



We'll get you there.

Minnesota State Colleges and Universities Audit Presentation

Year Ended June 30, 2022

November 2022

CPAs | CONSULTANTS | WEALTH ADVISORS

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Agenda and Objectives

Scope of Assurance Engagements

Financial Statement Audit Results

Federal Awards Audit Progress

Current Events in Higher Education

Scope of Assurance Engagements

System-wide
Financial
Statement

IT Procedures
including Top 5

Itasca Student
Housing

Revenue Fund

Student
Financial Aid &
HEERF

Perkins Close
Outs





Financial Statement Audits

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Auditors' Responsibilities



Opine on the Financial Statements as a Whole



Understand Key Financial Internal Controls but not to Opine on the Controls



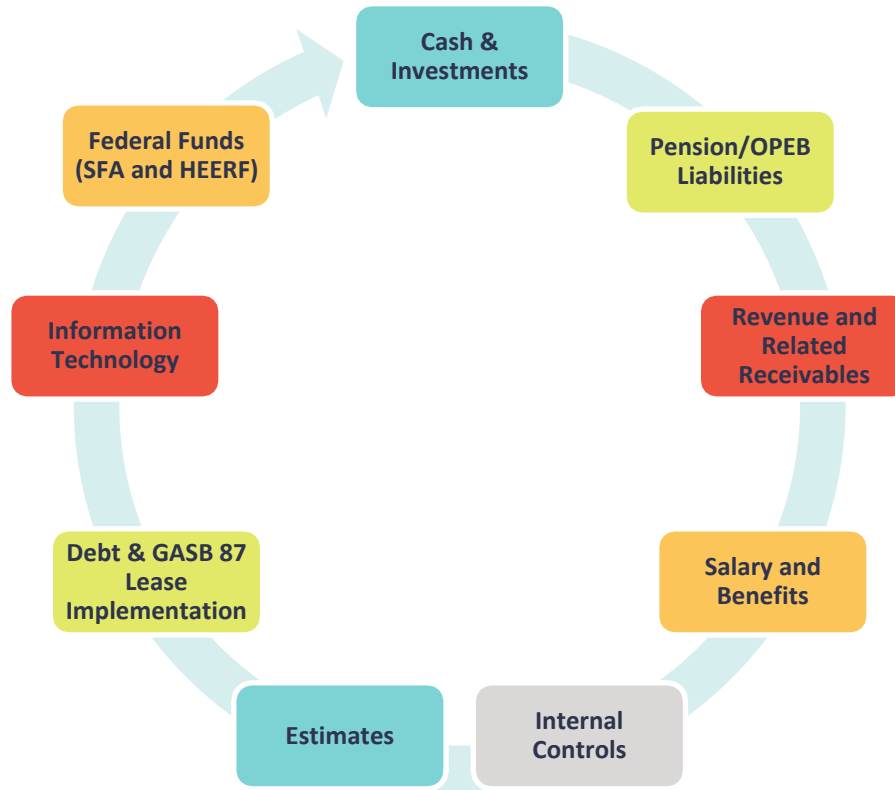
Communicate Significant and/or Material Control Issues Observed During the Audit Process



Communicate with Management any Best Practices or Improvements



Financial Statement Audit Process- Risk Assessment



Audit Results- System-Wide

Adjustments and Results

- No audit adjustments
- No financial reporting deficiencies

Opinion

- Unmodified opinion – financial statements



Audit Results – Individual Audits

Itasca
Student
Housing
&
Revenue
Fund

- Unmodified opinion
- No material weaknesses
- No significant deficiencies



Governance Communication Letter

Overall

- Purpose is to provide an update on the audit since the planning meeting.
- No changes in scope of audit.
- GASB 87 implemented in FY22 (Leases)

Estimates

- Depreciable lives
- Allowance for doubtful accounts
- Compensated absences
- Unearned revenue
- Scholarship allowance
- Other postemployment benefits liability
- Net pension items
- Fair value of investments

- We are comfortable with management's estimate

Difficulties

- No difficulties encountered
- No disagreements encountered

- No other findings to report

Other

- No audit adjustments

- No uncorrected misstatements

- Management representation letter will be signed at conclusion of engagement





Federal Awards Audits

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CLA's Role for Federal Awards

Contracted by
Minnesota State to
test SFA and HEERF

CLA coordinates with
Minnesota State
Auditors

Compliance
requirements tested
under the Uniform
Grant Guidance

CLA's report is
included in the
State's Single Audit

Perkins Close Outs –
6 completed, 4 in
progress



Audit Approach - Student Financial Aid

- Rotation of internal control policies and procedures

- Random sample of students selected from ~119,000 students within the system

- Other samples selected (e.g. Reporting, Cash Management, Perkins testing)



