



J. PAUL TAYLOR ACADEMY

Recapturing the Joy of Learning - Recapturar la Alegría de Aprender



April 14, 2025

Madam Chair and Commissioners of the Public Education Commission,

Please accept this letter to the Public Education Commission (PEC) as our school's internal Corrective Action Plan. In addition to these listed items, the school shall continue the work outlined on the final Fiscal Year Audit for 2024 results. These Manager's Responses are also copied as a supplement to this letter. The school has and will perform the following items as a response to the concerns surrounding our most recent and previous audits:

- Change Business Manager – The school utilized two months of phasing out our Business Manager and integrating our new Business Manager, Mikaela Vigil with the Vigil Group. As of April 1, the Vigil Group now officially manages our business practices. (phase in paid for with the PEC funding)
- Business practices consultant. Earlier this year, the school retained Diane Gunn to review our finances. As she was onboarded late due to our inability to retain Betty Seeley who had been retained directly by the PEC, Ms. Gunn's work was during the audit which prevented preemptive measures by the school. However, she did provide valuable feedback to the school along with suggestions moving forward. The school has reached out to Ms. Gunn to continue her review work in coordination with our new Business Manager. She has agreed, and we will continue this work.
- The lead Payroll Manager, Evan Wirth, has conducted a review of the school's payroll liabilities and will continue to do this work until he's confident that the review is complete, and any concerns have been identified and reconciled if possible.
- Mikaela Vigil along with Mike Vigil have spent significant time reviewing the school's financials as both a review of practices and in preparation for the upcoming year's budget. As many of our FY24 findings are related to incorrect coding that is aligned to the Uniform Chart of Account (UCOA), Ms. Vigil will continue to review FY25 revenues and liabilities to ensure they are correctly aligned.



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Having recently sat in front of the PEC concerning our FY23 audit knowing that our FY24 audit was subpar was frustrating and felt like it lacked transparency. While we had fewer findings, I was fully aware that our FY24 audit is not acceptable and, as we all know, we could not discuss the open audit. The above plan was largely put into place for the FY23 audit, but too late to make the difference in the most recent audit. Please know that I as the head administration, the Governing Board, and our new business management partners all take the audit very seriously. Further, we all understand that we have significant responsibility in utilizing public funds.

Sincerely,

Eric B. Ahner
Executive Director



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Manager's Response to 2024 Audit Findings

Finding: 2024-001 (2021-002) Financial Close and Reporting (Material Weakness in Internal Control over Financial Reporting)

Management's Response:

During the close of the financial year the business manager identified an improper reimbursement and recorded as a receivable. This was removed from the reimbursement request and noted for the auditor's review as a closing entry adjustment. During the final reimbursement request submission there was an imbalance in the available budget to draw down on grant funds. These caused minor adjustments to the financial statements. The business manager and school administration have contacted an independent contractor to assist in review of the closing procedures and financials for improvement of practices.

Finding: 2024-002 Bank reconciliations (Material Weakness in Internal Control over Financial Reporting)

Management's Response:

The school issued July payroll and should have issued the payroll dated in July and then reversed the Journal entries for salary and payroll liabilities and reposted them in June. The direct deposit payroll voucher should have been rolled over into the new fiscal year. This would have accrued the direct deposit amount correctly in June instead of recording it as cash transaction. The school will follow that payroll procedure for July payroll and will ensure that all voided checks are captured before the cash and actuals reports are submitted to the PED. This error was related to improper classification of cash and was not a result of mismanagement of funds. A review of cash by account is needed to ensure proper reporting of the bank reconciliation.

Finding: 2024-003 Internal Controls over Revenues (Material Weakness in Internal Control over Financial Reporting)

Management's Response:

The school received new grant and local funds for the 2023-2024 fiscal year. Although no significant change in statements of funds occurred in the reporting of several grants, a misclassification of fund numbers or revenue codes for these funds occurred including a Spaceport Grant, two donations and Universal Free Lunch. A thorough review will be done for all revenues in all funds to ensure account coding is correct for all funds.



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Finding: 2024-004 (2023-004) Budgetary Conditions (Other Noncompliance)

Management's Response:

The PED reports were submitted with errors that were later identified as incorrect classifications of revenue and with expenses that had been submitted for reimbursement to the PED but were subsequently voided or denied. The school was unable to submit an adjusted cash report as a result of these adjustments due to the submission requirement from the PED. The school will work to submit RFRs earlier and to verify all expenditures and outstanding reimbursement amounts before the submission of the final 4th quarter reports.

Finding: 2024-005 Reporting Compliance (Other Noncompliance)

Management's Response:

The school developed a new business process to receive funds for donations, contributions and fundraising. This resulted in the development of a new account and fund to track and manage the funds. In the development of the fund there was an error in the use of PEDs nomenclature for the chart of accounts. All funds were identified for the benefit and use of the school and an adjustment to the classification and coding is needed.