

# **INDEPENDENT SCHOOL DISTRICT NO. 139 RUSH CITY, MINNESOTA**

**Audit Report  
Year Ended June 30, 2016**





# AUDITOR'S ROLE

- **Opinion on Financial Statements**
  - **District Audit**
  - **Student Activities Audit**
- **Internal Controls and Compliance**
  - **Financial Statement Audits**
  - **State Laws and Regulations**
  - **Manual for Activity Fund Accounting**



# AUDIT RESULTS

## ■ District Audit

- Unmodified Opinion on Basic Financial Statements
- Internal Control and Compliance Reports
  - 2016-001 Limited segregation of duties – related to the financial statement audit.



# AUDIT RESULTS

## ■ Student Activity Audit

- Our opinion was qualified for a limitation related to the completeness of cash receipts reported. The reported cash balances and cash receipts and disbursements are fairly presented.
- Internal Control and Compliance Reports
  - The District reports student activities on a cash basis and internal controls are not sufficient to assure that all cash receipts have been recorded.

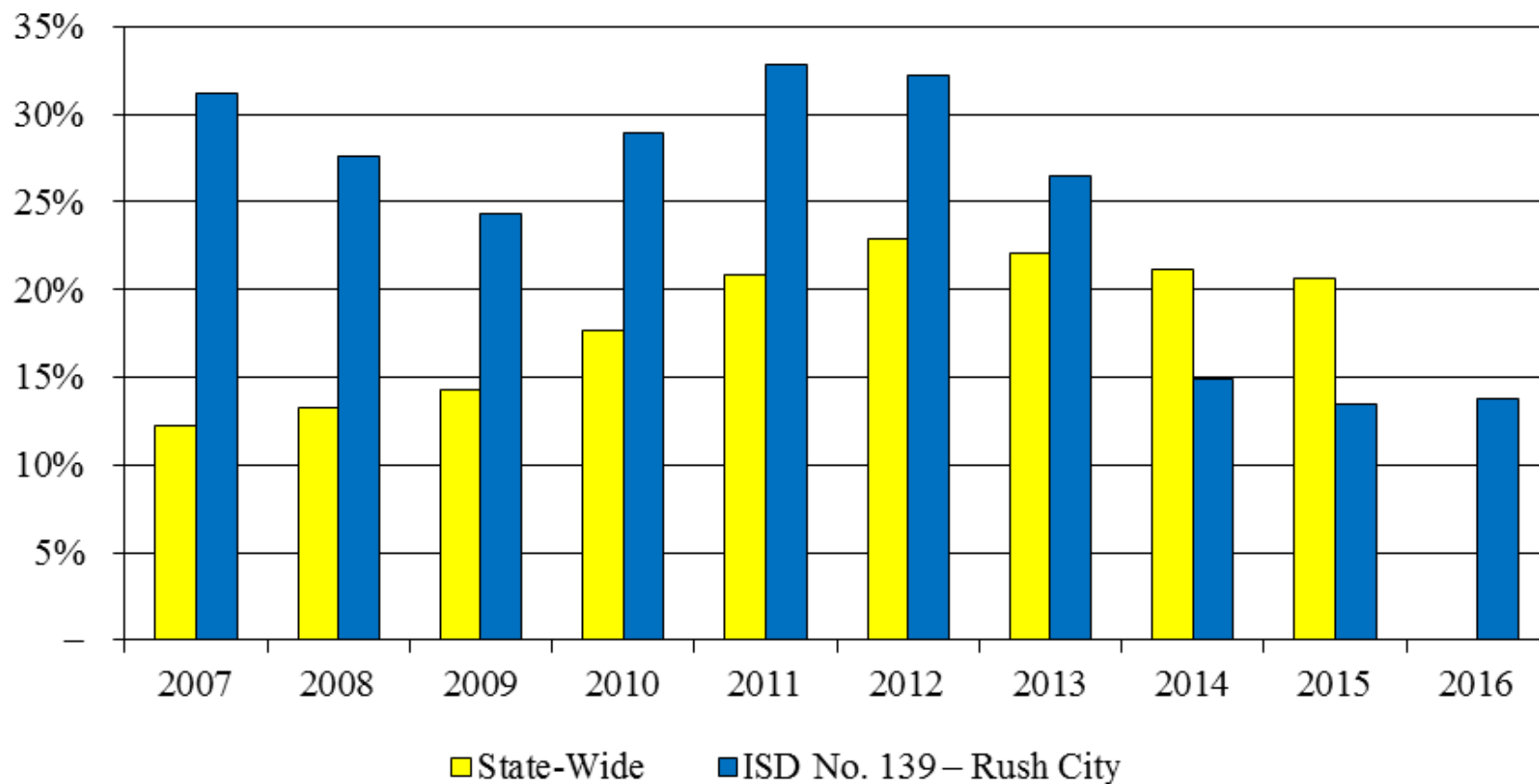
# GENERAL EDUCATION AID— BASIC FORMULA ALLOWANCE

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2007	\$ 4,974	4.0 %
2008	\$ 5,074	2.0 %
2009	\$ 5,124	1.0 %
2010	\$ 5,124	— %
