

## **Finance & Facilities Committee**

Monday, December 5, 2022 6:30 PM

Waconia Public Schools - District Office - Conf Rm C, 512 Industrial Blvd.,  
Waconia, MN 55387

### **1. DISCUSSION ITEMS**

**Presenter:** Ra Chhoth,  
Director of Finance &  
Operations

### **2. RFP Results for Waste Services**



## Sourcing Summary

### Project Overview

<b>Department:</b>	Facilities	<b>Date:</b>	11/28/2022
<b>Category:</b>	Waste/Recycling Services	<b>Sourcing Process:</b>	RFP
<b>Participating Vendors:</b>	<ul style="list-style-type: none"> <li>Republic Services (Quoted)</li> <li>Waste Management (Quoted)</li> </ul>		
<b>Profess Notes:</b>	<ul style="list-style-type: none"> <li>Service-levels were updated from current contract to reflect current service needs/requirements and build in seasonality to reduce service costs during out-of-session months.</li> <li>Vendors solicited were determined based on which providers currently offer COMMERCIAL services in the city of Waconia.</li> </ul>		

### Service Specifications

#### Waste

Site	Container Size	Qty	In-Session Frequency	Out-of-Session Frequency
Learning Center	2-yd	1	1x	1x
High School	8-yd	2	2x	1x
High School	6-yd	1	EOW	EOW
Stadium	4-yd	1	1x	1x
Middle School	8-yd	1	3x	1x
Laketown Elementary	8-yd	1	1x	1x
Bayview Elementary	6-yd	1	2x	1x
Southview Elementary	8-yd	1	2x	1x
District Office	6-yd	1	1x	1x

#### Recycling

Site	Container Size	Qty	In-Session Frequency	Out-of-Session Frequency
Learning Center	2-yd	1	1x	EOW*
High School	8-yd	1	1x	EOW*
Middle School	6-yd	1	2x	EOW*
Laketown Elementary	6-yd	1	1x	EOW*
Bayview Elementary	6-yd	1	1x	EOW*
Southview Elementary	4-yd	1	1x	EOW*
District Office	4-yd	1	1x	EOW*

### Annual Service Cost Estimates

Current	Republic Services	Waste Management
\$67,202.28	\$44,174.16	\$29,474.46

### Company Information

Data Point	Republic Services	Waste Management
Contact Name	Dustin Krause	Shauna Lang-Burke
Address	9813 Flying Cloud Dr	1901 Ames Dr
City, State, Zip	Eden Prairie, MN 55347	Burnsville, MN 55306
Website	republicservices.com	wm.com



## References

	Republic Services		Waste Management	
School	White Bear Schools	Osseo Area Schools	Edina Schools	Jordan Schools
Contact	Dan Roeser	Terry Woodworth	Curt Johansen	Tim Besek
Phone	651-407-7633	6510-407-7	952-451-7180	651-955-4629

## Qualification Checklist

Question/Data Point	Republic Services	Waste Management
Have you reviewed and agree with the District Terms, conditions, specifications, & requirements as described [Y/N] ?	Y	Y
Are you authorized to do business with Minnesota public schools? [Y/N] ?	Y	Y
Did you include a copy of your certificate of insurance and a draft of your agreement [Y/N] ?	Y	Y

## Questions/Data Points

Question/Data Point	Republic Services	Waste Management
Please provide the name of the account manager that will be assigned to the district	Brian Frederickson	Michael Donnelly
How do you define 'contamination' for recycling?	Contaminated recycling would be recycling that is bagged or has over 10% of non-recyclable material in it	Eligible recyclable materials must be clean, dry, non-shredded, empty, loose and unbagged
Describe how you communicate contamination occurrences for recycling?	Emails of contamination will be sent	We communicate electronically with images to show the contamination
Do you assess a fee for contamination?	Yes	Yes
What is the fee for contamination in the recycling?	\$50.00	\$50.00
When/how is that fee assessed?	On the invoice the month after occurrence	It is assessed at the time identified by our smart truck technology. The fee is then charged on the following month's billing statement.
Do you accept Credit Card Payment with <b>NO</b> additional fee assessed?	Yes	Yes
If "NO", state the fee charged OR 'n/a' if credit card payment is not available.	N/A	N/A
Do you assess an additional FUEL SURCHARGE?	Yes	No
IF YES, is your Fuel Surcharge FIXED or VARIABLE?	Variable – dependent on highway diesel fuel price matrix	N/A
IF VARIABLE, describe the basis for this charge (how it is determined)		
What is your FUEL SURCHARGE (%) as of August 31st, 2022?	29.69%	NA
Do you assess an ENVIRONMENTAL SURCHARGE or alike in your proposal?	Y	No
IF YES, is your Environmental Surcharge FIXED or VARIABLE?	Fixed	N/A
What is your ENVIRONMENTAL SURCHARGE (%) as of August 31st, 2022?	18%	N/A



