

A large, solid blue shape is located in the top left corner of the page. It is a trapezoid with a diagonal cut on its right side, pointing towards the bottom right.

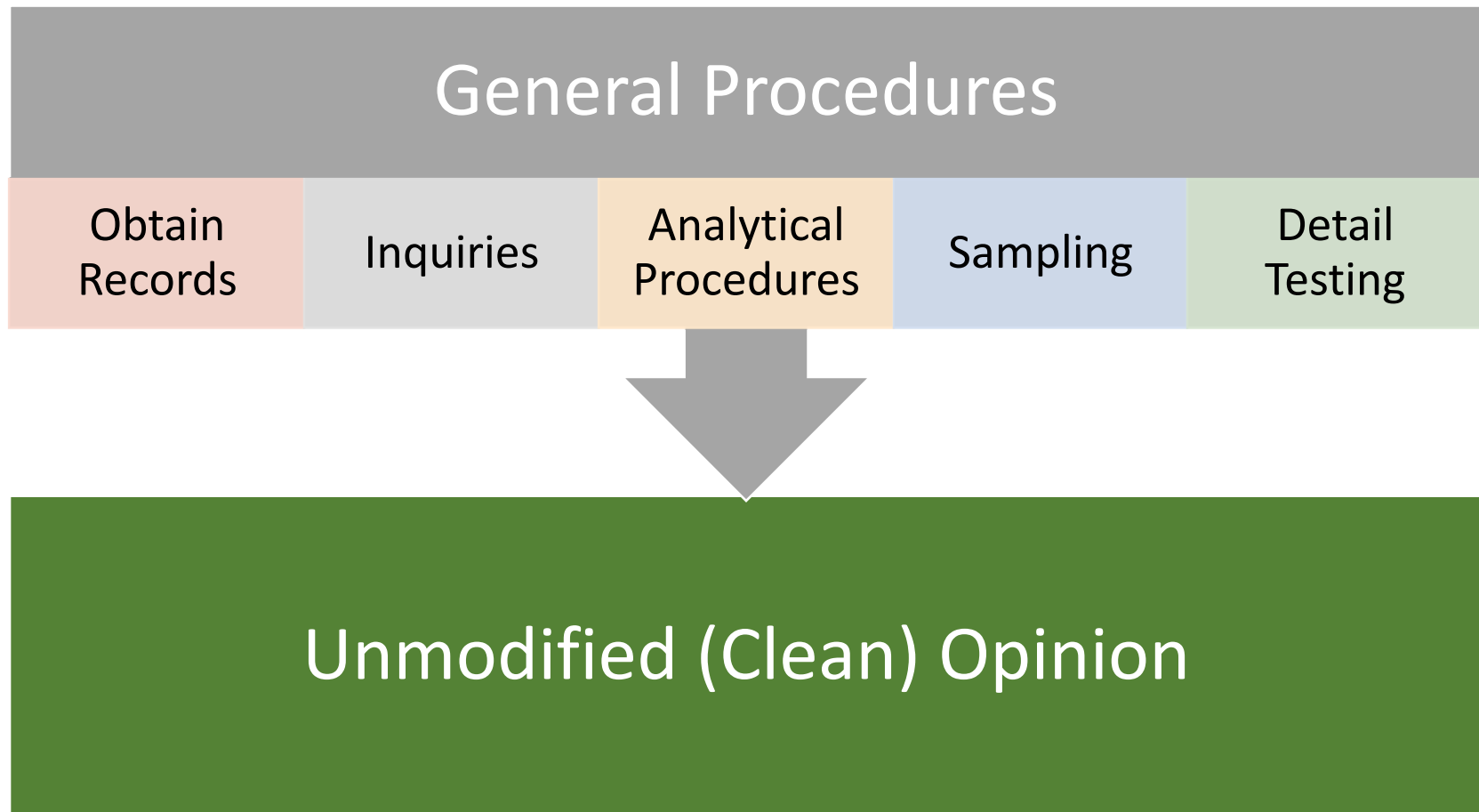
MACCRAY Schools
Independent School District No. 2180

Presentation of the Audited Financial Statements

Fiscal Year Ended June 30, 2021

A decorative footer element at the bottom of the page consists of two overlapping trapezoidal shapes. The left shape is light grey and the right shape is dark grey, both with a diagonal cut on their right sides, mirroring the shape in the top left.

Audit Process and Opinion



Required Communications



Audit went smoothly



Positive Working Relationship with Management



Nothing unusual noted in terms of recorded transactions or accounting policies/treatments



Significant estimates for

- Net Pension Liability/Balances
- Net OPEB Liability/Balances
- Amounts Due from MDE

Internal Controls Over Financial Reporting



AUDIT ADJUSTMENTS

- Various proposed audit adjustments to adjust accruals and other related balances



SEGREGATION OF DUTIES

- Your District has a lack of proper segregation of duties, which is very common for a District of your size



FINANCIAL STATEMENT PREPARATION

- We have prepared the financial statements on behalf of the District

Minnesota Legal Compliance

- Areas Reviewed
 - Contracting and Bidding
 - Depositories of Public Funds
 - Conflicts of Interest
 - Public Indebtedness
 - Claims and Disbursements
 - UFARS Compliance
 - Miscellaneous Provisions
- Findings:
 - No Findings Identified



Single Audit (Federal Program Compliance)

