
Madison District Public Schools

Federal Awards Supplemental Information
June 30, 2019

Independent Auditor's Reports

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	4-5

Schedule of Expenditures of Federal Awards	6-7
---	-----

Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards	8
---	---

Notes to Schedule of Expenditures of Federal Awards	9
--	---

Schedule of Findings and Questioned Costs	10-16
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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
Madison District Public Schools

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Madison District Public Schools (the "School District") as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 29, 2019, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 29, 2019.

The accompanying schedule of expenditures of federal awards and reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis, as required by the Uniform Guidance, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

October 29, 2019

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Education
Madison District Public Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Madison District Public Schools (the "School District") as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 29, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2019-001, 2019-002, 2019-003, 2019-004, and 2019-005, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The School District's Responses to the Findings

The School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on them.

To Management and the Board of Education
Madison District Public Schools

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 29, 2019

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
Madison District Public Schools

Report on Compliance for Each Major Federal Program

We have audited Madison District Public Schools' (the "School District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2019. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

To the Board of Education
Madison District Public Schools

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

October 29, 2019

Madison District Public Schools

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2019	Current Year Cash Transferred to Subrecipients
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture -										
Passed through Michigan Department of Education:										
Noncash assistance (commodities) -										
National School Lunch Program Commodities 2018-2019	N/A	10.555	\$ 79,211	\$ -	\$ -	\$ -	\$ 79,211	\$ 79,211	\$ -	\$ -
Cash Assistance:										
National School Lunch Program 2016-2017	171960	10.555	660,996	660,996	11,470	-	11,470	-	-	-
National School Lunch Program 2017-2018	181960	10.555	743,290	610,332	99,278	-	232,236	132,958	-	-
National School Lunch Program 2018-2019	191960	10.555	<u>602,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>554,531</u>	<u>602,396</u>	<u>47,865</u>	<u>-</u>
Total National School Lunch Program (including commodities)			2,085,893	1,271,328	110,748	-	877,448	814,565	47,865	-
National School Breakfast Program 2016-2017	171970	10.553	391,332	391,332	6,822	-	6,822	-	-	-
National School Breakfast Program 2017-2018	181970	10.553	504,426	418,738	68,780	-	154,468	85,688	-	-
National School Breakfast Program 2018-2019	191970	10.553	<u>383,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>352,837</u>	<u>383,593</u>	<u>30,756</u>	<u>-</u>
Total National School Breakfast Program			1,279,351	810,070	75,602	-	514,127	469,281	30,756	-
Summer Food Service Program for Children - Operating	180900	10.559	19,170	4,814	4,814	-	19,170	14,356	-	-
Summer Food Service Program for Children - Admin	181900	10.559	<u>1,983</u>	<u>499</u>	<u>499</u>	<u>-</u>	<u>1,983</u>	<u>1,484</u>	<u>-</u>	<u>-</u>
Total Summer Food Service Program			<u>21,153</u>	<u>5,313</u>	<u>5,313</u>	<u>-</u>	<u>21,153</u>	<u>15,840</u>	<u>-</u>	<u>-</u>
Total Child Nutrition Cluster			3,386,397	2,086,711	191,663	-	1,412,728	1,299,686	78,621	-
Special Education Cluster - U.S. Department of Education -										
Passed through Oakland Schools - IDEA:										
IDEA Flowthrough:										
Project number 180450-1718	180450-1718	84.027	258,237	258,237	13,859	-	13,859	-	-	-
Project number 190450-1819	190450-1819	84.027	<u>311,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,562</u>	<u>247,562</u>	<u>-</u>
Total IDEA Flowthrough			570,063	258,237	13,859	-	13,859	247,562	247,562	-
IDEA Preschool:										
Project number 180460-1718	180460-1718	84.173	12,198	12,198	12,198	-	12,198	-	-	-
Project number 190460-1819	190460-1819	84.173	<u>13,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,693</u>	<u>12,693</u>	<u>-</u>
Total IDEA Flowthrough			<u>25,425</u>	<u>12,198</u>	<u>12,198</u>	<u>-</u>	<u>12,198</u>	<u>12,693</u>	<u>12,693</u>	<u>-</u>
Total Special Education Cluster			595,488	270,435	26,057	-	26,057	260,255	260,255	-

