INDEPENDENT SCHOOL DISTRICT NO. 280
RICHFIELD, MINNESOTA

Federal Single Audit Reports

Year Ended
June 30, 2025

LB | CARLSON
Certified Public Accountants Business Consultants

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INDEPENDENT SCHOOL DISTRICT NO. 280

Federal Single Audit Reports
Year Ended June 30, 2025

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INDEPENDENT SCHOOL DISTRICT NO. 280

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures	
U.S. Department of Agriculture			
Passed through Minnesota Department of Education			
Child nutrition cluster			
School Breakfast Program	10.553	$ 595,156	
National School Lunch Program	10.555	1,599,372	
Fresh Fruit and Vegetable Program	10.582	51,740	
Total child nutrition cluster			$ 2,246,268
Child and Adult Care Food Program	10.558		83,229
U.S. Department of Education			
Direct			
Indian Education Grants to Local Educational Agencies	84.060		14,658
Passed through Minnesota Department of Education			
Special education cluster			
Special Education Grants to States	84.027	1,018,632	
Special Education Preschool Grants	84.173	46,271	
Total special education cluster			1,064,903
Title I Grants to Local Educational Agencies	84.010		855,595
Special Education – Grants for Infants and Families	84.181		48,383
English Language Acquisition State Grants	84.365		138,943
Supporting Effective Instruction State Grants	84.367		136,042
Comprehensive Literacy Development	84.371		132,714
Education Stabilization Fund			
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	60,000	
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) Fund – Homeless Children and Youth	84.425W	670	
Total ALN 84.425			60,670
Passed through Southwest Metro Consortium			
Career and Technical Education – Basic Grants to States	84.048		15,743
Passed through YMCA of the Greater Twin Cities Area			
Twenty-First Century Community Learning Centers	84.287		73,379
Total federal awards			$ 4,870,527

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 above use the same federal Assistance Listing Numbers (ALN) as the federal grantors to identify these grants.

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

Note 4: The District had $221,147 of noncash assistance included in the National School Lunch Program, federal ALN 10.555.

Note 5: The District transferred $51,062 into Title I – federal ALN 84.010 from other title programs during the year.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR 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. 280
Richfield, Minnesota

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

OPINION ON EACH MAJOR FEDERAL PROGRAM

We have audited Independent School District No. 280'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, 2025. 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, 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; 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)

OTHER MATTERS

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance described in the accompanying Schedule of Findings and Questioned Costs as finding 2025-002. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings 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.

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 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 2025-002 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 require the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our 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 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 issued our report thereon dated December 8, 2025, which contained unmodified opinions on those financial statements. We have not performed any auditing procedures with respect to the District's basic financial statements subsequent to the date of our report on those financial statements. Our audit was performed 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.

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

February 12, 2026

INDEPENDENT SCHOOL DISTRICT NO. 280

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

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 deficiencies 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 deficiencies 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
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	Federal ALN
U.S. Department of Agriculture – child nutrition cluster consisting of:	
– School Breakfast Program	10.553
– National School Lunch Program	10.555
– Fresh Fruit and Vegetable Program	10.582
Threshold for distinguishing type A and B programs.	$ 750,000

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

B. FINANCIAL STATEMENT FINDINGS

None.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE AND REPORTABLE INSTANCE OF NONCOMPLIANCE – U.S. DEPARTMENT OF AGRICULTURE, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, CHILD NUTRITION CLUSTER – FEDERAL ALN 10.553, 10.555, AND 10.582

2025-002 Internal Control Over Compliance and Reportable Noncompliance With Federal Procurement Requirements

Criteria – 2 CFR § 200.320 requires the District to establish and maintain effective internal control over compliance with procurement requirements applicable to expenditures within its child nutrition cluster federal programs.

Condition – During our audit, we noted the District did not have sufficient controls in place within its child nutrition cluster to ensure compliance with federal procurement requirements related to methods of procurement, which resulted in a reportable instance of noncompliance.

Questioned Costs – $28,450.

Context – For one of twenty-five vendors tested, the District could not provide documentation that two or more quotations were solicited for a contract awarded within its child nutrition cluster federal programs in excess of its stated micro-purchase threshold of $10,000, as required by the Uniform Guidance. This was not a statistically valid sample.

Repeat Finding – This is a current year finding.

Cause – The District's internal control procedures over procurement requirements applicable to its child nutrition cluster federal programs were not being consistently followed.

Effect – Noncompliance with the procurement requirements could result in the District expending federal funds inappropriately or not obtaining competitively priced goods or services, which could be viewed as a violation of the award agreement.

Recommendation – We recommend that the District review its internal control procedures for its child nutrition cluster federal programs to ensure that controls in place over compliance with federal procurement requirements are being consistently applied, including awarding contracts based on multiple quotations for the purchase of goods or services in excess of the District's micro-purchase threshold of $10,000, as required by the Uniform Guidance.

View of Responsible Official and Planned Corrective Actions – There is no disagreement with the audit finding. District management will review its procedures relating to procurement for its federal programs to ensure that multiple quotations are obtained when required and that adequate documentation is retained. The District solicited quotes and retained the necessary documentation for the noncompliant contract in fiscal year 2026. The District has separately issued a Corrective Action Plan related to this finding.