Major Programs Tested

- Child Nutrition Cluster
- Coronavirus Relief Fund

Opinion

- Unmodified (Clean) Opinion on the Schedule of Expenditures of Federal Awards

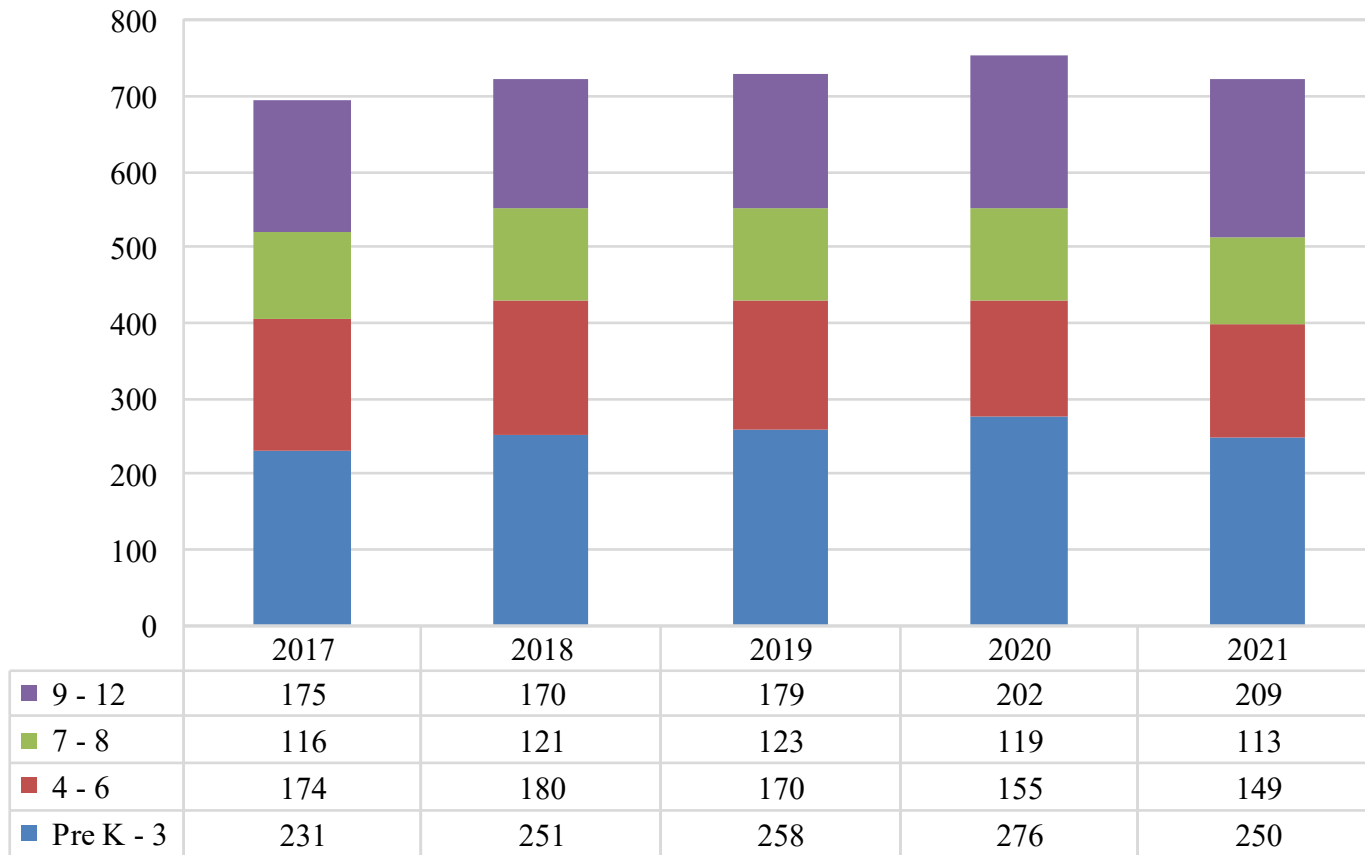
Compliance

- No Findings Identified

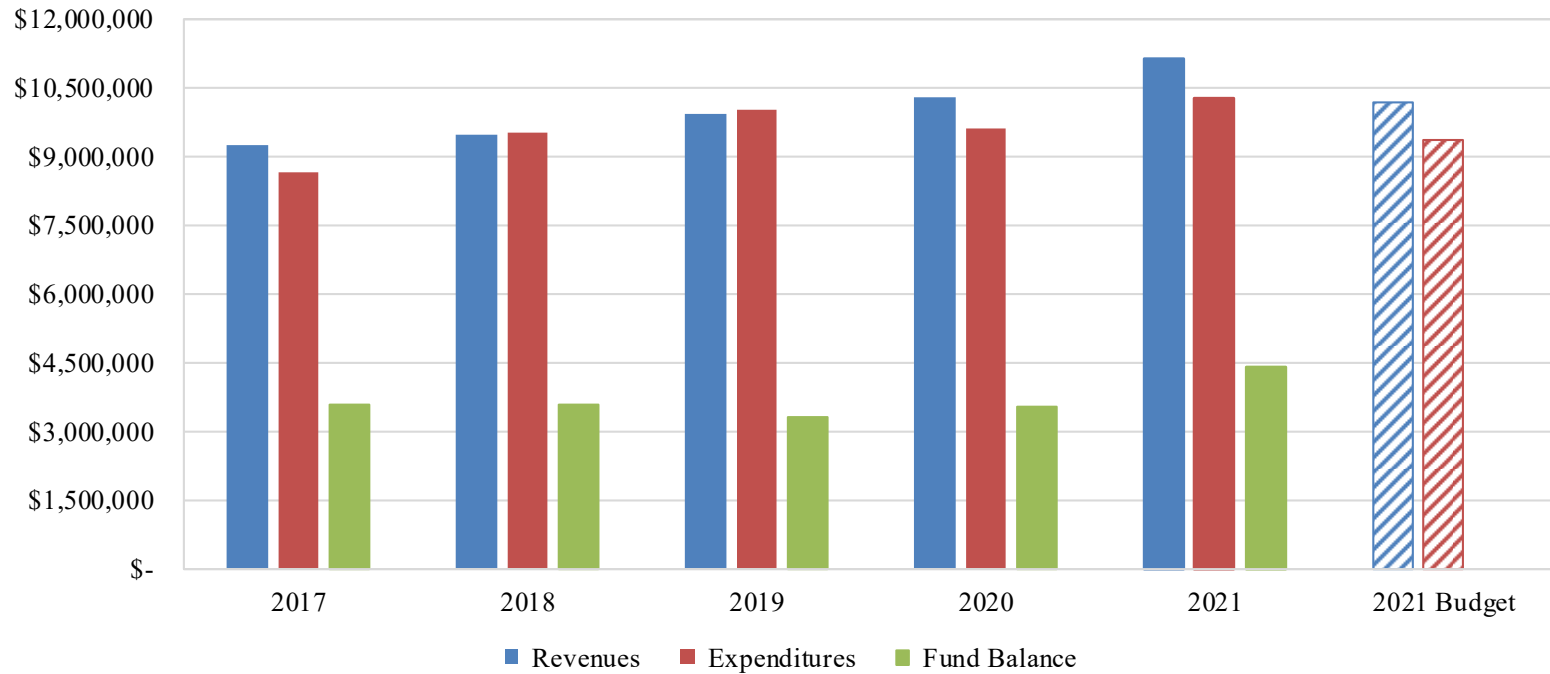
Internal Control Over Compliance

- Lack of Certifying Official's Signatures (Child Nutrition)

