

MILWAUKEE PUBLIC SCHOOLS

Milwaukee, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2019

MILWAUKEE PUBLIC SCHOOLS

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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 AUDITORS' REPORT

To the Board of Directors
Milwaukee Public Schools
Milwaukee, Wisconsin

We have audited, in accordance with the 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 Milwaukee Public School's, (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Milwaukee Public School's basic financial statements, and have issued our report thereon dated December 20, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 District's Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The 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.

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.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
December 20, 2019

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULES OF EXPENDITURES OF
FEDERAL AND STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE *STATE SINGLE
AUDIT GUIDELINES*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Milwaukee Public Schools
Milwaukee, Wisconsin

Report on Compliance for Each Major Federal and Major State Program

We have audited Milwaukee Public Schools' (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of the District's major federal and major state programs for the year ended June 30, 2019. The District's major federal and major state programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and 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 *State Single Audit Guidelines*. Those standards, the Uniform Guidance and the *State Single Audit 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 a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

To the Board of Directors
Milwaukee Public Schools

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

Opinion on Each Major Federal and Major State Program

In our opinion, the 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 and major state programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and the *State Single Audit Guidelines* and which are described in the accompanying schedule of findings and questioned costs as items 2019-004, 2019-005, 2019-006, 2019-007, 2019-008, 2019-009, 2019-010, 2019-011, 2019-012, 2019-013, 2019-014, 2019-015, 2019-016 and 2019-017. Our opinion on each major federal and major state program is not modified with respect to these matters.

District's Responses to Findings

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

Report on Internal Control Over Compliance

Management of the 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 and major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit 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 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 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 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 identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2019-004, 2019-005, 2019-006, 2019-007, 2019-008, 2019-009, 2019-010, 2019-011, 2019-012, 2019-013, 2019-014, 2019-015, 2019-016 and 2019-017, that we consider to be significant deficiencies.

To the Board of Directors
Milwaukee Public Schools

District's Responses to Findings

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

Purpose of this Report

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 *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal and State Awards Required by the Uniform Guidance and the *State Single Audit Guidelines*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Milwaukee Public School, (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Milwaukee Public School's basic financial statements. We issued our report thereon dated December 20, 2019, 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 schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and the *State Single Audit 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. 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 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 schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
March 20, 2020

**MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019**

Awarding agency pass-through agency award description	Federal or state catalog number	Pass Through Entity Identifying Number	Pass Through Agency	Program or award amount	Accrued receivable (deferred revenue) *** July 1, 2018	Federal Expenditures	Revenues Grantor reimburse- ments	Accrued receivable (deferred revenue) June 30, 2019	2019 Sub recipient Expenditures
Federal Programs									
U.S. Department of Agriculture									
Child Nutrition Cluster:									
School Breakfast Program	10 553								
07/01/17-06/30/18		2018-403619-SB-546	WI DPI		\$ 1,645,468		1,645,468	-	-
07/01/18-06/30/19		2018-403619-SB-546	WI DPI			12,532,395	10,654,410	1,877,985	455,739
Subtotal 10.553					1,645,468	12,532,395	12,299,878	1,877,985	455,739
National School Lunch Program	10 555								
07/01/16-06/30/17		A547-00000-403619	WI DPI		101	(101)		-	-
07/01/17-06/30/18		2018-403619-NSL-547	WI DPI		3,842,263		3,842,263	-	-
07/01/18-06/30/19		2019-403619-NSL-547	WI DPI			30,824,231	26,299,281	4,524,950	1,344,659
Food Distribution (Donated Commodities)	10 555								
07/01/18-06/30/19		2019-403619-NSL-547	WI DPI			3,001,281	3,001,281	-	-
Subtotal 10.555					3,842,364	33,825,411	33,142,825	4,524,950	1,344,659
Summer Food Service Program for Children	10 559								
07/01/17-06/30/18		2018-403619-SFSP-586	WI DPI		302,994		302,694	300	-
07/01/18-06/30/19		2019-403619-SFSP-586	WI DPI			1,040,312	765,217	275,095	12,352
Subtotal 10.559					302,994	1,040,312	1,067,911	275,395	12,352
Child Nutrition Cluster									
Child and Adult Care Food Program	10 558								
07/01/16-06/30/17		A551-00000-403619	WI DPI		(100)	100		-	-
07/01/17-06/30/18		2018-403619-CCI-551	WI DPI		294,312		294,312	-	-
07/01/18-06/30/19		2019-403619-CCI-551	WI DPI			1,868,238	1,592,284	275,954	67,582
Subtotal 10.558					294,212	1,868,338	1,886,596	275,954	67,582
Team Nutrition Grants	10 574								
08/21/17-01/26/18		2017-403619-552	WI DPI	540	(532)	532		-	-
02/01/2019-05/31/2019		2019-403619-17-TN Let's Plant Grant-552	WI DPI	3,710		3,626		3,626	-
Subtotal 10.574					(532)	4,158	-	3,626	-
Farm to School Grant Program	10 575	n/a	Direct			21,064	2,114	18,950	-
06/25/18-06/30/19									
Fresh Fruits and Vegetable Program	10 582								
10/1/17-9/30/18		2019-403619-CNP Grants to ST. Fruit-594	WI DPI	130,864		130,864	130,864	-	-
10/1/18-09/30/19		2019-403619-19FFVP-B-376	WI DPI	1,077,866		1,074,143	1,047,628	26,515	-
Subtotal to 10.582					-	1,205,007	1,178,492	26,515	-
Total - U.S. Department of Agriculture					6,084,506	50,496,635	49,577,816	7,003,375	1,880,332
U.S. Department of Transportation									
Highway Planning and Construction Cluster									
01/01/17-12/31/17	20 205	1009-00-66	WI DOT	146,528	14,136	3,667	17,603	-	-
01/01/18-12/31/18		1009-00-66	WI DOT	146,528	55,158	63,898	157,061	(38,005)	-
01/01/19-12/31/19		1009-00-99	WI DOT	146,528	69,135	69,135	-	69,135	69,135
Total - Highway Planning and Construction Cluster					69,294	136,700	174,664	31,130	69,135

**MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019**

Awarding agency pass-through agency award description	Federal or state catalog number	(Pass Through) Entity Identifying Number	Pass Through Agency	Program or award amount	Accrued receivable (deferred revenue) *** July 1, 2018	Federal Expenditures	Revenue Grantor reimburse- ments	Accrued receivable (deferred revenue) June 30, 2019	2019 Sub recipient Expenditures
U.S. Department of Education									
Title I - Part A									
<u>Title I - Grants to Local Educational Agencies</u> 07/01/17-06/30/18 07/01/18-06/30/19	84 010	2018-403619-Title I-141 2019-403619-TIA-141	WI DPI WI DPI	70,245,507 72,343,962	13,282,260 -	150,979 64,859,756	13,433,239 54,319,784	10,539,972	-
<u>Title I - Grants to Local Educational Agencies</u> 07/01/17-06/30/18 07/01/18-06/30/19	84 010	2018-403619-CAR-155 2019-403619-CAR-155	WI DPI WI DPI	2,900,000 3,400,000	685,586 -	- 2,509,799	685,586 1,928,049	581,750	-
<u>Title I - Grants to Local Educational Agencies</u> 07/01/17-06/30/18	84 010	A159-00000-403619	WI DPI	7,500	131	-	-	131	-
<u>Title I - Grants to Local Educational Agencies</u> 07/01/17-06/30/18 07/01/18-06/30/19	84 010	2018-403619-TI-Delinquent-140 2019-403619-TI-Delinquent-140	WI DPI WI DPI	84,753 106,302	67,348 -	- 75,903	67,348 29,519	- 46,384	-
Subtotal - 84.010					14,035,335	67,996,437	70,483,535	11,168,237	-
Special Education Cluster (IDEA)									
<u>Special Education-Grants to States</u> 07/01/17-06/30/18 07/01/18-06/30/19	84 027	2018-403619-IDEA-341 2019-403619-IDEA-FT-341	WI DPI WI DPI	22,492,059 21,203,677	2,742,745 -	- 19,919,013	2,741,391 18,425,595	1,354 493,418	-
<u>Special Education-Grants to States</u> 07/01/17-06/30/18	84 027	2018-403619-IDEA-342	WI DPI	8,000	1,859	-	3,213	(1,354)	-
<u>Special Education-Grants to States</u> 07/01/17-06/30/18	84 027	342-00000-403619	CESA 11	1,891	(1,240)	-	749	(1,989)	-
<u>Special Education-Grants to States</u> 07/01/17-06/30/18 07/01/18-06/30/19	84 027a	2018-403619-IDEA-341 2019-403619-IDEA-FT-341	WI DPI WI DPI	3,523,756 3,530,904	242,072 -	- 3,500,552	242,072 3,484,599	- 35,953	-
<u>Special Education-Grants to States</u> 07/01/18-06/30/19	84 027	2019-403619-IDEA-FT-341	WI DPI	7,544	-	7,544	7,544	-	-
Subtotal - 84.027					2,985,436	23,427,109	25,885,163	527,382	-
<u>Special Education-Preschool Grants (Entitlement)</u> 07/01/17-06/30/18 07/01/18-06/30/19	84.173	2018-403619-Pre-S-347 2019-403619-IDEA-PS-347	WI DPI WI DPI	1,110,774 1,776,175	37,667 -	4,652 1,516,795	42,319 786,801	- 729,994	-
<u>Special Education-Preschool Grants</u> 07/01/17-06/30/18 07/01/18-06/30/19	84.173	2018-403619-PIEA-346 2019-403619-ECSEPSL-348	WI DPI WI DPI	183,000 183,000	5,297 -	10,292 179,752	15,589 171,063	- 8,889	-
Subtotal - 84.173					-42,964	1,711,491	1,015,772	739,683	-
Special Education Cluster (IDEA)									
<u>Career and Technical Education - Basic Grants to States</u> 07/01/17-06/30/18 07/01/18-06/30/19	84 048	2018-403619-CP-CTE-400 2019-403619-CTE-400	WI DPI WI DPI	1,719,167 1,870,960	720,104 -	27,384 897,125	624,547 897,125	122,941	-
Subtotal - 84.048					720,104	924,509	1,521,672	122,941	-
<u>Indian Education - Grants Local Educational Agencies</u> 07/01/15-06/30/16 07/01/16-06/30/17 07/01/17-06/30/18 07/01/18-06/30/19	84 060	n/a n/a n/a n/a	Direct Direct Direct Direct	217,465 198,328 65,081 104,402	61 4,354 65,081 -	- (4,354) -	- -	61 -	-
Subtotal - 84.060					69,496	91,784	136,264	25,016	-

MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

Awarding agency pass-through agency award description	Federal or state catalog number	Pass Through Entity Identifying Number	Pass Through Agency	Program or award amount	Accrued receivable (deferred revenue) *** July 1, 2018	Federal Expenditures	Revenues Grantor reimburse- ments	Accrued receivable (deferred revenue) June 30, 2019	2019 Sub recipient Expenditures
U.S. Department of Education (Continued)									
<u>Safe and Drug-Free Schools and Communities-National Programs</u>	84-184M								
10/01/17-09/30/18		n/a	Direct	698,522	197,809	193,770	391,579	-	-
10/01/18-09/30/19		n/a	Direct	691,131	-	344,787	286,604	78,163	-
Subtotal - 84.184					197,809	538,557	658,183	78,163	-
<u>Education for Homeless Children and Youth</u>	84.196								
07/01/17-06/30/18		2018-403619-Homeless-335	WI DPI	125,000	15,236	-	15,236	-	-
07/01/18-06/30/19		2019-403619-Education for Homeless Children and Youth-335	WI DPI	125,000	-	122,703	121,581	1,122	-
Subtotal 84.196					15,236	122,703	136,817	1,122	-
<u>Javits Gifted and Talented Students Education Program</u>	84.206								
08/01/17-07/31/18		699K760	UW	311,785	190,909	7,580	198,489	-	-
08/01/18-07/31/19		699K760	UW	543,531	-	533,951	418,975	114,976	-
<u>Javits Gifted and Talented Students Education Program</u>	84.206A								
10/01/17-09/30/18		n/a	Direct	484,305	104,076	161,527	285,603	-	-
10/01/18-09/30/19		n/a	Direct	519,968	-	308,572	205,399	103,173	-
Subtotal 84.206					294,985	1,011,610	1,085,445	218,149	-
<u>Twenty-First Century Community Learning Centers</u>	84.287								
07/01/17-06/30/18		2018-403619-CLC-367	WI DPI	855,000	419,753	33,353	453,106	-	-
07/01/18-06/30/19		2019-403619-21st Century CLC-367	WI DPI	1,538,510	-	1,538,610	810,276	728,334	-
<u>Twenty-First Century Community Learning Centers</u>	84.287								
07/01/17-06/30/18		2018-403619-CLC-367	WI DPI	275,000	129,617	-	129,617	-	-
07/01/18-06/30/19		2019-403619-21st Century CLC-367	WI DPI	1,702,882	-	1,631,769	857,640	774,129	-
<u>Twenty-First Century Community Learning Centers</u>	84.287								
07/01/17-06/30/18		2018-403619-CLC-367	WI DPI	405,000	152,667	-	152,185	482	-
<u>Twenty-First Century Community Learning Centers</u>	84.287								
07/01/17-06/30/18		2018-403619-CLC-367	WI DPI	250,000	24,906	-	24,906	-	-
<u>Twenty-First Century Community Learning Centers</u>	84.287								
07/01/17-06/30/18		2018-403619-CLC-367	WI DPI	750,000	70,261	-	70,261	-	-
<u>Twenty-First Century Community Learning Centers</u>	84.287								
07/01/17-06/30/18		2018-403619-CLC-367	WI DPI	350,000	51,255	-	51,255	-	-
07/01/18-06/30/19		2019-403619-21st Century CLC-367	WI DPI	350,000	-	350,000	304,045	45,955	-
<u>Twenty-First Century Community Learning Centers</u>	84.287								
07/01/17-06/30/18		2018-403619-CLC-367	WI DPI	200,000	92,221	4,892	97,113	-	-
<u>Twenty-First Century Community Learning Centers</u>	84.287								
07/01/17-06/30/18		2018-403619-CLC-367	WI DPI	100,000	38,001	11,116	49,117	-	-
07/01/18-06/30/19		2019-403619-21st Century CLC-367	WI DPI	101,000	-	99,000	17,538	81,462	-
<u>Twenty-First Century Community Learning Centers</u>	84.287								
07/01/17-06/30/18		2018-403619-CLC-367	WI DPI	200,000	101,530	-	101,530	-	-
07/01/18-06/30/19		2019-403619-21st Century CLC-367	WI DPI	200,000	-	197,970	129,110	68,860	-
<u>Twenty-First Century Community Learning Centers</u>	84.287								
07/01/18-06/30/19		2019-403619-21st Century CLC-367	WI DPI	50,000	-	50,000	46,204	3,796	-
Subtotal - 84.287					1,080,211	3,916,710	3,293,903	1,703,016	-
<u>Indian Education-Special Programs for Indian Children</u>	84.299A								
10/01/17-09/30/18		n/a	Direct	464,594	7,784	83,235	91,019	-	-
10/01/18-09/30/19		n/a	Direct	535,524	-	261,288	238,134	23,155	-
Subtotal 84.299					7,784	344,524	329,153	23,155	-
<u>Gaining Early Awareness and Readiness For Undergraduate Programs</u>	84.334A								
09/26/11-09/25/19		n/a	Direct	15,886,729	322,357	686,955	1,019,312	-	-

**MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019**

Awarding agency pass-through agency award description	Federal or state catalog number	Pass Through Entry Identifying Number	Pass Through Agency	Program or award amount	Accrued receivable (deferred revenue) *** July 1, 2018	Federal Expenditures	Revenues Grantor reimburse- ments	Accrued receivable (deferred revenue) June 30, 2019	2019 Sub recipient Expenditures
U.S. Department of Education (Continued)									
Arts in Education 10/01/17-09/30/18	84.351C	n/a	Direct	313,294	70,547	133,710	204,257	-	-
Arts in Education 10/01/18-09/30/19	84.351D	n/a	Direct	625,000	-	46,500	-	46,500	-
Subtotal - 84.351					70,547	180,210	204,257	46,500	-
English Language Acquisition State Grants 07/01/17-06/30/18 07/01/18-06/30/19	84.385	2018-403619-Title III A-391 2019-403619-TIIIA-391	WI DPI WI DPI	1,579,747 1,659,362	416,192 -	8,475 1,212,578	424,667 595,685	- 616,693	- -
Subtotal - 84.385					416,192	1,221,053	1,020,352	616,693	-
Improving Teacher Quality State Grants 07/01/17-06/30/18 07/01/18-06/30/19	84.367	2018-403619-Title II-365 2019-403619-TIIA-365	WI DPI WI DPI	10,401,702 10,268,007	2,127,379 -	61,217 6,160,470	2,188,596 4,758,634	- 1,401,836	- -
Subtotal - 84.367					2,127,379	6,221,687	6,947,230	1,401,836	-
School Improvement Grants 07/01/17-06/30/18 07/01/18-06/30/19	84.377	2018-403619-SIG-151 2019-403619-SIG-151	WI DPI WI DPI	3,239,335 3,944,872	468,779 -	3,336 3,011,696	472,115 1,994,524	- 1,027,172	- -
Subtotal - 84.377					468,779	3,015,032	2,456,639	1,027,172	-
Supporting Effective Educator Development Program 07/01/17-06/30/18 07/01/18-06/30/19	84.425A	n/a n/a	UW UW	305,881 479,798	111,745 -	- 378,384	111,745 333,055	- 45,329	- -
Subtotal - 84.423					111,745	378,384	444,800	45,329	-
Student Support and Academic Enrichment Program 07/01/17-06/30/18 07/01/18-06/30/19	84.424A	2018-403619-Title-IV A-381 2019-403619-TIVA-381	WI DPI WI DPI	719,006 3,796,210	75,937 -	95,461 1,269,863	171,398 514,188	- 755,675	- -
Subtotal - 84.424					75,937	1,365,324	685,586	755,675	-
Emergency Impact Aid Program 07/01/18-06/30/19	84.938C	2019-403619-Emergency Impact Aid-374	WI DPI	1,828,798	1,791,900	-	1,791,900	-	-
Emergency Impact Aid Program (Students with Disabilities) 07/01/18-06/30/19	84.938C	2019-403619-Emergency Impact Aid-375	WI DPI	665,775	665,775	-	665,775	-	-
Subtotal - 84.938					2,457,675	-	2,457,675	-	-
Total - U. S. Department of Education					25,499,971	112,764,079	119,764,959	18,499,091	-

**MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019**

Awarding agency pass-through agency award description	Federal or state catalog number	Pass Through Entry Identifying Number	Pass Through Agency	Program or award amount	Accrued receivable (deferred revenue) *** July 1, 2018	Federal Expenditures	Revenues Grantor reimburse- ments	Accrued receivable (deferred revenue) June 30, 2019	2019 Sub recipient Expenditures
U.S. Department of Health and Human Services									
Cooperative Agreements to Promote Adolescent Health through School Based HIV/STD Prevention and School-Based Surveillance									
08/01/15-07/31/16	93 079	n/a	WI DPI	9,841	629	-	-	629	-
08/01/16-07/31/17		n/a	WI DPI	6,500	(449)	-	-	(449)	-
08/01/17-07/31/18		2018-403619-WILY-334	WI DPI	6,500	5,191	-	5,191	-	-
Subtotal - 93 079					5,371	-	5,191	180	-
Pregnancy Assistance Fund Program									
07/01/17-06/30/18	93 500	2018-403619-InSPIRE-591	WI DPI	200,000	144,451	3,865	148,116	-	-
07/01/18-06/30/19		2019-403619-InSPIRE-591	WI DPI	150,000	-	143,762	72,154	71,608	-
Subtotal - 93.500					144,451	147,427	220,270	71,608	-
Refugee and Entrant Assistance - State Administered Programs									
06/01/2018-12/31/2018	93 566	2019-403619-Refugee-533	WI DPI	41,512	-	25,458	25,458	-	-
01/01/2019-12/31/2019		2019-403619-Refugee-533	WI DCF	85,400	-	7,061	-	7,061	-
03/01/2019-09/30/2019		2019-403619-Refugee-533	WI DCF	45,520	-	3,071	-	3,071	-
Subtotal - 93.566					-	35,590	25,458	10,132	-
Head Start									
06/01/2017-05/31/2018	93 600	n/a	Direct	8,597,310	274,138	-	274,138	-	-
06/01/2018-05/31/2019		n/a	Direct	8,819,917	843,728	7,879,146	8,722,874	-	-
06/01/2019-05/31/2020		n/a	Direct	8,974,184	-	546,205	-	546,205	-
Subtotal - Head Start					1,117,866	6,425,351	8,997,012	546,205	-
Medicaid Cluster									
Medicaid Assistance Program									
07/01/17-06/30/18	93,778	n/a	WI DHS	6,044,769	208,931	-	208,931	-	-
07/01/18-06/30/19	93,778	n/a	WI DHS	7,004,173	-	7,004,173	6,966,183	37,990	-
Subtotal - Medicaid Cluster					208,931	7,004,173	7,175,114	37,990	-
Total - U.S. Department of Health and Human Services					1,476,619	15,612,541	16,423,045	666,115	-
Total Federal Awards					\$ 33,130,390	179,010,005	185,940,684	26,199,711	1,949,467

** Formula Driven Grant

*** Balances have been updated to reflect actual amounts receivable/deferred as of 6/30/18

See notes to Schedules of Federal and State Awards.

MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended June 30, 2019

Awarding agency pass-through agency award description	Federal or state catalog number	Program or award amount	Accrued receivable (deferred revenue) July 1, 2018	State Expenditures	Revenues Grantor reimburse- ments	Accrued receivable (deferred revenue) June 30, 2019
State Programs:						
Cost Reimbursement Programs						
Wisconsin Department of Justice School Safety Initiative 07/01/18-08/31/19	455 206	\$ 3,310,177	-	2,688,792	1,205,371	1,483,421
Total – Wisconsin Department of Justice				2,688,792	1,205,371	1,483,421
Wisconsin Department of Workforce Development Youth Apprenticeship Grant 07/01/17-06/30/18 07/01/18-06/30/19	445 107	225,000 90,000	44,375 -	- 60,973	44,375 48,481	- 12,492
Subtotal 445 107			44,375	60,973	92,856	12,492
Total – Wisconsin Department of Workforce Development			44,375	60,973	92,856	12,492
Wisconsin Department of Public Instruction Summer School Program Grants 07/01/18-06/30/19	255 281	1,400,000	-	1,400,000	1,400,000	
Personal Electronic Computing Devices 07/01/18-06/30/19	255 296	871,375	-	871,375	871,375	
School Based Mental Health Services 07/01/18-06/30/19	255 297	75,000	-	47,774	5,158	42,616
Peer Review and Mentoring 07/01/17-06/30/18 07/01/18-06/30/19	255 301	25,000 26,240	1,394 -	- 21,999	- 1,296	1,394 20,703
Subtotal 255 301			1,394	21,999	1,296	22,097
Alcohol and Other Drug Abuse (Chapter 331) 07/01/14-06/30/15 07/01/17-06/30/18 07/01/18-06/30/19	255 306	45,000 45,000 45,000	(145) 14,812 -	145 2,950 33,963	- 17,762 9,854	- - 24,109
Subtotal 255 306			14,667	37,058	27,616	24,109
AODA Student Mini-Grant Program 07/01/15-06/30/16 07/01/17-06/30/18 07/01/18-06/30/19	255 321	6,134 9,700 10,550	(450) 3,026 -	450 - 8,702	- 3,026 4,201	- - 4,501
Subtotal 255 321			2,576	9,152	7,227	4,501
Head Start Supplement 07/01/17-06/30/18 07/01/18-06/30/19	255 327	421,578 421,578	43,043 -	2,442 337,653	45,485 336,878	- 775
Subtotal 255 327			43,043	340,095	382,363	775

MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended June 30, 2019

Awarding agency pass-through agency award description	Federal or state catalog number	Program or award amount	Accrued receivable (deferred revenue) July 1, 2018	State Expenditures	Revenues Grantor reimburse- ments	Accrued receivable (deferred revenue) June 30, 2019
Wisconsin Department of Public Instruction (continued)						
Wisconsin Movin' Schools 07/01/15-06/30/16	255.345	700	(700)	-	-	(700)
Gifted and Talented Students 07/01/18-06/30/19	255.350	30,000	-	29,649	4,605	24,844
Achievement Gap Reduction 07/01/16-06/30/17	255.504	24,832,740	(39,797)	39,797	-	-
07/01/17-06/30/18		24,636,635	43,812	(43,812)	-	-
07/01/18-06/30/19		24,689,442	-	24,689,442	24,689,442	-
Subtotal 255.504			4,015	24,685,427	24,689,442	-
Educator Effectiveness 07/01/17-06/30/18	255.940	449,360	49,174	-	49,174	-
07/01/18-06/30/19		469,840	-	414,804	370,851	43,953
Subtotal 255.940			49,174	414,804	420,025	43,953
Career and Technical Education 07/01/17-06/30/18	255.950	32,308	(32,114)	32,114	-	-
07/01/18-06/30/19		33,427	-	20,914	98,185	(77,271)
Subtotal 255.950			(32,114)	53,028	98,185	(77,271)
Robotics League Participation Grant 07/01/16-06/30/17	255.959	16,026	(231)	231	-	-
07/01/17-06/30/18		11,664	6,794	3,451	10,245	-
07/01/18-06/30/19		21,260	-	12,101	4,948	7,153
Subtotal 255.959			6,563	15,783	15,193	7,153
Total – Wisconsin Department of Public Instruction			88,618	27,926,144	27,922,685	92,077
University of Wisconsin Madison Things Fall Apart in Wisconsin 07/11/09-06/30/10	xxx xxx	500	(386)	-	-	(386)
Total State Financial Awards Cost Reimbursement Programs			132,607	30,675,909	29,220,912	1,587,604

MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended June 30, 2019

Awarding agency pass-through agency award description	Federal or state catalog number	Program or award amount	Accrued receivable (deferred revenue) July 1, 2018	State Expenditures	Revenues Grantor reimburse- ments	Accrued receivable (deferred revenue) June 30, 2019
State Programs:						
Entitlement Programs						
Wisconsin Department of Public Instruction						
Direct Program:						
Special Education and School Age Parents	255.101	(a)	-	45,107,974	45,107,974	-
State Lunch Program	255.102	(a)	-	465,418	465,418	-
Common School Fund-Library	255.103	(a)	-	4,814,185	4,814,185	-
Bilingual/Bicultural Education	255.106	(a)	-	1,641,951	1,641,951	-
Transportation Aid	255.107	(a)	-	2,357,283	2,357,283	-
Equalization Aid-General	255.201	(a)	8,916,957	500,538,185	500,532,264	8,922,878
Integration Aid-Non-Resident	255.204	(a)	-	993,776	993,776	-
Integration Aid-Resident	255.205	(a)	-	29,373,583	29,373,583	-
High Cost Special Ed	255.210	(a)	-	28,221	28,221	-
Aid for School Mental Health Programs	255.227	(a)	-	807,458	807,458	-
School Performance Improvement Grants	255.292	(a)	-	2,987,087	2,987,087	-
School Breakfast Aid (SSBA)	255.344	(a)	-	500,839	500,839	-
State Tuition Payments General	255.401	(a)	-	361,162	361,162	-
High Poverty Aid	255.926	(a)	-	6,301,589	6,301,589	-
Per Pupil Aid	255.945	(a)	-	50,225,238	50,225,238	-
Special Education Transition Incentive Grants	255.960	(a)	-	256,000	256,000	-
Assessments of Reading Readiness	255.956	(a)	-	136,054	136,054	-
Total - Wisconsin Department of Public Instruction			8,916,957	646,896,003	646,890,082	8,922,878
Total State Awards - Entitlement Programs			8,916,957	646,896,003	646,890,082	8,922,878
Total State Awards			9,049,564	677,571,912	676,110,994	10,510,482
Total Federal and State Financial Assistance			\$ 42,179,853	856,581,918	862,051,678	36,710,193

(a) Allocation of funding is in accordance with a distribution formula prescribed by law or administrative regulation. See notes to Schedules of Federal and State Awards.

MILWAUKEE PUBLIC SCHOOLS

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended June 30, 2019

(1) Basis of Presentation

Milwaukee Public Schools (the District) was established on February 3, 1846, and operates under Chapter 119 of the Wisconsin Statutes. All significant operations of the District are included in the scope of the *Single Audit* 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* (Uniform Guidance) and the *State of Wisconsin State Single Audit Guidelines*.

All financial assistance programs of the District which involve awards from the federal government or federal awards passed through the State of Wisconsin and certain state assistance programs, as required by the *State Single Audit Guidelines*, are included in the Schedules of Expenditures of Federal and State Awards. The Schedules of Expenditures of Federal and State Awards present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

Programs subject to the Single Audit – all federal and state program awards received by the District have been included in the Schedules of Expenditures of Federal and State Awards. Federal and state programs are defined as major through a risk-based approach.

(2) Significant Accounting Policies

(a) Revenues and Expenditures

Revenues and expenditures in the Schedules of Expenditures of Federal and State Awards are presented in accordance with the modified accrual basis of accounting, and have been reconciled to the District's fiscal 2019 basic financial statements. Grantor reimbursements reflect amounts received from the various funding agencies during the year. Receivables at year-end consist of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while deferred revenues represent advances for federal and state programs that exceed recorded District expenditures.

(b) Subgrantees

Certain program funds are passed through the District to subgrantee organizations. The Schedules of Expenditures of Federal and State Awards do not contain separate schedules disclosing how the subgrantees outside of the District's control utilized the funds.

(c) Indirect Cost

Indirect costs are allocated to certain grant programs based upon rates established by the Wisconsin Department of Public Instruction. The District has not elected to use the 10% de minimis indirect cost rate of the Uniform Guidance.

(3) Contingency

All federal and state award programs are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agencies for costs disallowed under the terms of the programs. It is the opinion of management that all costs charged against those federal and state programs are allowable under the regulations of those programs.

MILWAUKEE PUBLIC SCHOOLS

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended June 30, 2019

(4) Program Disclosures

The Schedules of Expenditures of Federal and State Awards are organized by awarding agency.

(5) Cognizant Agencies

The U.S. Department of Education and the Wisconsin Department of Public Instruction have been designated as federal and state cognizant agencies, respectively, for the District.

(6) Special Education Costs

Eligible costs for special education under project 011 were \$181,994,546 for the year ended June 30, 2019.

(7) Pass-Through Entities

The District received federal awards from the following pass-through entities:

WI DPI	Wisconsin Department of Public Instruction
WI DHS	Wisconsin Department of Health Services
WI DOT	Wisconsin Department of Transportation
WI DCF	Wisconsin Department of Children and Families
CESA 11	Cooperative Educational Service Agency #11
UW	University of Wisconsin System

Pass through entity identifying numbers are presented where available.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

SECTION I: SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? X yes no
Significant deficiency(ies) identified? X yes none reported

Noncompliance material to the financial statements noted? yes X no

Federal and State Awards

	<u> Federal Programs </u>		<u> State Programs </u>	
Internal control over major federal and state award programs:				
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no	<u> </u> yes	<u> X </u> no

Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> none reported	<u> X </u> yes	<u> </u> none reported
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Type of auditor's report issued on compliance for major federal or state award programs:	<u> Unmodified </u>	<u> Unmodified </u>
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	<u> Federal Programs </u>		<u> State Programs </u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance or the State Single Audit Guidelines?	<u> X </u> yes	<u> </u> no	<u> X </u> yes	<u> </u> no

Dollar threshold used to distinguish between Type A and Type B programs	<u> \$3,000,000 </u>	<u> \$250,000 </u>
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Auditee qualified as low-risk auditee for Federal and State?	<u> </u> yes	<u> X </u> no	<u> </u> yes	<u> X </u> no
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Identification of major federal programs:

