

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)**  
**DISTRICT/JOINT AGREEMENT**  
**Year Ending June 30, 2016**

DISTRICT/JOINT AGREEMENT NAME <b>Community Unit School District No. 300</b>	RCDT NUMBER <b>31045300026</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>066-004260</b>	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)		NAME AND ADDRESS OF AUDIT FIRM <b>Baker Tilly Virchow Krause, LLP 1301 West 22nd Street, Suite 400 Oak Brook IL 60523</b>	
ADDRESS OF AUDITED ENTITY <i>(Street and/or P.O. Box, City, State, Zip Code)</i> <b>2550 Harnish Drive Algonquin IL</b>		E-MAIL ADDRESS: <b>james.white@bakertilly.com</b>	
		NAME OF AUDIT SUPERVISOR <b>James White</b>	
		CPA FIRM TELEPHONE NUMBER <b>(630) 990-3131</b>	FAX NUMBER <b>(630) 990-0039</b>

**THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE SINGLE AUDIT REPORT:**

- ☒ A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- ☒ Financial Statements including footnotes Title 2 CFR §200.510 (a)
- ☒ Schedule of Expenditures of Federal Awards including footnotes Title 2 CFR §200.510 (b)
- ☒ Independent Auditor's Report Title 2 CFR §200.515 (a)
- ☒ Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* Title 2 CFR §200.515 (b)
- ☒ Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance Title 2 CFR §200.515 (c)
- ☒ Schedule of Findings and Questioned Costs Title 2 CFR §200.515 (d) (1) - (3)
- ☒ Summary Schedule of Prior Year Audit Findings Title 2 CFR §200.511 (b)
- ☒ Corrective Action Plan Title 2 CFR §200.511 (c)

**THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:**

- ☐ Copy of Federal Data Collection Form Title 2 CFR §200.512 (b)
- ☐ Copy(ies) of Management Letter(s)



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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 Education  
Community Unit School District No. 300  
Algonquin, Illinois

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 Community Unit School District No. 300's as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Community Unit School District No. 300's basic financial statements, and have issued our report thereon dated November 29, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Community Unit School District No. 300's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Unit School District No. 300's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Unit School District No. 300's internal control.

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

To the Board of Education  
Community Unit School District No. 300

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Community Unit School District No. 300'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*.

### **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 result 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.

  
Oak Brook, Illinois  
November 29, 2016



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditors' Report

To the Board of Education  
Community Unit School District No. 300  
Algonquin, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited Community Unit School District No. 300's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Unit School District No. 300's major federal programs for the year ended June 30, 2016. Community Unit School District No. 300's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Community Unit School District No. 300's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Unit School District No. 300's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

To the Board of Education  
Community Unit School District No. 300

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Unit School District No. 300's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Community Unit School District No. 300 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

### ***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 which are described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program is not modified with respect to these matters.

### **Community Unit School District No. 300's Response to Finding**

Community Unit School District No. 300's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. Community Unit School District No. 300's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of Community Unit School District No. 300 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 Community Unit School District No. 300's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Unit School District No. 300'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 program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-001, which we consider to be a significant deficiency.

To the Board of Education  
Community Unit School District No. 300

### **Community Unit School District No. 300's Response to Finding**

Community Unit School District No. 300's response to the internal control over compliance finding identified in our audit is described in the accompanying corrective action plan. Community Unit School District No. 300's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **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. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Community Unit School District No. 300's as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Community Unit School District No. 300's basic financial statements. We issued our report thereon dated November 29, 2016, 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. 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States, Community Unit School District No. 300's basic financial statements as of and for the year ended June 30, 2015 (not presented herein), and have issued our report thereon dated December 11, 2015 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The 2015 information included in the schedule of expenditures of federal awards is presented for purposes of additional analysis 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 2015 financial statements. The 2015 information has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those 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 2015 information included in the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2015 as a whole.

*Baker Tully Vlaher Kraus, LLP*

Oak Brook, Illinois  
November 29, 2016



Community Unit School District No. 300  
31045300026  
**SINGLE AUDIT INFORMATION CHECKLIST**

The following checklist is **OPTIONAL**; it is not a required form for completion of Single Audit information. The purpose of the checklist is to assist in determining if appropriate information has been correctly completed within the Annual Financial Report (AFR). This is not a complete listing of all Single Audit requirements, but highlights some of the more common errors found during ISBE reviews.

