

INDEPENDENT SCHOOL DISTRICT NO. 199 INVER GROVE HEIGHTS, MINNESOTA

Audit Report
Year Ended June 30, 2015





AUDITOR'S ROLE

- **Opinion on Financial Statements**
 - District Audit
 - Schedule of Federal Awards Expenditures
 - Student Activities Audit
- **Internal Controls and Compliance**
 - Financial Statement Audits
 - Federal “Single Audit”
 - State Laws and Regulations
 - Manual for Activity Fund Accounting (*MAFA*)



AUDIT RESULTS

■ District Audit

- Clean Opinion on Basic Financial Statements
- Internal Controls Over Financial Reporting
 - The District has limited segregation of duties in some areas due to the small number of employees in its Business Office
- Compliance
 - No findings for financial reporting compliance
 - One finding for compliance with Minnesota laws and regulations – 3 disbursements tested were not paid within 35 days of receiving the related goods or services, or invoice for goods or services, as required



AUDIT RESULTS

- **Single Audit of Federal Awards Expenditures**
 - **Opinion – Fairly Stated in Relation to Basic Financial Statements**
 - **Internal Control Over Compliance Requirements**
 - **Significant Deficiency – Suspension and Debarment. Child Nutrition Cluster controls were not adequate to assure the District was not contracting for goods or services with parties that are suspended or debarred**
 - **Compliance**
 - **No findings for compliance with federal grant requirements**



AUDIT RESULTS

■ Student Activity Audit

- Clean opinion on cash basis activity, qualified for a limitation related to the completeness of cash receipts reported
- Internal Control
 - Controls are not sufficient assure that all cash receipts have been recorded
- Compliance
 - One account at the High School does not meet the *MAFA* criteria to qualify as an appropriate extracurricular student activity account