CFDA NUMBERS

10.553/10.555/10.559
84.027/84.173
84.377
84.287
93.778

Name of Federal Program or Cluster

Child Nutrition Cluster
Special Education Cluster (IDEA)
School Improvement Grants
Twenty-First Century Community Learning Centers
Medical Assistance Program

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

SECTION I: SUMMARY OF AUDITORS' RESULTS (CONTINUED)

Identification of major state programs:

<u>State Identification Numbers</u>	<u>Name of State Program</u>
255.201	Equalization Aid - General
255.204	Integration Transfer Aid - Nonresident
255.205	Integration Transfer Aid - Resident
255.926	High Poverty Aid
255.101	Special Education and School Age Parents
255.401	State Tuition Payments General
455.206	School Safety Initiative
255.292	School Performance Improvement Grant
255.227	Aid for School Mental Health Programs
255.296	Personal Electronic Computing Devices Grant
255.281	Milwaukee Public Schools Summer School Grant
255.960	Special Education Transition Incentive Grant
255.102	State Lunch Program
255.344	School Breakfast Aid (SSBA)

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION II: FINANCIAL STATEMENT FINDINGS

FINDING 2019-001 – Material Audit Adjustment

Repeat of prior year finding 2018-001

Criteria

Generally accepted auditing standards AU-C section 265 requires the communication of material weaknesses in the year-end financial reporting process.

Condition

Year end audit procedures identified material adjustments that were needed to the District's records to properly reflect and record accounts payable at year end. These adjustments indicate that additional emphasis needs to be placed on monitoring and recording of transactions at year end.

Cause

Material adjustments were noted as part of the annual audit.

Effect

Information provided to management at the end of the fiscal year may not be presented in accordance with generally accepted accounting principles.

Recommendation

Management should place additional emphasis on monitoring and recording of transactions at year-end to ensure completeness.

Management's Response

MPS agrees with the FY17 material audit adjustments condition identified by the audit procedures. In addition to providing written instructions and/or conducting face-to-face annual training meetings with our staff around year-end processing, we have taken further steps to address this condition. First, we sent out communication to MPS Facilities & Maintenance Services and MPS Recreation and Community Services vendors to invoice for goods and services for FY19 and FY20 separately and to submit them as soon as possible after the year end to ensure timely processing. Furthermore, all invoices \$50,000 or higher processed between July 01, 2019 and October 11, 2019 were reviewed to ensure they were charged to the correct fiscal year. We intend to continue to follow these steps going forward. All the findings during FY19 audit work were related to FMS invoices. The accountant at FMS has since changed and we plan to have this finding fully resolved during FY20.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION II: FINANCIAL STATEMENT FINDINGS (CONTINUED)

FINDING 2019-002 – Food Service Invoicing and Three – Way Match

Repeat of prior year finding 2018-002

Criteria

The District has an internal policy that food service invoices go through a Three – Way match prior to being paid. The invoices received from the vendor must be matched to the physical receipt of goods at the schools. These items must then be matched to the electronic invoices that are provided by the vendor to the IT department which uploads the data into the IFAS accounting system for payment processing.

Condition

During testing and review of controls over food service invoices, it was noted that there are several vendors that provide the District with an electronic upload of the amounts to be paid based off invoices sent. These invoices that are received by the District food service department then need to be compared to what is physically received at the school sites. The District has a process in place to match what is received at the schools to the detailed invoices provided by the vendor. With Sysco being the new prime vendor in fiscal year 2019, the process for matching detailed invoices to information input into OneSource is still being developed. It is currently a manual process with numerous variances having to be investigated each month.

Cause

The sites receiving the product are independent of the food service department receiving the detailed invoices to be paid and the match between the two departments does not match up 100%.

Effect

The District's payments for product may not be equivalent to the goods received.

Recommendation

The District has a process in place to match what is received at the schools to the detailed invoices provided by the vendor. With Sysco being the new prime vendor in fiscal year 2019, the process for matching detailed invoices to information input into OneSource is still being developed. It is currently a manual process with numerous variances having to be investigated each month. At the end of June 2019, there was approximately \$171,000 of unreconciled amounts between the detailed invoices received from Sysco and what was inventoried in OneSource.

Management's Response

MPS has implemented a process to match prime vendor invoice detail to items received by the schools. This includes utilizing electronically generated reports to assist in matching the high volume of vendor invoices to receiving data from OneSource. MPS intends to improve upon and further automate the matching process to ensure the accountant dedicated to matching prime vendor activity is able to analyze the high volume of invoices and identify, note, and address the root cause of any difference(s).

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION II: FINANCIAL STATEMENT FINDINGS (CONCLUDED)

FINDING 2019-003 – Restatement of Prior Year Financial Statements

Criteria

The District's internal controls over financial reporting should be designed to prepare financial statements in accordance with United States Generally Accepted Accounting Principles (GAAP).

Condition

A restatement of the prior year financial statements was necessary to properly reflect the deferred outflows of resources and deferred inflows of resources related to the other postemployment benefits in the government-wide financial statements.

Cause

The absence of the internal controls noted above resulted in changes being needed to the June 30, 2018 financial statements which resulted in the restatement described above.

Effect

Issued financial statements may not be presented in accordance with accounting principles generally accepted in the United States of America.

Recommendation

Management should verify that financial statements are prepared in accordance with United States Generally Accepted Accounting Principles (GAAP).

Management's Response

In FY18 (effective July 1, 2017) the District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MPS agrees that a restatement of prior year financial statements was required in FY19 as the proper reflection of the deferred outflows of resources and deferred inflows of resources was missed by both the District and its external auditors Baker Tilly Virchow Krause during their review of the FY18 financial statements.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS

FINDING 2019-004 - Federal ID Number, Program Name and State Agency

93.600 Head Start, U.S. Department of Health and Human Services
Award Amount - \$8,425,351
Award Number – 05CH010537-01-01
Repeat of prior year finding 2018-006

Criteria

Section 1302.15 Subpart (a) of the Head Start Program Performance Standards states "A program must maintain its funded enrollment level and fill any vacancy as soon as possible. A program must fill any vacancy within 30 days."

Condition

For eleven out of eleven months during fiscal year 2019, the District did not meet funded enrollment of 1,370 students.

Cause

Funded enrollment was not maintained each month or 30 days after the vacancies were created.

Questioned Costs

Could not be determined.

Context

Funded enrollment was not met in eleven out of eleven months. This sample was not statistically valid.

Effect

The District's under-enrollment may lead to the District receiving more funds than what the District is eligible to receive.

Recommendation

We recommend management increase efforts related to maintaining funded enrollment numbers throughout the year.

Management's Response

According to Head Start Program data, under enrollment is resulting from local competition with surrounding preschools that offer parents incentives to join their programs and numerous options provided between K4 board funded seats in the district and Head Start. In addition, the Head Start program provides limited program options for K3 students needing full day availability and families are moving out of state or the country.

Through joint efforts with Student Services, the Head Start (HS) Program recruited children at the Kindergarten Enrollment Fair in February 2019, participated in a focused enrollment week in partnership with Betty Brinn Children's Museum during the month of July and August, leafleted the community with HS literature, sent postcards to households of children turning 3 years old and canvassed in zip codes with existing Head Start sites and recommended schools to advertise Head Start programming in their respective buildings.

As a result, the existing HS Recruitment Plan was reviewed with the Policy Council and feedback was given to add additional locations to reach families such as foster care agencies, health clinics, refugee centers, check-cashing locations, and Hmong Centers.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-004 (continued)

Moving forward, the Office of Head Start will monitor the program enrollment over a 12-month period in which the program is required to maintain 97% of the funded enrollment of 1370. In addition, the program will be enrolling families that fall within 100-130% above income guidelines.

Through joint efforts, the Office of Academics is committed to ensuring that full-day programming for K3 students is implemented by August 1, 2021, in existing Head Start sites as required by the Head Start Performance Standard, 45 CFR Section 1302.21(c) (2) (iv).

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-005 - State ID Number, Program Name and State Agency

255.101 Special Education and School Age Parents Grant, Wisconsin Department of Public Instruction
Award Amount - \$45,107,974
Award Number – N/A
Repeat of prior year finding 2018-004

Criteria

According to the guidance provided in the State of Wisconsin Statutes section 115.88, "staff must be appropriately licensed for a special education work assignment listed in state statute in order for their salary and benefits to be eligible for aid".