### Service Pricing – In Session

Location - Site	Type	Freq	Republic Services		Waste Management	
			Monthly Service	On Call Charge	Monthly Service	On Call Charge
Leaming Center	Waste	1x	\$59.98	\$40.00	\$62.73	\$27.21
High School	Waste	2x	\$525.00	\$80.00	\$416.79	\$48.81
High School	Waste	EOW	\$49.88	\$60.00	\$62.60	\$41.58
Stadium	Waste	1x	\$83.98	\$50.00	\$82.99	\$35.10
Middle School	Waste	3x	\$395.00	\$80.00	\$310.37	\$48.81
Laketown Elementary	Waste	1x	\$155.00	\$80.00	\$121.46	\$48.81
Bayview Elementary	Waste	2x	\$295.00	\$80.00	\$215.91	\$48.81
Southview Elementary	Waste	2x	\$295.00	\$80.00	\$215.91	\$48.81
District Office	Waste	1x	\$115.00	\$60.00	\$101.85	\$41.58
Leaming Center	Recycling	1x	\$55.00	\$40.00	\$56.40	\$25.75
High School	Recycling	1x	\$95.00	\$80.00	\$73.59	\$37.76
Middle School	Recycling	1x	\$95.00	\$80.00	\$73.59	\$37.76
Laketown Elementary	Recycling	1x	\$85.00	\$50.00	\$62.82	\$30.44
Bayview Elementary	Recycling	1x	\$85.00	\$50.00	\$62.82	\$30.44
Southview Elementary	Recycling	1x	\$85.00	\$50.00	\$62.82	\$30.44
District Office	Recycling	1x	\$85.00	\$50.00	\$62.82	\$30.44

### Service Pricing – Out-of-Session

Location - Site	Type	Freq	Republic Services		Waste Management	
			Monthly Service	On Call Charge	Monthly Service	On Call Charge
Leaming Center	Waste	1x	\$59.98	\$40.00	\$62.73	\$27.21
High School	Waste	1x	\$262.50	\$80.00	\$235.39	\$48.81
High School	Waste	EOW	\$49.88	\$60.00	\$62.60	\$41.58
Stadium	Waste	1x	\$83.98	\$40.00	\$82.99	\$35.10
Middle School	Waste	1x	\$131.67	\$80.00	\$121.46	\$48.81
Laketown Elementary	Waste	1x	\$155.00	\$80.00	\$121.46	\$48.81
Bayview Elementary	Waste	1x	\$147.50	\$80.00	\$121.46	\$48.81
Southview Elementary	Waste	1x	\$147.50	\$80.00	\$121.46	\$48.81
District Office	Waste	1x	\$115.00	\$60.00	\$101.85	\$41.58
Leaming Center	Recycling	EOW	\$27.50	\$40.00	\$36.44	\$25.75
High School	Recycling	EOW	\$47.50	\$80.00	\$50.25	\$37.76
Middle School	Recycling	EOW	\$47.50	\$80.00	\$50.25	\$37.76
Laketown Elementary	Recycling	EOW	\$42.50	\$40.00	\$41.74	\$30.44
Bayview Elementary	Recycling	EOW	\$42.50	\$40.00	\$41.74	\$30.44
Southview Elementary	Recycling	EOW	\$42.50	\$40.00	\$41.74	\$30.44
District Office	Recycling	EOW	\$42.50	\$40.00	\$41.74	\$30.44



