

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

EXECUTIVE AUDIT SUMMARY

JUNE 30, 2022

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

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JUNE 30, 2022**

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FELDMANN & COMPANY, CPAs, P.C.

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November 2, 2022

Governing Board

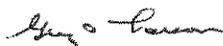
Austin Albert Lea Area Special Education Cooperative District No. 6095

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, 2022

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, 2022.

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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Governing Board

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, 2022, 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.

November 2, 2022

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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, 2022. 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 May 23, 2022. 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. No new accounting policies were adopted and the application of existing policies was not changed during 2021-2022. 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 November 2, 2022.

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.

November 2, 2022

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

APPENDIX A

JUNE 30, 2022

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.

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COOPERATIVE DISTRICT NO. 6095**

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JUNE 30, 2022

The Cooperative's average daily membership decreased by 2.22 ADMs in 2021-22.

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

Grade	2022	2021	2020
Pre-Kdgt.	-	-	-
Hep-Kdgt.	-	-	-
Kdgt	-	-	-
1-3	4	2	-
4-6	6	7	11
7-12	28	31	28
Total K-12 ADM	38	40	39

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, 2020	\$ 425,102	16.42%
June 30, 2021	\$ 585,274	22.28%
June 30, 2022	\$ 703,400	27.34%

This information is the single best measure of overall financial health. The unassigned fund balance of \$703,400 at June 30, 2022 represents 27.34% of the annual expenditures of the Cooperative.

The following schedule presents a summary of general fund revenues.

	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
Local Sources			
Other	\$ 457,700	\$ 428,684	\$ 441,980
State Sources	2,205,592	2,308,083	2,335,238
Federal Sources	27,363	45,775	-
Local Sales and Insurance Recovery	-	300	-
Total General Fund Revenues	<u>\$ 2,690,655</u>	<u>\$ 2,782,842</u>	<u>\$ 2,777,218</u>

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JUNE 30, 2022

The following schedule presents a summary of general fund expenditures.

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020
Purchased Services	\$ 2,184,522	\$ 2,211,165	\$ 2,206,467
Supplies and Materials	54,865	62,363	34,698
Capital Expenditures	5,900	26,705	21,217
Other Expenditures	327,242	326,915	326,897
Total General Fund Expenditures	\$ 2,572,529	\$ 2,627,148	\$ 2,589,279

The following schedule presents a breakdown of general fund revenues.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Local Revenue:			
Interest earnings	\$ 1,211	\$ 388	\$ 8,549
Medical Assistance	130,717	102,674	107,809
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
	150	-	-
Total Local revenue	457,700	428,684	441,980
State Aid			
State Special Education aid	2,146,112	2,272,626	2,253,829
Compensatory aid	59,480	35,457	76,931
General Education Aid	-	-	4,478
Total State Aid	2,205,592	2,308,083	2,335,238
Federal Aid			
ESSER Funds	3,544	7,530	-
GEER Funds	6,260	24,149	-
Coronavirus Relief Fund	-	14,096	-
ARP Funds	3,322	-	-
Minnesota COVID-19 Testing Program	14,237	-	-
Total Federal Aid	27,363	45,775	-
Local Sales and Insurance Recovery			
Insurance recovery	-	300	-
Total Revenues	\$ 2,690,655	\$ 2,782,842	\$ 2,777,218

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JUNE 30, 2022

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Special Education			
General Special Education	\$ 16,650	\$ 28,010	\$ 160,458
Speech/Language Impaired	11,305	8,377	5,377
Developmental Cognitive Disabilities: Mild-Moderate	2,188	-	-
Developmental Cognitive Disabilities: Severe Profound	19,175	-	-
Emotional/Behavioral Disorder	1,119,653	1,160,346	1,137,552
Other Health Disabilities	67,743	120,054	114,833
Autistic Spectrum Disorders	341,293	319,130	292,922
Traumatic Brain Injury	13,917	19,573	18,258
Multiple Handicap	34,101	39,653	32,931
Special Education - Aggregate	<u>340,512</u>	<u>336,384</u>	<u>286,952</u>
Total Special Education expenditure (includes Capital Expenditures)	<u>\$ 1,966,537</u>	<u>\$ 2,031,527</u>	<u>\$ 2,049,283</u>