

MADISON METROPOLITAN SCHOOL DISTRICT
Madison, Wisconsin

SINGLE AUDIT REPORT

June 30, 2020

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INDEPENDENT AUDITOR'S 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*

To the Board of Education
Madison Metropolitan School District
Madison, Wisconsin

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, each major fund, and the aggregate remaining fund information of the Madison Metropolitan School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Madison Metropolitan School District's basic financial statements, and have issued our report thereon dated November 11, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Madison Metropolitan 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 Madison Metropolitan School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Madison Metropolitan 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 entity'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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

Compliance and Other Matters

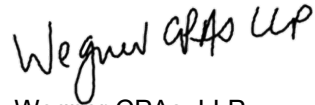
As part of obtaining reasonable assurance about whether the Madison Metropolitan School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002.

The Madison Metropolitan School District's Response to Findings

The Madison Metropolitan School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Madison Metropolitan School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Wegner CPAs, LLP
Madison, Wisconsin
November 11, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR STATE PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE *STATE SINGLE AUDIT GUIDELINES*

To the Board of Education
Madison Metropolitan School District
Madison, Wisconsin

Report on Compliance for Each Major Federal and Each Major State Program

We have audited the Madison Metropolitan School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* (the *Guidelines*) that could have a direct and material effect on each of the Madison Metropolitan School District's major federal programs and each of its major state programs for the year ended June 30, 2020. The Madison Metropolitan School District's major federal programs and major state programs are 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 and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Madison Metropolitan School District's major federal programs and each of its major state 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; 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* (Uniform Guidance); and the *Guidelines*. Those standards, the Uniform Guidance, and the *Guidelines* 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 or major state program occurred. An audit includes examining, on a test basis, evidence about the Madison Metropolitan 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 and each major state program. However, our audit does not provide a legal determination of the Madison Metropolitan School District's compliance.

Opinion on Each Major Federal and Each Major State Program

In our opinion, the Madison Metropolitan 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 each of its major federal programs and each of its major state programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the *Guidelines* and which are described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002. Our opinion on each major federal program and on each major state program is not modified with respect to these matters.

The Madison Metropolitan School District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Madison Metropolitan School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Madison Metropolitan 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 Madison Metropolitan 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 and each major state 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 each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *Guidelines*, 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 Madison Metropolitan School District's internal control over compliance.

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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 or state 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 or state 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002, which we consider to be significant deficiencies.

The Madison Metropolitan School District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Madison Metropolitan School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

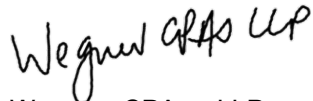
Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the *Guidelines*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Metropolitan School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the

Madison Metropolitan School District's basic financial statements. We issued our report thereon dated November 11, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the *Guidelines* and is 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 and the *Guidelines*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, flowing style.