### Additional Fees

Fee Description	Republic Services	Waste Management
Delivery Service	\$150.00 per roll-off	\$75.00 per roll-off
Removal Service	\$60 per container	\$75.00 per roll-off
Extra Trip, Dry-Run & Container Relocation	\$121.06 per container	\$75.00 per container
Container Exchange Service	\$60 per container	\$127.50 per container
Overages	\$25 per yard	\$50.00 per instance
Extra Pickups for MSW	<ul style="list-style-type: none"> <li>• 2-yd \$45</li> <li>• 4-yd \$45</li> <li>• 6-yd \$60</li> <li>• 8-yd \$60</li> </ul>	<ul style="list-style-type: none"> <li>• 2-yd \$75</li> <li>• 4-yd \$100</li> <li>• 6-yd \$125</li> <li>• 8-yd \$150</li> </ul>
Additional Fees declared:		A one-time charge of \$127.50 applies when: <ul style="list-style-type: none"> <li>○ Adding a gravity/locking bar to an existing container</li> <li>○ A gravity/locking bar is requested</li> <li>○ Gravity/locking bar is replaced</li> </ul>

### Rate Changes (increases) Years 2, 3, 4

Description	Republic Services	Proposed Rate Increase (%)
Year 2	6%	7%
Year 3	6%	7%
Year 4	6%	7%

### Final Disposal Site

Type	Site	Republic Services	Waste Management
Waste	Site Name	Republic Services	HERC
	Site Address	9813 Flying Cloud Dr, Eden Prairie, MN 55347	505 North 6 <sup>th</sup> Ave., Minneapolis, MN 55405
	Site County	Hennepin	Hennepin
Recycling	Site Name	Republic Recycling Center	WM Merf
	Site Address	725 44 <sup>th</sup> Ave N, Minneapolis, MN 55412	1800 Broadway Street, Minneapolis MN 55413
	Site County	Hennepin	Hennepin
Organics	Site Name	Hennepin County Recycling	The Mulch Store
	Site Address	8100 Jefferson Hwy, Brooklyn Park, MN 55445	16014 Blaine Ave Rosemount, MN 55068
	Site County	Hennepin	Dakota

**3. Draft Timeline for Waconia Resources in  
Education Allocation Planning (WREAP)**

**Waconia Public Schools**  
**Resources in Education Allocation Planning\***  
**Budget Process Timeline**  
**WREAP 23-24**

\*Budget adjustments include possible program additions and increases or reductions to current programming.

December 5, 2022	The Finance Committee reviews the proposed 2023-24 Budget Adjustment Planning Timeline.
December 12, 2022	The Director of Finance presents financial projections for June 30, 2023 General Fund Balance at the work session. The board reviews the proposed 2023-24 Budget Adjustment Planning Timeline.  **Pending the projection model, items could be moved to December 19, 2022.
January 9, 2023	Administrative team initiates a full review of the ISD 110 budget. Review FTE allocations and comparisons by site and department during this phase
January 13, 2023	Superintendent and Director of Finance and Operations will attend staff meetings to share the 2023-24 Waconia Resources in Education Adjustment Planning Timeline and the factors that will affect the final budget.  Schedule: Proposed completion by Jan 13, 2023
January 2023	The Finance Committee reviews the Fund Balance Policy and establishes the initial General Fund, Fund Balance Goal for the 2023-24 fiscal year.
January 17, 2023	The Superintendent and Director of Finance and Operations present to the full board on the budget forecast.
January 23, 2023	Administrative team facilitating opportunities for staff and community to share ideas including site and department meetings, and online input forms.
February 2023	Administrative team prepares the Budget Adjustment Plan for 2023-24.
February 27, 2023	The Superintendent and Director of Finance and Operations preview the Budget Adjustment plan with the Finance Committee.
March 13, 2023	Administrative team presents a proposed Budget Adjustment Plan to the School Board.
March 13, 2023	Administrative team presents a proposed Budget Adjustment Plan to staff, parents, students, and the community. We need to involve the Director of Communications in this delivery.
March 27, 2023	The Superintendent and Director of Finance and Operations seek approval on the proposed Budget Adjustment Plan.
March 28, 2023	Administrative team initiates the program and/or staffing adjustment implementation for 2023-24.
May 2023	Administration makes final preparations for the 2023-24 budget.
June 2023	School Board adopts the 2023-24 budget. (Due by June 30, 2023)

4. DRAFT Audit Finding

**WACONIA PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 110**

**SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS AND OTHER REQUIRED REPORTS**

**JUNE 30, 2022**

**DRAFT**

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INDEPENDENT SCHOOL DISTRICT NO. 110  
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**SINGLE AUDIT AND OTHER REQUIRED REPORTS**