AUDIT RESULTS

■ District Audit

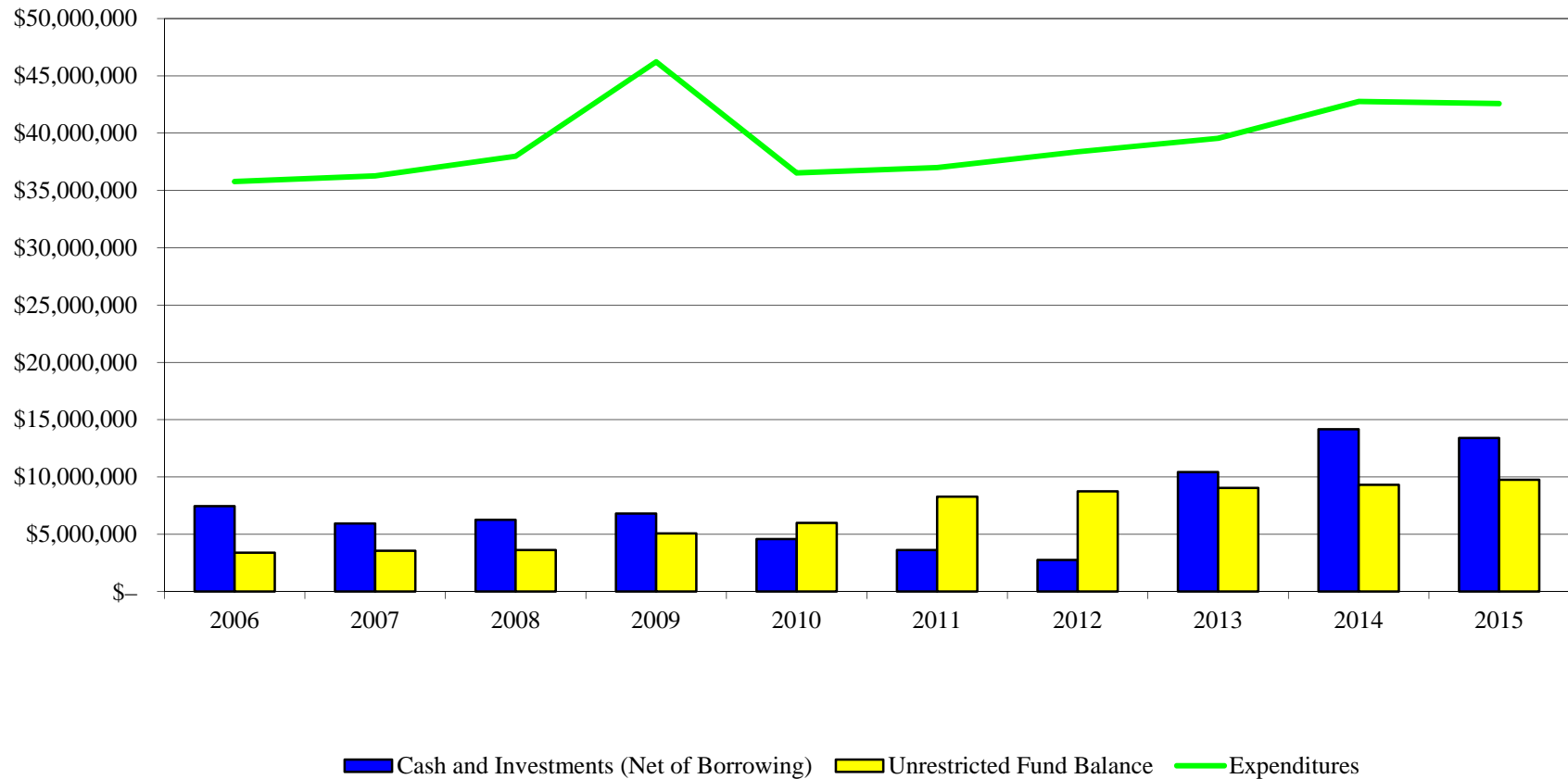
■ Follow-up On Prior Year Finding

- In 2014, we reported a material weakness in internal controls over financial reporting due to the monthly bank reconciliation process and recording of cash receipts not having been completed in a timely manner, mainly due to turnover in the Business Office. During our 2015 audit, we found that these critical control procedures are once again being performed regularly and completed in a timely manner.



