

**DATE:** April 13, 2026

**TITLE:** Approval of Single Audit Report for the 2025 Fiscal Year

**TYPE:** Action

**PRESENTER:** Todd Lechtenberg, Executive Director of Finance & Operations

**Background:**

The district is required to be audited annually by an independent auditing firm upon the completion of the fiscal year each June 30. The auditor spends time with District staff during September completing their field work and transaction testing. Final review and completion of the audit work occur in October and November.

The audit is conducted in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States.

**Rationale:**

As the federal government shutdown occurred during our normal audit timeline, the Single Audit is currently under review due to delays in the release of federal guidelines. As a district receiving more than \$750,000 in federal funding, Austin Public Schools is required to complete this annual audit.

Despite these challenges, APS received a clean, unmodified opinion, indicating that the district's financial statements are presented fairly in all material respects. Additionally, APS qualified as a low-risk auditee, reflecting strong internal controls and consistent compliance with federal program requirements.

**Recommendation:**

It is recommended that the School Board approve the FY 2025 Single Audit.

**INDEPENDENT SCHOOL DISTRICT NO. 492  
AUSTIN, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2025**



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**SINGLE AUDIT AND OTHER REQUIRED REPORTS**

**INDEPENDENT SCHOOL DISTRICT NO. 492  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Agriculture</b>				
Passed Through Minnesota Department of Education				
Child Nutrition Cluster:				
Noncash Assistance (Commodities):				
National School Lunch Program	10.555	1-492-0000	\$ 244,571	\$ -
Cash Assistance:				
National School Lunch Program	10.555	1-492-0000	2,343,569	-
After School Snack	10.555	1-492-0000	38,399	-
Total FALN 10.555			<u>2,626,539</u>	-
School Breakfast Program	10.553	1-492-0000	910,104	-
Summer Food Program	10.559	1-492-0000	168,730	-
Total Child Nutrition Cluster			<u>3,705,373</u>	-
Local Food for Schools Cooperative Agreement Program	10.185	1-492-0000	2,000	-
Total U.S. Department of Agriculture			<u>3,707,373</u>	-
<b>U.S. Department of Education</b>				
Passed Through Minnesota Department of Education				
Cash Assistance:				
Title I Grants to Local Educational Agencies Career and Technical Education - Basic Grants to States (Perkins IV)	84.010	S010A210023A	1,444,507	-
Adult Basic Education State Grant Program	84.048	*	177,814	-
Special Education Grants for Infants and Families with Disabilities	84.002	*	34,257	-
Title III, Part A - English Language Acquisition Grants	84.181	H181A210029	31,588	-
Title II - Improving Teacher Quality State Grants	84.365	S365A220023A	174,851	-
Title IV - Student Support/Academic Enrichment	84.367	S367A220022	176,625	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund III Learning Loss	84.424	S424A220024	76,659	-
COVID-19 - ARP Homeless Children II	84.425U	S425D210045	208,533	-
Total FALN #84.425	84.425W	S425D210045	<u>3,163</u>	-
			211,696	-
Special Education Cluster:				
Special Education Grants to States	84.027	H027A220087	1,028,495	-
Special Education Grants to States - Restrictive Procedures	84.027	H027A220087	200,169	-
Total FALN #84.027			<u>1,228,664</u>	-
Special Education - Preschool Grants	84.173	H173A220086	30,928	-
Total Special Education Cluster			<u>1,259,592</u>	-
Total U.S. Department of Education			<u>3,587,589</u>	-
<b>U.S. Department of Justice</b>				
COPS Grant	16.710	(direct award)	243,167	-
Total Expenditures of Federal Awards			<u>\$ 7,538,129</u>	<u>\$ -</u>

\* Pass-Through Entity Identifying Number unavailable

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**INDEPENDENT SCHOOL DISTRICT NO. 492**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2025**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Austin Public Schools (the District) under programs of the federal government for the year ended June 30, 2025. 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 the District, it is not intended to and does not present the financial position or changes in net position of the District.

**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.

**NOTE 3 INDIRECT COST RATE**

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**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***

Board of Education  
Independent School District No. 492  
Austin, Minnesota

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

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

We have audited the Austin Public Schools Independent School District No. 492's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *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, 2025. The District's major federal programs are identified in the summary of auditors' 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 federal programs for the year ended June 30, 2025.

***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 (GAAS); 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 Auditors' 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 with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above 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.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above 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 GAAS, *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 above 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 GAAS, *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 above 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.

### **Report on 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.

**Report on Internal Control Over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above 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. 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 above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

**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 the District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon dated November 26, 2025, 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 basic 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**

Austin, Minnesota  
March 20, 2026

**INDEPENDENT SCHOOL DISTRICT NO. 492  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025**

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

**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? \_\_\_\_\_ Yes      x   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)? \_\_\_\_\_ Yes      x   No

***Identification of Major Federal Programs***

<b>Federal Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
10.553, 10.555, and 10.559 84.027 and 84.173	Child Nutrition Cluster Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?   x   Yes \_\_\_\_\_ No

**INDEPENDENT SCHOOL DISTRICT NO. 492  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.



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