

Minnesota State Colleges and Universities

Financial Statement Review: Key Definitions

Term	Definition
Unmodified Opinion	Unmodified opinion is the opinion of the auditor that financial statements are presented, in all material respects, in accordance with the applicable financial reporting framework.
Material Weakness	Is a deficiency, or a combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected, and corrected on a timely basis.
Significant Deficiency	Is a deficiency, or a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Related Party Transactions	An arrangement between two parties who are joined by a special relationship. Typical arrangements include the relationship that colleges and universities have with their affiliated foundations.
Segment Information	An identifiable activity reported as a standalone entity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds and has related expenses, gains and losses, and assets and liabilities that are required by an external party to be accounted for separately. Minnesota State Colleges and Universities issues revenue bonds to finance dormitories, student unions, parking facilities and wellness centers.