

INDEPENDENT SCHOOL DISTRICT NO. 832 MAHTOMEDI, MINNESOTA

Audit Report
Year Ended June 30, 2016





AUDITOR'S ROLE

- **Opinion on Financial Statements**
 - **District Audit**
- **Internal Controls and Compliance**
 - **Financial Statement Audits**
 - **Federal "Single Audit"**
 - **State Laws and Regulations**



AUDIT RESULTS

■ District Audit

- Clean Opinion on Basic Financial Statements

■ Internal Control and Compliance Reports

- The District had our firm prepare adjusting journal entries to make the general ledger fairly stated. Auditing standards consider the identification by the auditor of a misstatement that was not initially identified by the audit entity to be a deficiency in the related internal control. The District experienced turnover multiple times in the Accounting Supervisor position during the year and during the timing of the year-end reconciliations.
- The District has limited segregation of duties in several areas, including the processing of general disbursements and payroll transactions.



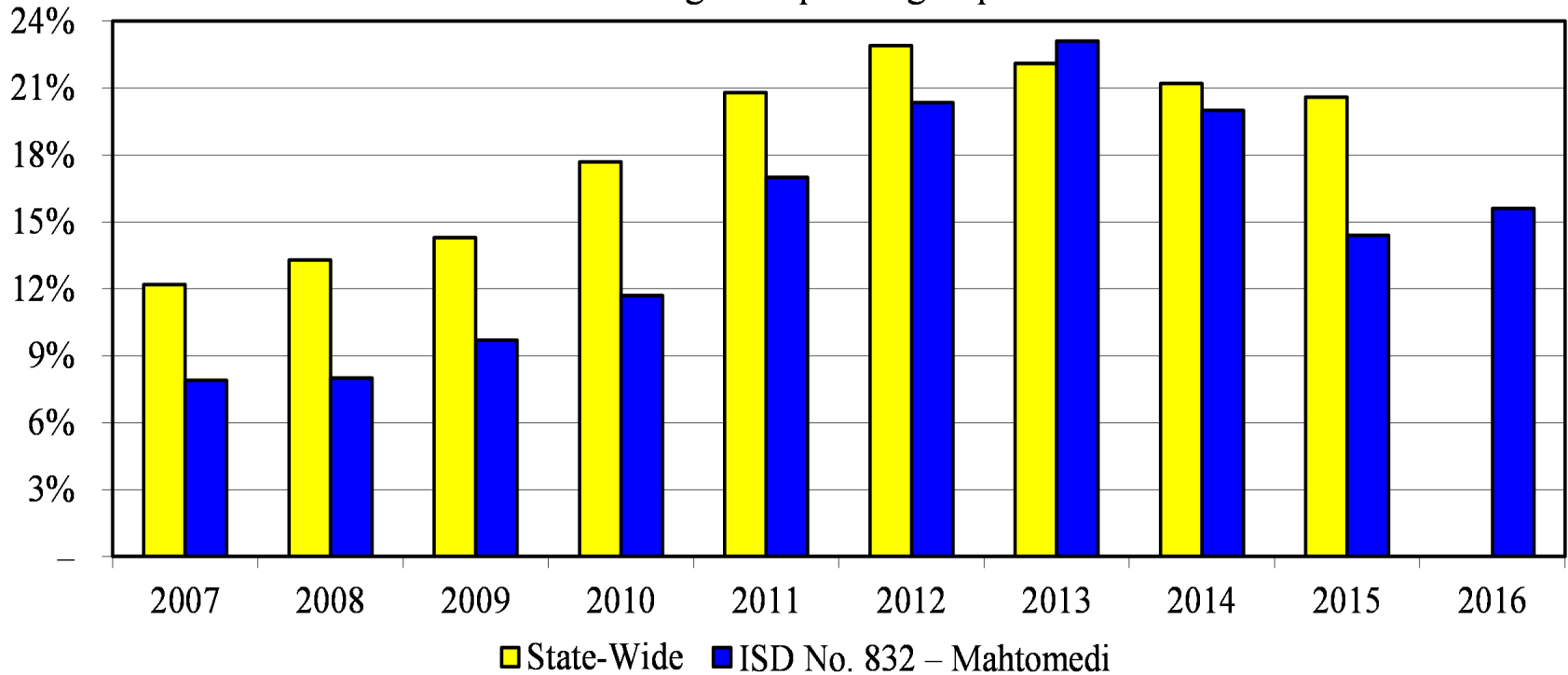
AUDIT RESULTS

■ Minnesota Laws and Regulations

- One of twenty-five disbursements tested were not paid within thirty-five days of the receipt of the goods or service, or receipt of the invoice for goods or services, as required by state statute.