2011	\$ 5,124	— %
2012	\$ 5,174	1.0 %
2013	\$ 5,224	1.0 %
2014	\$ 5,302	1.5 %
2015	\$ 5,831	2.0 % *
2016	\$ 5,948	2.0 %
2017	\$ 6,067	2.0 %

\* The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that reduced the increase to the equivalent of \$105, or 2.0 percent, state-wide.

# STATE-WIDE FUND BALANCES

State-Wide 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. 139 – Rush City		
	2014	2015	2014	2015	2014	2015	2016
General Fund							
Property taxes	\$ 972	\$ 1,657	\$ 1,285	\$ 2,187	\$ 328	\$ 709	\$ 895
Other local sources	480	489	397	387	604	646	773
State	9,036	8,967	9,257	9,030	7,676	8,326	8,282
Federal	458	441	480	447	178	170	147
Total General Fund	10,946	11,554	11,419	12,051	8,786	9,851	10,097
Special revenue funds							
Food Service	504	522	500	516	464	457	469
Community Service	553	551	667	651	450	473	458
Debt Service Fund	1,090	1,061	1,187	1,127	1,539	1,606	1,572
Total revenue	<u>\$ 13,093</u>	<u>\$ 13,688</u>	<u>\$ 13,773</u>	<u>\$ 14,345</u>	<u>\$ 11,239</u>	<u>\$ 12,387</u>	<u>\$ 12,596</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>887</u>	<u>846</u>	<u>860</u>

Note: Excludes the Permanent, Capital Projects – Building Construction, and 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

