

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA**

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

**JUNE 30, 2020**

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BURNSVILLE, MINNESOTA  
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## **SINGLE AUDIT AND OTHER REQUIRED REPORTS**



**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**

School Board  
Independent School District No. 191  
Burnsville, 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. 191, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Independent School District No. 191's basic financial statements, and have issued our report thereon dated October 23, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Independent School District No. 191's internal control over financial reporting (internal control) to determine the 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 Independent School District No. 191's internal control. Accordingly, we do not express an opinion on the effectiveness of Independent School District No. 191's internal control.

*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. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


School Board  
Independent School District No. 191  
Burnsville, Minnesota

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Independent School District No. 191'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 determination of financial statement amounts. 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*.

### **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 Independent School District No. 191's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Independent School District No. 191's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
October 23, 2020



**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**

School Board  
Independent School District No. 191  
Burnsville, Minnesota

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

We have audited Independent School District No. 191's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Independent School District No. 191's major federal programs for the year ended June 30, 2020. Independent School District No. 191's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Independent School District No. 191's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Independent School District No. 191's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Independent School District No. 191's compliance.

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

In our opinion, Independent School District No. 191 complied, in all material respects, with the types of 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, 2020.

**Report on Internal Control Over Compliance**

Management of Independent School District No. 191 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Independent School District No. 191's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Independent School District No. 191's internal control over compliance.

*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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Independent School District No. 191's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Independent School District No. 191's response was not subjected to the 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.

School Board  
Independent School District No. 191  
Burnsville, Minnesota

**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 Independent School District No. 191 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Independent School District No. 191's basic financial statements. We issued our report thereon dated October 23, 2020, 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.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
February 11, 2021



**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020**

Federal Agency/Pass-Through Grantor/Program Title	Pass-Through Entity Number	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through Minnesota Department of Education:			
School Breakfast Program	202020N109942	{a} 10.553	\$ 588,730
National School Lunch Program	202020N109942	{a} 10.555	1,545,855
Food Distribution (& Commodity Rebate Program):			
Noncash Assistance	202020N109942	{a} 10.555	347,106
Summer Food Service Program	202020N109942	{a} 10.559	1,508,285
Child Care Food Program	202020N109942	{a} 10.559	227,533
Fresh Fruit and Vegetable Program	202020L160342	10.582	37,094
Total U.S. Department of Agriculture			<u>4,254,603</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through Minnesota Department of Education:			
Adult Education - Basic Grants to States	V002A190024	84.002	59,206
Title I - Part A Improving Academic Achievement	S010A190023	84.010	1,727,910
IDEA, Part B - Special Education Grants to States	H027A190087	{b} 84.027	1,924,824
Special Education - Preschool Grants	H173A180086	{b} 84.173	59,944
Special Education - Grants for Infants and Families	H181A190029	84.181	65,120
Title VIII - Homeless Children and Youth	S196A200024	84.196	68,146
Title II - Part A Teacher and Principal Training	S367A200022	84.367	238,258
Title III - Part A - English Language Acquisition Grants	S365A200023	84.365	183,852
Title IV - Part A - Student Support and Academic Enrichment	S424A200024	84.424	71,206
Education Stabilization Fund - 90% to LEA's, Elementary and Secondary School Emergency Relief Fund	S425D200045	84.425D	339,166
Total U. S. Department of Education Passed Through Minnesota Department of Education:			<u>4,737,632</u>
Passed Through Independent School District No. 196:			
Career and Technical Education - Basic Grants to States	*	84.048	55,454
Total U. S. Department of Education			<u>4,793,086</u>
Total Federal Awards			<u>\$ 9,047,689</u>

{a} = Child Nutrition Cluster Total = \$4,217,509  
 {b} = Special Education Cluster Total = \$1,984,768

\* Pass-through entity number is unknown  
 Note: the District did not have any subrecipients in the current fiscal year.

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2020**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Independent School District No. 191 under programs of the federal government for the year ended June 30, 2020. 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 selected portion of the operations of Independent School District No. 191, it is not intended to and does not present the financial position, changes in position, or cash flows of Independent School District No. 191.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Independent School District No. 191 does not charge indirect costs to its federal programs, however if they were to charge indirect costs they would use the indirect cost rate provided to them by the Minnesota Department of Education (the pass-through entity) rather than use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



## INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

School Board  
Independent School District No. 191  
Burnsville, 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. 191 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 23, 2020

In connection with our audit, nothing came to our attention that caused us to believe that Independent School District No. 191 failed to comply with the provisions of the contracting and bidding, deposits and 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, except as described in the Schedule of Findings and Recommendations as item 2020-002. 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.