- Before making final settlement with any contractor under a contract requiring the employment of employees for wages by said contractor or subcontractors, the District must obtain a certificate by the Commissioner of Revenue that the contractor or subcontractor has complied with the withholding requirements of Minnesota Statute § 290.92 (either Commissioner of Revenue Form IC134 or a Contractor's Withholding Affidavit). The District did not obtain the required certificate for one contract we tested during the audit.

STATE-WIDE FUND BALANCES

State-Wide Unrestricted Operating Fund Balance
 as a Percentage of Operating Expenditures





REVENUE PER ADM SERVED

Governmental Funds Revenue per Student (ADM) Served

	State-Wide		Seven-County Metro Area		ISD No. 832 – Mahtomedi		
	2014	2015	2014	2015	2014	2015	2016
General Fund							
Property taxes	\$ 972	\$ 1,657	\$ 1,285	\$ 2,187	\$ 1,101	\$ 1,659	\$ 2,369
Other local sources	480	489	397	387	620	630	529
State	9,036	8,967	9,257	9,030	8,276	7,745	8,188
Federal	458	441	480	447	190	166	192
Total General Fund	10,946	11,554	11,419	12,051	10,187	10,200	11,277
Special revenue funds							
Food Service	504	522	500	516	416	442	429
Community Service	553	551	667	651	645	569	583
Debt Service Fund	1,090	1,061	1,187	1,127	1,602	1,655	1,498
Total revenue	\$ 13,093	\$ 13,688	\$ 13,773	\$ 14,345	\$ 12,850	\$ 12,866	\$ 13,786
ADM served per MDE School District Profiles Report (current year estimated)					3,297	3,299	3,291

Note: Excludes the Capital Projects – Building Construction and Other Post-Employment Benefits Debt Service Funds.

Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE

EXPENDITURES PER ADM SERVED

Governmental Funds Expenditures per Student (ADM) Served

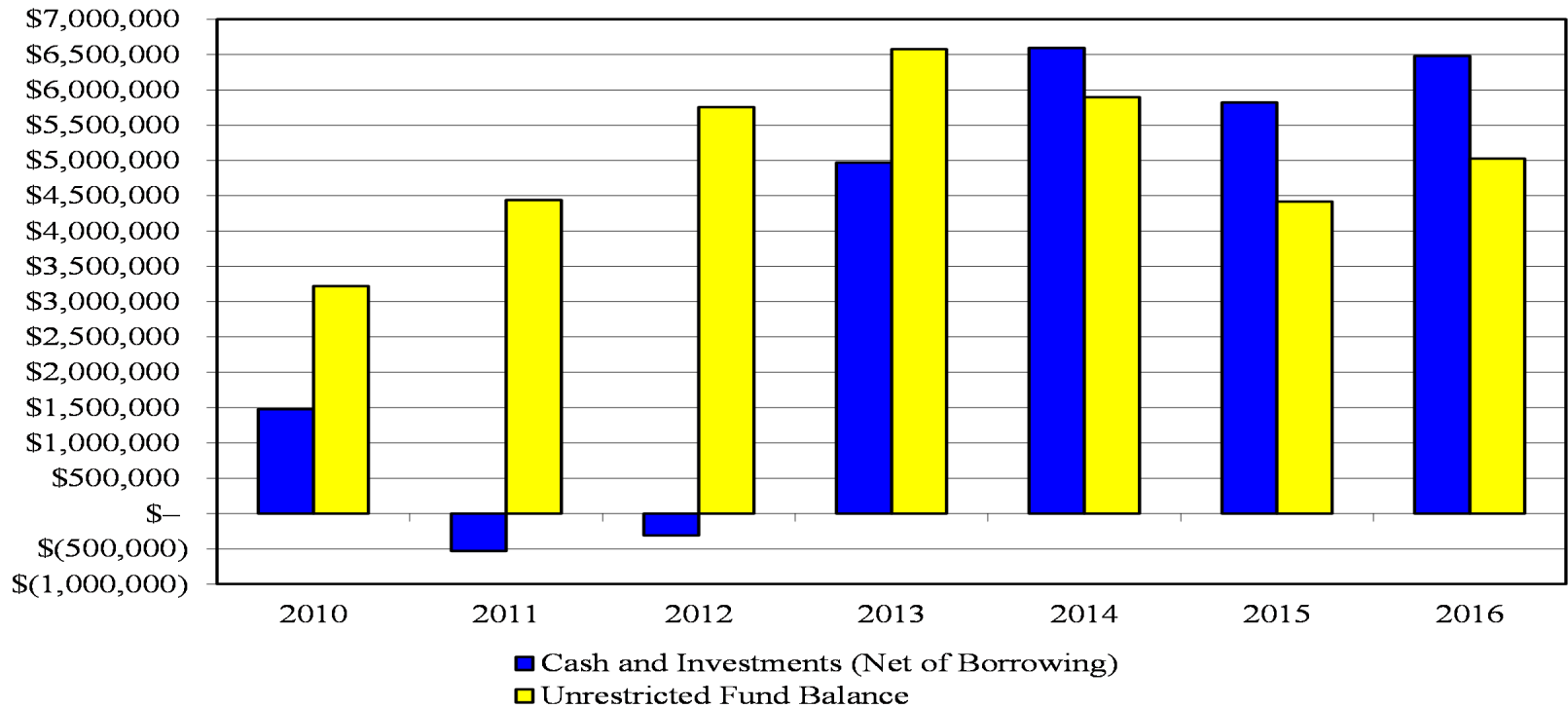
	State-Wide		Seven-County Metro Area		ISD No. 832 – Mahtomedi		
	2014	2015	2014	2015	2014	2015	2016
General Fund							
Administration and district support services	\$ 882	\$ 941	\$ 886	\$ 951	\$ 853	\$ 972	\$ 880
Elementary and secondary regular instruction	5,091	5,301	5,408	5,635	4,970	5,493	5,812
Vocational education instruction	140	147	130	136	180	148	159
Special education instruction	1,987	2,058	2,144	2,196	1,677	1,715	1,913
Instructional support services	536	586	630	689	449	482	500
Pupil support services	950	992	1,019	1,072	731	751	817
Sites and buildings and other	881	881	843	832	1,079	861	808
Total General Fund – noncapital	10,467	10,906	11,060	11,511	9,939	10,422	10,889
General Fund capital expenditures	512	581	442	493	264	293	371
Total General Fund	10,979	11,487	11,502	12,004	10,203	10,715	11,260
Special revenue funds							
Food Service	513	528	512	523	490	410	448
Community Service	556	546	674	642	576	513	584
Debt Service Fund	1,469	1,489	1,636	1,701	1,709	1,912	1,491
Total expenditures	\$ 13,517	\$ 14,050	\$ 14,324	\$ 14,870	\$ 12,978	\$ 13,550	\$ 13,783
ADM served per MDE School District Profiles Report (current year estimated)					3,297	3,299	3,291

Note: Excludes the Capital Projects – Building Construction and Other Post-Employment Benefits Debt Service Funds.

Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE

GENERAL FUND FINANCIAL POSITION

General Fund Financial Position
 Year Ended June 30,





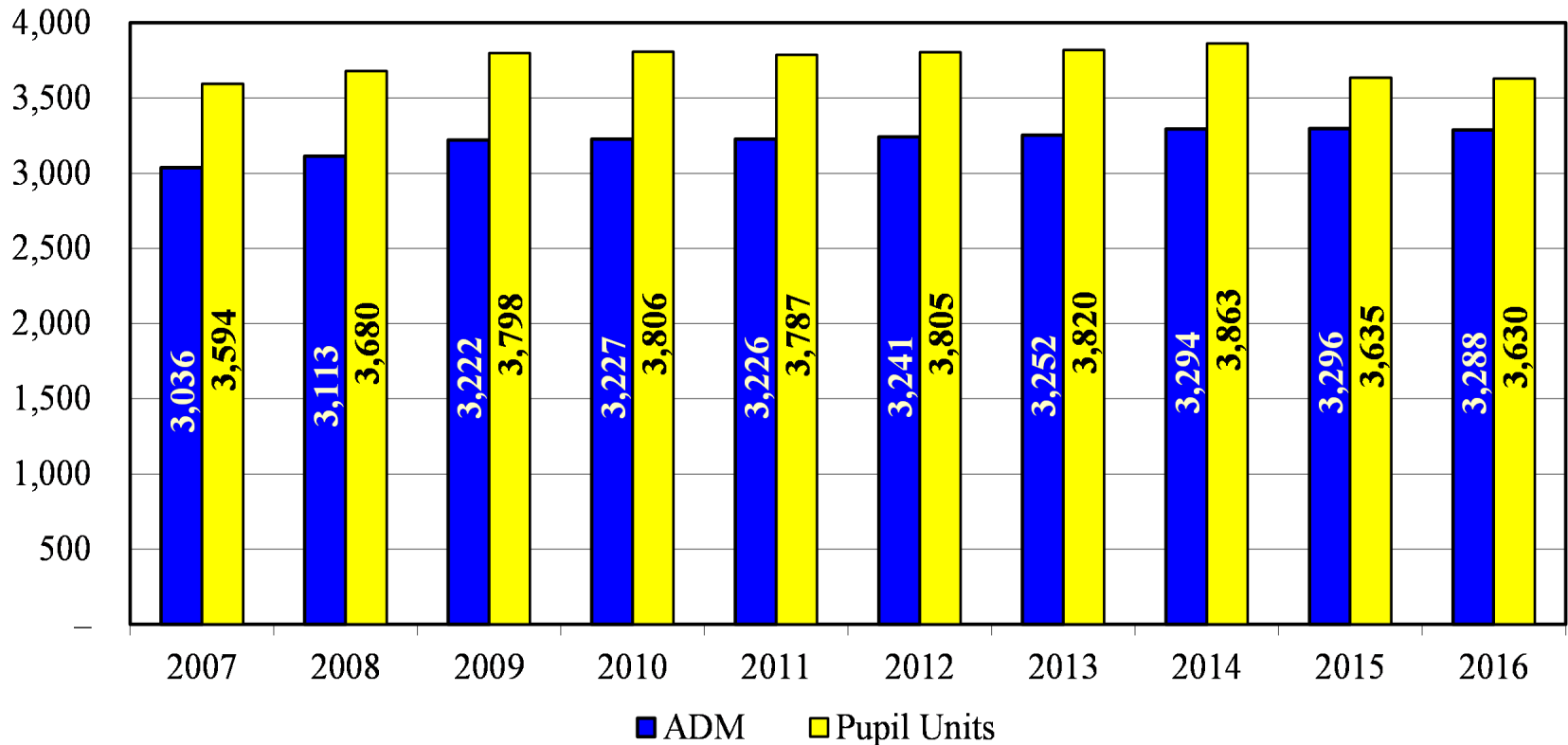
GENERAL FUND FINANCIAL POSITION

	June 30,				
	2012	2013	2014	2015	2016
Nonspendable fund balances	\$ 3,417	\$ 6,272	\$ 11,571	\$ 55,608	\$ 25,573
Restricted fund balances (1)	1,289,271	906,706	1,153,579	944,315	392,579
Unrestricted fund balances					
Assigned	1,516,438	2,675,784	2,228,509	1,443,870	1,428,890
Unassigned	4,237,671	3,899,779	3,667,550	2,918,858	3,573,902
 Total fund balance	 <u>\$ 7,046,797</u>	 <u>\$ 7,488,541</u>	 <u>\$ 7,061,209</u>	 <u>\$ 5,362,651</u>	 <u>\$ 5,420,944</u>
 Unassigned fund balances as a percentage of expenditures	 <u>13.7%</u>	 <u>12.2%</u>	 <u>11.3%</u>	 <u>8.3%</u>	 <u>9.6%</u>

(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting standards generally accepted in the United States of America-based financial statements.