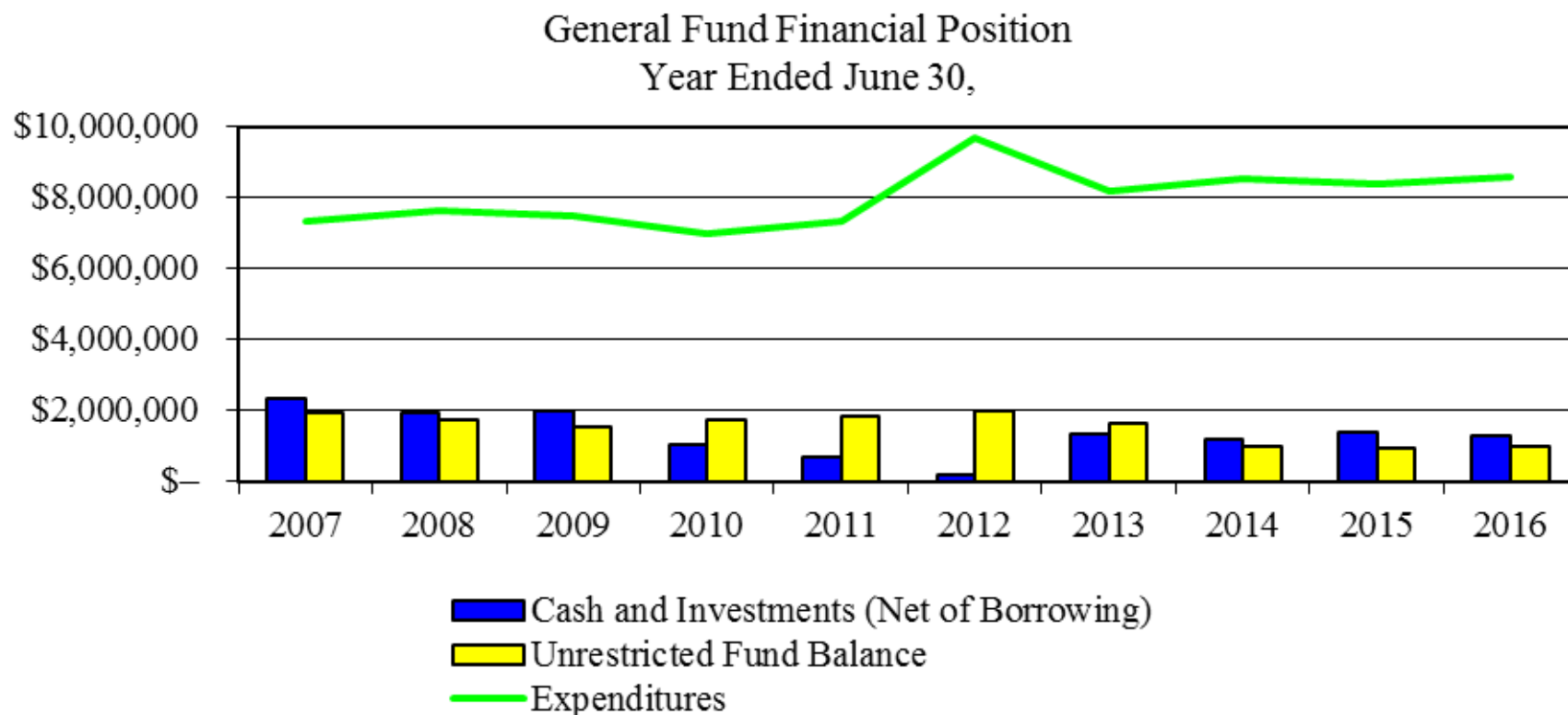
	State-Wide		Seven-County Metro Area		ISD No. 139 – Rush City		
	2014	2015	2014	2015	2014	2015	2016
General Fund							
Administration and district support	\$ 882	\$ 941	\$ 886	\$ 951	\$ 964	\$ 1,041	\$ 1,127
Elementary and secondary							
regular instruction	5,091	5,301	5,408	5,635	3,849	4,259	4,219
Vocational education instruction	140	147	130	136	157	140	179
Special education instruction	1,987	2,058	2,144	2,196	1,576	1,653	1,756
Instructional support services	536	586	630	689	547	614	606
Pupil support services	950	992	1,019	1,072	579	559	597
Sites and buildings and other	881	881	843	832	1,128	1,050	1,245
Total General Fund – noncapital	10,467	10,906	11,060	11,511	8,800	9,316	9,729
General Fund capital expenditures	512	581	442	493	816	597	232
Total General Fund	10,979	11,487	11,502	12,004	9,616	9,913	9,961
Special revenue funds							
Food Service	513	528	512	523	456	474	473
Community Service	556	546	674	642	540	509	476
Debt Service Fund	1,469	1,489	1,636	1,701	1,520	1,600	1,712
Total expenditures	<u>\$ 13,517</u>	<u>\$ 14,050</u>	<u>\$ 14,324</u>	<u>\$ 14,870</u>	<u>\$ 12,132</u>	<u>\$ 12,496</u>	<u>\$ 12,622</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>887</u>	<u>846</u>	<u>860</u>

Note: Excludes the Permanent, Capital Projects – Building Construction, and 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



