



MPS Effectiveness Report

Financial Services Division

November 2018

Executive Summary

- The Financial Services is responsible for leading and coordinating the financial activities of the District. The services include purchasing and procurement, treasury, accounts payable, financial reporting, budget, activity funds and risk management. The mission of the department is to provide excellent service and support to the District's school sites and departments, while also serving as a liaison between sites and outside vendors. The department also coordinates the District's annual audit and compiles the information for the Comprehensive Annual Financial Report.

Financial services is comprised of 4 teams. Team names and primary responsibilities are listed below along with a brief description of how each respective team supports staff and/or the District.

- Treasury: Receipt of all income, banking, bidding and risk management;
 - Payroll: Paying, balancing and reconciling payroll data, teacher retirement reporting, depositing and reporting taxes.
 - Accounts Payable: payment of debts owed by the District to creditors and vendors, ensure all purchase orders and expenses are coded correctly per Oklahoma Cost Accounting System (OCAS);
 - Activity Funds: manages all school activity fund sub accounts, all sub account fund raising activities, and all purposes for which the monies collected in each sub account can be expended.
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MPS Effectiveness Report

The Finance Division develops and monitors the District's budget, classifying revenues and expenditures correctly, and preparing all financial reports and statements. Finance staff also coordinate the annual audit, maintain compliance with all state and federal regulations and reports pertaining to the fiscal operations of the District.

The District's finances are classified within several funds; including the General Fund, Building Fund, Child Nutrition Fund, the debt service fund and Bond Funds. The largest of these, the General Fund, is used to pay salaries of teaching and support staff members, purchase classroom supplies and textbooks, utilities and insurance costs. On average, salaries and benefits make up more than 80 percent of general fund expenditures.

Oklahoma state statutes require an annual audit by an independent certified public accountant. The accounting firm Kerry John Patten, CPA, was selected by the Board to conduct the audit. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. [Reading on FSAA of 1984](#) . [Reading on OMB Circular A-133](#).



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Funds and Budget

November 2018

FUNDS

Descriptions:

- General Fund - Used as the operational fund and to account for all financial transactions except for those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except for building repairs and maintenance, school construction and debt service on bonds and other long-term debt.
 - Building Fund - Is a special revenue fund and consists of monies derived from property taxes levied for the purpose of creating, remodeling or repairing buildings and for purchasing furniture and equipment.
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FUNDS (continued)

Descriptions:

- Child Nutrition Fund - Special revenue fund used to account for the operations of the child nutrition programs. Revenue comes from Federal and State grants for free and reduced meals and interest earned from investments.
- Sinking Fund - Used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service and interest earnings from short-term investments.
- Bond Funds - Special account for the proceeds from bond sales to be used exclusively for the acquisition of school sites, constructing and equipping new school facilities, renovating existing facilities and acquiring transportation equipment.
- Activity Funds - Utilized to account assets that the District holds on behalf of others as their agent and do not involve the measurement of operations.



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Budgets

General Fund	\$46,249,000
Building Fund	\$1,400,000
Child Nutrition Fund	\$3,400,000
Bond Fund	\$4,260,000
Sinking Funds	\$5,625,000
Activity Funds	\$415,800
TOTAL FUNDS	\$61,349,800



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Successes

- Increased fund balance
 - 6-30-2016 fund balance was \$110,000
 - 6-30-2018 fund balance was \$3,312,000

 - Processed over 5,000 purchase orders annually

 - Issued approximately 1,000 payroll checks monthly

 - Invested and protected all school funds at higher than rates available to the public

 - All with a staff of five
 - Finance had a staff of seven in 1986
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Challenges

- State funding is based on student membership (Average District Membership - ADM)
 - ADM has been decreasing for the last fifty years
 - Until 2017, the losses have been gradual
 - 15 to 30 students per year
 - In 2017 increased to 150
 - Loss of 150 equates to approximately a loss of state aid of \$750,000
 - That loss will take effect in the 2019-2020 school year
 - Present year loss is 170
 - That loss will take effect in 2020-2021 and would approximate \$1,000,000
 - Maintaining class sizes of less than 30 and maintaining buildings and equipment will not be possible
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Vision for the Future

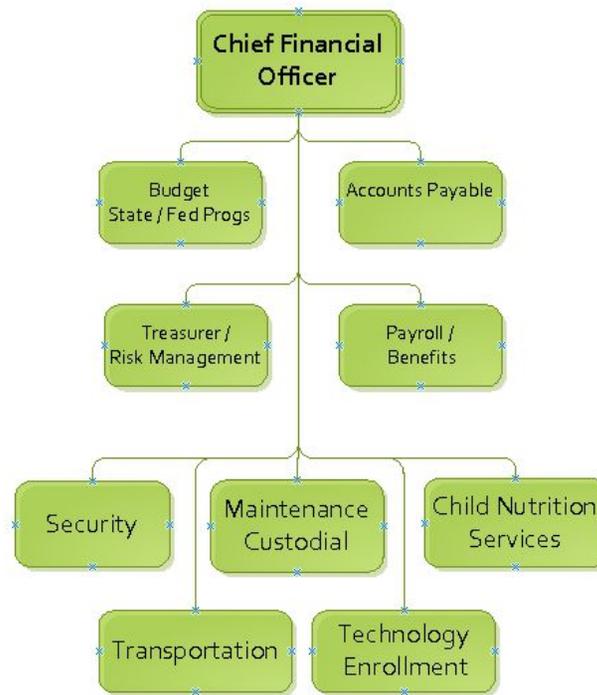
- Stop and reverse the loss of students
- Through a coordinated effort with the City of Muskogee, City Foundation and Muskogee Public Schools we are working to revitalize our schools, build new housing and invest in new jobs
- Increase the staff of the Financial Services Division with the passage of a Bond Issue in 2020 (Director of Accounting, Purchase Order Clerk)
- Restoration of budgets that support cleanliness and preventive maintenance of buildings and equipment
- Lowering of class sizes and raising the salaries of all staff



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Personnel

Staff and Structure





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Description

Staff and Structure

Division of Financial Services

Chief Financial Officer

John Little

Treasurer

Mika Barton

Accounts Payable / Encumbrances

Cynthia Adkins

Payroll

Kathy Rigney

Activity Fund

Rhonda Harder



MPS Effectiveness Report

Effectiveness Indicators

- Effectiveness of the Financial Services Division is measured by the maintenance or increasing the fund balance
- Timely processing and correctness of the payroll
- Increasing the revenue streams
- Application and awards for budget and annual finance reports from national groups



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Reporting Tools

