

INDEPENDENT SCHOOL DISTRICT NO. 283  
ST. LOUIS PARK, MINNESOTA

Federal Single Audit Reports

Year Ended  
June 30, 2023

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INDEPENDENT SCHOOL DISTRICT NO. 283

Federal Single Audit Reports  
Year Ended June 30, 2023

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## INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures	
<b>U.S. Department of Agriculture</b>			
Passed through Minnesota Department of Education			
Child nutrition cluster			
COVID-19 – National School Lunch Program	10.555	\$ 14,125	
National School Lunch Program	10.555	<u>1,166,776</u>	
Total ALN 10.555			\$ 1,180,901
School Breakfast Program	10.553		244,303
COVID-19 – School Breakfast Program	10.553		5,528
Summer Food Service Program for Children	10.559		<u>18,396</u>
Total child nutrition cluster			\$ 1,449,128
Local Food for Schools Cooperative Agreement Program	10.185		490
COVID-19 – Pandemic EBT Administrative Costs	10.649		3,256
<b>U.S. Department of the Treasury</b>			
Passed through Minnesota Department of Education			
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		82,049
<b>U.S. Department of Education</b>			
Direct			
Indian Education Grants to Local Educational Agencies	84.060		29,623
Passed through Minnesota Department of Education			
Title I Grants to Local Educational Agencies	84.010		635,746
Special education cluster			
Special Education Grants to States	84.027	1,245,992	
COVID-19 – Special Education Grants to States	84.027	<u>230,732</u>	
Total ALN 84.027			1,476,724
Special Education Preschool Grants	84.173	42,673	
COVID-19 – Special Education Preschool Grants	84.173	<u>26,566</u>	
Total ALN 84.173			69,239
Total special education cluster			1,545,963
Special Education – Grants for Infants and Families	84.181		67,892
English Language Acquisition State Grants	84.365		76,362
Supporting Effective Instruction State Grants	84.367		128,297
Student Support and Academic Enrichment Program	84.424		38,576
Education Stabilization Fund			
COVID-19 – Governor’s Emergency Education Relief (GEER) Fund	84.425C		2,544
COVID-19 – Elementary and Secondary School			
Emergency Relief (ESSER) Fund	84.425D		324,261
COVID-19 – American Rescue Plan – Elementary and Secondary			
School Emergency Relief (ARP ESSER) Fund	84.425U	<u>39,325</u>	
Total ALN 84.425			366,130
Passed through Intermediate District No. 287			
Career and Technical Education – Basic Grants to States	84.048		69,258
Passed through ISD No. 270, Hopkins			
Adult Education – Basic Grants to States	84.002		5,373

INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Expenditures of Federal Awards (continued)  
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>		
Passed through Minnesota Department of Education		
COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	109,990
Passed through Minnesota Department of Human Services		
Child Care and Development Fund cluster		
COVID-19 – Child Care and Development Block Grant	93.575	<u>182,371</u>
Total federal awards		<u><u>\$4,790,504</u></u>

Note 1: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the District's basic financial statements.

Note 2: The pass-through entities listed on the previous page use the same federal Assistance Listing Numbers (ALN) as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 3: The District did not elect to use the 10 percent de minimis indirect cost rate.

Note 4: The District had \$187,387 of noncash assistance included in the National School Lunch Program, federal ALN 10.555.

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## PRINCIPALS

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INDEPENDENT AUDITOR'S 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

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, Minnesota

### **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

#### ***OPINION ON EACH MAJOR FEDERAL PROGRAM***

We have audited Independent School District No. 283's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget *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, 2023. The District's major federal programs are identified in the Summary of Audit 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 programs for the year ended June 30, 2023.

#### ***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; 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 Auditor's 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 requirements referred to above.

(continued)

## ***RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE***

Management is responsible for compliance with the requirements referred to on the previous page 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.

## ***AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to on the previous page 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 generally accepted auditing standards, *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 on the previous page 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 generally accepted auditing standards, *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 on the previous page 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.

(continued)



## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section on the previous page 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined below. However, as discussed below, we did identify one deficiency in internal control over compliance that we consider to be a significant deficiency.

*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. 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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding 2023-004 to be a significant deficiency.

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 finding 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.

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.

(continued)

## REPORT ON THE 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated February 9, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic 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 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 basic financial statements as a whole.

*Malloy, Montague, Karnowski, Radosevich & Co., P.A.*

Minneapolis, Minnesota

March 26, 2024

INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

**A. SUMMARY OF AUDIT RESULTS**

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

**Financial Statements**

What type of auditor's report is issued?   X   Unmodified  
       Qualified  
       Adverse  
       Disclaimer

Internal control over financial reporting:

Material weakness(es) identified?        Yes   X   No  
Significant deficiency(ies) identified?        Yes   X   None reported  
Noncompliance material to the financial statements noted?        Yes   X   No

**Federal Awards**

Internal controls over major federal award programs:

Material weakness(es) identified?        Yes   X   No  
Significant deficiency(ies) identified?   X   Yes        None reported

Type of auditor's report issued on compliance for major programs?

U.S. Department of Agriculture – Child Nutrition Cluster Unmodified  
U.S. Department of Education – Special Education Cluster Unmodified

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

Programs tested as major programs:

Program or Cluster(s)	Federal ALN
U.S. Department of Agriculture – Child Nutrition Cluster	
School Breakfast Program	10.553
COVID-19 – School Breakfast Program	10.553
National School Lunch Program	10.555
COVID-19 – National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
U.S. Department of Education – Special Education Cluster	
Special Education Grants to States	84.027
COVID-19 – Special Education Grants to States	84.027
Special Education Preschool Grants	84.173
COVID-19 – Special Education Preschool Grants	84.173

Threshold for distinguishing type A and B programs.   \$ 750,000  

Does the auditee qualify as a low-risk auditee?   X   Yes        No

INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2023

**B. FINANCIAL STATEMENT FINDINGS**

None.

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF EDUCATION, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, SPECIAL EDUCATION CLUSTER (INCLUDING COVID-19 FUNDING) – FEDERAL ALN 84.027 AND 84.173**

**2023-004 Internal Control Over Compliance With Federal Suspension and Debarment Requirements**

**Criteria** – 2 CFR § 180 requires Independent School District No. 283 (the District) to establish and maintain effective internal control over compliance with requirements applicable to federal program expenditures, including suspension and debarment requirements applicable to the special education cluster.

**Condition** – During our audit, we noted the District did not have sufficient controls or documentation in place within its special education cluster to assure that it was not contracting for goods or services with parties that are suspended or debarred, or whose principals are suspended or debarred from participating in contracts involving the expenditures of federal program funds.

**Questioned Costs** – None. Our testing did not indicate any instances of noncompliance with these requirements.

**Context** – The District did not obtain the appropriate documentation for one of one vendor tested to ensure the vendor was not suspended or debarred from participation in federal program contracts. This was not a statistically valid sample.

**Repeat Finding** – This is a current year finding.

**Cause** – This was an oversight by district personnel.

**Effect** – Noncompliance with the suspension and debarment requirements could result in the District expending federal funds with vendors that are not eligible to be parties to such transactions, which could be viewed as a violation of the award agreement.

**Recommendation** – We recommend that the District review its internal control procedures relating to suspension and debarment for the special education cluster. Internal controls over compliance for this area should include verification that any vendor with which the District contracts for goods or services exceeding \$25,000 is not listed as suspended or debarred on the federal Excluded Parties List System website.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District will review and update its policies and procedures relating to suspension and debarment for its federal programs to ensure compliance with the Uniform Guidance in the future. The District has separately issued a Corrective Action Plan related to this finding.