**CHARTER SCHOOLS**

**LEGAL COMPLIANCE AUDIT GUIDE**

**CHARTER SCHOOLS**

Introduction

Charter schools must comply with statutes as specified in Minn. Stat., ch. 124E, including Minn. Stat. § 124E.16. Pursuant to Minn. Stat. § 124E.16, subd. 1, charter school audits must be conducted in compliance with Minn. Stat. § 6.65, which requires legal compliance audits and the promulgation of this Legal Compliance Audit Guide.

Charter School audits “must comply with the requirements of sections 123B.75 to 123B.83 governing school district finance, except when the commissioner [of education] and authorizer approve a deviation made necessary because of school program finances.” *See* Minn. Stat. § 124E.16, subd. 1.

Charter schools must comply with the Uniform Financial Accounting and Reporting Standards (UFARS) for Minnesota schools. *See* section 2.

Audit Report**.** Charter School audit reports must comply with Minn. Stat. § 124E.16, and auditors should review this statute. Specific requirements include the following:

“The charter school, with the assistance of the auditor conducting the audit, must include with the report, as supplemental information: (1) a copy of management agreements with a charter management organization or an educational management organization and (2) service agreements or contracts over the lesser of $100,000 or ten percent of the school's most recent annual audited expenditures. The agreements must detail the terms of the agreement, including the services provided and the annual costs for those services. … ” Minn. Stat. § 124E.16, subd. 1 (c).

“A charter school independent audit report shall include audited financial data of an affiliated building corporation under section 124E.13, subdivision 3, or other component unit.” Minn. Stat. § 124E.16, subd. 1 (d).

“If the audit report finds that a material weakness exists in the financial reporting systems of a charter school, the charter school must submit a written report to the commissioner explaining how the charter school will resolve that material weakness. An auditor, as a condition of providing financial services to a charter school, must agree to make available information about a charter school's financial audit to the commissioner and authorizer upon request.” Minn. Stat. § 124E.16, subd. 1 (e).

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| **Part I. Charter School Conflicts of Interest** |
| § 124E.07,subd. 3 (b) | - | “An individual is prohibited from serving as a member of the charter school board of directors if: (1) the individual, an immediate family member, or the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities; or (2) an immediate family member is an employee of the school.”  |  |  |  |
| § 124E.07,subd. 3 (d) | - | “Any employee, agent, or board member of the authorizer who participates in initially reviewing, approving, overseeing, evaluating, renewing or not renewing the charter school is ineligible to serve on the board of directors of a school chartered by that authorizer.” |  |  |  |
| § 124E.14,(a) | - | “No member of the board of directors, employee, officer, or agent of a charter school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when:(1) the board member, employee, officer, or agent;(2) the immediate family of the board member, employee, officer, or  agent;(3) the partner of the board member, employee, officer, or agent; or(4) an organization that employs, or is about to employ any individual in  clauses (1) to (3), has a financial or other interest in the entity with which the charter school is contracting. A violation of this prohibition renders the contract void.” |  |  |  |
| § 124E.14 (b) | - | “The conflict of interest provisions under Minn. Stat. § 124E.14, do not apply to compensation paid to a teacher employed as a teacher by the charter school or a teacher who provides instructional services to the charter school through a cooperative formed under Minn. Stat. ch. 308A when the teacher also serves on the charter school board of directors.” |  |  |  |
| § 124E.14 (c) | - | “A board member, employee or officer must not receive compensation from a group health insurance provider.” |  |  |  |
|  | A. | Has the charter school complied with the Minn. Stat. §§ 124E.07 and 124E.14 conflict of interest prohibitions quoted above? |  |  |  |

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| **Part II. Purchase of Merchandise** |
| §§ 124E.16,subd. 1, and15.054 | A. | Officers and employees of a charter school are prohibited from selling or buying property or materials owned by the charter school. Employees may make purchases from the charter school if the following criteria are met. |  |  |  |
|  |  | For all purchases: |  |  |  |
|  |  | 1. | Was the property or materials purchased by the employee not needed for charter school purposes? |  |  |  |
|  |  | 2. | Was the purchase made through sealed bids or public auction? |  |  |  |
|  |  | 3. | Was the employee not directly involved with the sealed bid or auction process? |  |  |  |
|  |  | 4. | Was the applicable “notice” law followed, and did the same require at least one week of published notice? |  |  |  |
|  |  | This section does not apply to property or materials acquired or produced by charter schools for sale to the general public in the ordinary course of business. |  |  |  |

