR ENDING JUNE 30, 2018 BOARD PRESENTATION JANUARY 23, 2019



DEPARTMENT OF FINANCE



ANNUAL FINANCIAL AUDIT

ANNUAL EXTERNAL AUDIT COMPONENTS CONT'D

ILLINOIS STATE BOARD OF EDUCATION ANNUAL FINANCIAL REPORT (AFR)

Statutorily required report of the District's financial activities converted from the CAFR format to the ISBE format.

The deliverable is a separate Audit Opinion issued by the external auditors on the information contained in the AFR.

Due to the sheer size and complexity of Chicago Public Schools and the level of effort involved in the preparation of the report, the annual deadline is February 15th.

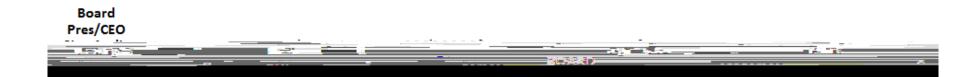
-LEVEL REPORTING

New reporting requirement for site or school/department level reporting for all school districts nationwide under the Federal Every Student Succeeds Act (ESSA).

The first required report is due no later than September 30, 2019 and will contain information that has not yet been audited.



CHICAGO PUBLIC SCHOOLS'



ANNUAL FINANCIAL AUDIT AUDIT FINDINGS FOR THE LAST FIVE YEARS

WHAT IS AN AUDIT FINDING?

Material Weakness-An internal control deficiency(ies) which has a material effect(s) on the financial statements.
Significant Deficiency-Less severe than a material weakness, but important enough to communicate to those in charge of governance.

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There were no prior year Federal Single Audit findings or questioned costs to resolve as of June 30, 2018.

Major programs audited this year:

Child Nutrition Cluster & Child/ Adult Care Food Program ("Nutrition") Twenty-First Century Community Learning Centers (" 21st Century") Student Support and Academic Enrichment Program ("SSAE")



FINANCIAL HIGHLIGHTS (UNAUDITED) YEAR OVER YEAR COMPARISON

Chicago Public Schools is required to issue two sets of financial statements. The first set is similar to financials issued by the private sector and the second set is preferred by government officials and our citizenry and ties directly to our annual budgets.

1. Revenues increased in the General Operating Fund due to increased State Aid as a result of the new EBF formula,

<u>FINANCIAL HIGHLIGHTS (UNAUDITED)</u> YEAR OVER YEAR COMPARISON CONT'D

In Fiscal Year 2018, the District is reporting a positive ending fund balance amount in the General Operating Fund for the first time since Fiscal Year 2015.

Though the cumulative fund balance in the General Operating Fund increased to \$324MM in Fiscal Year 2018, \$80MM is

The change is primarily attributable to the change in the State funding formula from 2017. Payments were received later

BUDGETARY HIGHLIGHTS (UNAUDITED) GENERAL OPERATING FUND

Revenues, Other Financing Sources & Expenditures

Total Budgeted Revenues:
\$5.64B
Total Budgeted Expenses: \$5.70B
Total Actual Revenues: \$6.11B
Total Actual Expenses: \$5.51B
Chicago



Questions?

