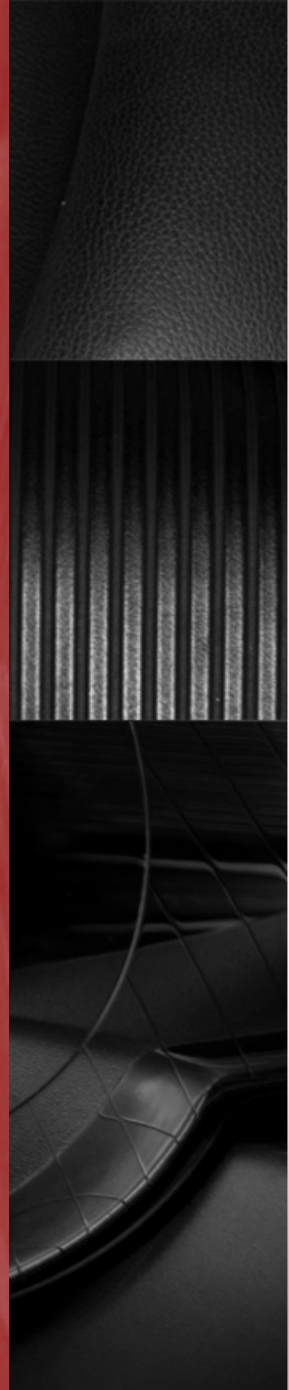


# 2016 Audit Report Marshalltown Community School District



# Auditor's Opinions

- ❖ An unmodified opinion was issued on the financial statements
- ❖ An unmodified opinion was issued on compliance with requirements applicable to each major program

# 2016 Financial Highlights

- ❖ General Fund revenues increased by \$910,487 to \$61,059,332 in fiscal 2016
- ❖ General Fund expenditures increased by \$681,951 to \$60,212,742 in fiscal 2016

# 2016 Financial Highlights

- ❖ The District's General Fund balance increased by \$846,590 to \$6,131,872 in fiscal 2016
- ❖ The increase in General Fund revenues occurred mainly in the state and federal sources of revenue

# 2016 Financial Highlights

- ❖ The increase in expenditures was due primarily to increases in negotiated salaries and benefits

# Economic Factors

- ❖ The District has experienced stable enrollment for a few years, the District expects enrollment to remain the same

# Economic Factors

- ❖ The District has experienced moderate taxable valuation growth.
- ❖ This trend is expected to continue

# Economic Factors

- ❖ Low supplemental state aid, also known as allowable growth, increases over the past several years has had a negative impact on the District's spending authority balance as increases in state aid have not kept up with rising costs of District expenses