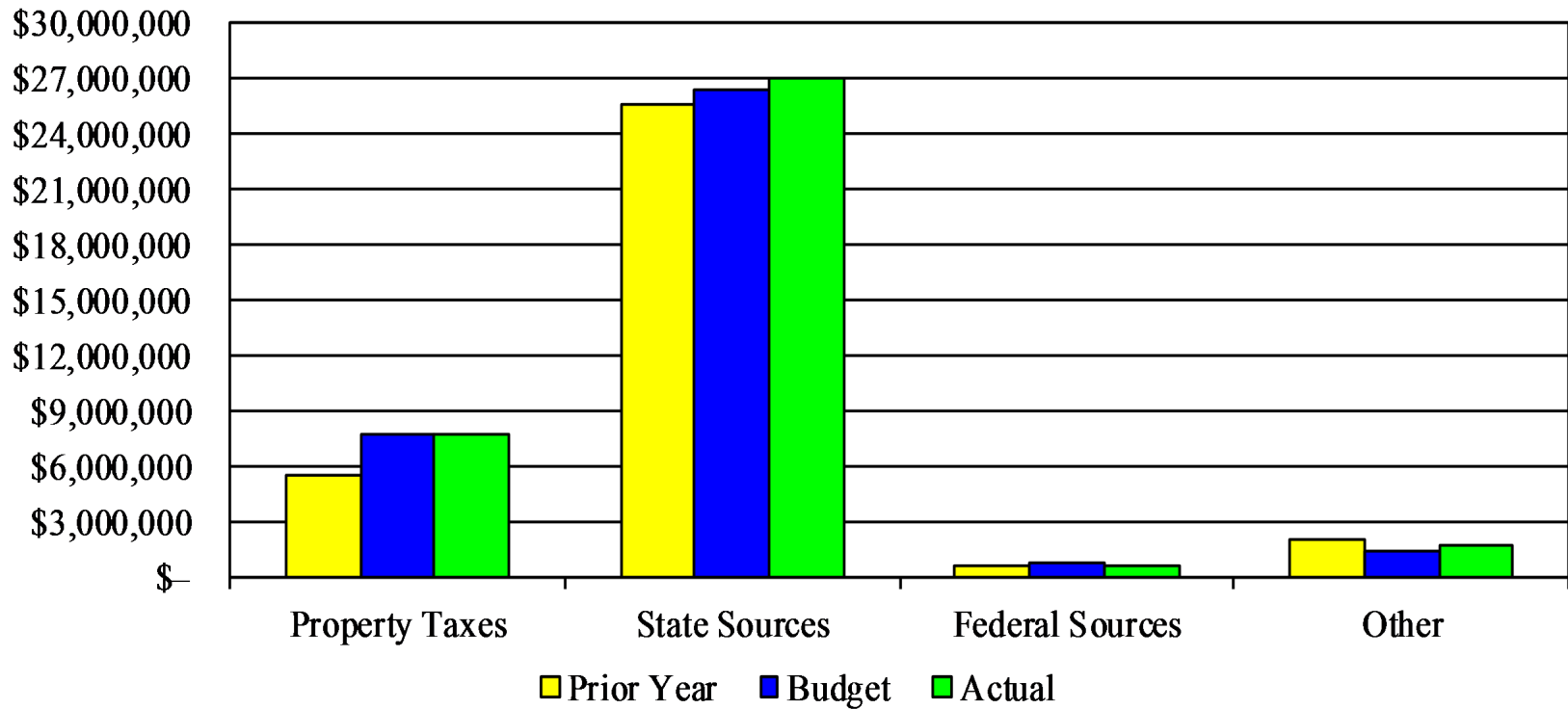
CHANGE IN STUDENTS SERVED

Adjusted ADM and Pupil Units Served

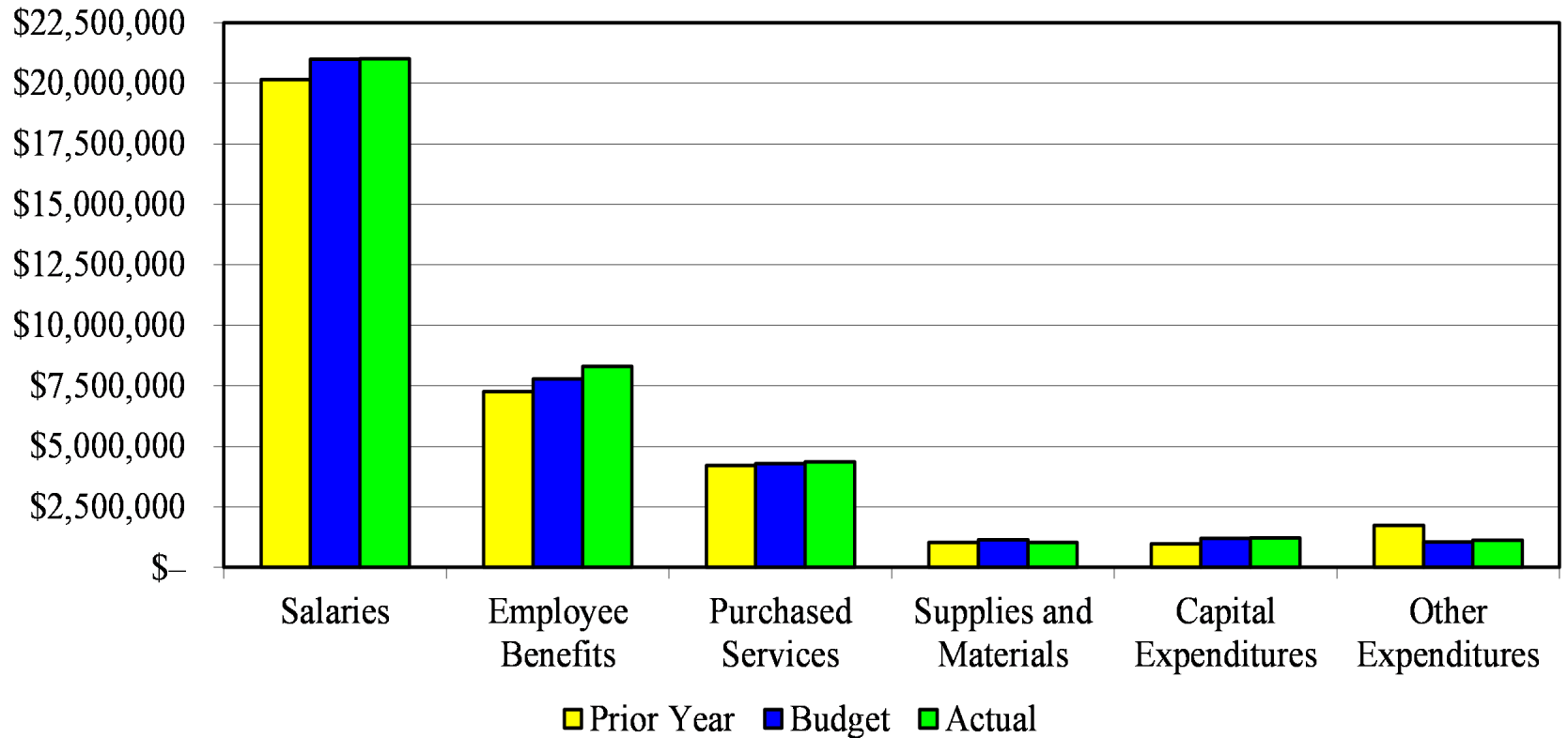


GENERAL FUND REVENUE

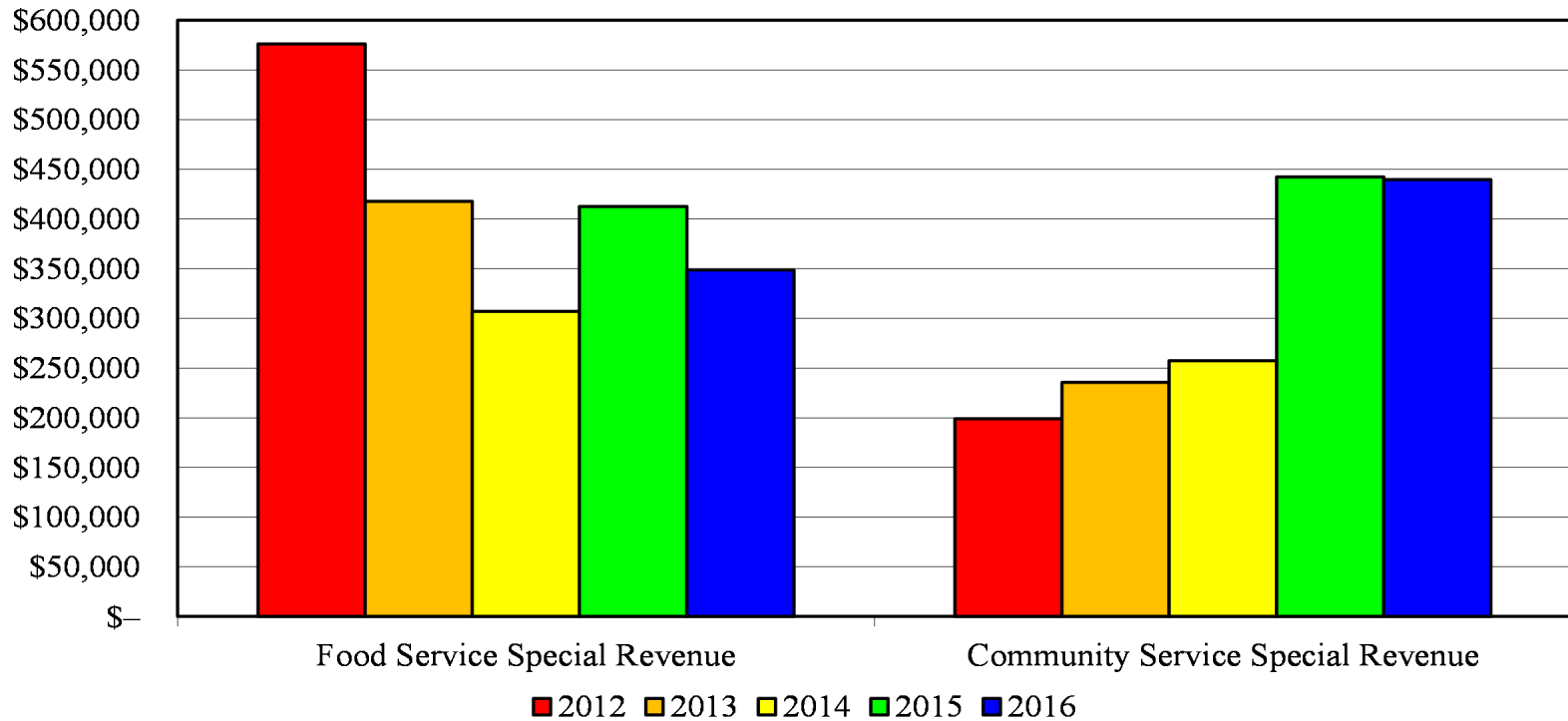
General Fund Revenue



General Fund Expenditures



Other Operating Funds
 Fund Balances
 Last Five Fiscal Years





ACCOUNTING AND AUDITING UPDATES

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

- **Clean Opinion on Financial Report**
- **Two Internal Control and Two Minnesota Legal Compliance Findings**
- **Financial Results as Projected**
- **Stable Financial Position**