**GENERAL INFORMATION**

- ☒ 1. **Signed** copies of audit opinion letters have been included with audit package submitted to ISBE.
- ☒ 2. All opinion letters use the **most current audit language and formatting** as mandated in SAS 115/SAS 117 and other pronouncements.
- ☒ 3. **ALL** Single Audit forms within the AFR Excel workbook have been completed, where appropriate.  
- For those forms that are not applicable, "N/A" or similar language has been indicated.
- ☒ 4. **ALL** Federal revenues reported in FRIS Report 0053 (Summary of Payments) are accounted for in the Schedule of Expenditures of Federal Awards (SEFA).  
Programs funded through ARRA are identified separately in SEFA
- ☒ 5. Federal revenues reported on the AFR reconcile to Federal revenues reported on the SEFA.  
- Verify or reconcile on reconciliation worksheet.
- ☒ 6. The total value of non-cash **COMMODITIES** has been included within the AFR on the **INDIRECT COSTS** page (ICR Computation 30) on Line 11. It **should not** be included in the Statement of Revenues Received (REVENUES 9-14) within the AFR Accounts 4210 - 4299. Those accounts are specific cash programs, not non-cash assistance such as **COMMODITIES**.
- ☒ 7. Complete audit package (Data Collection Form, audit reports, etc.) has been submitted electronically to the Federal Audit Clearinghouse in Jeffersonville, Indiana.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

- ☐ 8. Programs funded through ARRA (Federal Stimulus funds) are identified separately from "regular" Federal programs  
- Program name includes "ARRA - " prefix  
- Correct ARRA CFDA and ISBE program numbers are listed
- ☒ 9. All prior year's projects are included and reconciled to final FRIS report amounts.  
- Including receipt/revenue and expenditure/disbursement amounts.
- ☒ 10. All current year's projects are included and reconciled to most recent FRIS report filed.  
- Including revenue and expenditure/disbursement amounts.
- ☐ 11. Differences in reported spending amounts on the SEFA and the final FRIS reports should be detailed and/or documented in a finding, with discrepancies reported as Questioned Costs.
- ☒ 12. Prior-year and Current-year Child Nutrition Programs (CNP) are included on the SEFA (with prior-year program showing total cash received):  
Project year runs from October 1 to September 30, so projects will cross fiscal year;  
This means that audited year revenues will include funds from both the prior year and current year projects.
- ☒ 13. Each CNP project should be reported on separate line (one line per project year per program).
- ☒ 14. Total CNP Revenue amounts are consistent with grant amounts awarded by ISBE for each program by project year.
- ☒ 15. Total CNP Expenditure amounts are consistent with grant amounts awarded by ISBE for each program by project year.
- ☒ 16. Exceptions should result in a finding with Questioned Costs.
- ☒ 17. The total value of non-cash **COMMODITIES** has been reported on the SEFA (CFDA 10.555).  
- The value is determined from the following, with each item on a separate line:  
☒ \* **Non-Cash Commodities**: Monthly Commodities Bulletin for April (From the Illinois Commodities System accessed through ISBE web site)  
Total commodities = A PAL Allocated + B PAL Allocated + Processing Deductions + Total Bonus Allocated  
Verify Non-Cash Commodities amount on ISBE web site: <http://www.isbe.net/business.htm>.  
☒ \* **Non-Cash Commodities**: Commodities information for non-cash items received through **Other Food Services**  
Districts should track separately through year; no specific report available from ISBE  
Verify Non-Cash Commodities amount through Other Food Services on ISBE web site: <http://www.isbe.net/business.htm>.  
☒ \* **Department of Defense Fresh Fruits and Vegetables** (District should track through year)  
- The two commodity programs should be reported on separate lines on the SEFA.  
Verify Non-Cash Commodities amount through DoD Fresh Fruits and Vegetables on ISBE web site: <http://www.isbe.net/business.htm>.  
☒ \* Amounts verified for **Fresh Fruits and Vegetables** cash grant program (ISBE code 4240)  
CFDA number: 10.582
- ☒ 18. **TOTALS** have been calculated for Federal revenue and expenditure amounts (Column totals).
- ☒ 19. Obligations and Encumbrances are included where appropriate.
- ☒ 20. **FINAL STATUS** amounts are calculated, where appropriate.
- ☒ 21. Medicaid Fee-for-Service funds, E-Rate reimbursements and Build America Bond interest subsidies have **not** been included on the SEFA.
- ☒ 22. **All** programs tested (not just Type A programs) are indicated by either an \* or (M) on the SEFA.
- ☒ 23. **NOTES TO THE SEFA** within the AFR Excel workbook (SEFA NOTES) have been completed.  
Including, but not limited to:  
☒ 24. Basis of Accounting  
☒ 25. Name of Entity  
☒ 26. Type of Financial Statements
- ☐ 27. Subrecipient information (Mark "N/A" if not applicable)  
☐ \* ARRA funds are listed separately from "regular" Federal awards