Wegner CPAs, LLP
Madison, Wisconsin
November 11, 2020

MADISON METROPOLITAN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

Awarding Agency/ Pass-Through Agency/ Award Description	Federal CFDA	Grant Identifying Number	Program or Award Amount	Passed through to Subrecipients	(Unearned)/ Receivable July 1, 2019	Adjustments	Receipts Grantor Reimbursements	Expenditures	Receivable June 30, 2020
U.S. Department of Agriculture									
Passed-through Wisconsin Department of Public Instruction									
Child Nutrition Cluster									
National School Lunch Program - Donated Commodities 7/1/19 - 6/30/20	10.555	2020-133269-DPI-NSLAE-566	N/A	\$ -	\$ -	\$ -	\$ 710,819	\$ 710,819	\$ -
School Breakfast Program 7/1/18 - 6/30/19 7/1/19 - 2/28/20	10.553	2020-133269-DPI-SB-546	N/A	-	322,525	-	322,525	-	-
				-	-	-	1,064,688	1,064,688	-
				-	322,525	-	1,387,213	1,064,688	-
School Breakfast Program - COVID-19 3/1/20 - 6/30/20	10.553	2019-133269-DPI-SB-SEVERE-546	N/A	-	-	-	323,926	323,926	-
National School Lunch Program 7/1/18 - 6/30/19 7/1/19 - 2/28/20	10.555	2020-133269-DPI-NSL-547	N/A	-	864,701	-	864,701	-	-
				-	-	-	2,896,996	2,896,996	-
				-	864,701	-	3,761,697	2,896,996	-
National School Lunch Program - COVID-19 3/1/20 - 6/30/20	10.555	2020-133269-DPI-NSL-547	N/A	-	-	-	861,793	861,793	-
Summer Food Service Program for Children 7/1/18 - 6/30/19 7/1/19 - 2/28/20	10.559	2020-133269-SFSP-586	N/A	-	77,055	-	77,055	-	-
				-	-	-	691,509	691,509	-
				-	77,055	-	768,564	691,509	-
Summer Food Service Program for Children - COVID-19 3/1/20 - 6/30/20	10.559	2020-133269-SFSP-586	N/A	-	-	-	264,416	430,480	166,064
Total Child Nutrition Cluster				-	1,264,281	-	8,078,428	6,980,211	166,064
Child and Adult Care Food Program 7/1/18 - 6/30/19 7/1/19 - 2/28/20	10.558	2020-133269-DPI-AR-566	N/A	-	11,153	-	11,153	-	-
				-	-	-	45,295	45,295	-
				-	11,153	-	56,448	45,295	-
Child and Adult Care Food Program - COVID-19 3/1/20 - 6/30/20	10.558	2020-133269-DPI-AR-566	N/A	-	-	-	15,925	15,925	-
Total Child and Adult Care Food Program				-	11,153	-	72,373	61,220	-
Fresh Fruit and Vegetable Program 10/1/18 - 6/30/19 7/1/19 - 9/30/19 10/1/19 - 6/30/20	10.582	2019-133269-FF&V-376 2020-133269-2018-19 DP-594 2020-133269-20FFVP-OCT-376	53,300 24,223 218,027	- - -	53,300 - -	- - -	53,300 23,270 137,412	- 23,270 144,367	- - 6,955
Total Fresh Fruit and Vegetable Program				-	53,300	-	213,982	167,637	6,955
Team Nutrition Grants 2/1/19 - 5/31/19	10.574	2019-133269-17-TN Let's Plant Grant-2	448	-	430	-	430	-	-
Total Team Nutrition Grants				-	430	-	430	-	-
Child Nutrition Discretionary Grants 5/30/19 - 9/30/19	10.579	2019-133269-Equip-531	42,631	-	-	-	42,631	42,631	-
Total Child Nutrition Discretionary Grants				-	-	-	42,631	42,631	-
Total U.S. Department of Agriculture				-	1,329,164	-	8,407,844	7,251,699	173,019

