

INDEPENDENT SCHOOL DISTRICT NO. 196
ROSEMOUNT, MINNESOTA

Special Purpose Audit Reports

Year Ended
June 30, 2010

INDEPENDENT SCHOOL DISTRICT NO. 196

Special Purpose Audit Reports
Year Ended June 30, 2010

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INDEPENDENT AUDITOR'S REPORT
ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

To the School Board of
Independent School District No. 196
Rosemount, Minnesota

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 196 (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 12, 2010. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and *Budget Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

October 12, 2010

INDEPENDENT SCHOOL DISTRICT NO. 196

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures
U.S. Department of Agriculture		
Passed through Minnesota Department of Education		
Child nutrition cluster		
School Breakfast Program	10.553	\$ 396,520
National School Lunch Program	10.555	2,893,494
Special Milk Program for Children	10.556	1,606
Total child nutrition cluster		3,291,620
U.S. Department of Education		
Direct		
Indian Education – Grants to Local Educational Agencies	84.060	42,571
Magnet Schools Assistance	84.165	1,576,168
Passed through Minnesota Department of Education		
Special education cluster		
Special Education – Grants to States	84.027	4,490,621
ARRA – Special Education – Grants to States	84.391	2,952,138
Special Education – Preschool Grants	84.173	173,251
ARRA – Special Education – Preschool Grants	84.392	110,903
Total special education cluster		7,726,913
ARRA – State Fiscal Stabilization Funds – Education State Grants	84.394	16,036,681
Title I Grants to Local Educational Agencies	84.010	689,425
Improving Teacher Quality State Grants	84.367	543,389
Innovative Education Program Strategies	84.298	30,759
English Language Acquisition Grants	84.365	174,734
Career and Technical Education – Basic Grants to States	84.048	244,892
Safe and Drug-Free Schools and Communities State Grants	84.186	62,957
Education Technology State Grants	84.318	22,069
Adult Education – Basic Grants to States	84.002	111,113
Early Intervention Services Cluster		
ARRA – Special Education Grants for Infants and Families	84.393	75,594
Passed through Intermediate School District No. 917		
Special Education Grants for Infants and Families	84.181	13,709
Total early intervention services cluster		89,303
Total federal awards		<u>\$ 30,642,594</u>

Note 1: This Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the District's basic financial statements.

Note 2: Non-monetary assistance of \$363,831 is reported in this schedule, representing the value of commodities received and disbursed for the U.S. Department of Agriculture National School Lunch Program (CFDA No. 10.555).

Note 3: All pass-through entities listed above use the same CFDA numbers as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 4: The District provided federal awards to subrecipients as follows:

Program Title	Federal CFDA No.	Amount Provided
Independent School District No. 191, Burnsville	84.048	\$ 52,419
Independent School District No. 194, Lakeville	84.048	65,769



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the School Board of
Independent School District No. 196
Rosemount, Minnesota

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 196 (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified one deficiency in internal control over financial reporting that we consider to be a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2010-1 to be a material weakness.

(continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District, in a separate letter dated October 12, 2010.

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the School Board, others within the District, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

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

October 12, 2010



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the School Board of
Independent School District No. 196
Rosemount, Minnesota

Compliance

We have audited Independent School District No. 196's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

As described in items 2010-3 and 2010-4 in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding reporting that are applicable to its Special Education Cluster and ARRA – State Fiscal Stabilization Funds – Education State Grants. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, 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 federal programs for the year ended June 30, 2010.

(continued)

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance 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, 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as item 2010-2. 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.

The District's responses to the findings in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the School Board, others within the District, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

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

October 12, 2010



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH MINNESOTA STATE LAWS AND REGULATIONS

To the School Board of
Independent School District No. 196
Rosemount, Minnesota

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 196 (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 12, 2010.

We conducted our audit 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 provisions of the *Minnesota Legal Compliance Audit Guide for Local Governments*, promulgated by the Office of the State Auditor pursuant to Minnesota Statute § 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Local Governments* covers seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, uniform financial accounting and reporting standards for school districts, and miscellaneous provisions. Our study included all of the listed categories.

The results of our tests indicate that, for the items tested, the District complied with the material terms and conditions of applicable legal provisions.

