

# Independent School District No. 881 Maple Lake, Minnesota

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Report to the Members of  
Governance

November 5, 2021

**SCHLENNER  
WENNER & Co.**  
CPAs

**INDEPENDENT SCHOOL DISTRICT NO. 881**  
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Members of Governance  
Independent School District No. 881  
Maple Lake, Minnesota

We are pleased to present this report related to our audit of the basic financial statements of Independent School District No. 881 (the District) as of and for the year ended June 30, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the members of governance and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the District.



**SCHLENNER WENNER & CO.**  
St. Cloud, Minnesota  
November 5, 2021

**INDEPENDENT SCHOOL DISTRICT NO. 881  
REQUIRED COMMUNICATIONS**

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

**Our Responsibilities With Regard to the Financial Statement Audit**

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated September 25, 2021. Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

**Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication dated September 25, 2021 regarding the planned scope and timing of our audit and identified any significant risks.

**Accounting Policies and Practices**

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The only estimates we have deemed significant to the financial statements are the estimates associated with the following balances reported at year-end:

- Amounts due from the Minnesota Department of Education
- Net OPEB liability and related deferred outflows/inflows of resources
- Net pension liability and related deferred outflows/inflows of resources

**Audit Adjustments and Uncorrected Misstatements**

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

**INDEPENDENT SCHOOL DISTRICT NO. 881  
REQUIRED COMMUNICATIONS**

**Departure From the Auditor's Standard Report**

Our Independent Auditor's Report includes several additional or non-standard paragraphs that you should be aware of as follows:

- Other Matters related to Required Supplementary Information and Supplementary Information
- Other Reporting Required by *Government Auditing Standards*

**Observations About the Audit Process**

**Disagreements with Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements.

**Consultations with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

**Significant Issues Discussed with Management**

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

**Significant Difficulties Encountered in Performing the Audit**

We did not encounter any significant difficulties in dealing with management during the audit.

**Difficult or Contentious Matters That Required Consultation**

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

**Internal Control and Compliance Matters**

We have separately communicated the significant deficiency and material weakness in internal control over financial reporting and compliance identified during our audit of the basic financial statements and major programs, as required by *Government Auditing Standards* and *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* at 2 CFR 200 (Uniform Guidance). This communication is included within the compliance section of the District's financial report for the year ended June 30, 2021.

**Significant Written Communications Between Management and Our Firm**

We have requested certain representations from management that are included in the management representation letter dated November 5, 2021.