Madison District Public Schools

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2018	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2019	Current Year Cash Transferred to Subrecipients
Other federal awards:										
U.S. Department of Agriculture:										
Passed through Michigan Department of Health and Human Services:										
Child and Adult Care Food Program	181920	10.558	\$ 17,822	\$ 16,011	\$ 1,228	\$ -	\$ 1,811	\$ 583	\$ -	\$ -
Child and Adult Care Food Program	182010	10.558	1,040	834	76	-	206	130	-	-
Child and Adult Care Food Program	191920	10.558	52,970	-	-	-	52,970	54,093	1,123	-
Child and Adult Care Food Program	192010	10.558	3,509	-	-	-	3,509	3,509	-	-
Total Child and Adult Care Food Program			75,341	16,845	1,304	-	58,496	58,315	1,123	-
Passed through Michigan Department of Education - Food Equipment Grant										
	161991	10.579	30,000	30,000	4,000	-	4,000	-	-	-
Total U.S. Department of Agriculture federal programs			105,341	46,845	5,304	-	62,496	58,315	1,123	-
U.S. Department of Education - Passed through Michigan Department of Education:										
Title I Grants to Local Educational Agencies:										
2017-2018	181530-1718	84.010	386,704	386,704	184,589	-	184,589	-	-	-
2018-2019	191530-1819	84.010	402,351	-	-	-	183,595	380,637	197,042	-
Total Title I Grants to Local Educational Agencies			789,055	386,704	184,589	-	368,184	380,637	197,042	-
Title IIA Improving Teacher Quality State Grants:										
2017-2018	180520-1718	84.367	74,304	57,242	17,683	-	17,683	-	-	-
2018-2019	190520-1819	84.367	113,075	-	-	-	32,262	78,047	45,785	-
Total Title IIA Improving Teacher Quality State Grants			187,379	57,242	17,683	-	49,945	78,047	45,785	-
Title III English Language Acquisition State Grants - 2018-2019										
	190580-1819	84.365	12,354	-	-	-	-	12,354	12,354	-
Title IV, Part A - Student Support and Academic Enrichment Program - 2018-2019										
	190750-1819	84.424	23,520	-	-	-	11,576	23,519	11,943	-
Total U.S. Department of Education federal programs			1,012,308	443,946	202,272	-	429,705	494,557	267,124	-
Total federal awards			\$ 5,099,534	\$ 2,847,937	\$ 425,296	\$ -	\$ 1,930,986	\$ 2,112,813	\$ 607,123	\$ -

Madison District Public Schools

**Reconciliation of Basic Financial Statements Federal Revenue
with Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2019

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 1,584,311
Deferred revenue not reported for the year ended June 30, 2019	<u>528,502</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 2,112,813</u></u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Madison District Public Schools (the "School District") under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The School District has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Note 3 - Grant Auditor Report

Management has utilized the Cash Management System (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

Note 4 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance.

Schedule of Findings and Questioned Costs

Madison District Public Schools

Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? Yes X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
10.553, 10.555, 10.559	Child Nutrition Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

Section II - Financial Statement Audit Findings

Reference Number	Finding
2019-001	<p>Finding Type - Material weakness</p> <p>Criteria - The School District must maintain appropriate segregation of duties and approval processes related to payroll changes for senior management.</p> <p>Condition - It was identified during the audit that former senior management would approve payroll changes and expense reimbursements without following the School District's payroll procedures or maintaining proper support for payroll changes. In addition, one former management member had an increase in salary during the year, which was supported by a contract. However, documentation for how the revised salary was determined was not maintained.</p> <p>Context - Payroll expenditures were tested for three former senior management employees and three randomly selected employees.</p> <p>Cause - The School District did not follow proper review procedures over payroll changes for senior management.</p> <p>Effect - Potential overpayment of payroll expenditures due to unapproved payroll changes.</p> <p>Recommendation - The School District should implement a review process for payroll changes, expense reimbursements, and employee contract changes, which would include multiple levels of review, including review by the Board of Education.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Responsible officials agree with the finding, and both of the aforementioned employees are no longer employed by the School District.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2019-002	<p data-bbox="362 531 769 556">Finding Type - Material weakness</p> <p data-bbox="362 581 1479 850">Criteria - The School District is responsible for establishing and following policies and procedures for procurement of goods and services. The District's purchasing policy, as well as Michigan Compiled Law 380.1267, contains an allowance for certain goods and services to be procured on an emergency basis, bypassing bid requirements. Emergency purchases are defined as a situation where immediate action is required in order to protect life and limb or to preserve valuable property. The District's policy requires that emergency purchases shall be brought to the attention of the Board of Education at the next regular meeting. Additionally, the District's procurement procedures require that any purchases in excess of a certain threshold must be approved by the Board of Education prior to contracts being awarded.</p> <p data-bbox="362 875 1019 900">Condition -The following was identified during the audit:</p> <ul data-bbox="362 926 1479 1444" style="list-style-type: none">- A payment in the amount of approximately \$26,000 was requested by the former superintendent; however, an invoice or other support for the goods received or services performed was not included in the request for payment.- A disbursement was identified for a project costing over \$70,000 without any support that a formal bid process occurred.- A vendor was identified that appeared to keep invoices lower than certain dollar amounts under bid thresholds. Collectively, these invoices exceeded the threshold that requires a bid procedure.- A disbursement in the amount of approximately \$14,000 was identified that did not have all the necessary formal documentation per the School District's procurement policy.- Several repairs were classified as emergency repairs without any documentation as to why, and the repairs were never brought to the Board of Education.- Services were provided and goods purchased without formal purchase orders or contracts between the vendors and the School District. <p data-bbox="362 1470 954 1495">Context - Sample of 30 disbursements was tested</p> <p data-bbox="362 1520 1479 1604">Cause - The School District did not fully execute or follow its formal procurement policy. A significant number of purchases were considered to be emergency purchases and bypassed the School District's procurement policy.</p> <p data-bbox="362 1629 1479 1686">Effect - Disbursements were made by the School District that were not fully supported or properly approved through its procurement policy.</p> <p data-bbox="362 1711 1479 1795">Recommendation - The School District needs to follow the approved procurement policy and ensure emergency purchases, generally expected to be rare or event specific, meet the definition of an emergency to bypass bid requirements.</p> <p data-bbox="362 1820 1479 1902">Views of Responsible Officials and Planned Corrective Actions - Responsible officials agree with the finding and have put new procurement procedures into place. In addition, the prior CFO and superintendent are no longer employed by the School District.</p>