Independent School District No. 191's written response to the legal compliance finding identified in our audit is described in the Schedule of Findings and Recommendations. Independent School District No. 191's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
October 23, 2020

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

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

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified?   x   yes      \_\_\_\_\_ no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   x   yes      \_\_\_\_\_ no

**Identification of Major Federal Programs**

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.010	Title I - Part A Improving Academic Achievement
84.027 and 84.173	Special Education Cluster
84.425D	Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes        x   no

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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***Section II – Financial Statement Findings***

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None noted in the current year.

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

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**FINDING: 2020-001      MATERIAL WEAKNESS IN INTERNAL CONTROL OVER SUSPENSION AND DEBARMENT**

Federal Agency: U.S. Department of Education

Federal Program Title: Special Education Cluster

CFDA Number: 84.027 and 84.173

Pass-Through Agency: Minnesota Department of Education

Pass-Through Number: H027A190087 and H173A180086

Award Period: Year ended June 30, 2020

**Condition:**                    The District did not retain formal documentation of its testing and controls to ensure that all vendors over the \$25,000 contract threshold on a District-wide basis were not suspended or debarred prior to awarding the related contracts.

**Criteria:**                    When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by: 1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA); 2) collecting a certification from the entity; or 3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

**Effect:**                    Lack of proper procedures and controls related to the suspension and debarment could result in improper contracts with suspended or debarred vendors being paid with federal funds.

**Cause:**                    District has been unaware of formal documentation suspension and debarment requirements on a District-wide basis for any contract or procurement with all or part of the contract coded to the Special Education Cluster.

**Questioned Costs:**      None

**Context:**                    None of the 5 contracts tested included formal documentation of the District's testing and controls to ensure that all vendors over the \$25,000 contract threshold on a District-wide basis were not suspended or debarred prior to awarding the related contracts.

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**FINDING: 2020-001      MATERIAL WEAKNESS IN INTERNAL CONTROL OVER SUSPENSION AND DEBARMENT (CONTINUED)**

**Recommendation:**      We recommend that the District create and review its related policies and procedures to ensure it is retaining documentation showing that the District crosschecked the vendors with procurements over the threshold of \$25,000 at the time of procurement.

**Prior Year Finding?**      No

**Views of responsible officials:** There is no disagreement with the audit finding.

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***Section IV – Minnesota Legal Compliance Findings***

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**FINDING: 2020-002      UNCLAIMED PROPERTY**

**Condition:**      The Districts outstanding checklist as of June 30, 2020 included a total of \$20,864 in unclaimed checks outstanding at year-end with durations outstanding ranging from 3 years old to 6 years old.

**Criteria:**      Minnesota Statute Sections 345.38 345.43 states that if the District's records show unclaimed or uncashed checks or other intangible property held for more than three years, they are to pay or deliver these items to the state Commissioner of Commerce.

**Effect:**      The District was not in compliance with this legal requirement.

**Cause:**      The District had not been remitting these monies to the state every year to ensure there are not items older than 3 years outstanding at the end of each fiscal year.

**Context:**      There were 85 old unclaimed outstanding checks totaling \$20,864 at year-end with durations outstanding ranging from 3 years old to 6 years old past the District November reporting date to the State.

**Recommendation:**      We recommend that the District remit its unclaimed old outstanding checks annually.

**INDEPENDENT SCHOOL DISTRICT NO. 191  
BURNSVILLE, MINNESOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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***Section IV – Minnesota Legal Compliance Findings (Continued)***

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**FINDING: 2020-002      UNCLAIMED PROPERTY (CONTINUED)**

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Finding:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The District will immediately implement the recommendation.

**Officials Responsible for Ensuring CAP:**

Lisa Rider, Executive Director of Business Services, and Robin Pikal, Director of Finance, are the officials responsible for ensuring implementation of the corrective action plan.

**Planned Completion Date for CAP:**

The planned completion date for the CAP is June 30, 2021.

**Plan to Monitor Completion of CAP:**

The Board of Education and administration will be monitoring this corrective action plan.