Pupil Units (ADM) Trend Analysis



General Fund - Trend Analysis & Budgetary Comparison

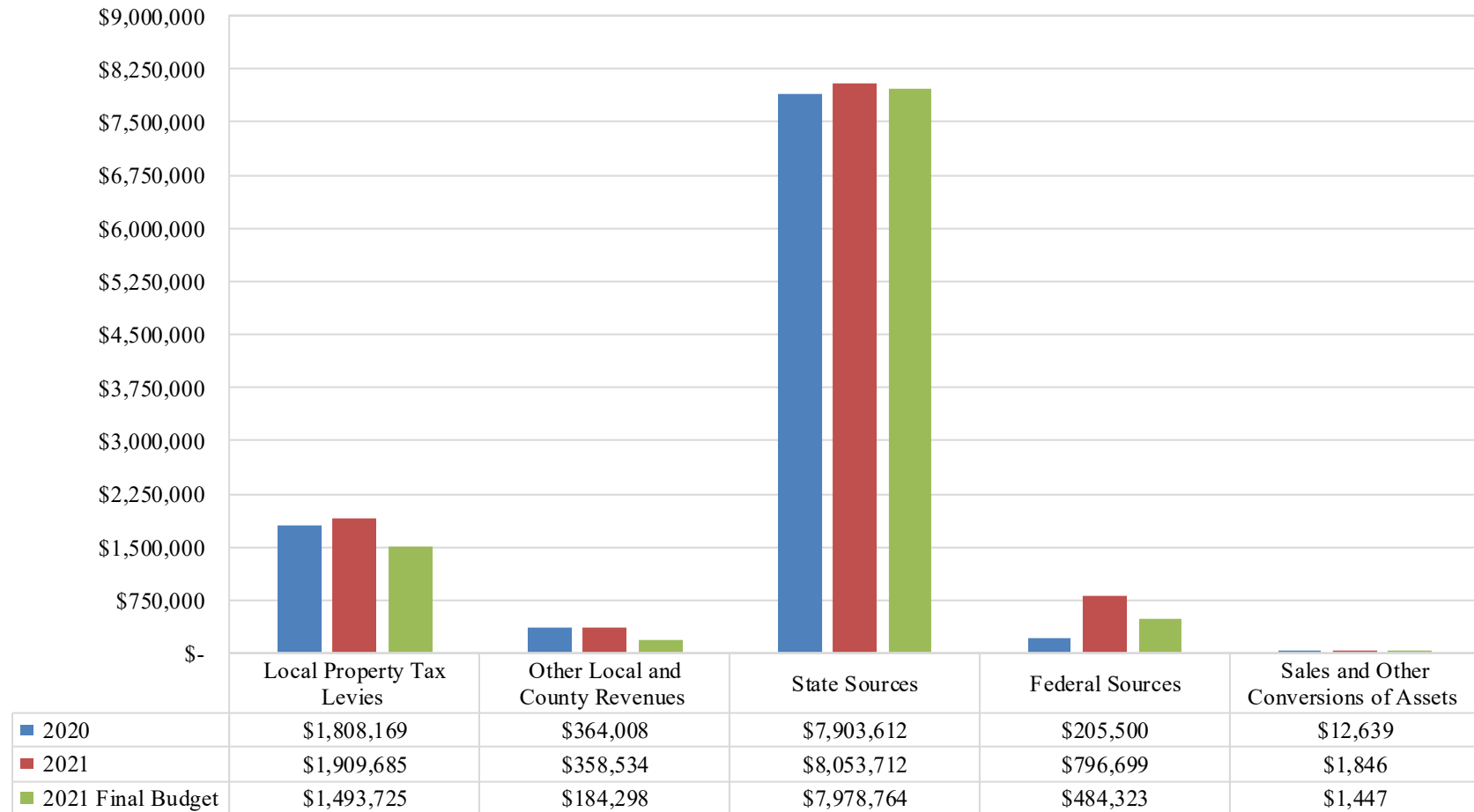


□ Revenues and Expenditures both were over budget, as detailed in following pages

	2020	2021	2021 Budget
Revenues	\$ 10,293,928	\$ 11,120,476	\$ 10,142,557
Expenditures	9,599,130	10,244,691	9,337,986
Other Sources (Uses)	(479,373)	1,000	-
Change in Fund Balance	215,425	876,785	804,571
Fund Balance	\$ 3,508,494	\$ 4,385,279	\$ -

