

Corrective Action Plans
Year Ended June 30, 2025

A. FINANCIAL STATEMENT FINDINGS

None.

B. MINNESOTA LEGAL COMPLIANCE FINDINGS

2025-001 TIMELY PAYMENT OF CLAIMS

Finding Summary

Minnesota Statutes § 471.425, Subd. 2 requires Independent School District No. 273 (the District) to pay each vendor obligation according to the terms of each contract or within 35 days after the receipt of the goods or services or the invoice for the goods or services, whichever is later. If such obligations are not paid within the appropriate time period, the District must pay interest on the unpaid obligations at the rate of 1.5 percent per month or part of a month. For 2 of 25 disbursements selected for testing, the District did not pay the obligation within the required time period, and did not pay interest on the unpaid obligation.

Corrective Action Plan

Actions Planned – These late payments were primarily caused by invoices received at district school buildings that were not approved and forwarded to the District's business services department for payment quickly enough to allow for payment to be processed within the statutory timeline. District management will review vendor invoice approval and payment processes, and reenforce to district employees involved in the procurement process the importance of forwarding approved claims to the business services department for payment in a timely manner to ensure invoices are paid within statutory timelines in the future.

Official Responsible – Mert Woodard, Director of Finance and Operations.

Planned Completion Date – June 30, 2026.

Disagreement With or Explanation of Finding – The District agrees with this finding.

Plan to Monitor – Mert Woodard, Director of Finance and Operations, will assure appropriate procedures are updated and in place, and that individuals responsible for the processing and payment of claims are properly trained, to ensure the timely payment of all claims in the future.

INDEPENDENT SCHOOL DISTRICT NO. 273

Corrective Action Plans (continued)
Year Ended June 30, 2025

B. MINNESOTA LEGAL COMPLIANCE FINDINGS (continued)

2025-002 UNCLAIMED PROPERTY REPORT

Finding Summary

Minnesota Statutes § 345.41 and § 345.43 require unclaimed property held for more than three years (or one year for unpaid compensation) to be reported and paid or delivered to the state Commissioner of Commerce each year. This requirement was not met by the District for the current fiscal year. Seven payroll checks totaling \$7,047 that had been outstanding for over one year had not been reported as unclaimed property and delivered to the state Commissioner of Commerce as required.

Corrective Action Plan

Actions Planned – District management will review procedures in place for identifying, reporting, and submitting unclaimed property to ensure future compliance with this requirement.

Official Responsible – Mert Woodard, Director of Finance and Operations.

Planned Completion Date – June 30, 2026.

Disagreement With or Explanation of Finding – The District agrees with this finding.

Plan to Monitor – Mert Woodard, Director of Finance and Operations, will assure appropriate internal controls and procedures are updated and in place for future compliance with this requirement.