Condition / Context

The No Valid License (NVL) Report created and provided by the Wisconsin Department of Public Instruction (DPI) included 508 individuals for which no valid license was found. Salary and benefits totaled \$28,965,776 for these 508 individuals.

Accordingly, the information noted above was communicated to DPI on the No Valid License / Questioned Cost Worksheet for ultimate resolution between the District and DPI. The sample was not statistically valid.

Cause

Factors that would cause a staff to be listed on the NVL report include; the license has expired and has not been renewed; there was a delay in issuing the license; there was a timing difference between when the NVL report was prepared and when the license was issued / renewed; and there may have been a name change and / or a misspelling of a name.

Questioned Costs

Could not be determined.

Effect

Salary and benefit amounts for the individuals with a licensure mismatch may have been improperly reported in Project 011 and if so, improperly included in the aid calculation.

Recommendation

We recommend management review and revise as necessary, existing processes and procedures to monitor the licensing status of special education teachers to ensure that they are appropriately licensed.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-005 (continued)

Management's Response

Teachers, Administrator, and Pupil Service employees with expiring licenses were continually notified via 10-day letters (sent to the home address on records via US Certified Mail) to rectify their expired licenses or be demoted to a substitute teacher or a Paraprofessional status. There were a few of this population demoted to a substitute teacher or Paraprofessional status until their licenses were renewed (short-term). Paraprofessionals and Children's Handicapped Assistants were also notified via 10-day letters in which the majority complied, and a few were terminated from their positions with MPS.

The use of information included in the Thursday Updates regarding soon-to-be expired licenses has been very useful to get the staff to apply to renew their licenses prior to the license expiring. This mode of notification will continue to be provided to all license holders in the district. Another method we are looking to utilize will include using audit reports provided by the Department of Public Instruction between January-February to communicate on a one-on-one basis to staff with expired licenses in addition to providing information in the Thursday Updates.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-006 - State ID Number, Program Name and State Agency

255.106 Bilingual/Bicultural Aid, Wisconsin Department of Public Instruction
Award Amount - \$1,641,951
Award Number – N/A
Repeat of prior year finding 2018-009

Criteria

The State of Wisconsin Single Audit Guidelines for this program require the testing of expenditures reported on the claim forms. Reimbursement may only be made for expenditures for salaries and benefits of personnel participating in and attributable to the program. The amount of each teacher's salary and benefits that is reimbursable is based on the percentage of students considered to be English Learners (EL) to the total number of students enrolled in that teacher's specific school and grade. Percentage claimed for each employee should be supported by proper data.

Condition/Context

During testing of percentages of salaries and benefits claimed, supporting documentation could not be provided that validated the percentages used in the claim. The sample was not statistically valid.

Cause

Documentation supporting the amount claimed was not maintained.

Questioned Costs

Could not be determined.

Effect

The reporting to Wisconsin Department of Public Instruction for reimbursement may cause the District to receive more or less state funding than what the District is eligible to receive.

Recommendation

We recommend that the District implement a process in which supporting documentation for the calculation of the employees' percentages of allowable salaries and benefits is maintained and reviewed for accuracy.

Management's Response

The district will implement the following process:

1. The Bilingual and Multicultural Education (BME) Department will receive the staff verification information form from each school principal.
2. The BME secretary will open the claim for each school, and update information in each column of the Staff verification information form, through the information provided in the Milwaukee public Schools (MPS) Bilingual/ESL Program Participation Report, which is housed in the Student Information System (SIS). This report was created this school year 2019-20 by the Department of Technology.
3. The BME Department will receive data from the Department of Research, Assessment, and Data, that includes English Learner students (ELs) by school, grade, and teacher; if ACCESS scores are not yet uploaded to the SIS.
4. The BME secretary will cross-reference the information that we receive from the Department of Research, Assessment and Data as well as the SIS with the information gathered from school principals.
5. The percentage of salaries and benefits claimed, will be based on ELs that took the ACCESS to the total number of students enrolled to that teacher's specific class.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-007 - Federal ID Number, Program Name and State Agency

93.778 Medicaid Cluster, U.S. Department of Health and Human Services
Award Amount - \$7,004,173
Award Number – N/A
Repeat of prior audit finding 2018-008

Criteria

In order to receive Medicaid payments, providers of medical services must be licensed in accordance with Federal, State, and local laws and regulations to participate in the Medicaid program (42 CFR sections 431.107 and 447.10; and section 1902(a)(9) of the Social Security Act).

Condition

Two providers tested were not properly licensed.

Cause

Two individuals providing Medicaid services were not properly licensed as the District did not perform a review of provider licensure.

Questioned Costs

Could not be determined.

Context

In a sample of 40 providers of medical services, haphazardly selected, two providers did not have appropriate licenses. The sample was not statistically valid.

Effect

The District is not following the provisions of the Medicaid program and are using unlicensed providers which may cause the District to receive more funding than the District is eligible for.

Recommendation

We recommend management ensure service providers are licensed in accordance with Federal, State, and local laws and regulations.

Management's Response

Teachers, Administrator, and Pupil Service employees with expiring licenses were continually notified via 10-day letters (sent to the home address on records via US Certified Mail) to rectify their expired licenses or be demoted to a substitute teacher or a Paraprofessional status.

There were a few of this population demoted to a substitute teacher or Paraprofessional status until their licenses were renewed (short-term). Paraprofessionals and Children's Handicapped Assistants were also notified via 10-day letters in which the majority complied, and a few were terminated from their positions with MPS.

The use of information included in the Thursday Updates regarding soon-to-be expired licenses has been very useful to get the staff to apply to renew their licenses prior to the license expiring. This mode of notification will continue to be provided to all license holders in the district.

Another method we are looking to utilize will include using audit reports provided by the Department of Public Instruction between January-February to communicate on a one-on-one basis to staff with expired licenses in addition to providing information in the Thursday Updates.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-008 - State ID Number, Program Name and State Agency

455.206 School Safety Initiative, State of Wisconsin Department of Justice
Award Amount - \$3,310,177
Award Number - 2018-SSI-01-12953

Criteria

Special conditions of the award requires that all grantees must provide staff with a minimum of 3 hours combined training in Adverse Childhood Experiences (ACE) and Trauma Informed Care/Trauma Sensitive Schools (TIC/TSS) before the end of the 2018-2019 school year.

Condition/Context

As of the time of testing, September, 2019, 6,954 of the 15,587 (44.6%) total training modules, were not completed. The deadline for trainings to be completed was August 31, 2019.

Cause

Numerous employees at the District have not completed the required ACE and TIC/TSS trainings.

Questioned Costs

Could not be determined.

Effect

The District is not following the conditions required by the grant which may cause the District to lose funding.

Recommendation

We recommend that the District track training requirements closely and require staff to complete the training so the District is in compliance with the grant requirements.

Management's Response

The grant was extended through August 31, 2020 to encompass completing all program activities, including completing the required ACE's training.

The District is continuing its efforts to follow up with staff to ensure that this requirement is completed by August 31, 2020. It is expected that the District will meet this requirement.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-009 - State ID Number, Program Name and State Agency

455.206 School Safety Initiative, State of Wisconsin Department of Justice
Award Amount - \$3,310,177
Award Number – 2018-SSI-01-12953

Criteria

Per the Acknowledgement Notice in the 2018 School Safety Initiative award letter, fiscal reports were required to be submitted for both Round #1 and Round #2 by October 12, 2018, January 12, 2019, April 12, 2019 and July 12, 2019 for each round of the grant.

Condition/Context

All seven of the required submissions, for Round #1 and Round #2, were not done by the required due date.

Cause

District did not file reports timely.

Questioned Costs

Could not be determined.

Effect

Delay in completing reports could provide inaccurate data or cause funding to be delayed or even lost.

Recommendation

We recommend that the District work to file required reports in a timely manner by the given due dates.

Management's Response

Although claims were submitted outside of the reporting period, permission was granted from the Department of Justice (DOJ) to submit the reports after the required due dates.