GENERAL FUND FINANCIAL POSITION

General Fund Financial Position
Year Ended June 30,





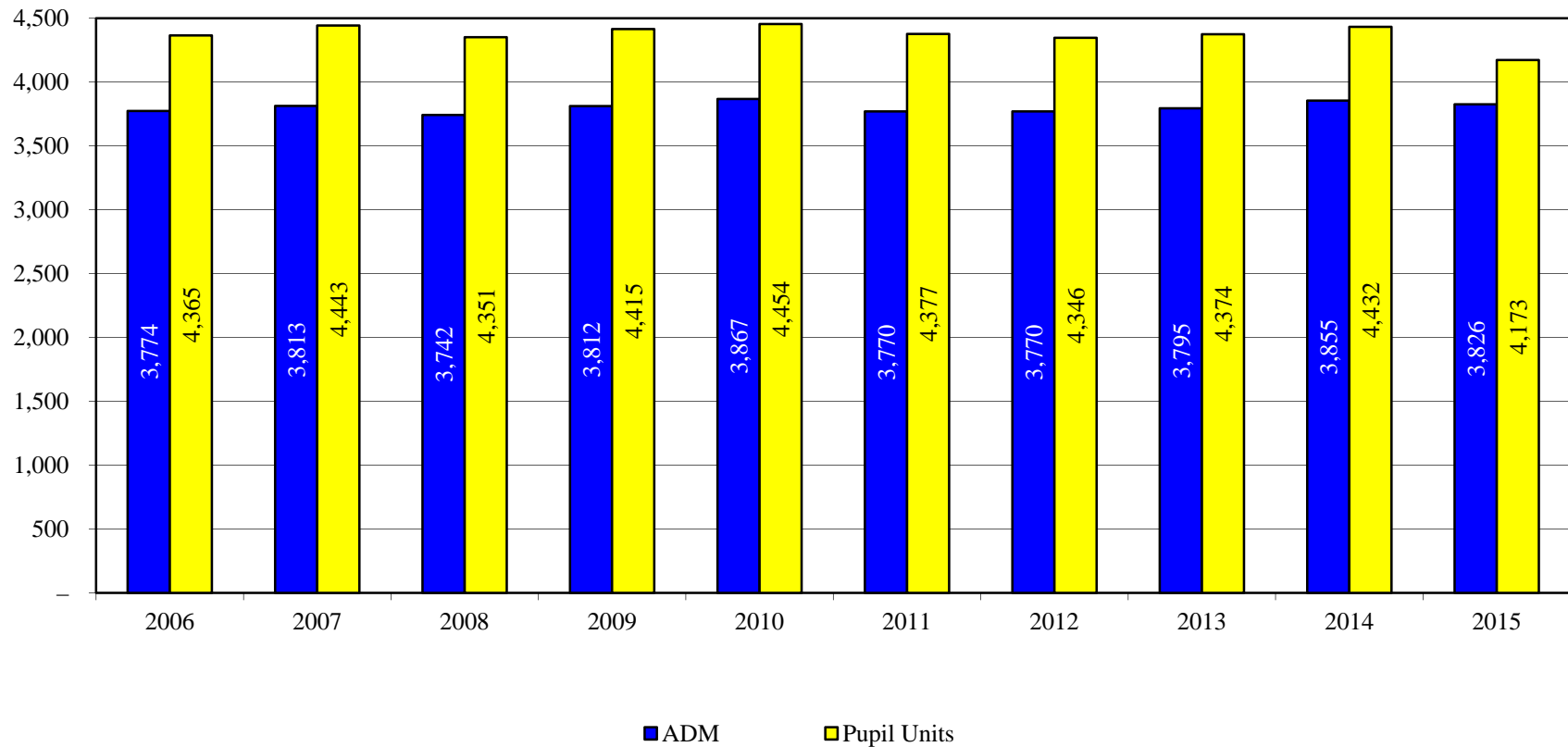
GENERAL FUND FINANCIAL POSITION

| | Year Ended June 30, | | | | |
|---|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Nonspendable fund balances | \$ 96,952 | \$ 132,061 | \$ 156,185 | \$ 149,699 | \$ 157,622 |
| Restricted fund balances (1) | 1,609,710 | 2,662,405 | 2,424,347 | 2,156,754 | 1,237,941 |
| Unrestricted fund balances | | | | | |
| Assigned | 3,477,118 | 3,587,226 | 4,129,697 | 4,295,345 | 4,896,896 |
| Unassigned | 4,807,206 | 5,153,505 | 4,910,213 | 5,014,618 | 4,851,423 |
| Total fund balance | <u>\$ 9,990,986</u> | <u>\$ 11,535,197</u> | <u>\$ 11,620,442</u> | <u>\$ 11,616,416</u> | <u>\$ 11,143,882</u> |
| Unrestricted fund balances as a percentage of expenditures | <u>22.4%</u> | <u>22.8%</u> | <u>22.9%</u> | <u>21.8%</u> | <u>22.9%</u> |
| Unassigned fund balances as a percentage of expenditures | <u>13.2%</u> | <u>13.4%</u> | <u>12.4%</u> | <u>11.7%</u> | <u>11.4%</u> |