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| **Part III. Designation of Depository** |
| § 124E.16, subd. 1 | Pursuant to Minn. Stat. § 124E.16, subd. 1, charter schools are subject to and must comply with §§ 118A.01, 118A.02, 118A.03, 118A.04, 118A.05, and 118A.06. |  |  |  |
| § 118A.01,subd. 4 | “Public funds” for the purpose of this section means all general, special, permanent, trust, or other funds, regardless of source or purpose, held or administered by a charter school, unless otherwise restricted. Minn. Stat. § 118A.01, subd. 4. |  |  |  |
| § 118A.02,subd. 1 | A. | In the case of a charter school: |  |  |  |
|  |  | 1. | Has each depository of public funds been designated by the charter school’s governing body, or by its treasurer or chief financial officer, if the charter school has authorized them to make such a designation? |  |  |  |
| § 118A.01,subd. 3 |  | 2. | Is each depository one of the following: |  |  |  |
|  |  |  | a. | a savings association; |  |  |  |
|  |  |  | b. | a commercial bank; |  |  |  |
|  |  |  | c. | a trust company; |  |  |  |
|  |  |  | d. | a credit union; or |  |  |  |
|  |  |  | e. | an industrial loan and thrift company? |  |  |  |

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| **Part IV. Insuring or Securing Deposits** |
| § 118A.03,subds. 1 & 3 | A. | If a charter school desires to deposit an amount in excess of deposit insurance, it must obtain a bond or collateral which, when computed at its market value, shall be at least ten percent more than the amount of the excess deposit. |  |  |  |
|  | B. | Complete the spreadsheet in this section to determine the amount of the charter school’s funds that are not insured and thus need to be either bonded or collateralized. Deposits held by credit unions are covered by separate deposit insurance rules promulgated by the National Credit Union Administration (NCUA). |  |  |  |
|  | C. | Was collateral coverage sufficient? (Answer after completing the spreadsheet on pages 1-13.) |  |  |  |

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| **Part V. The Bond and Collateral** |
|  | A. | If a bond was furnished by the depository to the charter school, answer the following question: |  |  |  |
| § 118A.03,subd. 1 |  | 1. | Was the bond executed by a corporate surety company authorized to do business in the state? |  |  |  |
|  | B. | If the depository assigned collateral to the charter school, answer the following questions: |  |  |  |
| § 118A.03,subd. 2 |  | 1. | Was the collateral one of the following: |  |  |  |
|  |  |  | a. | U.S. government treasury bills, notes, or bonds; |  |  |  |
|  |  |  | b. | issues of a U.S. government agency or instruments that are quoted by a recognized industry quotation service available to the government entity; |  |  |  |
|  |  |  | c. | a general obligation of a state or local government, with taxing powers, rated “A” or better; |  |  |  |
|  |  |  | d. | a revenue obligation of a state or local government, with taxing powers, rated “AA” or better; |  |  |  |
|  |  |  | e. | unrated general obligation securities of a local government with taxing powers pledged as collateral against funds deposited by that same local government entity; |  |  |  |
|  |  |  | f. | an irrevocable standby letter of credit issued by a Federal Home Loan Bank accompanied by written evidence that the Federal Home Loan Bank’s public debt is rated “AA” or better by Moody’s or Standard and Poor’s; or |  |  |  |
|  |  |  | g. | time deposits insured by a federal agency? |  |  |  |
| § 118A.03,subd. 7 |  | 2. | Was the collateral placed for safekeeping: |  |  |  |
|  |  |  | a. | in a restricted account at the Federal Reserve Bank; or |  |  |  |
|  |  |  | b. | in an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository? |  |  |  |
| § 118A.03,subd. 7 |  | 3. | Did the charter school approve of the selection of the safekeeping entity? |  |  |  |
| § 118A.03,subd. 4 |  | 4. | Was the collateral assignment in writing? |  |  |  |
|  |  | 5. | Did the assignment provide that, upon default, the depository shall release the collateral pledged to the charter school on demand? |  |  |  |
| § 118A.03,subd. 3 | C. | Collateral pledged must equal at least ten percent more than the uninsured and unbonded amount on deposit. The depository may, at its discretion, furnish both a bond and collateral aggregating the required amount. |  |  |  |
|  |  | 1. | If a bond was used or standby letters of credit issued by Federal Home Loan Banks were pledged, was the amount of excess deposit less than or equal to the amount of the bond or standby letters of credit? |  |  |  |
|  |  | 2. | If other collateral was pledged, was the amount of collateral at least ten percent more than the uninsured amount on deposit? |  |  |  |
| [12 U.S.C.§ 1823(e)] | D. | Assignment [Federal Statutory Requirements] |  |  |  |
|  |  | 1. | Was the written assignment approved by the depository’s board of directors or loan committee? |  |  |  |
|  |  | 2. | Was the assignment an official record of the depository? |  |  |  |
| § 118A.03 | E. | If the charter school used a sweep account, did the timing of the sweep take place so that all amounts on deposit at the end of the banking day were protected by deposit insurance, bond, or pledged collateral? |  |  |  |