In order to meet the reporting requirements management has decided to submit monthly claims, which is an allowable option in the grant contract.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-010 - State ID Number, Program Name and State Agency

255.227 Aid for School Mental Health Programs, Wisconsin Department of Public Instruction
Award Amount - \$807,458
Award Number - N/A

Criteria

Per the grant eligibility guidelines, a district is able to receive funding for partial reimbursement of salary and benefits for the increased costs to employ social workers. A social worker is required to be licensed or certified by the Department of Public Instruction or by the Marriage and Family Therapy, Professional Counseling, and Social Work Examining Board.

Condition/Context

One individual in the social worker population reported in the 2017-2018 expenditures was not properly licensed.

Cause

One individual providing social work services was not properly licensed as the District did not perform a review of provider licensure.

Questioned Costs

Salary and Benefits for the individual were \$52,469 in 2017-2018 and \$9,707 in 2016-2017.

Effect

The District is not following the provisions of the program and are using unlicensed social workers which may cause the District to receive more funding than the District is eligible for.

Recommendation

We recommend management ensure service providers are licensed in accordance with Federal, State, and local laws and regulations.

Management's Response

Teachers, Administrator, and Pupil Service employees with expiring licenses were continually notified via 10-day letters (sent to the home address on records via US Certified Mail) to rectify their expired licenses or be demoted to a substitute teacher or a Paraprofessional status.

There were a few of this population demoted to a substitute teacher or Paraprofessional status until their licenses were renewed (short-term). Paraprofessionals and Children's Handicapped Assistants were also notified via 10-day letters in which the majority complied, and a few were terminated from their positions with MPS.

The use of information included in the Thursday Updates regarding soon-to-be expired licenses has been very useful to get the staff to apply to renew their licenses prior to the license expiring. This mode of notification will continue to be provided to all license holders in the district.

Another method we are looking to utilize will include using audit reports provided by the Department of Public Instruction between January-February to communicate on a one-on-one basis to staff with expired licenses in addition to providing information in the Thursday Updates.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-011 - Federal ID Number, Program Name and State Agency

255.101 Special Education and School Age Parents Grant, Wisconsin Department of Public Instruction
Award Amount - \$45,107,974
Award Number - N/A

Criteria

According to the guidance provided in the State of Wisconsin Statutes section 115.88, "staff must be appropriately licensed for a special education work assignment listed in state statute in order for their salary and benefits to be eligible for aid".

Condition

Six special education employees hired after the school year began were not properly licensed.

Cause

Six individuals that were hired after the school year began did not have the appropriate license for his or her work assignment as the District did not perform a review of provider licensure.

Questioned Costs

Could not be determined.

Context

In a sample of 19 special education employees who were hired after the school year began and employees with a School Nurse assignment, 6 individuals did not have a valid license for his or her work assignment. The sample was not statistically valid.

Effect

The District is not following the provisions of the program and are using unlicensed social workers which may cause the District to receive more funding than the District is eligible for.

Recommendation

We recommend management ensure service providers are licensed in accordance with Federal, State, and local laws and regulations.

Management's Response

Teachers, Administrator, and Pupil Service employees with expiring licenses were continually notified via 10-day letters (sent to the home address on records via US Certified Mail) to rectify their expired licenses or be demoted to a substitute teacher or a Paraprofessional status.

There were a few of this population demoted to a substitute teacher or Paraprofessional status until their licenses were renewed (short-term). Paraprofessionals and Children's Handicapped Assistants were also notified via 10-day letters in which the majority complied, and a few were terminated from their positions with MPS. The use of information included in the Thursday Updates regarding soon-to-be expired licenses has been very useful to get the staff to apply to renew their licenses prior to the license expiring. This mode of notification will continue to be provided to all license holders in the district.

Another method we are looking to utilize will include using audit reports provided by the Department of Public Instruction between January-February to communicate on a one-on-one basis to staff with expired licenses in addition to providing information in the Thursday Updates.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-012 - Federal ID Number, Program Name and State Agency

84.027 Special Education – Grants to States (IDEA, Part B), U.S. Department of Education
Award Amount - \$23,427,109
Award Number – 2019-403619-DPI-IDEA-FT-341

Criteria

Section 1412(a)(14) of the Individuals with Disabilities Education Act (IDEA) sets forth the requirements that special education teachers and paraprofessionals meet the qualifications for the services provided that are consistent with State approved licensing.

Condition

One paraprofessional was not properly licensed.

Cause

One individual that provided special education services did not have the appropriate license for his or her work assignment as the District did not perform a review of provider licensure.

Questioned Costs

Could not be determined.

Context

In a sample of 38 providers of medical services, haphazardly selected, one educator did not have an appropriate licenses. The sample was not statistically valid.

Effect

The District is not following the provisions of the IDEA program and are using unlicensed employees which may cause the District to receive more funding than the District is eligible for.

Recommendation

We recommend management ensure service providers are licensed in accordance with Federal, State, and local laws and regulations.

Management's Response

Teachers, Administrator, and Pupil Service employees with expiring licenses were continually notified via 10-day letters (sent to the home address on records via US Certified Mail) to rectify their expired licenses or be demoted to a substitute teacher or a Paraprofessional status.

There were a few of this population demoted to a substitute teacher or Paraprofessional status until their licenses were renewed (short-term). Paraprofessionals and Children's Handicapped Assistants were also notified via 10-day letters in which the majority complied, and a few were terminated from their positions with MPS.

The use of information included in the Thursday Updates regarding soon-to-be expired licenses has been very useful to get the staff to apply to renew their licenses prior to the license expiring. This mode of notification will continue to be provided to all license holders in the district.

Another method we are looking to utilize will include using audit reports provided by the Department of Public Instruction between January-February to communicate on a one-on-one basis to staff with expired licenses in addition to providing information in the Thursday Updates.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-013 - State ID Number, Program Name and State Agency

255.281 Summer School Program Grants (MPS), Wisconsin Department of Public Instruction
Award Amount - \$1,400,000
Award Number – 2019-403619-SSP-281

Criteria

The Wisconsin Department of Public Instruction requires that each District ensure all professional staff members have a valid license for the assignment on file with the district.

Condition/Context

One individual was not properly licensed for her assignment.

Cause

One individual in the position of Supplemental Teacher was not properly licensed as the District did not perform a review of provider licensure.

Questioned Costs

Salary for the individual charged to the summer school grant was \$3,466.

Effect

The District is not following the provisions of the program and are using unlicensed teachers which may cause the District to receive more funding than the District is eligible for.

Recommendation

We recommend management ensure service providers are licensed in accordance with Federal, State, and local laws and regulations.

Management's Response

For hard-to-fill positions for summer school, once the list of regularly licensed teachers is exhausted we move on to permit licensed teachers. The hire in question was for the 2017-18 school year. Per the direction of the Chief Human Resources Officer at the time, those whose permit licenses were expiring were not demoted and therefore remained as active permit licensed teachers in our system. When staff reviewed the lists of candidates to fill the remaining vacancies once no licensed teachers were available, the person in question showed as a permit teacher in the system for the 17-18 school year and was picked based on that information. Since September of 2018, close to the start of the 2018-19 school, we review the status of permit licensed staff and do remove them from that position if they have not met the requirements of their program and losing their licensure. The Departments of Talent Management and Extended Learning Opportunities will review the status of permit teacher licensure prior to offering the position to a permit teacher after they have exhausted the regularly licensed teacher list.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-014 - State ID Number, Program Name and State Agency

255.401 State Tuition, Wisconsin Department of Public Instruction
Award Amount - \$361,162
Award Number – N/A

Criteria

The Wisconsin Department of Public Instruction requires that each District report whether a student residing in an eligible facility had been counted for membership as a resident during the year.

Condition/Context

In a sample of nine students reported as not counted in the membership reporting, five individuals were included on at least one of the membership counts and were improperly reported as not counted. This sample was not statistically valid.

Cause

Individuals were improperly marked as not counted when they were counted in one or both of the membership count dates due to improper review of the full membership listings.

Questioned Costs

None.

Effect

The District could not be receiving the proper amount of funding as student is not properly noted as counted.

Recommendation

We recommend management ensure information reported in the claim is representative of the membership counts submitted.

