

Adopted: 01-18-2016

Revised: 4/21/22

**ROCHESTER BEACON ACADEMY-RBA**  
**POLICY No. 308**  
**ANNUAL AUDIT**

**I. PURPOSE**

According to Minn. Stat. §124E.16, RBA is subject to the same financial audit requirements as a school district. Therefore, the purpose of this policy is to state the obligations of RBA with regard to compliance with Minn. Stat. §124E.16.

**II. POLICY STATEMENT**

It is the policy of RBA to comply with all laws and rules relating to the annual audit of RBA's books, records and financial matters.

**III. IMPLEMENTATION**

- A. The Board of RBA will contract with a certified public accountant to audit, examine and report on the school's financial data.
- B. Audits must be conducted according to generally accepted government auditing standards, in compliance with state and federal law including Minn. Stat. §§123B.75-83, unless a deviation from the standard is approved by the Commissioner of Education and authorizer due to the program of the school. The specific provisions with which the Board must comply include, but are not limited to the following:
  - 1. Prior to September 15 of each year, the Board shall ensure that unaudited financial data for the preceding year has been submitted to the Commissioner of Education on forms prescribed by the Commissioner and should include information required by Minn. Stat. §123B.14 subd. 7.
  - 2. Prior to November 30 of each year, the Board shall provide to the Commissioner audited financial data for the preceding fiscal year. The Board shall, prior to December 31 of each year, provide the Commissioner and the State Auditor an audited financial statement, in a manner that enables comparison with and correction of material differences in, the unaudited data.

3. The audited financial statement will include a statement of assurance pertaining to compliance with uniform financial accounting and reporting standards and a copy of the management letter submitted to the school district by its auditor.
  4. The audit must be conducted in compliance with generally accepted government auditing standards, the Federal Single Audit Act and the Minnesota Legal Compliance Guide issued by the Office of the State Auditor.
- C. The Board of RBA must approve the audit report by resolution or require a further or amended report.
  - D. The Administration shall report to the Board any actions necessary to correct any deficiencies or exceptions noted in the audit.
  - E. A financial audit report, along with a copy of the management agreements with a charter management organization or an educational management organization and service agreements or contracts over the lesser of \$100,000 or ten percent of the school's most recent annual audited expenditures, must be submitted by RBA to the Commissioner of the Minnesota Department of Education and its authorizer by December 31 of each year. The agreements must detail the terms of the agreement, including the services provided and the annual costs for those services.
  - F. If the charter school is a tax-exempt organization according to the Internal Revenue Service (IRS), the school must also file a copy of its annual return under section 6033 of the Internal Revenue Code to the Commissioner of Minnesota Department of Education and authorizer by February 15 of each year.
  - G. If a material weakness exists in the financial audit report, RBA must submit a written report to the Commissioner regarding how the material weakness will be resolved.
  - H. The Minnesota Department of Education, state auditor, legislative auditor, or authorizer may conduct their own audit.
  - I. If RBA is determined to be in statutory operating debt, a plan to address such debt must be submitted according to Minn. Stat. § 123B.81, subd. 4

***Legal References:*** Minn. Stat. § 124E.16 (Charter Schools – Reports)  
Minn. Stat. §123B.77 (Accounting, Budgeting, and Reporting Requirement)  
Minn. Stat. Chapter 6 (State Auditor)