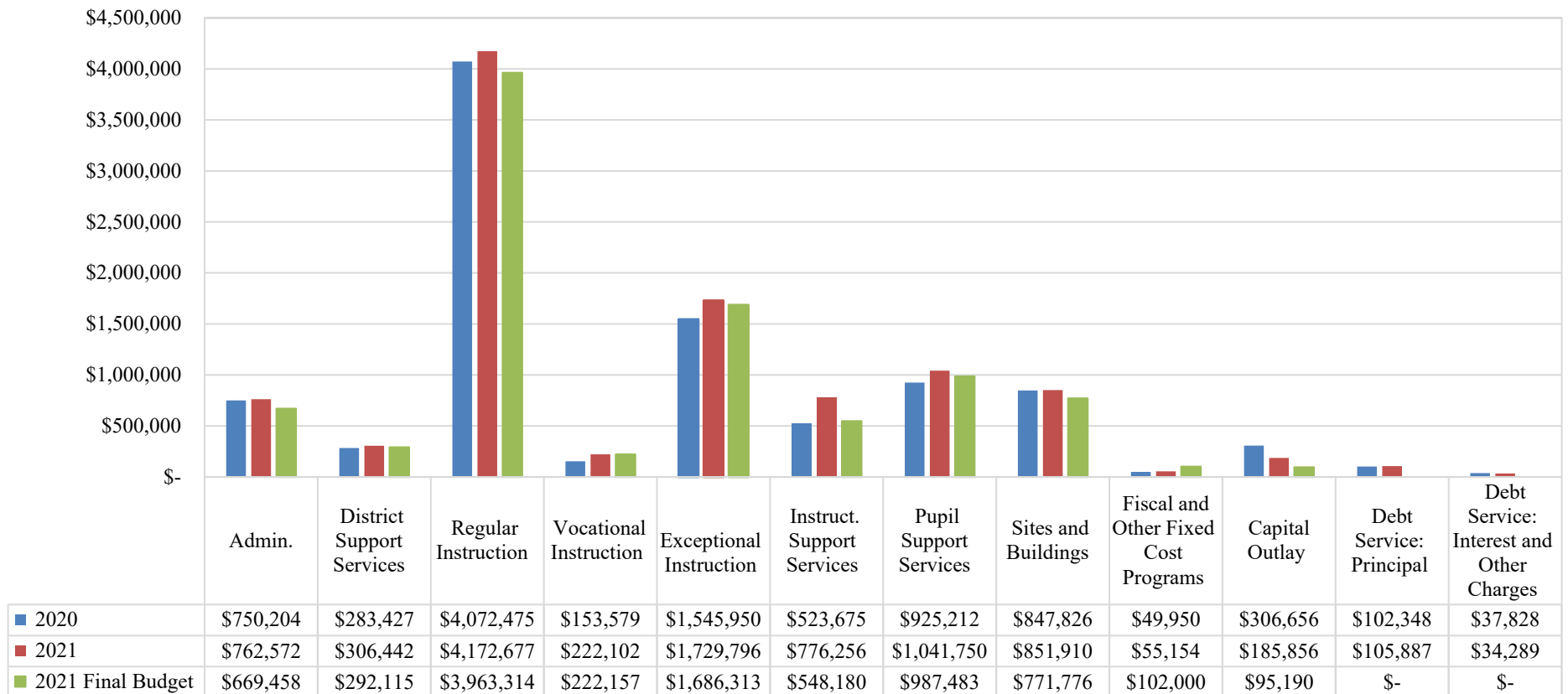
General Fund

Detailed Revenue Analysis



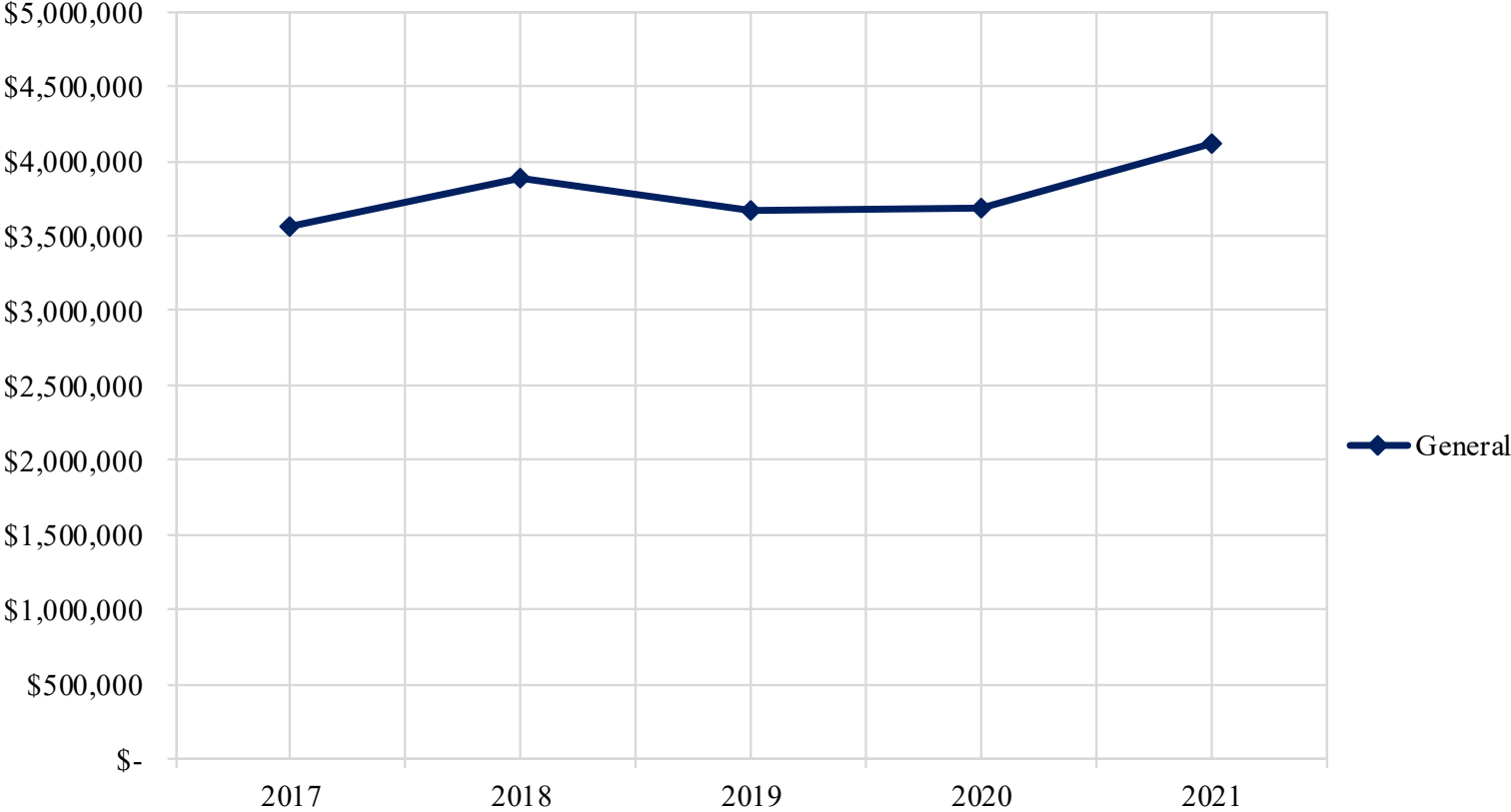
General Fund

Detailed Expenditure Analysis



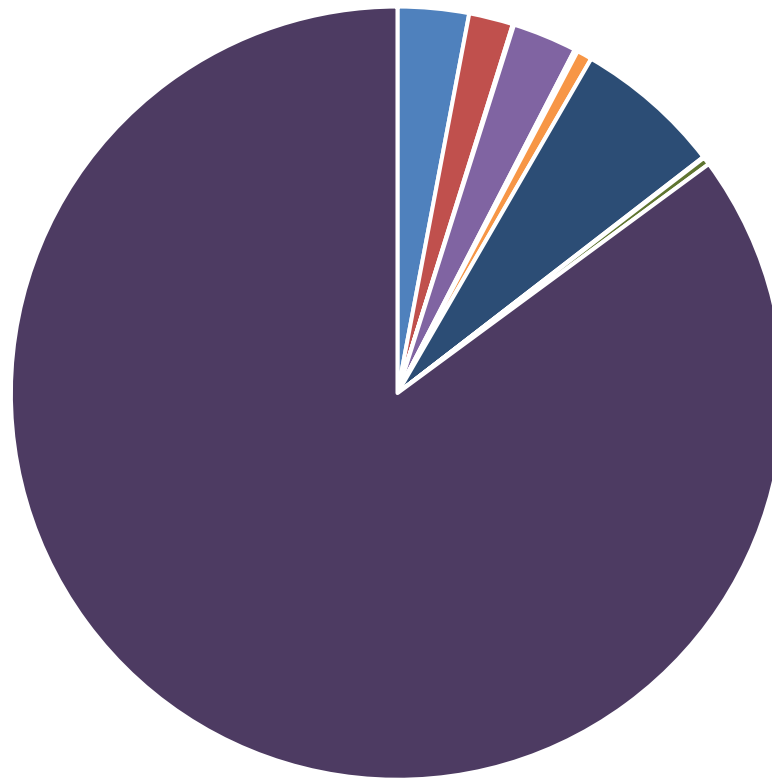
General Fund

Cash Trend Analysis



General Fund

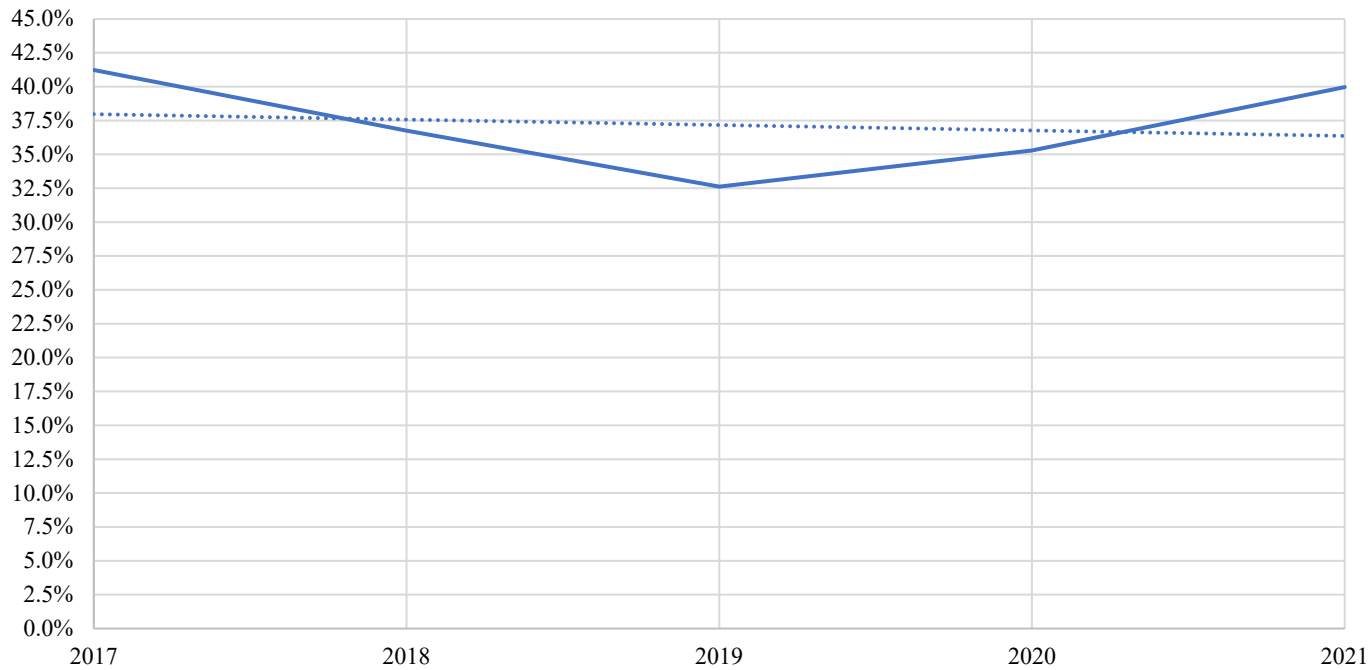
Fund Balance



	<u>Balance</u>
Restricted- Student Activities	\$ 130,556
Restricted- Staff Development	\$ 81,023
Restricted- Disabled Accessibility	\$ 2,273
Restricted- Basic Skills Programs	\$ 118,534
Restricted- Achievement and Integration	\$ 6,075
Restricted- Safe Schools Levy	\$ 27,906
Restricted- LTFM	\$ 271,087
Restricted- Medical Assistance	\$ 1,748
Assigned Fund Balance	\$ 14,365