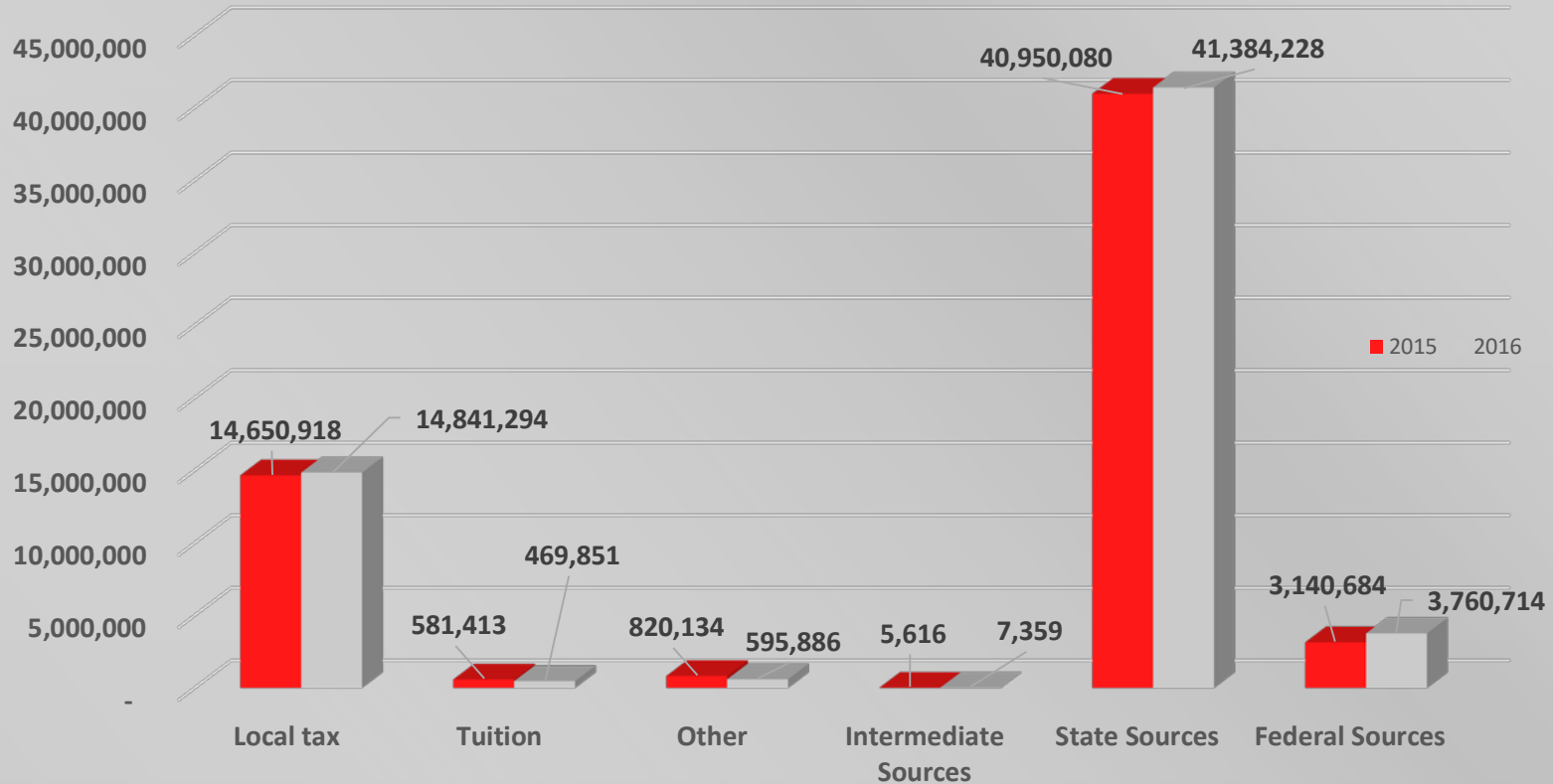


# Unassigned Fund Balance and Solvency Ratio Comparison

2014	2015	2016
\$3,167,866	\$3,498,781	\$3,529,717
5.70%	6.05%	6.02%

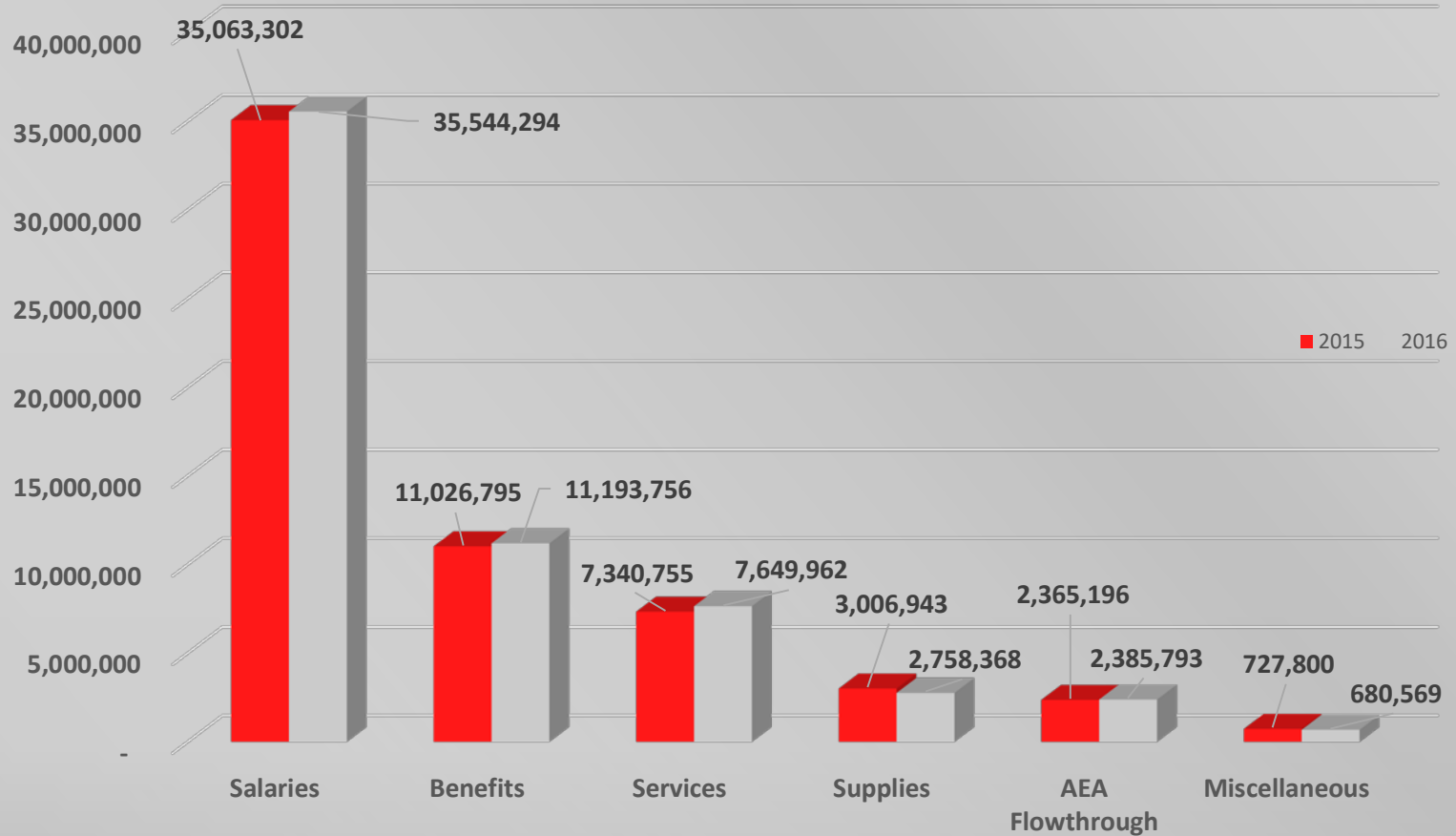
Solvency Ratio =  $\frac{\text{Unassigned Fund Balance}}{\text{Revenues - AEA Flowthrough}}$

