

SCHOOL DISTRICT OF CAMERON, WISCONSIN

EXECUTIVE AUDIT SUMMARY (EAS)

JUNE 30, 2020

SCHOOL DISTRICT OF CAMERON

TABLE OF CONTENTS
JUNE 30, 2020

Audit Findings and Results	1
Appendix A	
Formal Required Communications	2



AUDIT FINDINGS AND RESULTS

Audit Report Summary

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of the District's financial records for the year ended June 30, 2020. The following is a summary of reports we have issued:

Audit Opinion

The financial statements are fairly stated in all material respects. We issued what is known as an "unmodified" audit opinion.

Internal Controls

Our report on internal control included the following deficiency in internal controls over financial reporting. Please refer to the schedule of findings and questioned costs included in the *Federal and State Single Audit Report* for full details regarding these control deficiencies.

Material Weakness:

- 2020-001 Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)
- 2020-002 Material Audit Adjustments
- 2020-003 Limited Segregation of Duties

Compliance

As part of our audit, we tested the District's compliance with the requirements of laws, regulations, contracts and grants applicable to each of the District's major federal and state programs as well as the District's internal controls over compliance. We reported the following material weakness in the related internal controls:

- 2020-004 Procurement Policy Lacking Requirements of Uniform Guidance



APPENDIX A

FORMAL REQUIRED COMMUNICATIONS

Board of Education
School District of Cameron
Cameron, Wisconsin

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Cameron (the District) as of and for the year ended June 30, 2020, and have issued our report thereon dated November 16, 2020. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Useful Lives of Depreciable Capital Assets: Management's estimate of the useful lives for depreciable assets is based on guidance recommended by DPI and other sources.
- Actuarial Assumptions: The actuarial assumptions used for other postemployment benefits and the pension plan benefits are outlined in the notes to the basic financial statements.

- **Compensated Absences:** The compensated absences liability is based on certain assumptions of management as required by GASB 16. The 'vesting method' used by the District is based on assumptions involving the probability of employees becoming eligible to receive the benefits (vesting), and the potential use of accumulated sick leave prior to termination.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Corrected misstatements

The following material misstatements detected as a result of audit procedures were corrected by management: Entry to record transfer to special education and food service funds and coding reclassifications.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated November 16, 2020.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. The following summarizes the significant findings or issues arising from the audit that were discussed, or the subject of correspondence, with management:

- Annual financial reporting, material audit adjustments, lack of segregation of duties, and procurement policy lacking certain requirements of the Uniform Guidance.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the schedule of expenditures of federal awards (SEFA) and the schedule of state financial assistance (SSFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA and SSFA to determine that the SEFA and SSFA comply with the requirements of the Uniform Guidance and the *State Single Audit Guidelines*, respectively, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA and SSFA are appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA and SSFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 16, 2020.

With respect to the individual and combining fund statements and other schedules (the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 16, 2020.

Our auditors’ opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

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This communication is intended solely for the information and use of the Board of Education and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 16, 2020