**SUMMARY OF AUDITOR RESULTS/FINDINGS/CORRECTIVE ACTION PLAN**

- ☒ 28. Audit opinions expressed in opinion letters match opinions reported in Summary.
- ☒ 29. **All** Summary of Auditor Results questions have been answered.
- ☒ 30. All tested programs are listed.
- ☒ 31. Correct testing threshold has been entered. Title 2 CFR §200.518

**Findings have been filled out completely and correctly (if none, mark "N/A").**

- ☒ 32. Financial Statement and/or Federal Awards Findings information has been completely filled out for each finding, with finding numbers in correct format.
- ☒ 32. Finding completed for **each Significant Deficiency** and for **each Material Weakness** noted in opinion letters.
- ☒ 33. Separate finding for each Federal program (i.e., don't report same finding for multiple programs on one sheet).
- ☒ 34. Separate finding sheet for each finding on programs (e.g., excess interest earned and unallowable expenditures are two findings and should be reported separately, even if both are on same program).
- ☐ 35. Questioned Costs have been calculated where there are questioned costs.
- ☐ 36. Questioned Costs are separated by project year **and** by program (and sub-project, if necessary).
- ☐ 37. Questioned Costs have been calculated for Interest Earned on **Excess Cash on Hand**.  
- Should be based on actual amount of interest earned  
- Questioned Cost amounts are broken out between programs if multiple programs are listed on the finding
- ☒ 38. **A CORRECTIVE ACTION PLAN** has been completed for each finding.  
- Including Finding number, action plan details, projected date of completion, name and title of contact person

Community Unit School District No. 300  
31045300026

RECONCILIATION OF FEDERAL REVENUES

Annual Financial Report to Schedule of Expenditures of Federal Awards

TOTAL FEDERAL REVENUE IN AFR

Account Summary 7-8, Line 7	Account 4000	\$ 18,229,503
Flow-through Federal Revenues		
Revenues 9-14, Line 112	Account 2200	-
Value of Commodities		
Indirect Cost Info 30, Line 11		459,917
Less: Medicaid Fee-for-Service		
Revenues 9-14, Line 271	Account 4992	(1,907,774)
AFR TOTAL FEDERAL REVENUES:		\$ 16,781,646

ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:

Reason for Adjustment:		
Food commodities already included in account summary		\$ (459,917)

ADJUSTED AFR FEDERAL REVENUES	\$ 16,321,729
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Total Current Year Federal Revenues Reported on SEFA:		
Federal Revenues	Column D	\$ 16,321,729

Adjustments to SEFA Federal Revenues:

Reason for Adjustment:		
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ADJUSTED SEFA FEDERAL REVENUE:	\$ 16,321,729
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DIFFERENCE:	\$ (0)
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**Community Unit School District No. 300**  
**31045300026**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2016**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues Year 7/1/14-6/30/15 (C)	Year 7/1/15-6/30/16 (D)	Expenditure/Disbursements <sup>4</sup> Year 7/1/14-6/30/15 (E)	Year 7/1/15-6/30/16 (F)	Obligations/ Encumb. (G)	Final Status (H)	Budget (I)	Subrecipients
U.S. Department of Education										
Illinois State Board of Education										
Title I - Low Income - FY15 (M)	84.010A	15-4300-00	2,469,697	40,618	2,469,697	40,618	0	2,510,315	3,221,691	
Title I - Low Income - FY16 (M)	84.010A	16-4300-00	0	3,357,108	0	3,357,108		3,357,108	3,760,795	
Subtotal - 84.010A - Title I - Low Income			2,469,697	3,397,726	2,469,697	3,397,726	0	5,867,423	6,982,486	
Title II - Teacher Quality - FY15	84.367A	15-4932-00	442,933	0	441,658	1,275	0	442,933	601,600	
Title II - Teacher Quality - FY16	84.367A	16-4932-00	0	533,640	0	488,514	44,945	533,459	634,829	
Subtotal - 84.367A - Title II - Teacher Quality			442,933	533,640	441,658	489,789	44,945	976,392	1,236,429	
Title III - Immigrant Education Program - FY15	84.365A	15-4905-00	8,880	0	8,880	0	0	8,880	8,880	
Title III - Immigrant Education Program - FY16	84.365A	16-4905-00	0	0	0	0	0	0	0	
Subtotal - 84.365A - Title III - Immigrant Education Program			8,880	0	8,880	0	0	8,880	8,880	
Title III - LIPLEPS - FY15	84.365A	15-4909-00	395,880	1,481	395,880	1,481	0	397,361	446,419	
Title III - LIPLEPS - FY16	84.365A	16-4909-00	0	411,231	0	411,231	0	411,231	414,183	
Subtotal - 84.365A - Title III - LIPLEPS			395,880	412,712	395,880	412,712	0	808,592	860,602	
Other Federal Programs - Title III - Bilingual Ed Excellence Grant - FY16	84.365A	16-4998-EI	0	3,500	0	3,500	0	3,500	8,955	
Subtotal - 84.365A - Other Federal Programs - Title III - Bilingual Ed Excellence Grant			0	3,500	0	3,500	0	3,500	8,955	
Other Federal Programs - Title III - Sheltered Instruction - FY16	84.365A	16-4998-SI	0	6,000	0	4,200	0	4,200	6,600	
Subtotal - 84.365A - Other Federal Programs - Title III - Sheltered Instruction			0	6,000	0	4,200	0	4,200	6,600	
Fed.-Sp.Ed. - Pre-School Flow Through FY15	84.173A	15-4600-00	91,776	0	91,776	0	0	91,776	121,510	
Fed.-Sp.Ed. - Pre-School Flow Through FY16	84.173A	16-4600-00	0	111,380	0	111,380	0	111,380	129,479	
Subtotal - 84.173A - Pre-School Flow Through			91,776	111,380	91,776	111,380	0	203,156	250,989	
IDEA Flow-Through FY15	84.027A	15-4620-00	3,999,268	0	3,855,425	143,843	0	3,999,268	4,365,667	
IDEA Flow-Through FY16	84.027A	16-4620-00	0	4,132,177	0	4,132,177	0	4,132,177	4,423,275	
Subtotal - 84.027A - IDEA Flow Through			3,999,268	4,132,177	3,855,425	4,276,020	0	8,131,445	8,788,942	
IDEA Room & Board FY15	84.027A	15-4625-00	316,201	184,451	316,201	184,451	0	500,652	N/A	
IDEA Room & Board FY16	84.027A	16-4625-00	0	292,854	0	292,854	0	292,854	N/A	
Subtotal - 84.027A - IDEA Room & Board			316,201	477,305	316,201	477,305	0	793,506	0	
Subtotal - Special Education Cluster (IDEA)			4,407,245	4,720,862	4,263,402	4,864,705	0	9,128,107	9,039,931	
Northern Kane County Regional Vocational System										
Title II- Carl Perkins Grant - FY15	84.020	15-4745-00	100,107	0	100,107	0	0	100,107	N/A	
Title II- Carl Perkins Grant - FY16	84.020	16-4745-00	0	215,799	0	215,799	0	215,799	N/A	