Unassigned Fund Balance	\$ 3,731,712

- Restricted- Student Activities
- Restricted- Staff Development
- Restricted- Disabled Accessibility
- Restricted- Basic Skills Programs
- Restricted- Achievement and Integration
- Restricted- Safe Schools Levy
- Restricted- LTFM
- Restricted- Medical Assistance
- Assigned Fund Balance
- Unassigned Fund Balance

Percentage of Annual Budgeted Operating Expenditures in Unassigned General Fund Balance

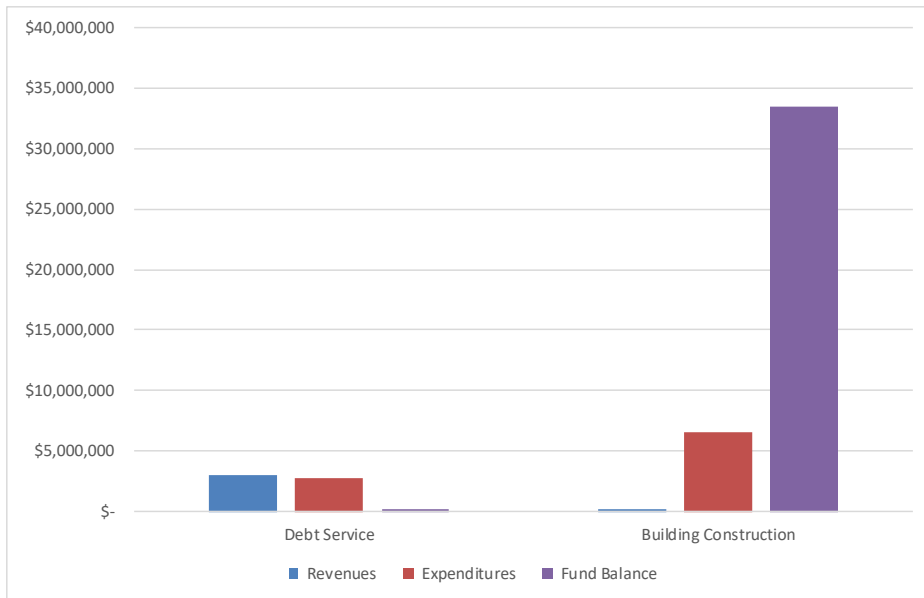


<u>Year</u>	<u>Percentage</u>
2017	41.2%
2018	36.7%
2019	32.6%
2020	35.3%
2021	40.0%

- District policy is to maintain a minimum unassigned general fund balance equal to approximately 20% of the annual budget.