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

MADISON METROPOLITAN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

Awarding Agency/ Pass-Through Agency/ Award Description	Federal CFDA	Grant Identifying Number	Program or Award Amount	Passed through to Subrecipients	(Unearned)/ Receivable July 1, 2019	Adjustments	Receipts Grantor Reimbursements	Expenditures	Receivable June 30, 2020
U.S. Department of Education									
Passed-through Wisconsin Department of Public Instruction									
Title I Grants to LEA									
ESEA Title 1A Basic									
7/1/18 - 6/30/19	84.010	2020-133269-TIA-141	\$ 2,564,712	-	\$ 2,472,535	-	\$ 2,472,535	-	-
7/1/19 - 6/30/20			7,352,708	-	-	-	3,064,612	6,160,306	3,095,694
Total ESEA Title 1A Basic				-	<u>2,472,535</u>	-	<u>5,537,147</u>	<u>6,160,306</u>	<u>3,095,694</u>
Title 1D Delinquent LEA									
7/1/18 - 6/30/19	84.010	2020-133269-TI-D Delin-140	25,855	-	25,855	-	25,855	-	-
7/1/19 - 6/30/20			213,102	-	-	-	95,935	137,555	41,620
Total Title 1D Delinquent LEA				-	<u>25,855</u>	-	<u>121,790</u>	<u>137,555</u>	<u>41,620</u>
Total Title 1 Grants to LEA				-	<u>2,498,390</u>	-	<u>5,658,937</u>	<u>6,297,861</u>	<u>3,137,314</u>
Special Education Cluster									
Special Education Grants to States-IDEA Flow-through									
7/1/18 - 6/30/19	84.027	2020-133269-DPI-IDEA-F-341	1,545,527	-	1,545,527	-	1,545,527	-	-
7/1/19 - 6/30/20			8,513,489	-	-	-	4,268,162	5,796,577	1,528,415
Total IDEA Flow-through				-	<u>1,545,527</u>	-	<u>5,813,689</u>	<u>5,796,577</u>	<u>1,528,415</u>
Total Special Education Grants to States				-	<u>1,545,527</u>	-	<u>5,813,689</u>	<u>5,796,577</u>	<u>1,528,415</u>
Special Education Preschool Grants									
7/1/18 - 6/30/19	84.173	2020-133269-DPI-IDEA-P-347	46,707	-	46,707	-	46,707	-	-
7/1/19 - 6/30/20			189,566	-	-	-	85,053	149,910	64,857
Total Special Education Preschool Grants				-	<u>46,707</u>	-	<u>131,760</u>	<u>149,910</u>	<u>64,857</u>
Total Special Education Cluster				-	<u>1,592,234</u>	-	<u>5,945,449</u>	<u>5,946,487</u>	<u>1,593,272</u>
Career and Technical Education-Basic Grants to States									
Basic Vocational Education Grant- Carl Perkins Formula Alloc									
7/1/18 - 6/30/19	84.048	2020-133269-CTE-400	86,951	-	86,951	-	86,951	-	-
7/1/19 - 6/30/20			272,538	-	-	-	152,253	243,528	91,275
Total Career and Technical Education-Basic Grants to States				-	<u>86,951</u>	-	<u>239,204</u>	<u>243,528</u>	<u>91,275</u>
Education for Homeless Children and Youth									
7/1/18 - 6/30/19	84.196	2020-133269-DPI-EHCY-335	18,575	-	18,575	-	18,575	-	-
7/1/19 - 6/30/20			75,000	-	-	-	30,143	75,000	44,857
Total Education for Homeless Children and Youth				-	<u>18,575</u>	-	<u>48,718</u>	<u>75,000</u>	<u>44,857</u>

