

MANAGEMENT LETTER POINTS

November 11, 2013

To the Board
Madison County School District

In planning and performing our audit of the financial statements of the Madison County School District for the year ended June 30, 2013, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of two matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters. We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

13-1 Fundraising Documentation

Statement of Condition: The current fundraising approval forms are not consistently completed in all respects and/or retained in order to document fundraising activities.

Recommendation for Correction: All sponsors should be provided with, and required to use, all current fundraising forms as provided by the Red Book. Each form should be completed in its entirety at the start and end of each fund raising activity.

Management's Response: Sponsors shall submit appropriate fund raising documentation.

13-2 Boosters

Statement of Condition: Various instances of incomplete submission and retention of Booster Budgets and Annual Financial Statements, per Red Book guidelines, by specified dates.

Recommendation for Correction: All active Boosters should submit Budgets prior to yearly activity or within 30 days of first activity. Additionally, all Boosters should submit their Annual Financial Statements to their school by July 25th of the following fiscal year.

Management's Response: Boosters shall be required to submit their completed Budget prior to receiving fundraising approval by the school principal. Boosters shall then submit their Annual Financial Statement per the Redbook timeline.

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