This report is intended solely for the information and use of the School Board, management of the District, and the state of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

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

October 12, 2010

INDEPENDENT SCHOOL DISTRICT NO. 196

Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

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 Unqualified
 Qualified
 Adverse
 Disclaimer

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified? X Yes 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? Unqualified
 X Qualified
 Adverse
 Disclaimer

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? X Yes No

Programs tested as major programs:

Program or Cluster	CFDA No.
The U.S. Department of Education Special Education Cluster consisting of:	
– Special Education – Grants to States	84.027
– ARRA – Special Education – Grants to States	84.391
– Special Education – Preschool Grants	84.173
– ARRA – Special Education – Preschool Grants	84.392
ARRA – State Fiscal Stabilization Funds	84.394
Threshold for distinguishing type A and B programs.	<u> \$ 919,278 </u>

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

INDEPENDENT SCHOOL DISTRICT NO. 196

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2010-1 Segregation of Duties

Criteria – Internal control over financial reporting.

Condition – Independent School District No. 196 (the District) has limited segregation of duties over cash receipts collected at sites outside of the District's central business office. At the various district school sites, one individual is responsible for: the collection of cash receipts, preparing the deposits, and creating the initial records used to record the receipts. There is no verification of cash collections by someone independent of the cash deposit process.

Questioned Costs – Not applicable.

Context – This is a current year and prior year finding.

Cause – The limited segregation of duties is primarily caused by the limited size of the District's business office staff at each school site.

Effect – One important element of internal accounting controls is an adequate segregation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction. A lack of segregation of duties subjects the District to a higher risk that errors or fraud could occur and not be detected in a timely manner in the normal course of business.

Recommendation – We recommend that someone not involved in the initial receipt and deposit of cash perform procedures to verify that all cash collected at the various district school sites is being deposited, such as having the District's business office staff obtain and review original documentation for cash received at the schools.

Corrective Action Plan

Actions Planned – The District intends to review the controls over cash receipts and work with the District's financial auditors to review specific weaknesses identified during the annual audit and actions needed to eliminate or mitigate this internal control weakness.

Official Responsible – Jeffrey Solomon, Director of Finance and Operations.

Planned Completion Date – June 30, 2011.

Disagreement With or Explanation of Finding – The District is in agreement with this finding.

Plan to Monitor – Jeffrey Solomon, Director of Finance and Operations, will make the entire business office aware of its objective to address this condition and supervise the progress of planned actions during the year.

INDEPENDENT SCHOOL DISTRICT NO. 196

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2010

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

SPECIAL EDUCATION CLUSTER (CFDA No. 84.027)

2010-2 Internal Controls Over Activities Allowed and Allowable Costs Principles

Criteria – Management is responsible for establishing and maintaining effective internal controls, including monitoring over the Special Education – Grants to States reporting requirements.

Condition – One of the elements of the internal controls over the recording of expenditures in the District is that personal activity reports are completed for each employee with time coded to the program in order to verify the services were performed. The District did not have personal activity reports on file for 3 of the 20 employees tested.

Questioned Costs – Not applicable.

Context – This is a current year finding.

Cause – The District has inadequate controls in place for collecting and retaining personal activity reports.

Effect – The District could be reimbursed for more funds than they are entitled.

Recommendation – We recommend that the District improve procedures and internal controls over the collection and retention of personal activity reports for services provided in special education program.

Corrective Action Plan

Actions Planned – The District's Director of Special Education will improve procedures and internal controls over the collection and retention of personal activity reports for special education services performed to eliminate this finding in the future.

Official Responsible – Mary Kreger, Director of Special Education.

Planned Completion Date – December 31, 2010.

Disagreement With or Explanation of Finding – The District is in agreement with this finding.

Plan to Monitor – Mary Kreger, Director of Special Education, will review procedures prior to the above planned completion date.

INDEPENDENT SCHOOL DISTRICT NO. 196

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2010

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT (CONTINUED)**

SPECIAL EDUCATION CLUSTER (CFDA NO. 84.391 AND NO. 84.392)

2010-3 Noncompliance Over Reporting

Criteria – Section 1512 of the American Recovery and Reinvestment Act (ARRA) requires recipients to report on a quarterly basis an estimate of the number of jobs created or retained due to the Recovery Act funds.

Condition – During our audit, we noted the District did not submit the quarterly surveys for the ARRA Special Education – Grants to States and the ARRA – Special Education – Preschool Grants programs.

Questioned Costs – Not applicable.

Context – This is a current year finding.

Cause – The District did not submit the quarterly jobs data surveys. These grants were not used to pay for salaries, and the District was not aware that the quarterly jobs surveys had to be completed even in cases where no jobs were created or retained.

Effect – Non-compliance with the reporting requirements could be viewed as a violation of the award agreement.

