

DATE: June 15th, 2022  
TO: Board of Trustees  
FROM: Lara Florea  
SUBJECT: FY 2021 Audit

In general, the audit went well. As the Audit Communications Letter states, the auditors did not encounter any significant difficulties. Any misstatements were corrected and there were no disagreements between the auditors and staff. The letter and the audit address the recurring deficiency in internal control. This deficiency will likely be included in any audit of the District given the size of its staff.

This year's audit includes the comparative figures from the prior year.

The Management's Discussion and Analysis (MD&A) on pages 4-7 hits the main points of the audit and includes some explanation of the changes in the District's financial position over the last year. Page 4 has bullet points of the financial highlights. Page 5 is a comparison of the financial position of the District and is similar to the year-end balance sheet (more detail is in the report on page 8). Page 6 of the MD&A deals with revenue and expenses and is similar to the year-end income statement (more detail is in the report on page 9).

In the financial highlights on page 4 you will note that cash increased by approximately \$663,784 in 2021. A more detailed chart of overall cash flows is included in the report on page 10.

In 2021 the District's net position increased by \$1,098,499. (Total net position is itemized in the table on page 5 of the audit report and Capital Assets are charted in Note 4 on page 16.) The following table is a list of developer funded assets donated last year.

**Donated Capital**

Martha's Grove	\$ 53,947
Harvester Rd. Ext	\$ 16,406
F&F Properties	\$ 14,748
Buffalo Ridge	\$ 29,678
Amir Ziv – Cat Hotel	\$ 4,455
Crescent Ridge	\$ 71,747
Midway USA 40 & J	\$ 600,000
<b>TOTAL</b>	<b>\$ 790,981</b>

In regard to revenues and expenses, revenues were sufficient in 2021 to cover operating expenses, pay long term debt and cover some capital expense. The debt service coverage of 110% was met.

As noted in the MD&A, operating revenues increased by 1.8% in 2021 due to an increase in customers. Operating expenses decreased by .65%. The decrease in cost ws mainly due to less personnel expenses (Finance Manager Retirement).

In fiscal year 2021, the District paid \$1,152,151 towards its long-term debt. As of December 31, 2021, the District's outstanding long-term debt was \$15,175,100.

I believe these are the highlights of the Audit. Please let me know if you have questions.