

**AUSTIN ALBERT LEA AREA SPECIAL EDUCATION  
COOPERATIVE DISTRICT NO. 6095**

**EXECUTIVE AUDIT SUMMARY**

**JUNE 30, 2023**

**AUSTIN ALBERT LEA AREA SPECIAL EDUCATION  
COOPERATIVE DISTRICT NO. 6095**

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JUNE 30, 2023**

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**FELDMANN & COMPANY, CPAs, P.C.**

326 North Main Street ♦ Austin, Minnesota 55912

Tele (507) 433-2264

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December 5, 2023

Governing Board

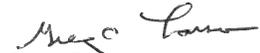
Austin Albert Lea Area Special Education Cooperative District No. 6095

Austin, Minnesota

This Executive Audit Summary and Management Report presents information which we believe is important to you as members of the governing board. We encourage you to review the sections of this report, the audited financial statements and the auditor's reports.

We would be pleased to furnish additional information with respect to these suggestions and discuss this memorandum with you at your convenience. We wish to express our appreciation of the Cooperative for the courteous cooperation and assistance extended to us during the course of our work.

Feldmann & Company, CPAs P.C.



Greg Larson

**AUSTIN ALBERT LEA AREA SPECIAL EDUCATION  
COOPERATIVE DISTRICT NO. 6095**

**EXECUTIVE SUMMARY  
JUNE 30, 2023**

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of the Cooperative's financial records for the year ended June 30, 2023.

**Audit Opinion**

The financial statements are fairly stated. We issued what is known as a "clean" audit report.

**Internal Control Over Financial Reporting**

No Findings.

**Yellow Book Compliance Findings**

No compliance issues were noted in our review of laws, regulations, contracts and grants that could have significant financial implications to the Cooperative.

**Minnesota Legal Compliance**

No Findings.

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Austin Albert Lea Area Special Education Cooperative District No. 6095

Austin, Minnesota 55912

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Austin Albert Lea Area Special Education Cooperative District No. 6095 (the Cooperative) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Cooperative's internal control over financial reporting (internal control) as a basis for designing 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 the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Cooperative's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

This communication is intended solely for the information and use of management and the governing board, and is not intended to be and should not be used by anyone other than these specified parties.

*Feldmann & Company CPAs, P.C.*

Feldmann & Company, CPAs P.C.

December 5, 2023

**FELDMANN & COMPANY, CPAs, P.C.**

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**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

To the Governing Board  
Austin Albert Lea Area Special Education Cooperative District No. 6095  
Austin, Minnesota 55912

We have audited the financial statements of the governmental activities and each major fund of Austin Albert Lea Area Special Education Cooperative District No. 6095 for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 9, 2023. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Findings**

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Austin Albert Lea Area Special Education Cooperative District No. 6095 are described in Note 1 to the financial statements. As described in Note 8 to the financial statements, in 2023, the Cooperative adopted new accounting guidance, GASB Statement No.96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. We noted no transactions entered into by the Cooperative during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The receivable computation for state aid is an estimate based on latest projections, but can change. There were no accounts or disclosures that met the definition of being particularly sensitive.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 5, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Cooperative's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Cooperative's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Uniform Financial Accounting and Reporting Standards Compliance Table, which accompany the financial statements but is not RSI. 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 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.

Restriction on Use

This information is intended solely for the information and use of the school board, members, and management of Austin Albert Lea Area Special Education Cooperative District No. 6095 and is not intended to be, and should not be, used by anyone other than these specified parties.

*Feldmann & Company CPAs P.C.*  
Feldmann & Company, CPAs P.C.

December 5, 2023

**AUSTIN ALBERT LEA AREA SPECIAL EDUCATION  
COOPERATIVE DISTRICT NO. 6095**

**APPENDIX A**

**JUNE 30, 2023**

**FINANCIAL TRENDS OF YOUR DISTRICT**

The initial tables reflect financial trends of Austin Albert Lea Area Special Education District No. 6095. Information related to fund balances were obtained from the current and prior year audited financial statements.

Prior year data was obtained from the prior year audit report. Current year expenditures were obtained from the current year's audited financial statements.

**AUSTIN ALBERT LEA AREA SPECIAL EDUCATION  
COOPERATIVE DISTRICT NO. 6095**

**EXECUTIVE SUMMARY**

**JUNE 30, 2023**

The Cooperative's average daily membership decreased by .57 ADMs in 2022-23.