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| **Part VI. Public Investments** |
| § 118A.05,subd. 2 | A. | Were all repurchase agreements and reverse repurchase agreements only entered into with: |  |  |  |
|  |  | 1. | a financial institution qualified as a depository of public funds; |  |  |  |
|  |  | 2. | any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds $10,000,000; |  |  |  |
|  |  | 3. | a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or |  |  |  |
|  |  | 4. | a securities broker-dealer licensed pursuant to chapter 80A, or an affiliate of it, regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of $40,000,000 or more, exclusive of subordinated debt? |  |  |  |
| § 118A.06 | B. | Are all investments held in safekeeping? If so: |  |  |  |
|  |  | 1. | Is the government entity’s ownership of all securities in which the fund is invested evidenced by written acknowledgments identifying the securities by the names of the issuers, maturity dates, interest rates, CUSIP numbers, or other distinguishing marks? |  |  |  |
|  |  | 2. | Were investments, contracts, and agreements held in safekeeping with: |  |  |  |
|  |  |  | a. | a Federal Reserve Bank; |  |  |  |
|  |  |  | b. | any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including, but not limited to, the bank from which the investment is purchased; |  |  |  |
|  |  |  | c. | a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or |  |  |  |
|  |  |  | d. | a securities broker-dealer, or an affiliate of it, that: |  |  |  |
|  |  |  |  | (1) | is registered as a broker-dealer under Chapter 80A or is exempt from the registration requirements; |  |  |  |
|  |  |  |  | (2) | is regulated by the Securities and Exchange Commission; and |  |  |  |
|  |  |  |  | (3) | maintains insurance through the Security Investor Protection Corporation (SIPC) or excess insurance coverage in an amount equal to or greater than the value of the securities held?  |  |  |  |
|  | C. | Were the securities sold or pledged under the repurchase agreement or reverse repurchase agreement permissible direct investments under Minn. Stat. § 118A.04 (see L and M below)? |  |  |  |
| § 118A.05,subd. 2 | D. | Were all reverse repurchase agreements only entered into: |  |  |  |
|  |  | 1. | for a period of 90 days or less; and |  |  |  |
|  |  | 2. | only to meet short-term cash needs and not to generate cash for investments? |  |  |  |
| § 118A.05,subd. 3 | E. | Were all securities lending agreements (including custody agreements) entered into only with: |  |  |  |
|  |  | 1. | a financial institution qualified as a depository; or |  |  |  |
|  |  | 2. | a financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds $10,000,000, having an office in Minnesota? |  |  |  |
|  | F. | Did the custodian or entity operating the securities lending program only enter into securities lending transactions with those entities identified in Part VI.A. (above)? |  |  |  |
| § 118A.05,subd. 5 | G. | Guaranteed investment contracts or  |  |  |  |
|  |  | 1. | Were all guaranteed investment contracts or agreements only entered into with an issuer or guarantor that was a U.S. commercial bank, a domestic branch of a foreign bank, a U.S. insurance company, or its Canadian subsidiary, or the domestic affiliates of any of the foregoing? |  |  |  |
|  |  | 2. | Was the issuer’s or guarantor’s long-term and short-term unsecured debt: |  |  |  |
|  |  |  | a. | rated in one of the highest two categories by a nationally recognized rating agency, or  |  |  |  |
|  |  |  | b. | was the term of the guaranteed investment contract 18 months or less, and was the credit quality of the issuer’s short-term unsecured debt rated in the highest category by a nationally recognized rating agency (regardless of the credit quality of the issuer’s or guarantor’s long-term unsecured debt)? |  |  |  |
|  | H. | Did all guaranteed investment contracts give the charter school withdrawal rights in the event the issuer’s or guarantor’s credit quality was downgraded below “A?” |  |  |  |
| § 118A.05,subd. 4 | I. | Did the charter school only invest in shares of a Minnesota joint powers investment trust whose investments were restricted to securities described in Minn. Stat. §§ 118A.04 and 118A.05? |  |  |  |
|  | J. | Mutual Funds |  |  |  |
|  |  | Did the charter school only invest in shares of an investment company that met the criteria in either 1 or 2 below: |  |  |  |
|  |  | 1. | a. | registered under the Federal Investment Company Act of 1940; |  |  |  |
|  |  |  | b. | whose shares were registered under the Federal Securities Act of 1933; |  |  |  |
|  |  |  | c. | whose fund received the highest credit rating; |  |  |  |
|  |  |  | d. | that was rated in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization; and |  |  |  |
|  |  |  | e. | that only invests in financial instruments with a final maturity no longer than 13 months? |  |  |  |
|  |  | 2. | a. | registered under the Federal Investment Company Act of 1940; |  |  |  |
|  |  |  | b. | which holds itself out as a money market fund meeting the conditions of SEC Rule 2a-7; and |  |  |  |
|  |  |  | c. | is rated in one of the two highest rating categories for money market funds by at least one nationally recognized statistical rating organization? |  |  |  |
|  | K. | Did the charter school only invest in units of a short-term investment fund: |  |  |  |
|  |  | 1. | established and administered pursuant to regulation 9 of the Comptroller of the Currency; and |  |  |  |
|  |  | 2. | in which investments are restricted to securities described in Minn. Stat. §§ 118A.04-.05? |  |  |  |