# General Fund Revenues



Total General Fund Revenues of \$61,059,332

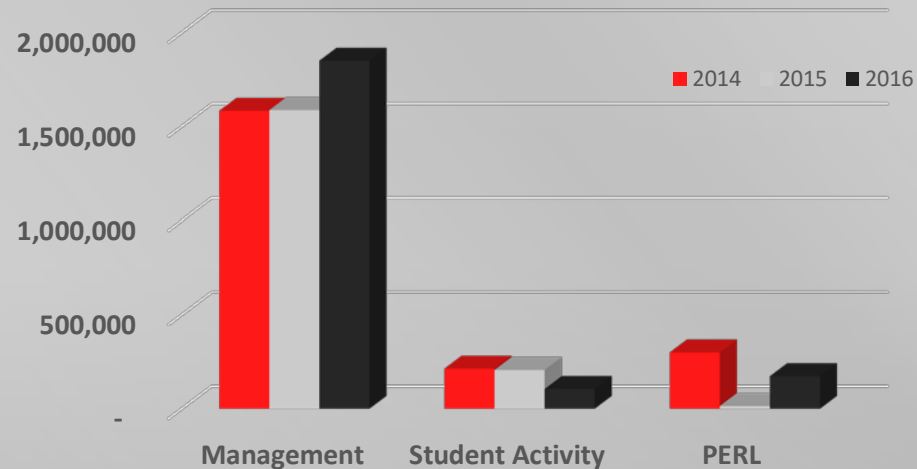
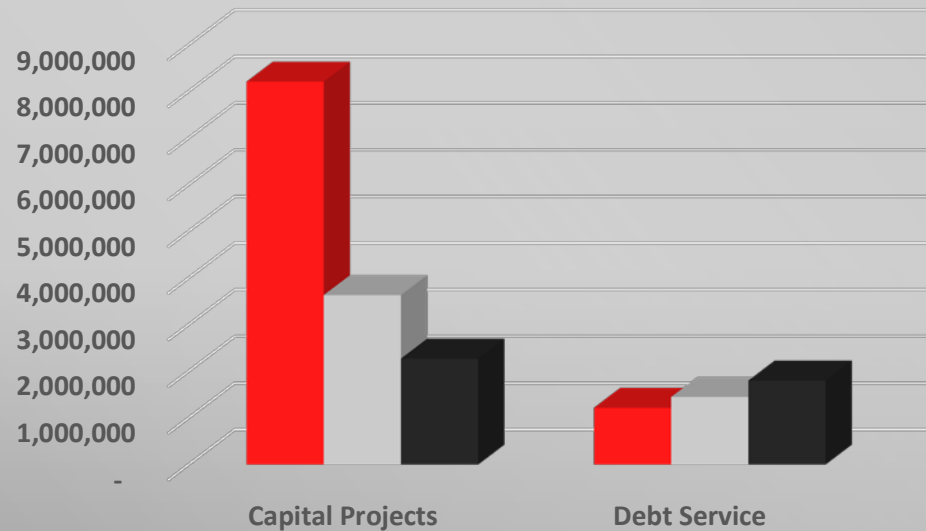
# General Fund Expenses