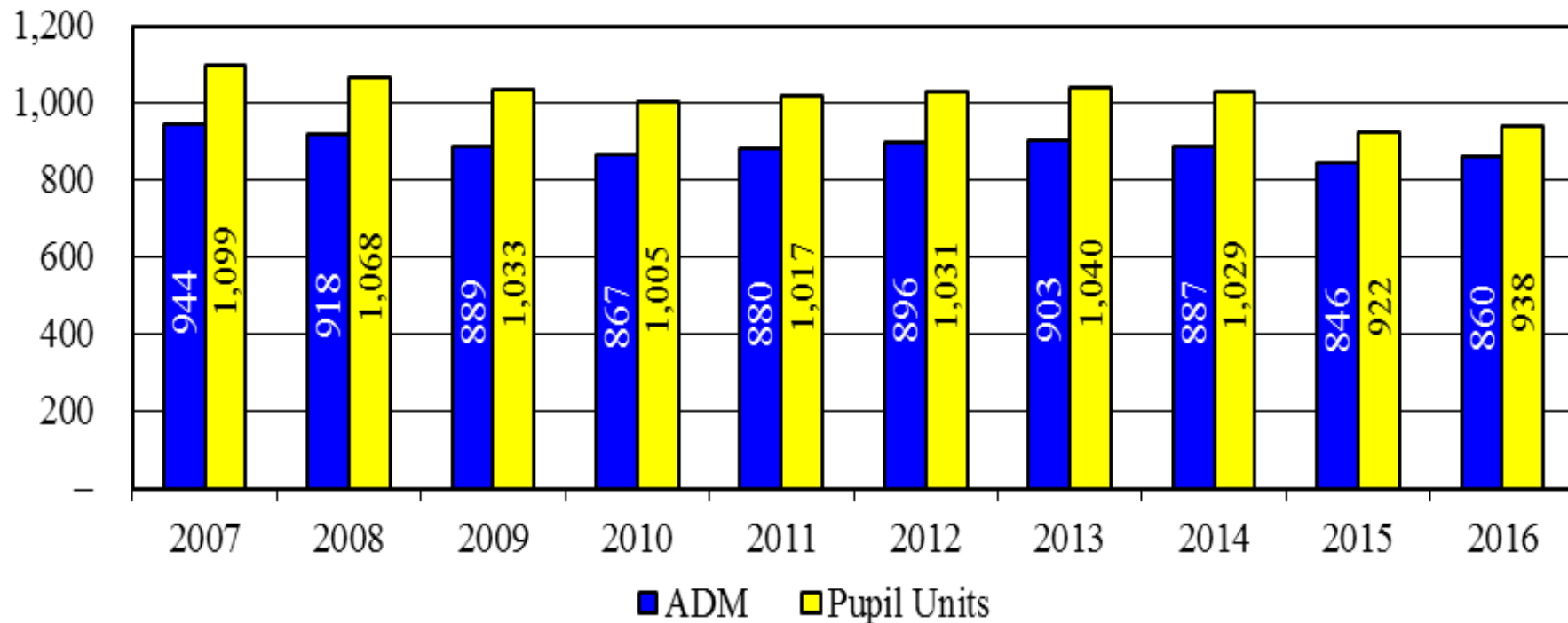
# GENERAL FUND FINANCIAL POSITION

	Fiscal Year				
	2012	2013	2014	2015	2016
Nonspendable fund balances	\$ 22,386	\$ 99,759	\$ –	\$ –	\$ –
Restricted fund balances (1)	106,569	3,584	(86,505)	(107,641)	(31,920)
Unrestricted fund balances					
Assigned	619,574	673,568	10,500	61,781	4,500
Unassigned	1,375,219	946,715	1,001,970	873,946	972,654
Total fund balances	<u>\$ 2,123,748</u>	<u>\$ 1,723,626</u>	<u>\$ 925,965</u>	<u>\$ 828,086</u>	<u>\$ 945,234</u>
Unrestricted fund balances as a percentage of total expenditures	<u>20.6%</u>	<u>19.7%</u>	<u>11.9%</u>	<u>11.2%</u>	<u>11.4%</u>
Unassigned fund balances as a percentage of total expenditures	<u>14.2%</u>	<u>11.5%</u>	<u>11.7%</u>	<u>10.4%</u>	<u>11.4%</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 principles generally accepted in the United States of America-based financial statements.