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| § 118A.04 | L. | Were all other funds invested in instruments which met at least one of the following criteria: |  |  |  |
|  |  | 1. | In governmental bonds, notes, bills, mortgages, and other securities, which were direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, excluding mortgage-backed securities defined as “high risk” (see Section M - Mortgage-Backed Securities); |  |  |  |
|  |  | 2. | In a general obligation of a state or local government with taxing powers which was rated “A” or better by a national bond rating service; |  |  |  |
|  |  | 3. | In a revenue obligation of a state or local government with taxing powers which was rated “AA” or better by a national bond rating service; |  |  |  |
|  |  | 4. | In a general obligation of the Minnesota Housing Finance Agency which was a moral obligation of the State of Minnesota and is rated “A” or better by a national bond rating service; |  |  |  |
| § 118A.04,subd. 4 |  | 5. | In commercial paper issued by a United States corporation or its Canadian subsidiary and that: |  |  |  |
|  |  |  | a. | was rated in the highest quality category by at least two nationally recognized rating agencies, and |  |  |  |
|  |  |  | b. | matures in 270 days or less; |  |  |  |
| § 118A.04,subd. 5 |  | 6. | In time deposits fully insured by the Federal Deposit Insurance Corporation; |  |  |  |
|  |  | 7. | In bankers’ acceptances issued by United States banks; or |  |  |  |
| § 118A.04,subd. 8 | Note: A debt service fund can purchase any issue payable from the fund. |  |  |  |
| § 118A.04, subd. 2 | M. | Mortgage-Backed Securities |  |  |  |
|  |  | Charter schools may only purchase mortgage-backed securities that are direct obligations or guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress. |  |  |  |
| § 118A.04,subds. 2 and 6 |  | Mortgage-backed securities purchased shall not be “high risk.” Minn. Stat. § 118A.04, subd. 6, states “high risk mortgage-backed securities” are: |  |  |  |
|  |  | 1. | interest-only or principal-only mortgage-backed securities; and |  |  |  |
|  |  | 2. | any mortgage derivative security that: |  |  |  |
|  |  |  | a. | has an expected average life greater than ten years; or |  |  |  |
|  |  |  | b. | has an expected average life that: |  |  |  |
|  |  |  |  | (1) | will extend by more than four years as the result of an immediate and sustained parallel shift in the yield curve of plus 300 basis points, or |  |  |  |
|  |  |  |  | (2) | will shorten by more than six years as the result of an immediate and sustained parallel shift in the yield curve of minus 300 basis points; or |  |  |  |
|  |  |  | c. | will have an estimated change in price of more than 17 percent as the result of an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points. |  |  |  |
|  |  | 3. | Were all mortgage-backed securities purchased by the government entity after August 1, 1993, not “high risk?” |  |  |  |