Total General Fund Expenses of \$60,212,742

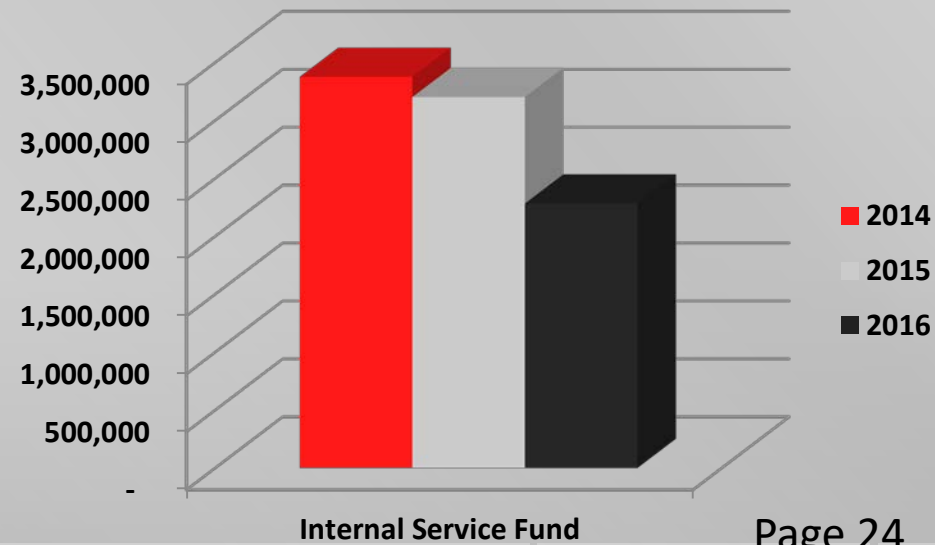
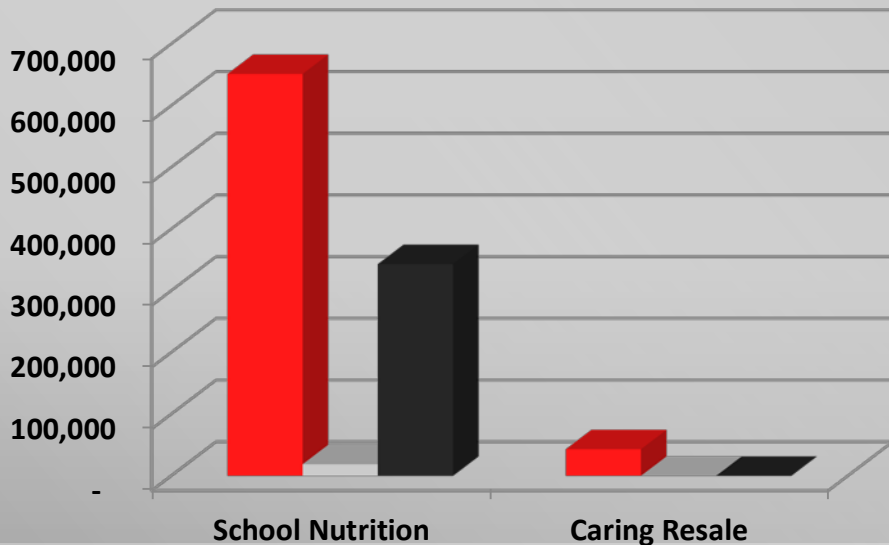
# Governmental Funds Restricted Fund Balance

	2014	2015	2016
Capital Projects	\$8,208,098	\$3,632,422	\$2,272,045
Debt Service	\$1,217,428	\$1,448,641	\$1,801,032
Management	\$1,583,119	\$1,586,958	\$1,850,054
Student Activity	\$213,642	\$206,748	\$105,299
PERL	\$299,898	\$146,872	\$173,324