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

MADISON METROPOLITAN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

Awarding Agency/ Pass-Through Agency/ Award Description	Federal CFDA	Grant Identifying Number	Program or Award Amount	Passed through to Subrecipients	(Unearned)/ Receivable July 1, 2019	Adjustments	Receipts Grantor Reimbursements	Expenditures	Receivable June 30, 2020
U.S. Department of Education (Continued)									
Passed-through Wisconsin Department of Public Instruction (Continued)									
Twenty-First Century Community Learning Centers	84.287	2020-133269-CLC DPI-367							
7/1/18 - 6/30/19			\$ 197,092	-	\$ 197,092	-	\$ 197,092	-	-
7/1/19 - 6/30/20			1,465,000	-	-	-	948,569	1,149,937	201,368
Total Twenty-First Century Community Learning Centers				-	197,092	-	1,145,662	1,149,937	201,368
English Language Acquisition State Grants - (Title IIIA)	84.365	2020-133269-DPI-T3-391							
7/1/18 - 6/30/19			181,758	-	181,758	-	181,758	-	-
7/1/19 - 6/30/20			1,164,335	-	-	-	296,516	495,834	199,318
Total English Language Acquisition State Grants				-	181,758	-	478,274	495,834	199,318
Total English Language Acquisition State Grants Cluster				-	181,758	-	478,274	495,834	199,318
Supporting Effective Instruction State Grants	84.367	2020-133269-TIIA-365							
7/1/18 - 6/30/19			276,856	-	276,856	-	276,856	-	-
7/1/19 - 6/30/20			1,164,335	-	-	-	642,222	936,908	294,686
Total Supporting Effective Instruction State Grants				-	276,856	-	919,078	936,908	294,686
Student Support and Academic Enrichment Program	84.424	2020-133269-TIVA-DPI-381							
7/1/18 - 6/30/19			81,196	-	81,196	-	81,196	-	-
7/1/19 - 6/30/20			441,521	-	-	-	184,646	494,427	309,781
Total Student Support and Academic Enrichment Program				-	81,196	-	265,842	494,427	309,781
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425D	2021-133269-DPI-ESSERF-160							
3/13/20 - 9/30/21			5,264,492	-	-	-	-	424,691	424,691
Total Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund				-	-	-	-	424,691	424,691
Total passed-through Wisconsin Department of Public Instruction				-	4,933,052	-	14,701,164	16,064,673	6,296,562
Indian Education Grants to Local Educational Agencies	84.060	S060A190704							
7/1/18 - 6/30/19			18,965	-	16,731	-	18,965	2,234	-
7/1/19 - 6/30/20			38,005	-	-	-	34,791	36,443	1,652
Total Indian Education Grants to Local Educational Agencies				-	16,731	-	53,756	38,677	1,652
Total U.S. Department of Education				-	4,949,783	-	14,754,920	16,103,350	6,298,214
U.S. Department of Health and Human Services									
Passed-through Wisconsin Department of Health Services									
Medical Assistance Program	93.778	02-046-6561							
7/1/16 - 6/30/17				-	-	-	-	-	-
7/1/17 - 6/30/18				-	-	-	-	-	-
7/1/18 - 6/30/19				-	-	-	5,127,956	5,127,956	-
Total Medicaid				-	-	-	5,127,956	5,127,956	-

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

MADISON METROPOLITAN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

Awarding Agency/ Pass-Through Agency/ Award Description	Federal CFDA	Grant Identifying Number	Program or Award Amount	Passed through to Subrecipients	(Unearned)/ Receivable July 1, 2019	Adjustments	Receipts Grantor Reimbursements	Expenditures	Receivable June 30, 2020
U.S. Department of Health and Human Services (Continued)									
Passed-through Wisconsin Department of Children and Families									
Refugee and Entrant Assistance State Administered Programs 1/1/19 - 12/31/19	93.566	437004-G19-0001333-000-04	\$ 14,181	-	-	-	\$ 11,103	\$ 11,103	-
Total Refugee and Entrant Assistance State Administered Programs				-	-	-	11,103	11,103	-
Total passed-through Wisconsin Department of Children and Families				-	-	-	11,103	11,103	-
Passed-through Wisconsin Department of Public Instruction									
Pregnancy Assistance Fund Program 7/1/18 - 6/30/19	93.500	2020-133269-DPI-Inspir-591	21,899	-	19,888	-	21,898	2,010	-
7/1/19 - 6/30/20			100,000	-	-	-	34,193	94,199	60,006
Total Pregnancy Assistance Fund Program				-	19,888	-	56,091	96,209	60,006
Total passed-through Wisconsin Department of Public Instruction				-	19,888	-	56,091	96,209	60,006
Total U.S. Department of Health and Human Services				-	19,888	-	5,195,150	5,235,268	60,006
U.S. Department of Justice									
Passed-through City of Madison									
STOP School Violence 10/1/18 - 9/30/21	16.839	2018-YS-BX-0099	250,000	-	-	-	71,899	87,358	15,459
Total passed-through City of Madison				-	-	-	71,899	87,358	15,459
Total U. S. Department of Justice				-	-	-	71,899	87,358	15,459
Corporation for National and Community Service									
Passed-through United Way of Dane County									
AmeriCorps 8/15/18 - 8/14/19	94.006	15ACHW - AD179131	71,236	-	62,071	-	71,236	9,165	-
8/15/17 - 8/14/18		18ACHW - AD179131	110,819	-	-	-	47,530	69,516	21,986
Total AmeriCorps				-	62,071	-	118,766	78,681	21,986
Total Corporation for National and Community Service				-	62,071	-	118,766	78,681	21,986
Total Federal Awards				\$ -	\$ 6,360,906	\$ -	\$ 28,548,579	\$ 28,756,356	\$ 6,568,684