ADJUSTED ADM AND PUPIL UNITS SERVED

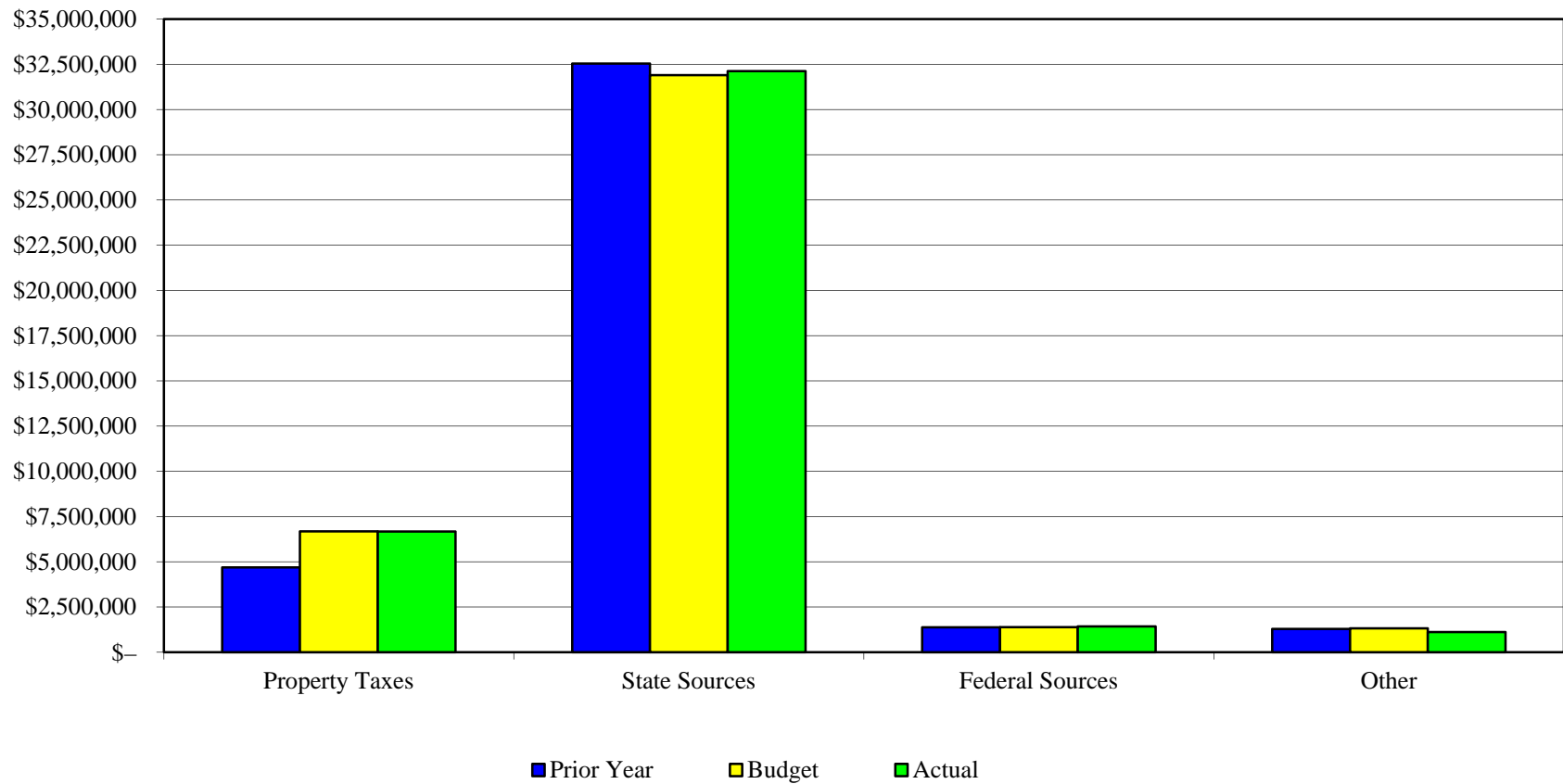
Adjusted ADM and Pupil Units Served





GENERAL FUND REVENUE

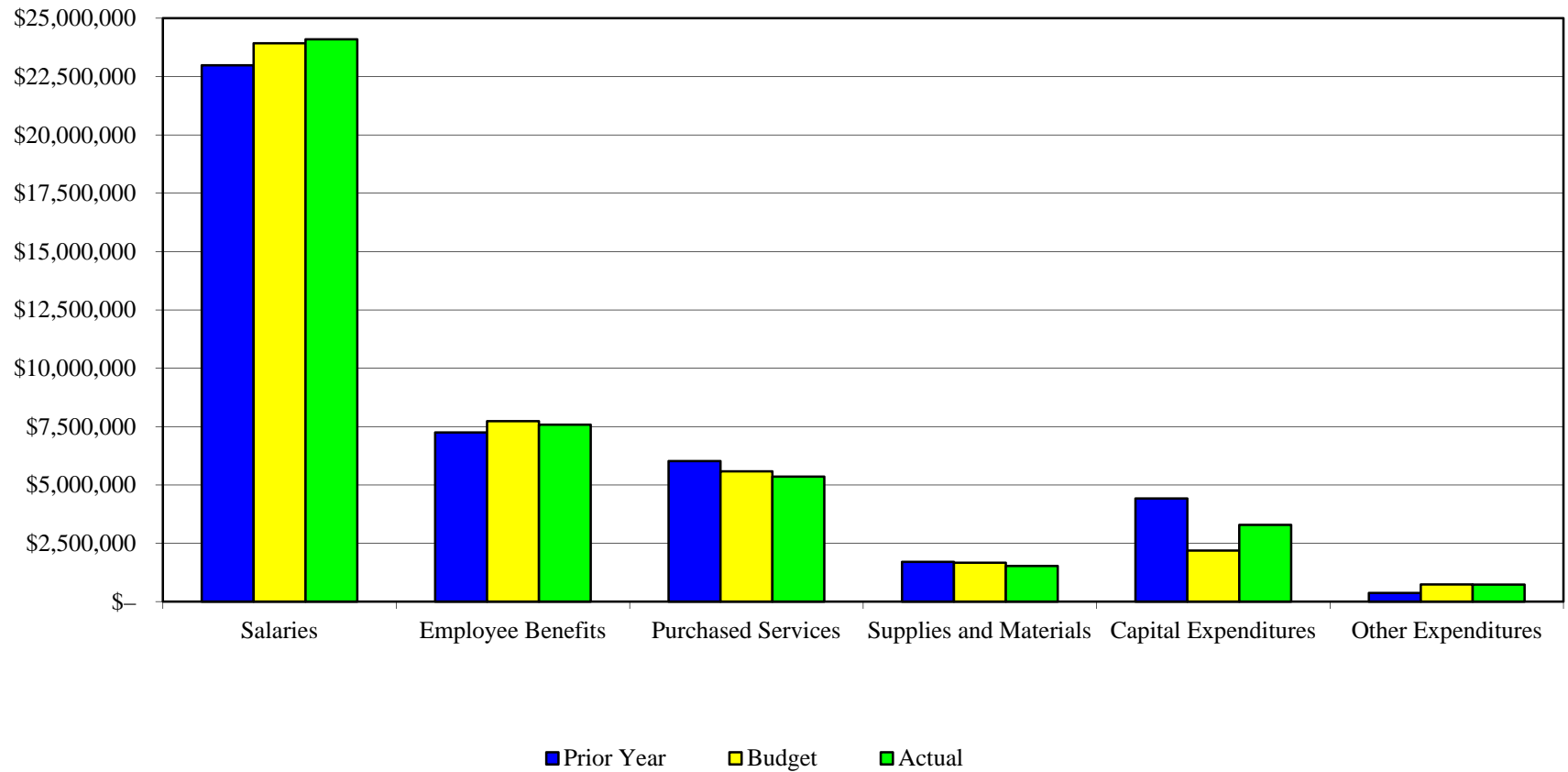
General Fund Revenue





GENERAL FUND EXPENDITURES

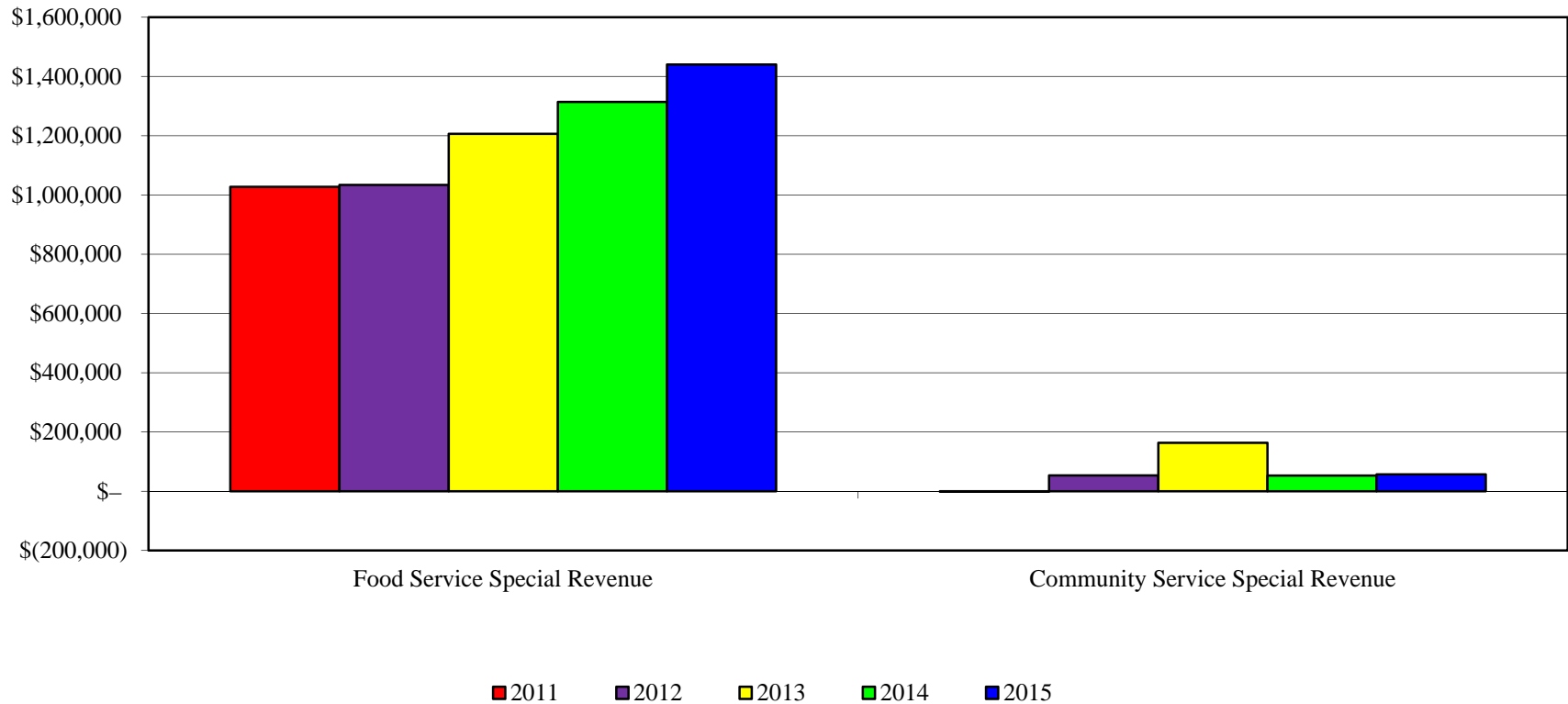
General Fund Expenditures





OTHER GOVERNMENTAL OPERATING FUNDS

Other Governmental Funds
Total Fund Balances





DISTRICT-WIDE STATEMENT OF NET POSITION

| | June 30, | | Increase (Decrease) |
|---|-----------------------|----------------------|------------------------|
| | 2015 | 2014 | |
| Net position – governmental activities | | | |
| Total fund balances – governmental funds | \$ 47,891,123 | \$ 35,646,320 | \$ 12,244,803 |
| Capital assets, less accumulated depreciation | 64,913,886 | 51,155,268 | 13,758,618 |
| Bonds, Assessments, & Capital Leases | (97,842,545) | (73,015,745) | (24,826,800) |
| PERA and TRA Pensions | (26,027,779) | – | (26,027,779) |
| Other | 8,679,878 | 9,528,512 | (848,634) |
| | <u>\$ (2,385,437)</u> | <u>\$ 23,314,355</u> | <u>\$ (25,699,792)</u> |
| Net position | | | |
| Net investment in capital assets | \$ 9,936,693 | \$ 8,787,376 | \$ 1,149,317 |
| Restricted | 4,466,287 | 4,815,014 | (348,727) |
| Unrestricted | (16,785,417) | 9,711,965 | (26,497,382) |
| | <u>\$ (2,382,437)</u> | <u>\$ 23,314,355</u> | <u>\$ (25,696,792)</u> |