**Community Unit School District No. 300**  
**31045300026**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2016**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)	Subrecipients
			Year 7/1/14-6/30/15 (C)	Year 7/1/15-6/30/16 (D)	Year 7/1/14-6/30/15 (E)	Year 7/1/15-6/30/16 (F)				
Subtotal - 84.020 - Title II - Carl Perkins			100,107	215,799	100,107	215,799	0	315,906	0	
Illinois Department of Human Services										
Secondary Transition Experience Program- FY15	84.126	15-4950-00	10,134	0	10,134	0	0	10,134	N/A	
Secondary Transition Experience Program- FY16	84.126	16-4950-00	0	13,474	0	13,474	0	13,474	N/A	
Subtotal - 84.126 - Secondary Transition Experience			10,134	13,474	10,134	13,474	0	23,608	0	
Preschool Expansion Grant - FY15 (M)	84.419B	15-4902-PE	71,188	0	42,093	29,095	0	71,188	147,858	
Preschool Expansion Grant - FY16 (M)	84.419B	16-4902-PE	0	776,534	0	776,534	0	776,534	776,534	
Subtotal - 84.419B - Other Federal Programs - Preschool Expansion Grant			71,188	776,534	42,093	805,629	0	847,722	924,392	
Subtotal - U.S. Department of Education			7,906,064	10,080,247	7,731,851	10,207,534	44,945	17,984,330	19,068,275	
U.S. Department of Agriculture										
Illinois State Board of Education										
National School Lunch Program - FY15 (M)	10.555	15-4210-00	3,230,793	494,474	3,230,793	494,474	0	3,725,267	N/A	
National School Lunch Program - FY16 (M)	10.555	16-4210-00	0	3,040,163	0	3,040,163	0	3,040,163	N/A	
National School Lunch Program - Transfer to Charter School FY15 (M)	10.555	15-4210-00	88,124	0	88,124	0	0	88,124	N/A	
National School Lunch Program - Transfer to Charter School FY16 (M)	10.555	16-4210-00	0	54,136	0	54,136	0	54,136	N/A	
Subtotal - 10.555 - National School Lunch Program			3,318,917	3,588,772	3,318,917	3,588,772	0	6,907,689	0	
Breakfast Start-Up Expansion - FY15 (M)	10.553	15-4200-13	0	5,247	0	5,247	0	5,247	N/A	
Breakfast Start-Up Expansion - FY16 (M)	10.553	16-4200-13	0	0	0	0	0	0	N/A	
Subtotal - 10.553 - School Breakfast Program			0	5,247	0	5,247	0	5,247	0	
School Breakfast Program - FY15 (M)	10.553	15-4220-00	997,244	151,380	997,244	151,380	0	1,148,624	N/A	
School Breakfast Program - FY16 (M)	10.553	16-4220-00	0	1,062,028	0	1,062,028	0	1,062,028	N/A	
Subtotal - 10.553 - School Breakfast Program			997,244	1,213,408	997,244	1,213,408	0	2,210,652	0	
Summer Food Service Program - FY15 (M)	10.559	15-4225-00	109,497	0	109,497	0	0	109,497	N/A	
Summer Food Service Program - FY16 (M)	10.559	16-4225-00	0	92,684	0	92,684	0	92,684	N/A	
Subtotal - 10.559 - Summer Food Service Program			109,497	92,684	109,497	92,684	0	202,181	0	
Non-Cash Commodities FY15 (M)	10.555	15-4999-00	339,655	0	339,655	0	0	339,655	N/A	
Non-Cash Commodities FY16 (M)	10.555	16-4999-00	0	361,621	0	361,621	0	361,621	N/A	
Subtotal - 10.555 - Non-Cash Commodities			339,655	361,621	339,655	361,621	0	701,276	0	
Non-Cash Commodities-Department of Defense Fresh Fruits and Vegetables FY15 (M)	10.555	15-4999-00	64,982	0	64,982	0	0	64,982	N/A	
Non-Cash Commodities-Department of Defense Fresh Fruits and Vegetables FY16 (M)	10.555	16-4999-00	0	98,296	0	98,296	0	98,296	N/A	