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

MADISON METROPOLITAN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended June 30, 2020

Awarding Agency/ Pass-Through Agency/ Award Description	State I.D. Number	Grant Identifying Number	Award Amount	Passed through to Subrecipients	Receivable July 1, 2019	Adjustments	Receipts Grantor Reimbursements	Expenditures	Receivable June 30, 2020
Cost Reimbursement Programs									
Wisconsin Department of Public Instruction									
Special Education Transition Readiness Grant 7/1/18 - 6/30/19	255.257	133269-174	\$ 12,011	\$ -	\$ 12,011	\$ -	\$ 12,011	\$ -	\$ -
Total Special Education Transition Readiness Grant				-	12,011	-	12,011	-	-
Alcohol & Other Drug Abuse (s.115.36(a)) 7/1/18 - 6/30/19	255.306	133269-143	7,793	-	7,793	-	7,793	-	-
7/1/19 - 6/30/20			25,000	-	-	-	12,635	19,767	7,132
Total Alcohol & Other Drug Abuse (s.115.36(a))				-	7,793	-	20,428	19,767	7,132
School Based Mental Health Services (s.115.367) 7/1/18 - 6/30/19	255.297	133269-177	75,000	-	75,000	-	75,000	-	-
7/1/19 - 6/30/20			77,400	-	-	-	19,414	77,400	57,986
Total School Based Mental Health Services (s. 115.367)				-	75,000	-	94,414	77,400	57,986
WI Grants to Support Gifted and Talented 7/1/18 - 6/30/19	255.350	133269-139	20,140	-	20,140	-	20,140	-	-
Total WI Grants to Support Gifted and Talented				-	20,140	-	20,140	-	-
Quality Matters 7/1/18 - 6/30/19	255.510	133269-180	2,250	-	2,250	-	2,250	-	-
7/1/19 - 6/30/20			45,144	-	-	-	45,144	45,144	-
Total Quality Matters				-	2,250	-	47,394	45,144	-
Assessments of Reading Readiness 7/1/19 - 6/30/20	255.956	133269-166	45,451	-	-	-	45,451	45,451	-
Total Assessment of Reading Readiness				-	-	-	45,451	45,451	-
Educator Effective Eval Sys Grants Public 7/1/18 - 6/30/19	255.940	133269-154	22,976	-	22,976	-	22,976	-	-
7/1/19 - 6/30/20			217,360	-	-	-	-	209,280	209,280
Total Educator Effective Eval Sys Grants Public				-	22,976	-	22,976	209,280	209,280
Student Achievement Guarantee in Education Aid 7/1/19 - 6/30/20	255.504	133269-160	N/A	-	-	-	6,963,531	6,963,531	-
Total Student Achievement Guarantee in Education Aid				-	-	-	6,963,531	6,963,531	-
Total Wisconsin Department of Public Instruction				-	140,170	-	7,226,345	7,360,573	274,398

The accompanying notes are an integral part of the schedule of state awards

MADISON METROPOLITAN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended June 30, 2020