Financial Highlights

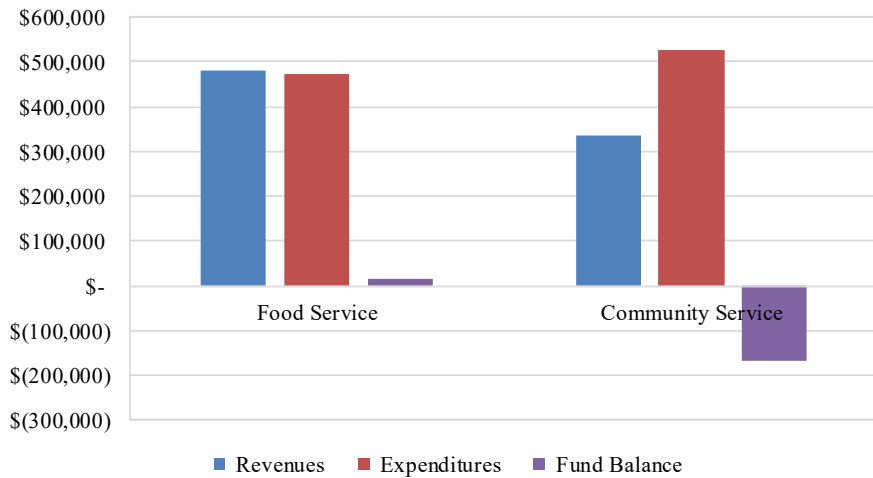
Remaining Governmental Funds



	Debt Service	Building Construction
Revenues	\$ 2,950,696	\$ 247,904
Expenditures	<u>2,807,396</u>	<u>6,509,013</u>
Change in Fund Balance	143,300	(6,261,109)
Fund Balance	\$ 215,516	\$ 33,413,249

Financial Highlights

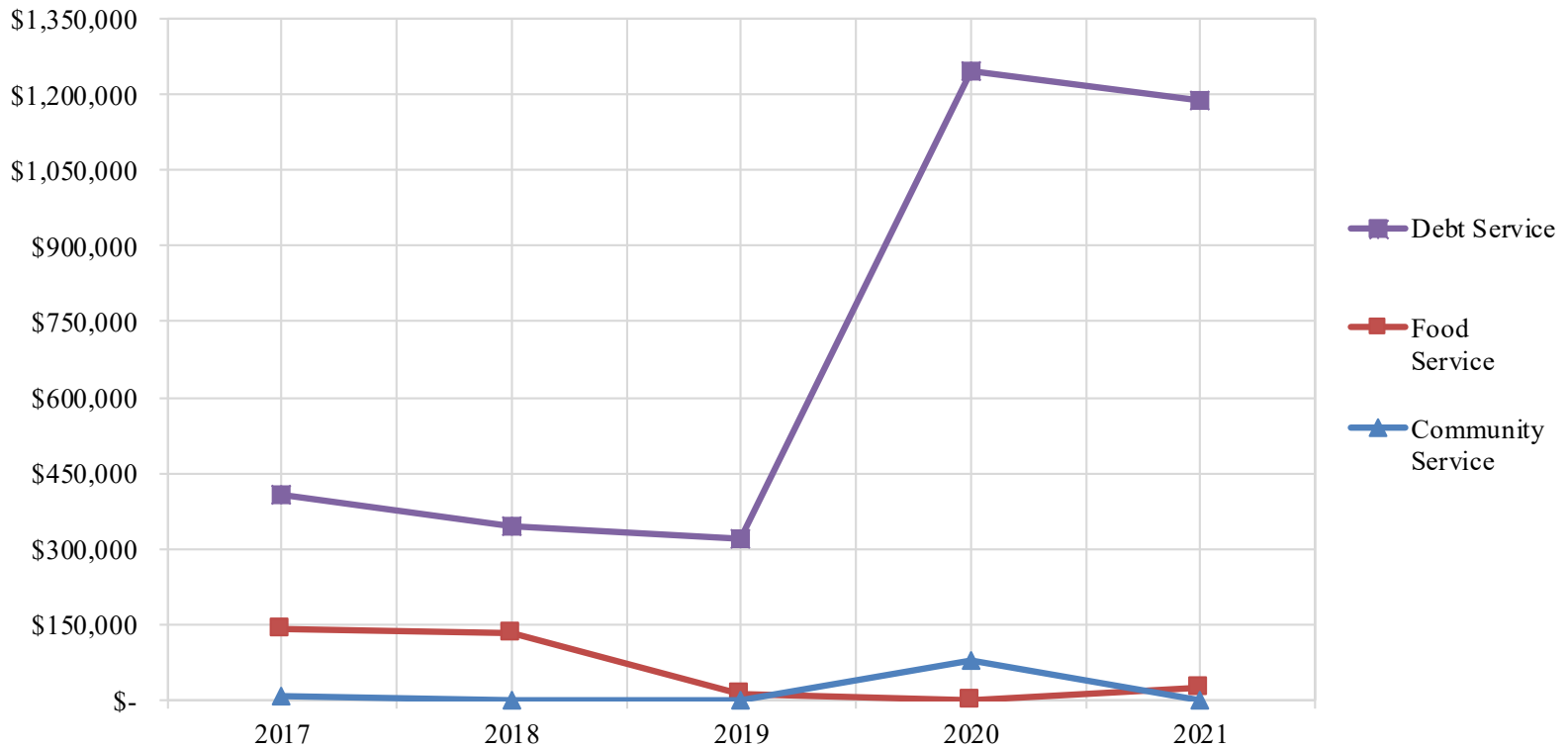
Remaining Governmental Funds



	Food Service	Community Service
Revenues	\$ 478,723	\$ 336,838
Expenditures	<u>471,955</u>	<u>524,669</u>
Change in Fund Balance	6,768	(187,831)
Fund Balance	\$ 16,477	\$ (169,350)