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| **Part VII. Broker Acknowledgment Certification** |
| § 118A.04,subd. 9 | A. | Annually, prior to completing an initial investment transaction with each broker, did the charter school provide to that broker a written statement of investment restrictions? |  |  |  |
|  | B. | Did the broker acknowledge receipt of the investment restrictions and agree to handle the charter school’s account in accordance with the restrictions? |  |  |  |
|  | C. | Did the charter school retain documentation of compliance with A and B above? |  |  |  |

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| **Part VIII. Claims and Disbursements - General Provisions** |
| § 124E.16,subd. 1 | Pursuant to Minn. Stat. § 124E.16, subd. 1, charter schools are subject to and must comply with Minn. Stat. §§ 471.38, 471.391, 471.392, and 471.425. |  |  |  |
| § 471.38,subd. 1 | A. | Has every person, or the person’s agent, claiming payment provided an itemized list in writing or electronic transaction record? |  |  |  |
| § 471.38,subd. 2 | Note: The provisions of this section do not apply to any claim or demand for an annual salary or fees of jurors or witnesses, fixed by law, nor to the salary or wages of any employee whose salary or wages have been fixed on an hourly, daily, weekly, or monthly basis, by the governing board of the municipality, and which is now authorized by law to be paid on a payroll basis. |  |  |  |

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| § 471.425,subd. 2 | B. | Prompt Payment of Local Government Bills |  |  |  |
|  | Standard payment period is: |  |  |  |
|  |  | - | 35 days from receipt for governing boards that meet at least once a month; |  |  |  |
|  |  | - | 45 days from receipt of goods or services or invoice, whichever is later, for governing boards that do not meet at least once per month; and |  |  |  |
|  |  | - | 45 days from receipt for joint powers entities. |  |  |  |
| § 471.425,subd. 2 |  | 1. | Were all bills paid within the time period set by the terms of the contract or within the standard payment period? |  |  |  |
| § 471.425,subd. 4 |  |  | The charter school must pay interest on bills not paid in a timely manner. The interest rate is 1½ percent per month or part of a month. The minimum monthly interest on a bill of $100 or more is $10. |  |  |  |
| § 471.425,subd. 4 |  | 2. | For bills paid after the time period set by the contract or the standard payment period, did the charter school calculate and pay interest as required by law? |  |  |  |
| § 471.425,subd. 4a |  | 3. | Did each contract between the charter school and a prime contractor require the prime contractor to pay subcontractors within ten days of receipt of payment from the charter school or pay interest at the rate of 1½ percent per month or any part of a month? |  |  |  |
|  | Note: The interest penalties in these questions do not apply to good faith disputes. |  |  |  |