**Three-Year Enrollment Trend  
Average Daily Membership (ADM)**

<b>Grade</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Pre-Kdgt.	-	-	-
Hep-Kdgt.	-	-	-
Kdgt	-	-	-
1-3	4	4	2
4-6	6	6	7
7-12	27	28	31
<b>Total K-12 ADM</b>	<b>37</b>	<b>38</b>	<b>40</b>

The following shows the general fund – operating account unassigned fund balance for the past three years as a percentage of expenditures:

<u>Year-End</u>	<u>Unassigned Fund Balance</u>	<u>Percentage of Expenditures</u>
June 30, 2021	\$ 585,274	22.28%
June 30, 2022	\$ 703,400	27.34%
June 30, 2023	\$ 930,231	31.39%

This information is the single best measure of overall financial health. The unassigned fund balance of \$930,231 at June 30, 2023 represents 31.39% of the annual expenditures of the Cooperative.

The following schedule presents a summary of general fund revenues.

	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>
Local Sources			
Other	\$ 524,849	\$ 457,700	\$ 428,684
State Sources	2,608,900	2,205,592	2,308,083
Federal Sources	55,671	27,363	45,775
Local Sales and Insurance Recovery	360	-	300
<b>Total General Fund Revenues</b>	<b>\$ 3,189,780</b>	<b>\$ 2,690,655</b>	<b>\$ 2,782,842</b>

**AUSTIN ALBERT LEA AREA SPECIAL EDUCATION  
COOPERATIVE DISTRICT NO. 6095**

**EXECUTIVE SUMMARY**

**JUNE 30, 2023**

The following schedule presents a summary of general fund expenditures.

	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021
Purchased Services	\$ 2,414,564	\$ 2,184,522	\$ 2,211,165
Supplies and Materials	83,807	54,865	62,363
Capital Expenditures	138,407	5,900	26,705
Other Expenditures	326,171	327,242	326,915
<b>Total General Fund Expenditures</b>	<b>\$ 2,962,949</b>	<b>\$ 2,572,529</b>	<b>\$ 2,627,148</b>

The following schedule presents a breakdown of general fund revenues.

	2023	2022	2021
<b>Local Revenue:</b>			
Interest earnings	\$ 36,191	\$ 1,211	\$ 388
Medical Assistance	162,930	130,717	102,674
Reimbursement - Albert Lea ISD No. 241 - Debt	162,811	162,811	162,811
Reimbursement - Austin ISD No. 492 - Debt	162,811	162,811	162,811
	106	150	-
<b>Total Local revenue</b>	<b>524,849</b>	<b>457,700</b>	<b>428,684</b>
<b>State Aid</b>			
State Special Education aid	2,510,589	2,146,112	2,272,626
Compensatory aid	98,311	59,480	35,457
General Education Aid	-	-	-
<b>Total State Aid</b>	<b>2,608,900</b>	<b>2,205,592</b>	<b>2,308,083</b>
<b>Federal Aid</b>			
ESSER Funds	8,926	3,544	7,530
GEER Funds	2,185	6,260	24,149
Coronavirus Relief Fund	35,157	-	14,096
ARP Funds	9,403	3,322	-
Minnesota COVID-19 Testing Program	-	14,237	-
<b>Total Federal Aid</b>	<b>55,671</b>	<b>27,363</b>	<b>45,775</b>
<b>Local Sales and Insurance Recovery</b>			
Insurance recovery	360	-	300
<b>Total Revenues</b>	<b>\$ 3,189,780</b>	<b>\$ 2,690,655</b>	<b>\$ 2,782,842</b>

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**EXECUTIVE SUMMARY**

**JUNE 30, 2023**

The following schedule presents a breakdown of special education expenditures by program code.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Special Education</b>			
General Special Education	\$ 12,281	\$ 16,650	\$ 28,010
Speech/Language Impaired	12,288	11,305	8,377
Developmental Cognitive Disabilities: Mild-Moderate	2,616	2,188	-
Developmental Cognitive Disabilities: Severe Profound	22,636	19,175	-
Emotional/Behavioral Disorder	1,183,047	1,119,653	1,160,346
Other Health Disabilities	76,332	67,743	120,054
Autistic Spectrum Disorders	447,085	341,293	319,130
Traumatic Brain Injury	-	13,917	19,573
Multiple Handicap	44,215	34,101	39,653
Special Education - Aggregate	<u>387,935</u>	<u>340,512</u>	<u>336,384</u>
Total Special Education expenditure (includes Capital Expenditures)	<u>\$ 2,188,435</u>	<u>\$ 1,966,537</u>	<u>\$ 2,031,527</u>