Awarding Agency/ Pass-Through Agency/ Award Description	State I.D. Number	Grant Identifying Number	Award Amount	Passed through to Subrecipients	Receivable July 1, 2019	Adjustments	Receipts Grantor Reimbursements	Expenditures	Receivable June 30, 2020
Wisconsin Department of Workforce Development									
Youth Apprenticeship	445.107								
7/1/18 - 6/30/19		18-406-11-2019	\$ 7,635	\$ -	\$ 7,635	\$ -	\$ 7,635	\$ -	\$ -
7/1/19 - 6/30/20		18-406-11-2019	25,317	-	-	-	18,555	25,317	6,762
Total Youth Apprenticeship				-	7,635	-	26,190	25,317	6,762
WI Fast Forward									
1/1/19 - 6/30/19	445.109	EF184TD20007	247,070	-	9,693	-	9,693	-	-
7/1/19 - 6/30/20				-	-	-	82,293	125,210	42,917
Total WI Fast Forward				-	9,693	-	91,986	125,210	42,917
Total WI Dept of Workforce Development									
				-	17,328	-	118,176	150,527	49,679
Wisconsin Department of Justice									
Office of School Safety									
7/1/18 - 6/30/19	455.206	2018-SSI-01-13203	993,033	-	638,041	-	638,041	-	-
7/1/19 - 6/30/20				-	-	-	317,170	354,323	37,153
7/1/18 - 6/30/19		2018-SSI-01-14248	1,558,903	-	1,426,085	-	1,426,085	-	-
7/1/19 - 6/30/20				-	-	-	53,742	53,742	-
Total Office of School Safety				-	2,064,126	-	2,435,038	408,065	37,153
Cost Reimbursements Programs									
				-	2,221,624	-	9,779,559	7,919,165	361,230
Entitlement Programs									
Wisconsin Department of Public Instruction									
Special Education and School Age Parents	255.101	133269-100					\$ 18,272,958		
Equalization Aids	255.201	133269-116					36,550,835		
Per Pupil Aid	255.945	133269-113					20,227,662		
State School Lunch Aid	255.102	133269-107					94,526		
Common School Fund Library Aid	255.103	133269-104					1,090,907		
Bilingual/Bicultural Aid (LEA)	255.106	133269-111					2,012,893		
Gen Trans. Aid for Public & NP Sch Pupils	255.107	133269-102					240,404		
Special Adjustment Aid	255.203	133269-118					62,226		
Integration Transfer - Resident	255.205	133269-105					188,956		
High Cost Special Education Aid	255.210	133269-119					796,962		
Aid for School Mental Health Programs	255.227	133269-176					554,359		
Supplemental Per Pupil Aid	255.245	133269-181					91,512		
State School Breakfast Aid	255.344	133269-108					79,290		
Tuition Payments by State (LEA)--Fund 10	255.401	133269-157					218,194		
Tuition Payments by State (LEA)--Fund 27	255.401	133269-158					391,409		
Early College Credit Program	255.445	133269-178					12,009		
Career and Technical Educ Incentive Grants	255.950	133269-152					68,632		
Aid for Special Ed Transition Grant BBL	255.960	133269-168					164,000		
Total Entitlement Programs									
							81,117,734		
Total State Awards									
				\$ -	\$ 2,221,624	\$ -	\$ 90,897,293	\$ 7,919,165	\$ 361,230

The accompanying notes are an integral part of the schedule of state awards

MADISON METROPOLITAN SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2020

NOTE 1—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state grant activity of the District under programs of the federal government and state agencies for the year ended June 30, 2020. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and *State Single Audit Guidelines*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Specifically, debt service expenditures, as well as expenditures related to claims and judgments, and compensated absences are recorded only when payment is due. Such expenditures are recognized following the cost principles contained in Uniform Guidance and *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3—INDIRECT COST RATE

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4—FOOD DONATION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2020, there were no commodities in inventory at the District.

NOTE 5—OVERSIGHT AGENCIES

The District's federal oversight agency for audit is the U.S. Department of Education. The District's state cognizant agency is the Wisconsin Department of Public Instruction.

NOTE 6—ELIGIBLE COSTS FOR SPECIAL EDUCATION

Eligible costs for special education under project 011 were \$74,831,587 for the year ended June 30, 2020.

MADISON METROPOLITAN SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020

2019-001 Student Activity Fund

Condition: At two of 12 schools tested during student activity site visits, 40 disbursements of 355 transactions tested were missing documentation such as an invoice. At seven of 12 schools tested during student activity site visits, 94 disbursements of 355 transactions tested were missing documented approval. At seven of 12 schools tested during site visits, 92 deposits of 342 transactions tested were missing receipt documentation for funds received.