Management's Response

The Department of Student Services will work collaboratively with the Department of Finance to ensure that the information that is reported in the claim accurately represents the membership counts that were submitted. We will take the following steps to ensure that this is done. Student Services will add a Third Friday Student countable indicator column to the data that is provided to ensure that each student in a group home or a student at Milwaukee County Youth is counted appropriately.

Additionally, The Department of Student Services will work collaboratively with the Department of Finance to review all students that are being considered countable for this claim to ensure that they are accurately reported in the PI 1563 Membership report as well as the Tuition Claim Report.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-015 - State ID Number, Program Name and State Agency

255.107 Pupil Transportation, Wisconsin Department of Public Instruction
Award Amount - \$2,357,283
Award Number - N/A
Repeat of prior year finding 2018-003

Criteria

Transportation aid is applied for annually through the School Finance Reporting Portal using the fiscal year Pupil Transportation Report (PI-1547) and Pupil Transportation Summer (PI-1547-SS). This report collects the number of pupils transported categorized by the distance from the pupils' residence to school using the most commonly traveled direct route. Pupils transported less than two miles during the regular school year are not counted on the transportation report unless the transportation is being provided as part of an unusually hazardous transportation plan (UHT) filed by the LEA.

Condition/Context

On the PI-1547, the District reported 129 students in the less than two miles category and also in various categories over two miles. These students were counted twice in the PI-1547.

Cause

Students reported in the less than two mile category were inaccurately reported twice in his or her actual mileage category as well as the less than two mile category.

Questioned Costs

Could not be determined.

Effect

The District's inaccurate reporting may cause the District to receive more or less state funding than entitled to.

Recommendation

We recommend that the District work to implement procedures, processes and accurate data reports to be able to file a claim with the accurate students included in all transported mileage categories.

Management's Response

Pupil Transportation Services, in its efforts to report the private school transportation reimbursement inadvertently included the students that were inside of the Vincent hazard area in the 0-2 mile bucket in addition to the student's actual mileage bucket. This was incorrect and the Standard Operating Procedure has been updated to prevent that from subsequent claims.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-016 - State ID Number, Program Name and State Agency

255.107 Pupil Transportation, Wisconsin Department of Public Instruction
Award Amount - \$2,357,283
Award Number – N/A

Criteria

Transportation aid is applied for annually through the School Finance Reporting Portal using the fiscal year Pupil Transportation Report (PI-1547) and Pupil Transportation Summer (PI-1547-SS). This report collects the number of pupils transported categorized by the distance from the pupils' residence to school using the most commonly traveled direct route.

Condition/Context

The District was unable to provide a listing of private students transported in total and by mileage category that supported the numbers reported in the PI-1547.

Cause

The District could not provide or reproduce the report used for the PI-1547 privately transported students.

Questioned Costs

Could not be determined.

Effect

The District's inaccurate reporting may cause the District to receive more or less state funding than entitled to.

Recommendation

We recommend that the District work to implement procedures, processes and accurate data reports to be able to file a claim with the accurate students included in all transported mileage categories.

Management's Response

The data provided by the Data Warehouse required manual removal of all students under 2 miles to be incorporated into a supplemental application - ArcGIS - to determine hazardous transportation situations. Because the output inadvertently included 129 duplicates of students residing in the Vincent Hazardous Area into both the 0-2 mileage and their respective actual mileage, the output could not be reproduced to validate the state claim. This has been corrected and incorporated into the district's Standard Operating Procedures to ensure is not repeated. In addition there were 6 total students from 4 new private schools that were measured at a 99.99 mileage because the school address was not valid. The schools were updated and future extracts from the data warehouse will omit any 99.99 distances for correction.

MILWAUKEE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2019

SECTION III: FEDERAL AND STATE AWARD FINDINGS (CONTINUED)

FINDING 2019-017 - State ID Number, Program Name and State Agency

255.107 Pupil Transportation, Wisconsin Department of Public Instruction
Award Amount - \$2,357,283
Award Number – N/A

Criteria

Transportation aid is applied for annually through the School Finance Reporting Portal using the fiscal year Pupil Transportation Report (PI-1547) and Pupil Transportation Summer (PI-1547-SS). This report collects the number of pupils transported categorized by the distance from the pupils' residence to school using the most commonly traveled direct route.

Condition/Context

In a sample of 88 students, it was noted that the District had incorrect mileage associated with 19 students based on the addresses on record which would have changed which mileage category the student was reported in. This sample was not statistically valid.

Cause

The District had incorrect mileage calculations or incorrect addresses in their source data.

Questioned Costs

Could not be determined.

Effect

The District's inaccurate reporting may cause the District to receive more or less state funding than entitled to.

Recommendation

We recommend that the District work to implement procedures, processes and accurate data reports to be able to file a claim with the accurate students included in all transported mileage categories.

Management's Response

The data extract for the PI1547 detail and summary reports were provided initially on 8/30/2019 and reported. That report does not accurately account for Hazardous Transportation as the Data Warehouse extract is not capable of determining students that live within or cross through a designated hazard. That autonomous process was facilitated by the Senior Director of Business & Transportation Services via importing data warehouse data into ArcGIS software and extrapolating hazardous situations. During the process of output determination process there were a few issues that were discovered during the audit process.

1. Students with invalid addresses infinite campus were given 0 distance errors and subsequently claimed in the inappropriate mileage bucket resulting in possible underclaim.
2. The extracted DW data included a summer school site – resulting in a data integrity error of 8 total students from site 7018 (summer Hamilton) – and 6 total students attending 4 new private schools that had no valid school address resulting in a claim in the incorrect mileage bucket.
3. Isolated instances whereby a daycare address was used to calculate transportation mileage instead of the student's resident address.

PTS has identified the errors and will ensure the data extract provided removes all summer school sites as well as any mileage calculations that are '0' or '99.99' due to invalid addresses input into Infinite Campus for correction and possible revised submission if pertinent. Further, PTS will validate that there are removals of any address that differs from the resident address on file in Infinite Campus (eg mailing addresses or alternate addresses also on file in IC). We have available reporting currently to facilitate this process.

MILWAUKEE PUBLIC SCHOOLS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended June 30, 2019

The following summary schedule of prior audit findings has been prepared by management of Milwaukee Public Schools.

FINDING 2018-001:

Current Status

This finding is still ongoing in the year under audit. See finding 2019-001.

FINDING 2018-002:

Current Status

This finding is still ongoing in the year under audit. See finding 2019-002.

FINDING 2018-003:

State ID Number, Program Name and State Agency

255.107 Pupil Transportation, Wisconsin Department of Public Instruction

Current Status

This finding is still ongoing in the year under audit. See finding 2019-015.

FINDING 2018-004:

State ID Number, Program Name and State Agency

255.101 Special Education and School Age Parents Grant, Wisconsin Department of Public Instruction

Current Status

This finding is still ongoing in the year under audit. See finding 2019-005.

FINDING 2018-005:

State ID Number, Program Name and State Agency

93.600 Head Start, U.S. Department of Health and Human Services

Current Status

Corrective action has been taken.

FINDING 2018-006:

State ID Number, Program Name and State Agency

93.600 Head Start, U.S. Department of Health and Human Services

Current Status

This finding is still ongoing in the year under audit. See finding 2019-004.

MILWAUKEE PUBLIC SCHOOLS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended June 30, 2019

FINDING 2018-007:

State ID Number, Program Name and State Agency

93.778 Medical Assistance Program, U.S. Department of Health and Human Services

Current Status

Corrective action has been taken.

FINDING 2018-008:

State ID Number, Program Name and State Agency

93.778 Medical Assistance Program, U.S. Department of Health and Human Services

Current Status

This finding is still ongoing in the year under audit. See finding 2019-007.

FINDING 2018-009:

State ID Number, Program Name and State Agency

255.106 Bilingual/Bicultural Aid, Wisconsin Department of Public Instruction

Current Status

This finding is still ongoing in the year under audit. See finding 2019-006.

The Milwaukee Public Schools contact official for the above responses is as follows:

Ms. Winifred Wilks
Manager of Financial Reporting
414-475-8485
wilkswr@milwaukee.k12.wi.us