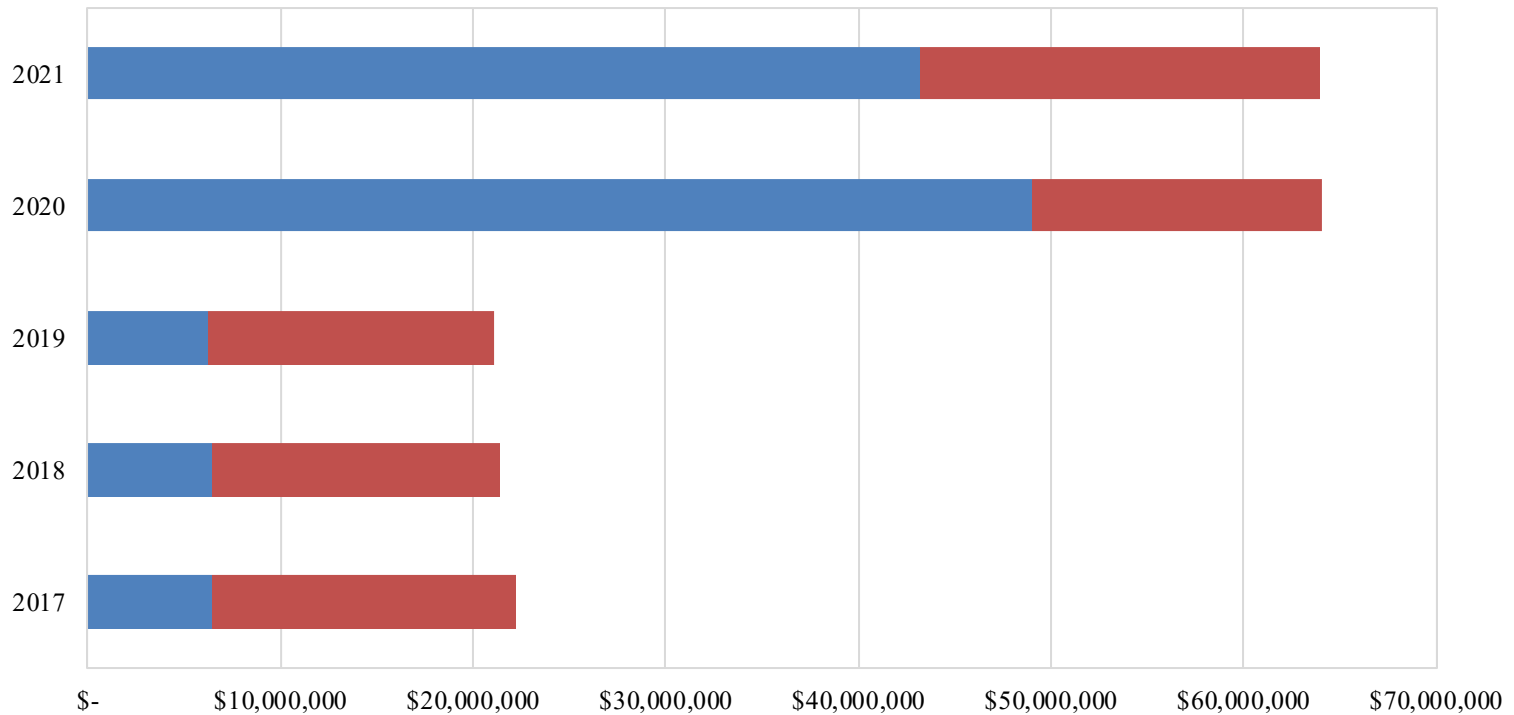
Remaining Governmental Funds

Cash Trend Analysis



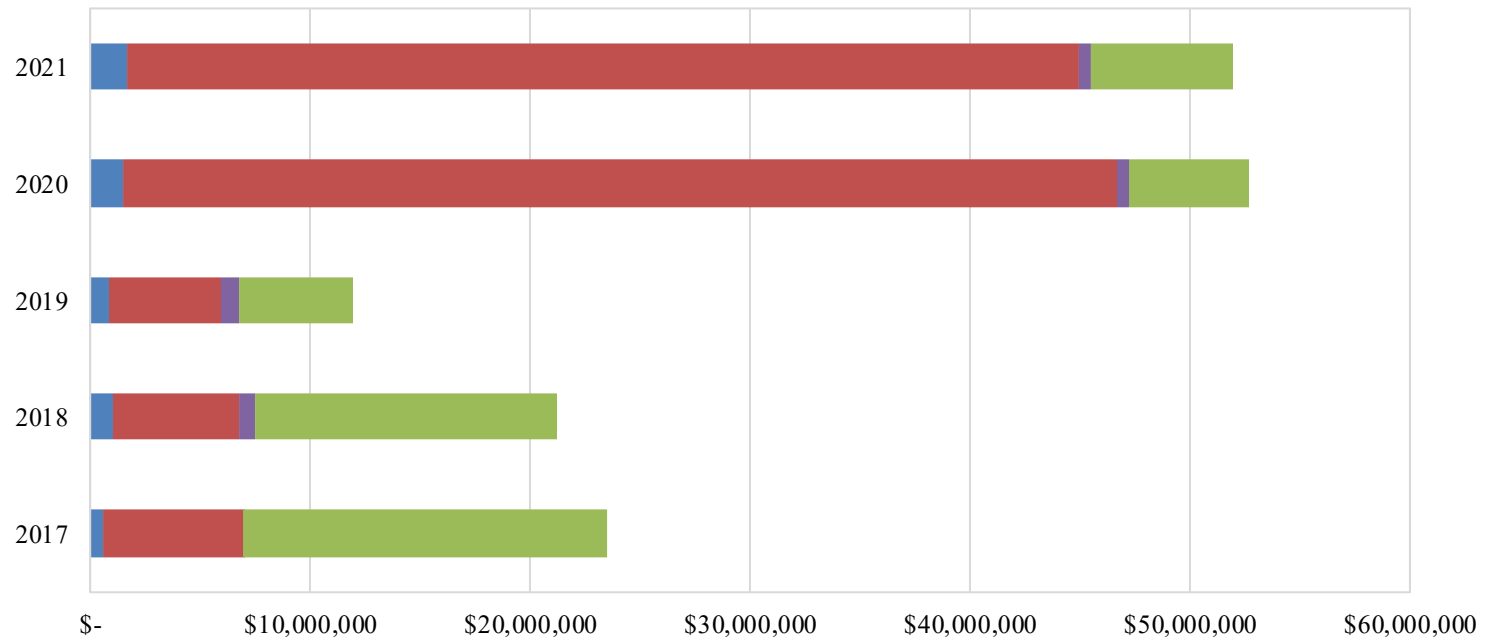
Excluded from the above table is the \$33,976,299 of cash currently held in the Building Construction Fund