**Community Unit School District No. 300**  
**31045300026**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2016**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)	Subrecipients
			Year 7/1/14-6/30/15 (C)	Year 7/1/15-6/30/16 (D)	Year 7/1/14-6/30/15 (E)	Year 7/1/15-6/30/16 (F)				
Subtotal - 10.555 - Non-Cash Commodities - Dept. of Defense Fresh Fruits and Vegetables			64,982	98,296	64,982	98,296	0	163,278	0	
Subtotal - Child Nutrition Cluster			4,830,295	5,360,029	4,830,295	5,360,029	0	10,190,324	0	
Child & Adult Care Food Program - FY15	10.558	15-4226-00	330,447	51,090	330,447	51,090	0	381,537	N/A	
Child & Adult Care Food Program - FY16	10.558	16-4226-00	0	333,387	0	333,387	0	333,387	N/A	
Subtotal - 10.558 - Child & Adult Care Food Program			330,447	384,478	330,447	384,478	0	714,925	0	
Subtotal - U.S. Department of Agriculture			5,160,742	5,744,507	5,160,742	5,744,507	0	10,905,249	0	
Fresh Fruits and Vegetables	10.582	15-4240-14	5,425	0	5,425	0	0	5,425	N/A	
Fresh Fruits and Vegetables	10.582	15-4240-15	26,964	0	26,964	0	0	26,964	N/A	
Fresh Fruits and Vegetables	10.582	16-4240-15	0	3,054	0	3,054	0	3,054	N/A	
Fresh Fruits and Vegetables	10.582	16-4240-16	0	14,372	0	14,372	0	14,372	N/A	
Subtotal - 10.582 - Fresh Fruits and Vegetables			32,389	17,426	32,389	17,426	0	49,815	0	
U.S. Department of Health and Human Services										
Illinois Department of Healthcare and Family Service										
Medicaid Matching - Administrative Outreach FY15	93.778	15-4991-00	551,682	0	551,682	0	0	551,682	N/A	
Medicaid Matching - Administrative Outreach FY16	93.778	16-4991-00	0	479,549	0	479,549	0	479,549	N/A	
Subtotal - U.S. Department of Health and Human Services			551,682	479,549	551,682	479,549	0	1,031,231	0	
Total All Federal Awards			13,650,877	16,321,729	13,476,664	16,449,016	44,945	29,970,625	19,068,275	

**Community Unit School District No. 300**  
**31045300026**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**  
**Year Ending June 30, 2016**

**Note 1: Basis of Presentation<sup>5</sup>**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Community Unit School District No. 300 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2: Indirect Facilities & Administration costs<sup>6</sup>**

Auditee elected to use 10% de minimis cost rate? \_\_\_\_\_ YES \_\_\_\_\_ X NO

**Note 3: Subrecipients<sup>7</sup>**

Of the federal expenditures presented in the schedule, Community School District No. 300 provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipients
NONE		

**Note 4: Non-Cash Assistance**

The following amounts were expended in the form of non-cash assistance by Community Unit School District No. 300 and are included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)**:	\$361,621
OTHER NON-CASH ASSISTANCE	\$0

**Note 5: Other Information**

Insurance coverage in effect paid with Federal funds during the fiscal year:

Property	No
Auto	No
General Liability	No
Workers Compensation	No
Loans/Loan Guarantees Outstanding at June 30:	No
District had Federal grants requiring matching expenditures	No
	(Yes/No)

\*\* The amount reported here should match the value reported for non-cash Commodities on the Indirect Cost Rate Computation page.

<sup>5</sup> This note is included to meet the Uniform Guidance requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule.

<sup>6</sup> The Uniform Guidance requires the Schedule of Expenditures of Federal Awards to note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs. §200.510 (b)(6)

<sup>7</sup> The Uniform Guidance requires the Schedule of Expenditures of Federal Awards to include, to the extent practical, an identification of the total amount provided to subrecipients, from each federal program. Although this example includes the required subrecipient information in the notes to the schedule, the information may be included on the face of the schedule as a separate column or section, if that is preferred by the auditee. §200.510 (b)(2)

**Community Unit School District No. 300**  
**31045300026**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2016**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified  
(Unmodified, Qualified, Adverse, Disclaimer)

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- Material weakness(es) identified?            YES       X       None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?            YES       X       None Reported
- Noncompliance material to financial statements noted?            YES       X       NO

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

- Material weakness(es) identified?            YES       X       None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?       X       YES            None Reported

Type of auditor's report issued on compliance for major programs: Unmodified  
(Unmodified, Qualified, Adverse, Disclaimer<sup>7</sup>)

Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR §200.516 (a)?       X       YES            NO

**IDENTIFICATION OF MAJOR PROGRAMS:<sup>8</sup>**

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>
84.419B	Preschool Expansion Grant
84.010A	Title I - Grants to Local Educational Agencies
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.00

Auditee qualified as low-risk auditee?            YES       X       NO

<sup>7</sup> If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program. Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

<sup>8</sup> Major programs should generally be reported in the same order as they appear on the SEFA.

<sup>9</sup> When the CFDA number is not available, include other identifying number, if applicable.

