



PRINCIPALS

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March 20, 2024

To the Board of Education and Management of
Independent School District No. 624
White Bear Lake, Minnesota

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the Board of Education, administration, or those charged with governance of Independent School District No. 624 (the District) in conjunction with our Single Audit of the Schedule of Expenditures of Federal Awards (Single Audit) for the year ended June 30, 2023.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, GOVERNMENT AUDITING STANDARDS, AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (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 January 4, 2024, which contained unmodified opinions on those financial statements. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally, in our audit engagement letter, and in our management report dated January 4, 2024. Professional standards also require that we communicate to you the following information related to our Single Audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the Single Audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

AUDIT OPINION AND FINDINGS

Based on our Single Audit for the year ended June 30, 2023:

- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.

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

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OTHER OBSERVATIONS AND RECOMMENDATIONS

Time and Effort – Federal Program Testing

As part of the federal Single Audit, we reviewed and tested key internal controls related to the Title I federal program. Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. The records must be supported by a system of internal controls, which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. In addition, they must reasonably reflect the total activity for which the employee is compensated by the District and be incorporated into the general ledger. The internal controls were determined to be properly designed and, in most instances, properly implemented. However, we did identify three instances where the District's internal controls were not properly implemented, resulting in unreconciled salary costs allocated to the federal grant. We recommend that those involved with grant management and reconciliation of time and effort records at year-end, review their internal controls and processes to ensure all costs allocated to federal grants agree to the underlying compensation documentation on file.

OTHER MATTERS

We were engaged to report on the Schedule of Expenditures of Federal Awards, which is considered supplementary information to the District's separately issued basic financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated March 20, 2024.

CLOSING

The purpose of this report is solely to provide those charged with governance of the District, management, and those with responsibility for oversight of the District's financial reporting process required communications related to our Single Audit. Accordingly, this report is not suitable for any other purpose.

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