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| §§ 124E.16, subd. 1 & 471.38, subds. 3 and 3a | **Part IX. Claims and Disbursements - Electronic Funds Transfer** |
|  | A. | Charter schools may make electronic funds transfers under certain conditions. |  |  |  |
|  |  | 1. | A charter school may make electronic funds transfers for: |  |  |  |
|  |  |  | a. | a claim for payment from an imprest payroll bank account or investment of excess money; |  |  |  |
|  |  |  | b. | payment of tax or aid anticipation certificates; |  |  |  |
|  |  |  | c. | payment of contributions to a pension or retirement fund; |  |  |  |
|  |  |  | d. | vendor payments; and |  |  |  |
|  |  |  | e. | payment of bond principal, bond interest, and a fiscal agent service charge from the debt redemption fund. |  |  |  |
|  | B. | Did the charter school use electronic funds transfers only for the above enumerated transactions? |  |  |  |
|  | C. | Did the charter school enact a plan containing the following policy controls requiring: |  |  |  |
|  |  | 1. | annual delegation of authority to make electronic funds transfers to a designated business administrator? |  |  |  |
|  |  | 2. | the disbursing bank to keep a certified copy of delegation of authority? |  |  |  |
|  |  | 3. | identification of the initiator of each electronic transfer? |  |  |  |
|  |  | 4. | the initiator to document the request and obtain approval for each transfer from the designated business administrator, before initiating the transfer? |  |  |  |
|  |  | 5. | written confirmation of each transaction within one business day? |  |  |  |
|  |  | 6. | a list of transactions to be submitted to the charter school’s board at the next regular meeting after the transaction? |  |  |  |

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| **Part X. Related Party Lease Costs** |
| § 124E.02 | For purposes of this Part: |  |  |  |
|  | - | A “related party” is an affiliate or immediate relative of the other interested party, an affiliate of an immediate relative who is the other interested party, or an immediate relative of an affiliate who is the other interested party. |  |  |  |
|  | - | “Affiliate” is a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person. |  |  |  |
|  | - | "Immediate family" means an individual whose relationship by blood, marriage, adoption, or partnership is no more remote than first cousin. |  |  |  |
|  | - | “Person” means an individual or entity of any kind. |  |  |  |
|  | - | “Control” means the ability to affect the management, operations, or policy actions or decisions of a person, whether by owning voting securities, by contract, or otherwise.  |  |  |  |
| § 124E.13, subd. 2 | A. | If the charter school entered into a lease of real property with a related party: |  |  |  |
|  |  | 1. | was the lessor a nonprofit corporation under chapter 317A or a cooperative under chapter 308A; and |  |  |  |
|  |  | 2. | was the lease cost reasonable under Minn. Stat. § 124E.13, subd. 2? |  |  |  |
|  | B. | If the charter school entered into as lessee a lease with a related party, does the lease contain the statement, “This lease is subject to Minnesota Statutes, section 124E.13, subdivision 2?” |  |  |  |
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|  |  | **XI. Open Meeting Law** |  |  |  |
| § 124E.03, subd. 5(a),13D.01 | A. | Minnesota Open Meeting Law (Applies to governing body of a school district, unorganized territory, county, city, town, or other public body; and to any committee, subcommittee, board, department, or commission of the public body.) |  |  |  |
|  |  | 1. | Were all meetings of the governing board and of any committee, subcommittee, board, department, or commission of the governing board open to the public? |  |  |  |
|  |  | 2. | If a meeting was closed, did the governing board state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed? |  |  |  |
| §§ 13D.05,subd. 1(d),13D.03 |  | 3. | Were all closed meetings, except those closed as permitted by the attorney‑client privilege, electronically recorded at the expense of the public body? |  |  |  |

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| **Part XII. Audit Conclusion** |
| The auditor must state a conclusion--based on this questionnaire and any other audit procedures performed--whether the client has complied with the legal provisions reviewed relating to charter schools.Conclusion: |
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|  |  |  |  |  | **SPREADSHEET** |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  | a | b | c | d | (a+b) - (c+d) = e | e x 1.1 = f | g | g - f |
| Name of Depository | \* | \*\* | Funds in Savings, CDs, and NOW Accounts | Funds in Non-interest-Bearing Checking Accounts | Amount of Insurance Coverage | Amount of Bond | Deposits Requiring Collateral | Amount of Collateral Needed (110% of Deposits RequiringCollateral) | Market Value of Collateral Provided | Sufficient (Insufficient) Collateral Coverage |
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 \*Check in this column if depository is a member of FDIC or NCUA.

\*\*Check in this column if depository is not a branch of the other depositories here.