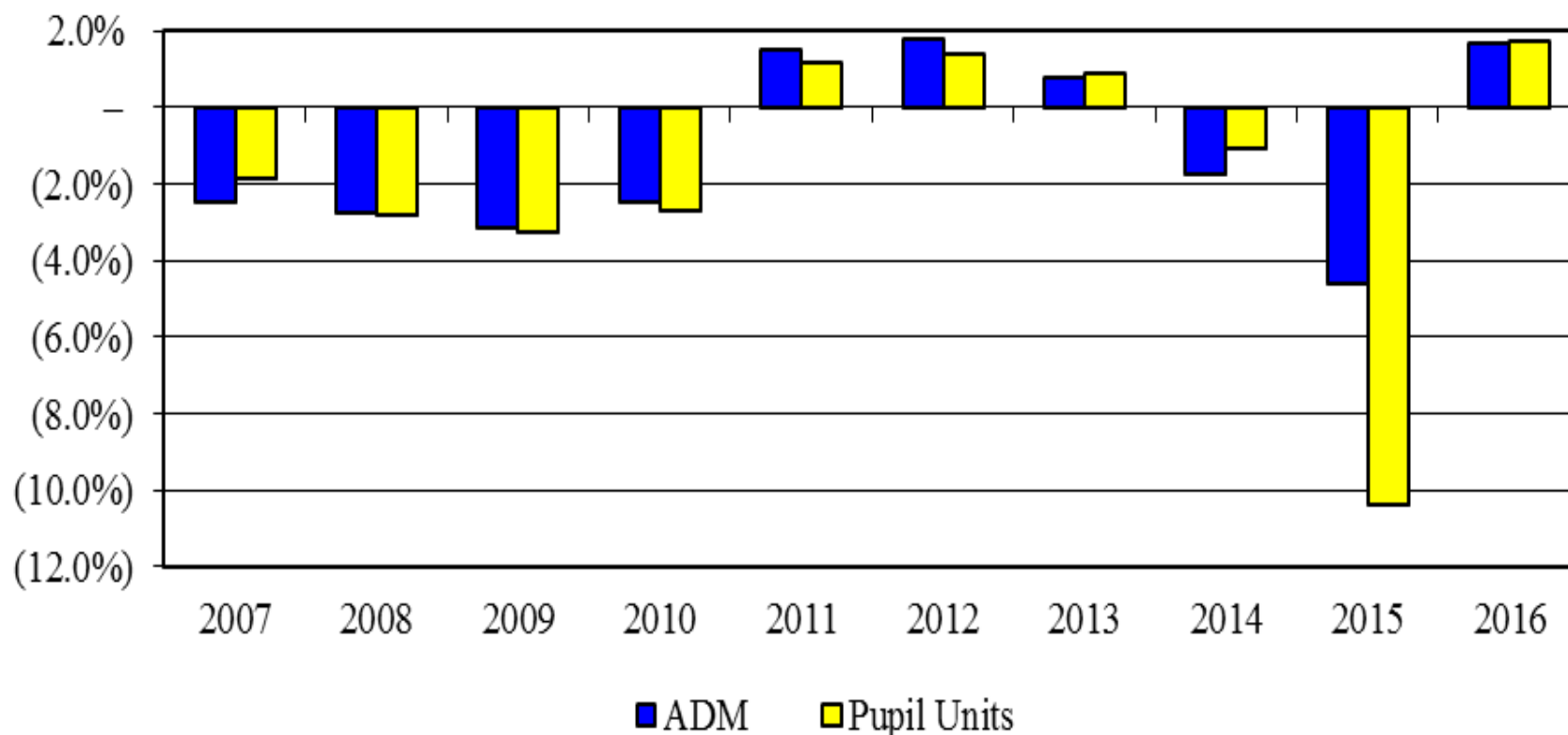
# ADJUSTED ADM AND PUPIL UNITS SERVED

Adjusted ADM and Pupil Units Served

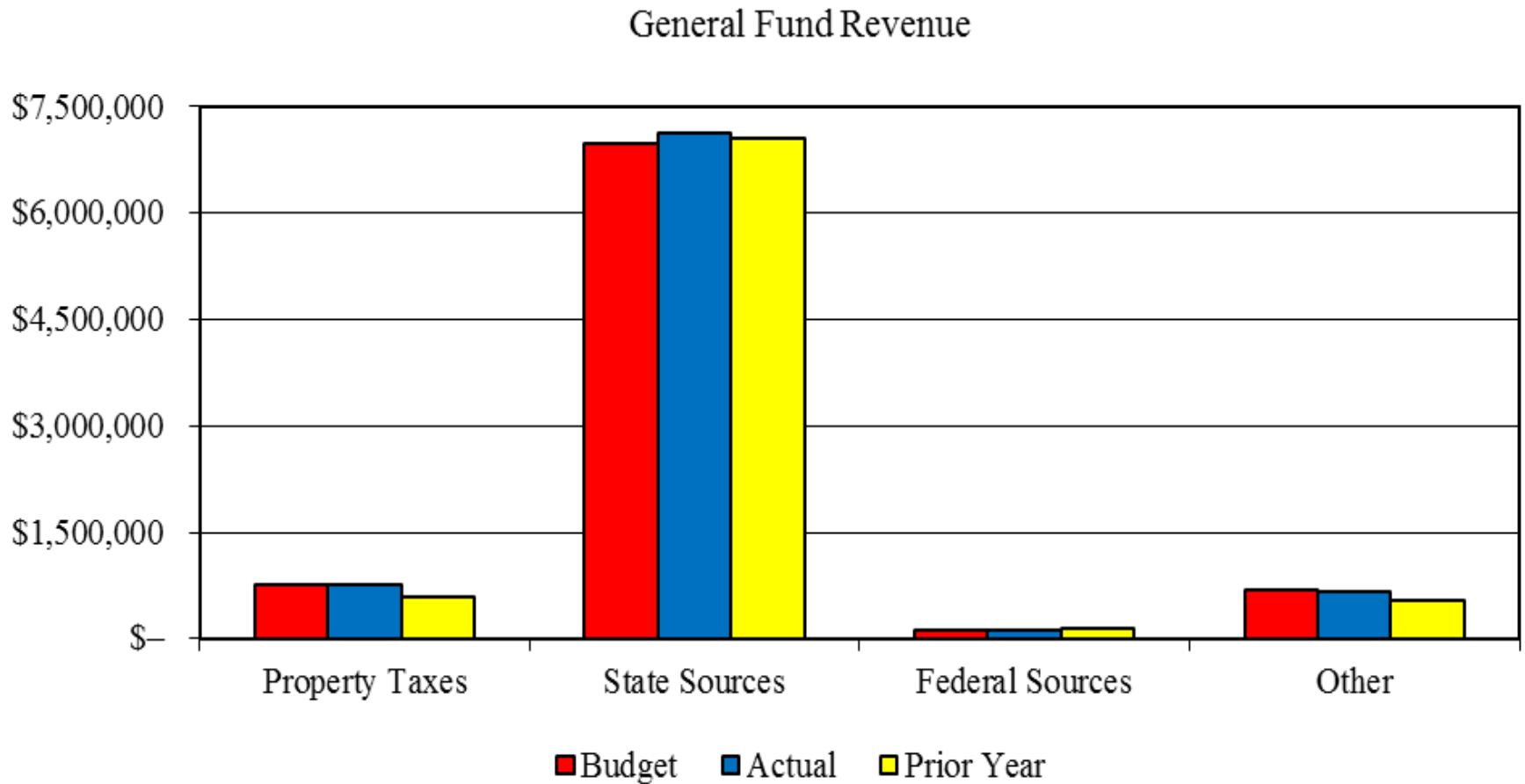


# CHANGE IN STUDENTS SERVED

Change in ADM and Pupil Units

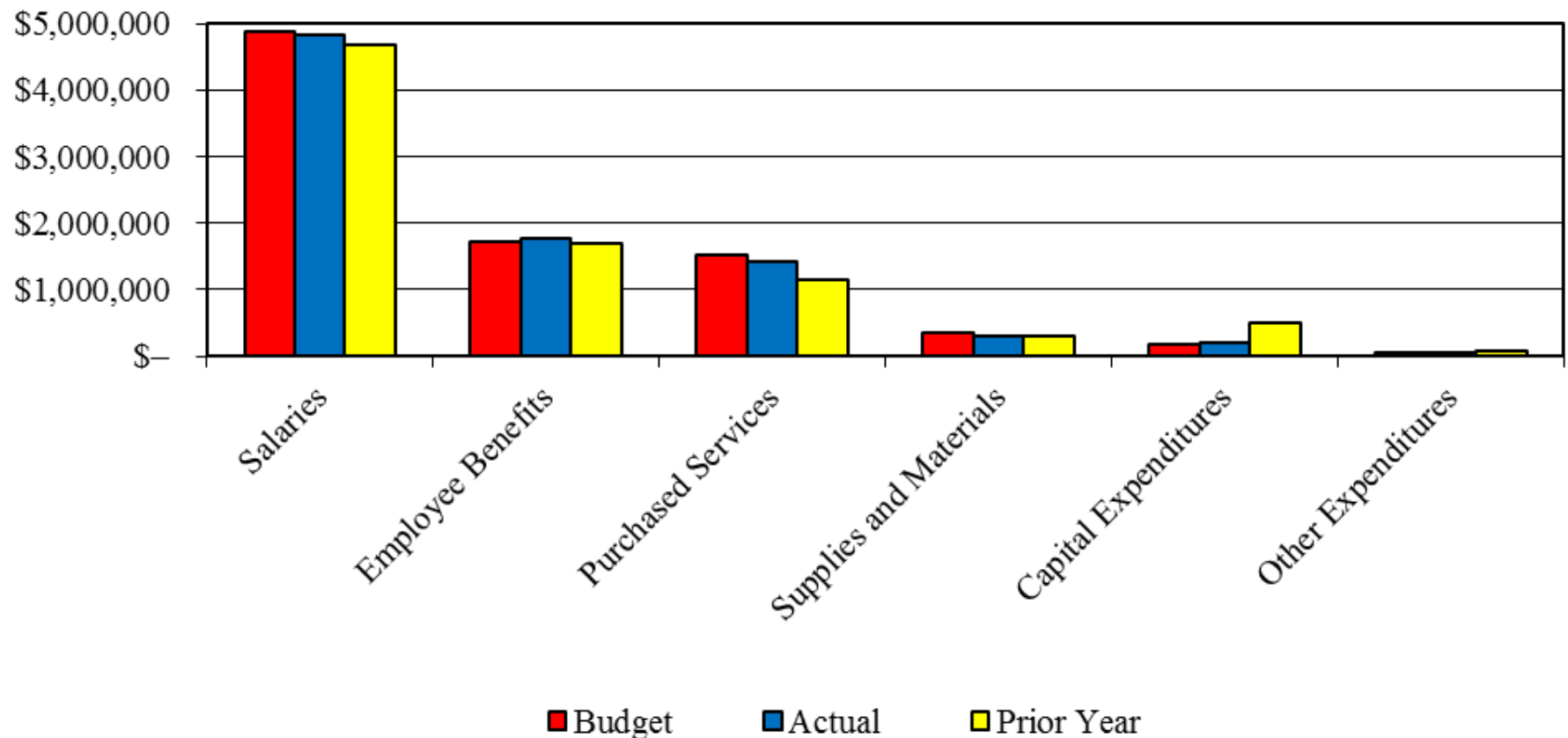


# GENERAL FUND REVENUE

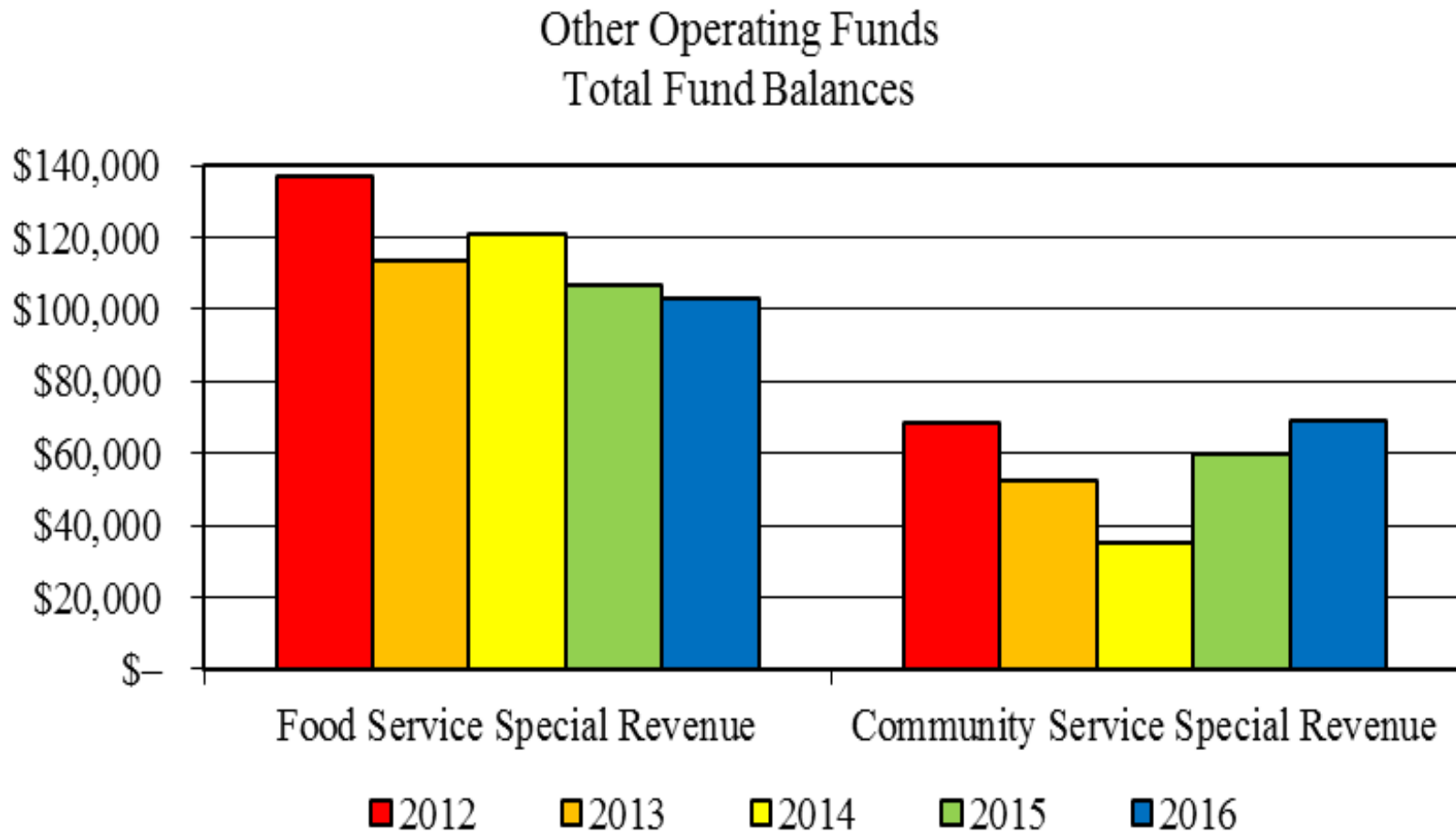


# GENERAL FUND EXPENDITURES

General Fund Expenditures



# OTHER GOVERNMENTAL FUNDS





# DISTRICT-WIDE STATEMENT OF NET POSITION

	June 30,		Increase (Decrease)
	2016	2015	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 1,930,418	\$ 1,814,715	\$ 115,703
Total capital assets, net of depreciation	17,188,581	18,000,711	(812,130)
Total long-term debt	(18,698,162)	(18,975,062)	276,900
Other adjustments	1,971,037	1,150,229	820,808
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total net position – governmental activities	<u>\$ 2,391,874</u>	<u>\$ 1,990,593</u>	<u>\$ 401,281</u>
Net position			
Net investment in capital assets	\$ 5,250,185	\$ 5,280,035	\$ (29,850)
Restricted	1,066,261	1,038,644	27,617
Unrestricted	(3,924,572)	(4,328,086)	403,514
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total net position	<u>\$ 2,391,874</u>	<u>\$ 1,990,593</u>	<u>\$ 401,281</u>