Recommendation – We recommend that the District submit the quarterly surveys to report the number of the jobs created and retained as a result of funding received through the ARRA.

Corrective Action Plan

Actions Planned – The District's Director of Finance and Operations will submit the quarterly jobs data surveys to eliminate this finding in the future.

Official Responsible – Jeffrey Solomon, Director of Finance and Operations.

Planned Completion Date – December 31, 2010.

Disagreement With or Explanation of Finding – The District is in agreement with this finding.

Plan to Monitor – Jeffrey Solomon, Director of Finance and Operations, will review procedures prior to the above planned completion date.

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2010

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT (CONTINUED)**

ARRA – STATE FISCAL STABILIZATION FUNDS – EDUCATION STATE GRANTS (CFDA No. 84.394)

2010-4 Noncompliance Over Reporting

Criteria – Section 1512 of the American Recovery and Reinvestment Act (ARRA) requires recipients to report on a quarterly basis an estimate of the number of jobs created or retained due to the Recovery Act funds.

Condition – During our audit, we noted the District did not submit two of the quarterly surveys for the ARRA State Fiscal Stabilization Funds program.

Questioned Costs – Not applicable.

Context – This is a current year finding.

Cause – The District submitted the first two of the quarterly jobs data surveys, but did not submit the surveys for the last two quarters. The District misinterpreted the reporting requirements, and did not understand that the surveys needed to be filed every quarter, even if the number of jobs created or retained had not changed since the last survey filed.

Effect – Non-compliance with the reporting requirements could be viewed as a violation of the award agreement.

Recommendation – We recommend that the District submit the quarterly surveys to report the number of the jobs created and retained as a result of funding received through the ARRA.

Corrective Action Plan

Actions Planned – The District’s Director of Finance and Operations will submit the quarterly jobs data surveys to eliminate this finding in the future.

Official Responsible – Jeffrey Solomon, Director of Finance and Operations.

Planned Completion Date – December 31, 2010.

Disagreement With or Explanation of Finding – The District is in agreement with this finding.

Plan to Monitor – Jeffrey Solomon, Director of Finance and Operations, will review procedures prior to the above planned completion date.

INDEPENDENT SCHOOL DISTRICT NO. 196

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2010

D. FINDINGS – MINNESOTA LEGAL COMPLIANCE AUDIT

None.

E. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.



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INDEPENDENT AUDITOR'S REPORT ON UNIFORM FINANCIAL
ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE

To the School Board of
Independent School District No. 196
Rosemount, Minnesota

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 196 (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 12, 2010. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The accompanying Uniform Financial Accounting and Reporting Standards Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education, and is not a required part of the basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards Compliance Table has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

October 12, 2010

INDEPENDENT SCHOOL DISTRICT NO. 196

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2010

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		\$ 286,952,245	\$ 286,952,245	\$ –
Total expenditures		\$ 287,179,558	\$ 287,179,556	\$ 2
Reserved				
403	Staff development	\$ –	\$ –	\$ –
405	Deferred maintenance	\$ –	\$ –	\$ –
406	Health and safety	\$ 583,931	\$ 583,931	\$ –
407	Capital projects levy	\$ (228,460)	\$ (228,460)	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
413	Projects funded by COP	\$ –	\$ –	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
419	Encumbrances	\$ –	\$ –	\$ –
423	Certain teacher programs	\$ –	\$ –	\$ –
424	Operating capital	\$ 1,085,593	\$ 1,085,593	\$ –
426	\$25 taconite	\$ –	\$ –	\$ –
427	Disabled accessibility	\$ –	\$ –	\$ –
428	Learning and development	\$ –	\$ –	\$ –
434	Area learning center	\$ 766,628	\$ 766,628	\$ –
435	Contracted alternative programs	\$ –	\$ –	\$ –
436	State approved alternative program	\$ –	\$ –	\$ –
438	Gifted and talented	\$ –	\$ –	\$ –
441	Basic skills programs	\$ –	\$ –	\$ –
445	Career and technical programs	\$ –	\$ –	\$ –
446	First grade preparedness	\$ –	\$ –	\$ –
449	Safe schools – crime levy	\$ (271,017)	\$ (271,017)	\$ –
450	Pre-kindergarten	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
453	Unfunded severance and retirement levy	\$ –	\$ –	\$ –
Unreserved				
418	Separation/retirement benefits	\$ –	\$ –	\$ –
422	Unreserved – undesignated	\$ 33,098,331	\$ 33,098,331	\$ –
Food Service				
Total revenue		\$ 11,134,289	\$ 11,134,289	\$ –
Total expenditures		\$ 10,825,312	\$ 10,825,311	\$ 1
Reserved				
419	Encumbrances	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
Unreserved				
418	Separation/retirement benefits	\$ –	\$ –	\$ –
422	Unreserved – undesignated	\$ 2,562,797	\$ 2,562,797	\$ –
Community Service				
Total revenue		\$ 8,674,540	\$ 8,674,538	\$ 2
Total expenditures		\$ 8,991,485	\$ 8,991,485	\$ –
Reserved				
419	Encumbrances	\$ –	\$ –	\$ –
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ 385,447	\$ 385,447	\$ –
432	ECFE	\$ 55,094	\$ 55,094	\$ –
444	School readiness	\$ 73,042	\$ 73,042	\$ –
447	Adult basic education	\$ 311,947	\$ 311,947	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
Unreserved				
418	Separation/retirement benefits	\$ –	\$ –	\$ –
422	Unreserved – undesignated	\$ (757)	\$ (757)	\$ –
Building Construction				
Total revenue		\$ 43,932	\$ 43,933	\$ (1)
Total expenditures		\$ 8,963,441	\$ 8,963,441	\$ –
Reserved				
407	Capital projects levy	\$ –	\$ –	\$ –
409	Alternative facility program	\$ (1,396,911)	\$ (1,396,911)	\$ –
413	Project funded by COP	\$ –	\$ –	\$ –
419	Encumbrances	\$ –	\$ –	\$ –
Unreserved				
422	Unreserved – undesignated	\$ 2,260,155	\$ 2,260,155	\$ –