<sup>10</sup> The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

**Community Unit School District No. 300**  
**31045300026**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2016**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. FINDING NUMBER:<sup>11</sup>      **2016- N/A**      2. THIS FINDING IS:      ☐ New      ☐ Repeat from Prior Year?  
 Year originally reported? \_\_\_\_\_

3. Criteria or specific requirement

4. Condition

5. Context<sup>12</sup>

6. Effect

7. Cause

8. Recommendation

9. Management's response<sup>13</sup>

**For ISBE Review**

Date: \_\_\_\_\_ Resolution Criteria Code Number \_\_\_\_\_  
 Initials: \_\_\_\_\_ Disposition of Questioned Costs Code Letter \_\_\_\_\_

<sup>11</sup> A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2016 would be assigned a reference number of 2016-001, 2016-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

<sup>12</sup> Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

<sup>13</sup> See Title 2 CFR §200.521 *Management decision* for additional guidance on reporting management's response.

Community Unit School District No. 300  
31045300026  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ending June 30, 2016

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

1. FINDING NUMBER:<sup>14</sup> **2016- 001** 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: \_\_\_\_\_ Title I - Low Income; 2016

4. Project No.: **15-4300-00; 16-4300-00** 5. CFDA No.: **84.010A**

6. Passed Through: **Illinois State Board of Education**

7. Federal Agency: **U.S. Department of Education**

**8. Criteria or specific requirement (including statutory, regulatory, or other citation)**

Per the OMB 2016 Compliance Supplement, CFDA 84.010 - a school operating a targeted assistance program must use Title I, Part A funds only for programs that are designed to meet the needs of children identified by the school as failing, or most at risk of failing, to meet the State's challenging student academic achievement standards. In general, eligible children are identified on the basis of multiple, educationally related, objective criteria established by the LEA and supplemented by the school. Children who are economically disadvantaged, children with disabilities, migrant children, and limited English proficient (LEP) children are eligible for Part A services on the same basis as other children who are selected for services.

**9. Condition<sup>15</sup>**

During testing of targeted students, 16 students did not qualify as eligible. After inquiry of the District, it was discovered that the District erroneously targeted 16 of the 40 students selected for testing.

**10. Questioned Costs<sup>16</sup>**

N/A

**11. Context<sup>17</sup>**

This appears to be a systematic instance as there were multiple students within Title I who were improperly targeted. This instance is likely due to turnover in Title I employee roles.

**12. Effect**

Noncompliance could lead to recapture of federal monies and possible disqualification by the federal governmental from further participation.

**13. Cause**

BT sampled 40 students out of the population of 1,303. 24 of the students qualified due to being economically disadvantaged. The remaining 16 were not economically disadvantaged and the District was unable to provide support to show that the students required targeting due to academic disadvantages. The District indicated that this was due to a control breakdown.

**14. Recommendation**

Have a review process that includes verifying support prior to targeting that proves student either qualifies through economic or academic Title I guidelines.

**15. Management's response<sup>18</sup>**

See CAP

**For ISBE Review**

Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

<sup>14</sup> See footnote 11.

<sup>15</sup> Include facts that support the deficiency identified on the audit finding.

<sup>16</sup> Identify questioned costs as required by Title 2 CFR §200.516 (a)(3 - 4).

<sup>17</sup> See footnote 12.

<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.



Community Unit School District No. 300  
31045300026  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>  
Year Ending June 30, 2016

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> <sup>20</sup>
2015-001	Material audit entries were required for the financial statements to be properly stated in all material respects.	All audit entries were corrected and recorded as recommended.
2015-002	Community Unit School District 300 improperly used Title II funds to pay a teacher whom is not employed as a Title II teacher.	A journal entry was created at the end of the fiscal year to transfer the salaries and benefits of the teacher out of Title II and into the District budget. Teacher salaries and supporting classroom reduction have been removed from Title II funds as is not deemed necessary and reasonable at this time.

When possible, all prior findings should be on the same page

<sup>19</sup> Explanation of this schedule - Title 2 CFR §200.511 (b)

<sup>20</sup> Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

**Community Unit School District No. 300**  
**31045300026**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2016**

**Corrective Action Plan**

Finding No.:     **2016- 001**

Condition:

During testing of targeted students, 16 of the 40 students selected for testing did not qualify to be targeted students.

Plan:

CUSD 300 plans to ensure that targeted assistance schools identify targeted students prior to any activity being approved by the Grant Department.

Anticipated Date of Completion:     June 30, 2017

Name of Contact Person:             Jennifer Porter

Management Response:             N/A

<sup>21</sup> Explanation of this schedule - Title 2 CFR §200.511 ( c)