DRAFT

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education  
Independent School District No. 110  
Waconia Public Schools  
Waconia, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 110 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated REPORT DATE.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

***Report on Internal Control Over Financial Reporting (Continued)***

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***The District’s Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Austin, Minnesota  
REPORT DATE

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education  
Independent School District No. 110  
Waconia Public Schools  
Waconia, Minnesota

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Independent School District No. 110's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

**Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

**Other Matters (Continued)**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements. We have issued our report thereon dated REPORT DATE, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

**CliftonLarsonAllen LLP**

Austin, Minnesota  
REPORT DATE

DRAFT

**WACONIA PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 110  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Agency or Pass-Through Grantor's Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Pass-Through Minnesota Department of Education				
Noncash Assistance (Commodities):				
National School Lunch Program	10.555	# 1-0110-000	\$ 172,696	
Total Non-Cash Assistance			\$ 172,696	\$ -
Cash Assistance:				
National School Lunch Program	10.555	# 1-0110-000	2,518,567	
COVID-19 - National School Lunch Program - Child Nutrition Emergency Operational Costs	10.555	# 1-0110-000	2,105	
School Breakfast Program	10.553	# 1-0110-000	1,517,591	
Special Milk Program	10.556	# 1-0110-000	96	
COVID-19 - Supply Chain Assistance Funding	10.555	# 1-0110-000	71,649	
Total Cash Assistance			4,110,008	-
Total Child Nutrition Cluster			4,282,704	-
COVID-19 - Pandemic EBT Administrative Costs	10.649C	%	4,240	-
Total U.S. Department of Agriculture			4,286,944	-
U.S. Department of Treasury				
Pass-Through Minnesota Department of Education				
COVID-19 - Coronavirus State and Local Fiscal	21.027	%	182,566	-
Federal Communications Commission				
Direct				
COVID-19 - Emergency Connectivity Fund Program	32.009		185,677	-
U.S. Department of Education				
Pass-Through Minnesota Department of Education				
Title I, Part A	84.010	S010A210023A	66,165	-
Special Education Grants for Infants and Families	84.181	H181A200029	14,009	-
Title IV, Part A, Student Support and Academic Enrichment	84.424	S424A210024	10,000	-
Title II, Part A - Improving Teacher Quality	84.367	S367A210022	38,548	-
Education Stabilization Fund				
COVID 19 - 90% Elementary and Secondary School Emergency Relief Fund II (ESSER II) - Summer Program	84.425D	* S425D210045	61,066	
COVID 19 - 90% Elementary and Secondary School Emergency Relief Fund III (ESSER III)	84.425U	* S425U210045	431,892	
COVID 19 - 90% Elementary and Secondary School Emergency Relief Fund III (ESSER III) - Learning Loss	84.425U	* S425U210045	109,525	
Total Education Stabilization Fund			602,483	-
Special Education Cluster:				
Special Education Grants to States	84.027	@ H027A210087	635,504	
COVID-19 - ARP Individuals with Disabilities Education Act (IDEA) Part B Section 611	84.027	@ H027A210087	38,054	
Special Education Preschool Grants	84.173	@ H173A210086	16,090	
COVID-19 - ARP - IDEA Part B Section 619 - Preschool Grants for Children with Disabilities	84.173X	@ H173X210086	15,897	
Total Special Education Cluster			705,545	-
Pass-Through Southwest Metro Intermediate District				
Carl Perkins Vocational Education	84.048	%	11,766	-
Total U.S. Department of Education			1,448,516	-
U.S. Department of Health and Human Services				
Direct				
Minnesota COVID-19 Testing Program	93.323		219,900	-
Total Expenditures of Federal Awards			\$ 6,323,603	\$ -

# - Child Nutrition Cluster  
 @ - Special Education Cluster  
 \* - Education Stabilization Fund  
 % - Agency or Pass-Through Number Unknown  
 The total of Assistance No. 10.555 is \$2,762,912  
 The total of Assistance No. 84.425U is \$541,417  
 The total of Assistance No. 84.027 is \$673,558

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**WACONIA PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 110  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

**NOTE 1 GENERAL**

The accompanying schedule of expenditures of federal awards presents the expenditures of all federal financial assistance programs of Independent School District No. 110 for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a select portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

The District has not elected to use the 10% de minimis in direct costs rate as allowed under Uniform Guidance.