INDEPENDENT SCHOOL DISTRICT NO. 196

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2010

	Audit	UFARS	Audit – UFARS
Debt Service			
Total revenue	\$ 15,912,450	\$ 15,912,450	\$ –
Total expenditures	\$ 18,300,268	\$ 18,300,267	\$ 1
Reserved			
425 Bond refundings	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
Unreserved			
422 Unreserved – undesignated	\$ 4,991,110	\$ 4,991,110	\$ –
Trust			
Total revenue	\$ 1,990,756	\$ 1,990,756	\$ –
Total expenditures	\$ 1,950,463	\$ 1,950,464	\$ (1)
Reserved			
419 Encumbrances	\$ –	\$ –	\$ –
Unreserved			
422 Unreserved – undesignated	\$ 558,047	\$ 558,047	\$ –
Agency			
Unreserved			
422 Unreserved – undesignated	\$ –	\$ –	\$ –
Internal Service			
Total revenue	\$ 575,396	\$ 575,395	\$ 1
Total expenditures	\$ 1,703,704	\$ 1,703,704	\$ –
Reserved			
419 Encumbrances	\$ –	\$ –	\$ –
Unreserved			
422 Unreserved – undesignated	\$ (3,353,599)	\$ (3,353,600)	\$ 1
OPEB Revocable Trust			
Total revenue	\$ 3,199,568	\$ 3,199,568	\$ –
Total expenditures	\$ 4,677,576	\$ 4,677,576	\$ –
Reserved			
419 Encumbrances	\$ –	\$ –	\$ –
Unreserved			
422 Unreserved – undesignated	\$ 30,836,923	\$ 30,836,922	\$ 1
OPEB Irrevocable Trust			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Reserved			
419 Encumbrances	\$ –	\$ –	\$ –
Unreserved			
422 Unreserved – undesignated	\$ –	\$ –	\$ –
OPEB Debt Service			
Total revenue	\$ 2,039,035	\$ 2,039,036	\$ (1)
Total expenditures	\$ 2,067,930	\$ 2,067,931	\$ (1)
Reserved			
425 Bond refundings	\$ –	\$ –	\$ –
Unreserved			
422 Unreserved – undesignated	\$ 299,814	\$ 299,814	\$ –

Note 1: Statutory reserve deficits, if any, are reported in unreserved fund balances in the financial statements in accordance with accounting principles generally accepted in the United States of America.

Note 2: The District may report certain additional reserved and designated fund balances for financial reporting purposes that are reported to the Minnesota Department of Education as unreserved for purposes of this table.

Note 3: Balances listed above for “Debt Service” and “OPEB Debt Service” are combined as one Debt Service Fund for financial reporting purposes.

Unaudited Data Reporting Elements

Fiscal Year 2010 Operating Capital Transfer

Per pupil amount	\$ –
Adjusted marginal cost pupil unit	–
Total transfer	\$ –