Current Status: This finding was resolved.

2019-002 State Special Education

Condition: The District incurred salary and benefits for two employees who were not properly licensed per DPI's special education licensing requirements.

Current Status: See finding 2020-001.

MADISON METROPOLITAN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

Section I—Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

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

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027, 84.173 84.287	Special Education Cluster Twenty-First Century Community Learning Centers

Dollar threshold used to distinguish between type A and type B programs: \$ 862,691

Auditee qualified as low-risk auditee? Yes

State Awards

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Type of auditor's report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? Yes

MADISON METROPOLITAN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

Identification of state major programs:

State Identifying Number	Name of State Program
255.201	Equalization Aids
255.227	Aid for School Mental Health Programs
255.504	Student Achievement Guarantee in Education Aid
255.106	Bilingual/Bicultural Aid (LEA)
255.401	Tuition Payments by State (LEA)

Section II—Financial Statement Findings

None noted

Section III—Federal and State Award Findings and Questioned Costs

Significant deficiencies

Finding 2020-001 – State Special Education

Criteria: Per state statute, staff must be appropriately licensed for a special education work assignment in order for their salary and benefits to be eligible for aid.

Condition: The District incurred salary and benefits for two employees in a sample of 60 who were not properly licensed per DPI's special education licensing requirements.

Cause: The District did not follow DPI's instructions regarding special education licensing requirements and allowable costs.

Effect: Eligible costs could be disallowed.

Recommendation: The District should review DPI's report: *Valid Reporting and License Codes for Special Education Staff*.

Views of Responsible Officials and Planned Corrective Actions: The District continues to fine tune implemented procedures to identify special education staff pending license approval by the Department of Public Instruction (DPI). The District's Human Resource team continues to work with DPI to resolve outstanding or delayed licensure issues held up at the DPI level.

The two exceptions without valid licenses identified by the auditors were employed by the District as short term substitutes for less than one week and had not actually performed job duties involving students. As a result the two individuals in question were not identified by the District to be reclassified.

In response, the District will continue to fine tune procedures to identify individuals without valid special education licenses to ensure that only properly licensed individuals are reported for State Special Education Categorical Aid.

MADISON METROPOLITAN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

Finding 2020-002 – Tuition Payments by State (LEA)

Criteria: A State Tuition claim may only be submitted for a given student if they reside in an eligible facility, and only for the time during which they reside there and are enrolled for instruction by the district.

Condition: The District reported days of instruction for students in excess of actual days of instruction for six students in a sample of 25.

Cause: The District improperly included snow days in the days of instruction.

Effect: Reimbursements for days of instruction exceed the actual days of instruction for those students enrolled in a facility over snow days.

Recommendation: The District should implement a procedure to review the days of instruction of students using the enrollment software and an updated school calendar reflecting snow days, holidays, and other adjustments to ensure the days of instruction reported is appropriate prior to submission.

Views of Responsible Officials and Planned Corrective Actions: The District reports days of instruction adjusted for incimate weather each year to the Department of Public Instruction. The days of instruction reported to DPI for the previous year are used to prepare the State Tuition Claim each year. In this case the fiscal year 2019 days of instruction reported was used to prepare the fiscal year 2020 State Tuition Claim. In fiscal year 2019, days of instruction reported for incarcerated students were not updated to reflect the unusually high number of snow days called that year.

We believe the error is an isolated incident due to the rarity that the District would need more snow days than already built into the calendar. The District will implement procedures to ensure that, in the event of inclement weather changing the school calendar, the Districts student software is reconciled to the days of instruction reported to the Department of Public Instruction.

Section IV—Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines:

Department of Public Instruction Yes

Was a management letter or other document conveying audit comments issued as a result of this audit? No

Name and signature of partner



Scott R. Haumersen, CPA

Date of report

November 11, 2020