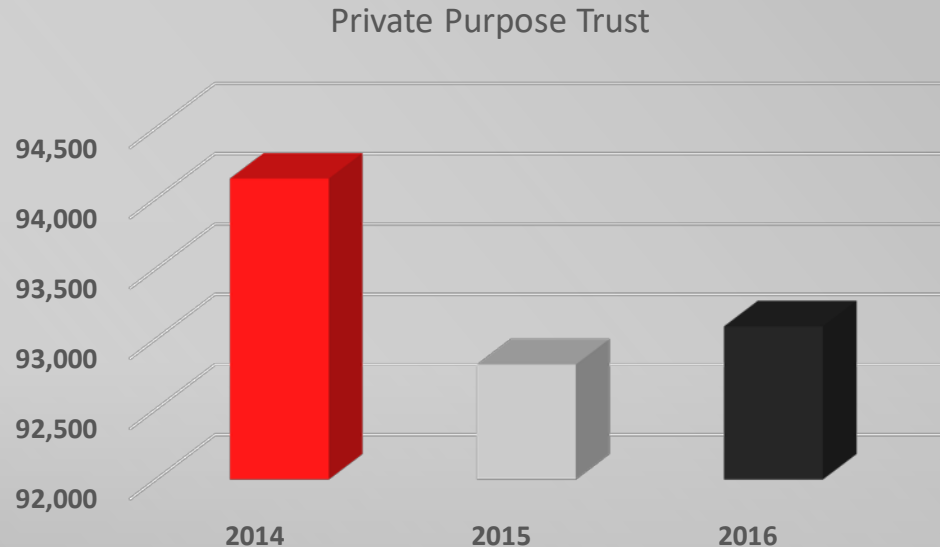
# Proprietary Funds Total Net Position

	2014	2015	2016
School Nutrition	\$651,375	\$18,877	\$343,105
Caring Resale	\$43,119	\$0	\$0
Internal Service Fund	\$3,374,946	\$3,200,190	\$2,281,968



# Fiduciary Funds Total Net Position

	2014	2015	2016
Private Purpose Trust	\$94,678	\$92,819	\$93,090



## Part IV: Other Findings Related to Required Statutory Reporting

- Questionable Disbursements –
  - Gift Cards – Noted the District purchased gift cards to be given as prizes during the Bobcat Golf event

## Part IV: Other Findings Related to Required Statutory Reporting

- Questionable Disbursements -
  - Fundraiser Prizes – Noted a disbursement for fundraiser prizes to be given to top sellers purchased from the Miller Magazine Sales account within the Student Activity Fund



## Part IV: Other Findings Related to Required Statutory Reporting

- Business Transactions –
  - The transactions with Board Member Mike Miller, as President/CEO of RACOM may appear to represent a conflict of interest in accordance with Chapter 279.7A of the Code of Iowa

## Part IV: Other Findings Related to Required Statutory Reporting

- Certified Enrollment - We noted a variance in the basic enrollment data certified to the Iowa Department of Education
  - The number of resident students which were reported was overstated by 1.66 students

## Part IV: Other Findings Related to Required Statutory Reporting

- Supplementary Weighting - We noted a variance in the supplementary weighting data certified to the Iowa Department of Education
  - The number certified was overstated by 0.51 for the 2015-2016 count

## Part IV: Other Findings Related to Required Statutory Reporting

- IHSAA and IGHSAA District and Regional Event Hosting – The District received revenue for being the host site of district and regional sporting events
  - This revenue was not always receipted into the General Fund and was receipted into the Activity Fund

## Part IV: Other Findings Related to Required Statutory Reporting

- Exclusive Vendor Contract – We noted the District has an exclusive vendor contract with Coca-Cola Bottling Company.
  - However, we noted a payment made from the General Fund to the Student Activity Fund which appeared to include commission revenue received from Coca-Cola

## Part IV: Other Findings Related to Required Statutory Reporting

- Student Activity Fund – Scholarships – We noted scholarships awarded from the High School Student Senate account within the Student Activity Fund



## **Thank you**

**We'd like to thank the Board of Directors for selecting us as your independent auditors, as well as the management and staff in preparing for the audit.**

**We recognize that many hours go into preparing for our audit and we appreciate your efforts.**