Audit Progress - Student Financial Aid

Opinion in process

Testing in progress

- FISAP Reporting
- NSLDS Testing
- Other miscellaneous open items

Results as of today

- No material weaknesses
- No significant deficiencies



Higher Education Emergency Relief Funds (HEERF)



MN STATE SPENT
APPROXIMATELY \$324M FOR THE
FISCAL YEAR JUNE 30, 2022



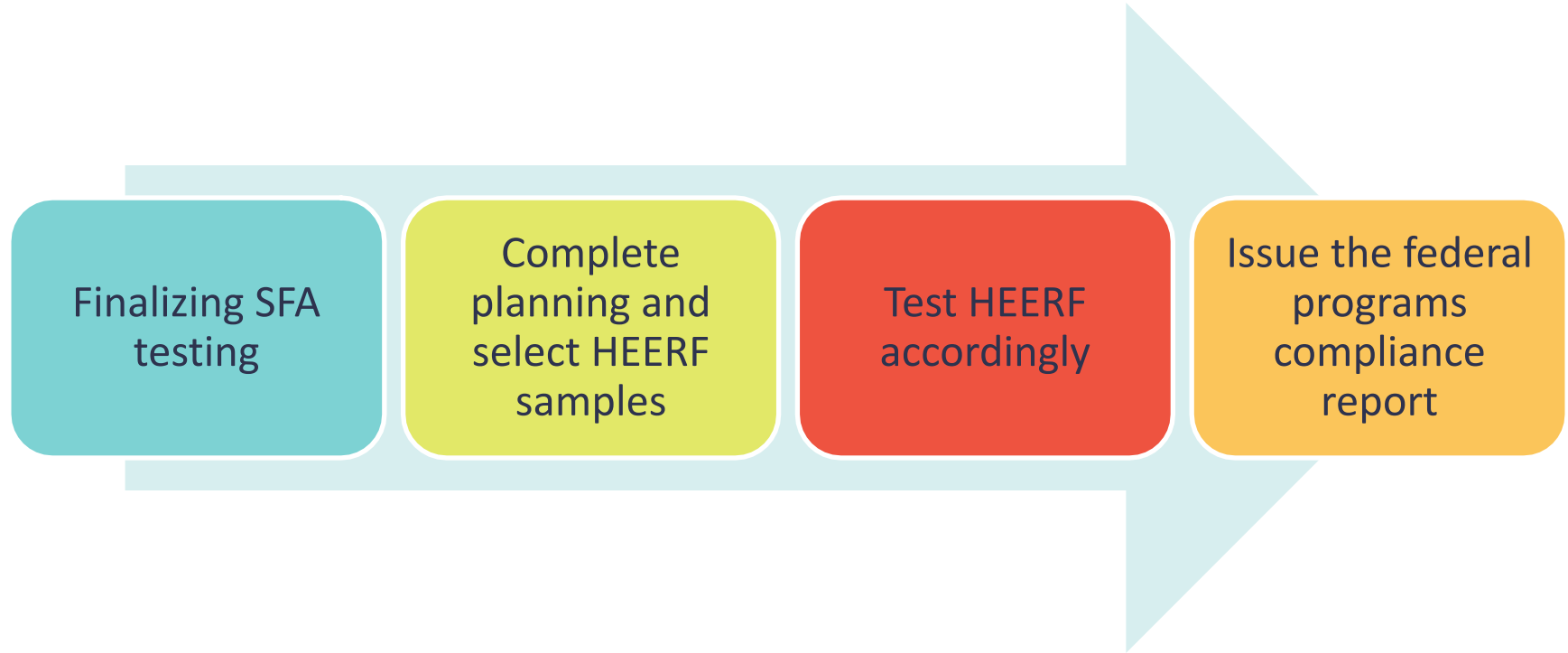
OMB ISSUED COMPLIANCE
SUPPLEMENT IN MAY 2022



TESTING BEGINS IN NOVEMBER
WITH COMPLETION IN FEBRUARY



Concluding the Federal Programs Engagement



Current Events in Higher Education

Forgiveness of
student loans

End of Higher
Education
Emergency Relief
Funds

Reduction of
institutions

Change in delivery



Questions and Feedback

We welcome any questions pertaining to the audit, governance communication letter, management letter or other matters related to the engagement

We appreciate the opportunity to serve as the auditors for the Minnesota State Colleges and Universities system and welcome any feedback relative to our performance



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