

Adopted: July 12, 2016

Revised: _____

LAFAYETTE CHARTER SCHOOL POLICY No. 7.5 ANNUAL AUDIT

I. PURPOSE

According to Minn. Stat. §124D.10, Lafayette Charter School is subject to the same financial audit requirements as a school district. Therefore, the purpose of this policy is to state the obligations of Lafayette Charter School with regard to compliance with Minn. Stat. §124D.10, subd. 6a.

II. POLICY STATEMENT

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

III. IMPLEMENTATION

- A. The Board of Lafayette Charter School will contract with a certified public accountant to audit, examine and report on the school's financial data.
- B. Standards and Requirements for Conducting Audit. Audits must be conducted according to generally accepted governmental 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.

This policy does not constitute legal advice; any questions regarding this policy should be directed to your attorney.

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 governmental auditing standards, the Federal Single Audit Act and the Minnesota Legal Compliance Guide issues by the Office of the State Auditor.
- C. Board Approval. The Board of Lafayette Charter School must approve the audit report by resolution or require a further or amended report.
- D. Administration. The Administration shall report to the Board any actions necessary to correct any deficiencies or exceptions noted in the audit.
- E. Annual Report Submission. A financial audit report, along with a copy of all charter school agreements for corporate management services, must be submitted by Lafayette Charter School to the Commissioner of the Minnesota Department of Education and its authorizer by December 31 of each year.
- F. Additional Reporting for Tax-Exempt Organizations. 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. Additional Reporting of Material Weakness. If a material weakness exists in the financial audit report, Lafayette Charter School must submit a written report to the Commissioner regarding how the material weakness will be resolved.
- H. Compliance Audits. The Minnesota Department of Education, state auditor, legislative auditor, or authorizer may conduct their own audit.
- I. Statutory Operating Debt. If Lafayette Charter School 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. §124D.10 subd. 6(a) (Audit Report) and 8(j) (Federal, State, and Local Requirements)
Minn. Stat. §123B.77 (Accounting, Budgeting, and Reporting Requirement)
Minn. Stat. Chapter 6 (State Auditor)