

SciTech Academy

Management Report

June 30, 2023



Board of Directors
SciTech Academy
Richfield, MN

In planning and performing our audit of the financial statements of the governmental activities and each major fund of SciTech Academy (the Academy), as of and for the fiscal year then ended June 30, 2023, in accordance with auditing standards generally accepted in the United States, we considered the Academy's internal control over financial reporting (internal control) as a basis for designing our 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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The following paragraph of this letter summarizes our comments and suggestions regarding this matter. This letter does not affect our report dated February 1, 2024, on the financial statements of the Academy.

MINIMUM UNASSIGNED FUND BALANCE POLICY

Per discussion with management and a review of the prior financial statements, we have noted that the Academy has a policy to maintain a minimum unassigned fund balance in the general fund of 20% of the next year's expenditures for the purposes of protecting against shortfalls and timing issues. Based on the results of the current fiscal year, the actual unassigned fund balance in the general fund was \$806,199. Based on the Academy's policy, the minimum unassigned fund balance should have been \$849,132. The largest reason for this shortfall was the need to transfer funds to the food service fund to cover the current year's loss of \$75,043. We recommend that the Academy work with the food service program to determine if there are cost-saving measures it can implement to reduce the assistance needed from the general fund. By reducing the amount transferred to the food service program, the Academy should be able to restore its fund balance to the amount required in its policy.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with Academy personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Wipfli LLP
CPA's and Consultants
Eau Clair, WI
February 1, 2024