Government-Wide Assets

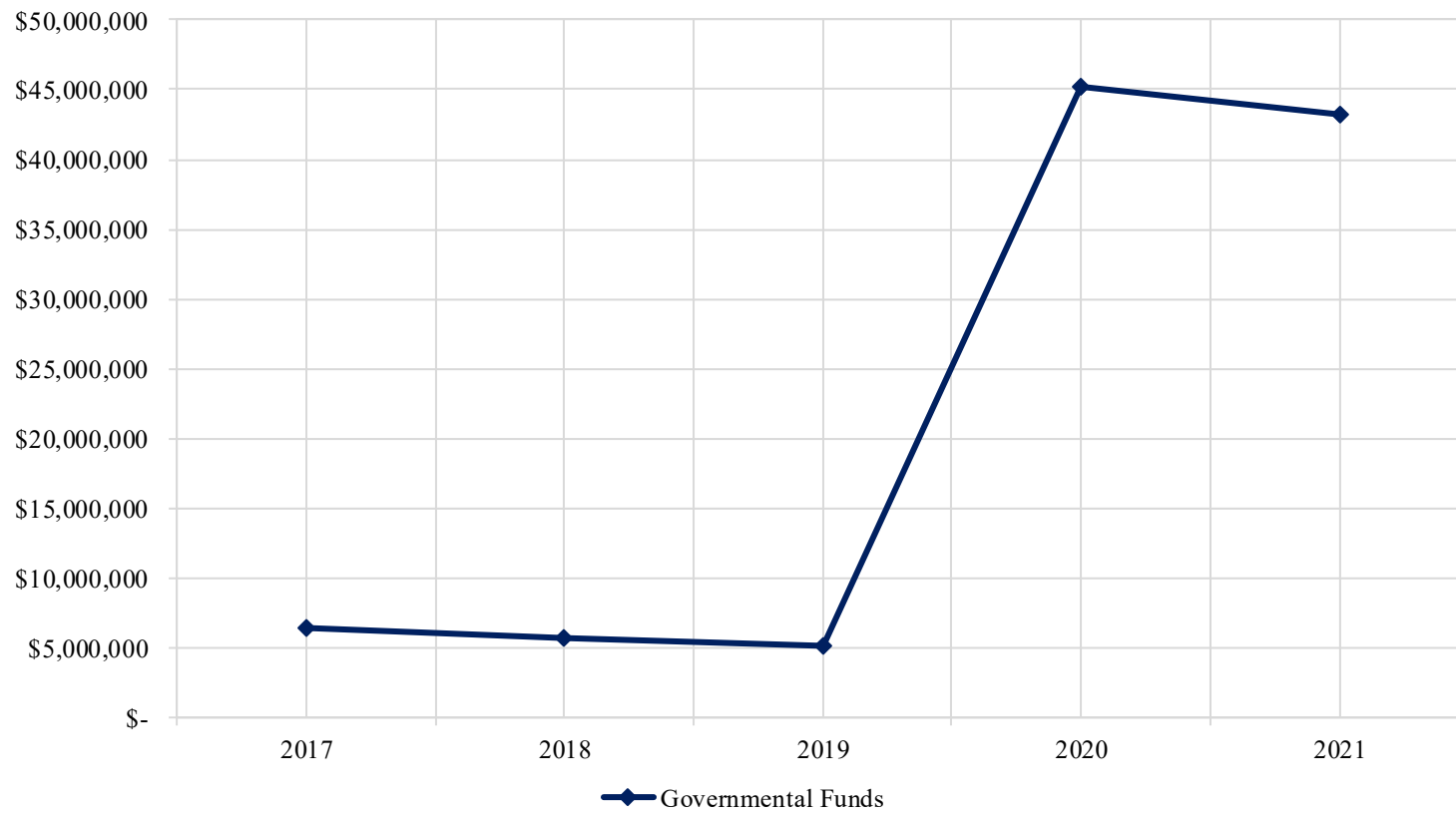


	2017	2018	2019	2020	2021
■ Current Assets	\$6,440,045	\$6,493,412	\$6,287,336	\$48,978,486	\$43,199,010
■ Capital/Noncurrent	\$15,792,352	\$14,859,103	\$14,837,409	\$15,151,230	\$20,743,470

Government-Wide Liabilities

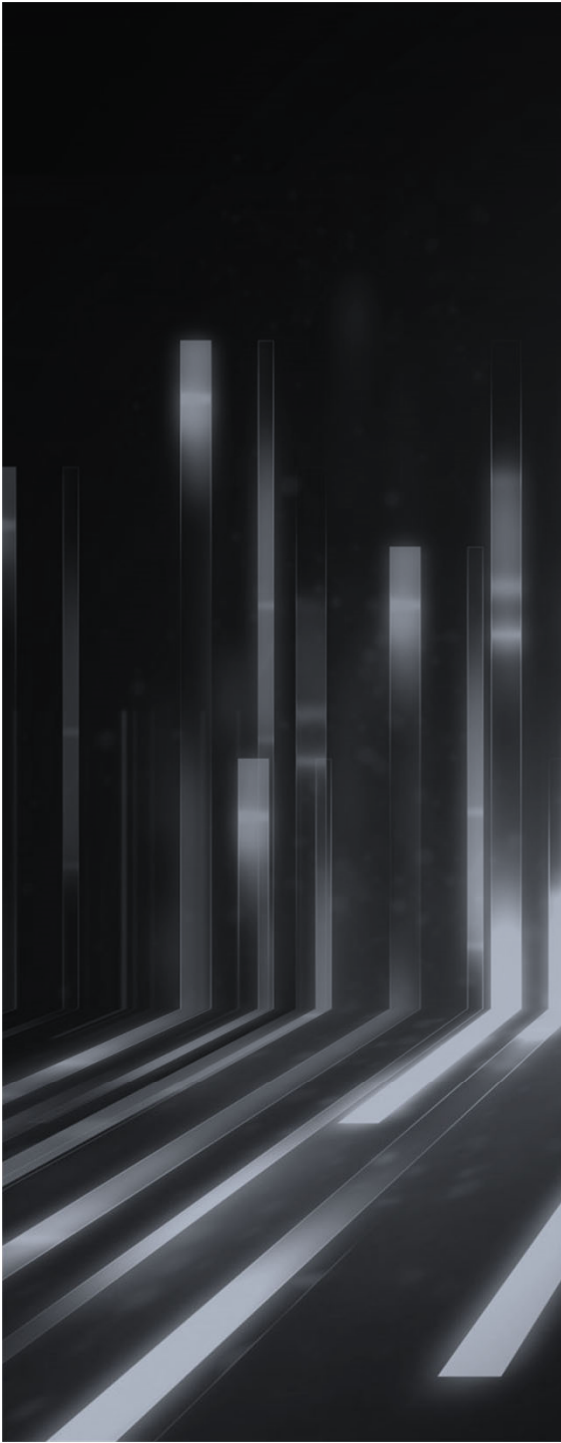


	2017	2018	2019	2020	2021
■ Current Liabilities	\$560,182	\$988,291	\$854,372	\$1,499,879	\$1,670,311
■ Debt/Noncurrent	\$6,363,455	\$5,729,274	\$5,125,650	\$45,199,489	\$43,264,335
■ Net OPEB Liability	\$21,580	\$796,025	\$778,647	\$526,851	\$535,767
■ Net Pension Liability	\$16,569,066	\$13,728,456	\$5,215,273	\$5,442,138	\$6,482,079



Long Term Debt Outstanding

- G.O. Alternative and Capital Facilities Bonds, Series 2013A
- G.O. School Building Bonds, Series 2020A
- Equipment Lease
- Severance Liability



Upcoming Accounting Standard – GASB 87 *Leases*

Old Method

- Operating Leases
- Capital Leases

New Method

- Short-term Leases
- Contracts that Transfer Ownership
- All Other Leases (most former Operating Leases)

Biggest Impact

- A “lease liability” and corresponding “right-to-use asset” will need to be calculated and recorded for most leases

Questions?

Ashley Meagher, CPA

Manager

ameagher@schlennerwenner.cpa

320-251-0286