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## INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Education  
Independent School District No. 110  
Waconia Public Schools  
Waconia, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 110 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated REPORT DATE.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting -bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Austin, Minnesota  
REPORT DATE

**WACONIA PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 110  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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**Section I – Summary of Auditors’ Results**

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***Financial Statements***

Type of auditor’s report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?        X   yes             no
- Significant deficiency(ies) identified?        X   yes             none reported

Noncompliance material to financial statements noted?             yes        X   no

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?        X   yes             no
- Significant deficiency(ies) identified?             yes        X   none reported

Type of auditor’s report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        X   yes             no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:      \$750,000

Auditee qualified as low-risk auditee?             yes        X   no

**WACONIA PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 110  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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**Section II – Financial Statement Findings**

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**2022-001 – Material Audit Adjustment for a Prior Period Misstatement**

**Type of Finding:** Material Weakness in Internal Control Over Financial Reporting

**Criteria or Specific Requirement:** Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation in the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is responsible for the accuracy and completeness of all financial records and related information.

**Condition:** A material prior period adjustment was proposed and subsequently recorded by management to properly state beginning accrued liabilities.

**Cause:** Lack of controls over year-end closing could affect the District's ability to detect or prevent errors.

**Effect:** The design of the internal controls over recording transactions and year-end accruals limits the ability of the District to provide accurate accrual basis financial information.

**Repeat Finding:** No.

**Recommendation:** We recommend that District management develop internal control policies to ensure proper recording of all payables.

**Views of responsible official and planned corrective actions:** There is no disagreement with the finding and there is a corrective action plan in place.

**WACONIA PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 110  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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**Section II – Financial Statement Findings**

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**2022-002 – Unauthorized Bank Signer**

**Type of Finding:** Significant Deficiency in Internal Control Over Financial Reporting

**Criteria or Specific Requirement:** Upon retirement or termination of District personnel, financial institutions should be notified immediately to remove signers that are no longer District employees.

**Condition:** We noted that a former District employee was not removed as an authorized signer on two of the District's bank accounts.

**Cause:** Turnover of District employees.

**Effect:** The District is at an increased risk of misuse or loss of assets.

**Repeat Finding:** Not applicable.

**Recommendation:** We recommend that District management contact the financial institutions and ensure the proper signers are on file.

**Views of responsible official and planned corrective actions:** There is no disagreement with the finding and there is a corrective action plan in place.

**WACONIA PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 110  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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**2022-003 – Procurement/Suspension and Debarment**

Federal Agency: U.S. Department of Agriculture

Federal Program Title: Child Nutrition Cluster

Assistance Listing Number: 10.553, 10.555, 10.556, and 10.559

Federal Award Identification Number and Year: 222MN061N1199 - 2022

Pass-Through Agency: Minnesota Department of Education

Pass-Through Number(s): 1-0110-000

Award Period: July 1, 2021 - June 30, 2022

Type of Finding:

- Material Weakness in Internal Control over Compliance and Compliance

**Criteria or Specific Requirement:** Per 2 CRF section 180.995, the District is required to have a policy in place to ensure entities are properly procuring goods and services and to review vendors showing they are not excluded or debarred for participating in procurement transactions that use federal funds.

**Condition:** During procurement testing, it was noted that 2 of 2 vendors tested did not go through proper procurement procedures. During suspension and debarment testing, it was noted that the review process was not operating effectively. There was no support for review of certification regarding debarment, suspension, and responsibility for 5 of 5 vendors tested.

**Questioned Costs:** Not applicable.

**Context:** 2 of 2 vendors tested did not go through proper procurement procedures and 5 of 5 vendors tested did not have proper evidence of review to ensure they were not suspended or debarred.

**Cause:** Oversight and turnover.

**Effect:** Lack of proper documentation of controls over compliance with procurement and suspension and debarment requirements could result in paying suspended or debarred vendors. This could ultimately result in questioned costs.

**Repeat Finding:** Yes – Finding 2021-003

**Recommendation:** We recommend the District implement procedures and controls to ensure proper procurement procedures are being followed and vendors are not suspended or debarred.

**Views of responsible official and planned corrective actions:** There is no disagreement with the finding and there is a corrective action plan in place.

WACONIA PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 110  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022

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Section IV – Minnesota Legal Compliance

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None reported

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## 5. October Bank Reconciliation