Madison District Public Schools

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2019-003	<p>Finding Type - Material weakness</p> <p>Criteria - The School District's Board of Education has a fiduciary responsibility for overall management of the School District.</p> <p>Condition - There are numerous material weaknesses related to internal controls identified during the audit. There are issues around procurement and payroll changes that are lacking proper approval and review.</p> <p>Context - The consideration of the need of overall monitoring control was considered when reviewing the material weaknesses identified during the audit. Given the small administrative staff, the monitoring role of the Board of Education increases significantly to maintain an effective control structure.</p> <p>Cause - There was a lack of overall monitoring control by the Board of Education throughout the year ended June 30, 2019.</p> <p>Effect - Various control issues were not mitigated by the Board of Education's oversight.</p> <p>Recommendation - To improve the control structure over financial transactions, the Board of Education should provide overall monitoring oversight on various aspects of the School District, including procurement and payroll expenditures.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Responsible officials agree with the finding. The Board of Education will monitor significant changes in payroll and will follow and monitor the School District's compliance with the procurement policy.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2019-004	<p>Finding Type - Material weakness</p> <p>Criteria - The School District should reconcile all revenue accounts and minimize the opportunity to record activity outside the general ledger system.</p> <p>Condition - The School District received revenue related to the adult education program through a PayPal account (which was not in the School District's name). This account was outside the general ledger system and was not reconciled/recorded in the School District's general ledger.</p> <p>Context - Through the audit, the PayPal account statements were obtained and reviewed. This account had approximately \$5,300 of revenue received for the year ended June 30, 2019 related to the adult education program. The outflows from the account were not reconciled, and the total amount paid to the School District did not total to a significant amount. There was no additional support for transactions within the account.</p> <p>Cause - Controls were not in place to monitor and record activity outside the general ledger system.</p> <p>Effect - There was General Fund revenue not recorded in the School District's general ledger related to the adult education program.</p> <p>Recommendation - The School District should not allow activity outside of its accounting system.</p> <p>Views of Responsible Officials and Planned Corrective Actions Responsible officials agree with the finding and will no longer allow cash receipts to be accounted for within a PayPal account and will include all activity within the School District's accounting system.</p>

Madison District Public Schools

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2019-005	<p>Finding Type - Material weakness</p> <p>Criteria - The School District's internal control structure should ensure that financial information is complete, accurate, and made available to management and those charged with governance in a timely and orderly manner.</p> <p>Condition - During the audit, the finance department did not have timely reconciliations of current year fixed asset activity, unavailable federal revenue, and in-kind revenue.</p> <p>Context - Through the course of the audit, various reconciliations were necessary to finalize the accounting for fixed assets, unavailable federal revenue, and the in-kind revenue. The finance department completed these reconciliations during the audit process.</p> <p>Cause - Due to staff turnover and the accounting software conversion, timely controls were not in place to reconcile the SEFA (unearned federal revenue and in-kind revenue), along with the fixed assets reconciliation.</p> <p>Effect - Year-end accounts were misstated until the reconciliations were completed, which resulted in audit adjustments.</p> <p>Recommendation - The finance department should reconcile year-end accounts on a timely basis, including the SEFA and fixed assets.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Responsible officials agree with the finding and have put a year-end reconciliation policy into place.</p>

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	