

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)**  
**DISTRICT/JOINT AGREEMENT**  
**Year Ending June 30, 2015**

|                                                                                                                                    |                                   |                                                                                                                                                  |                                     |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| DISTRICT/JOINT AGREEMENT NAME<br><b>Community Unit School District No. 30</b>                                                      | RCDT NUMBER<br><b>31045300026</b> | CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER<br><b>066-004260</b>                                                                                  |                                     |
| ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)                                                                            |                                   | NAME AND ADDRESS OF AUDIT FIRM<br><b>Baker Tilly Virchow Krause, LLP</b><br><b>1301 West 22nd Street, Suite 400</b><br><b>Oak Brook IL 60523</b> |                                     |
| ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code)<br><br><b>2550 Harnish Drive</b><br><br><b>Algonquin</b> |                                   | E-MAIL ADDRESS <a href="mailto:james.white@bakertilly.com">james.white@bakertilly.com</a>                                                        |                                     |
|                                                                                                                                    |                                   | NAME OF AUDIT SUPERVISOR<br><b>James White</b>                                                                                                   |                                     |
|                                                                                                                                    |                                   | CPA FIRM TELEPHONE NUMBER<br><b>(630) 990-3131</b>                                                                                               | FAX NUMBER<br><b>(630) 990-0039</b> |

**THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE A-133 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 § .310 (a)
- ☒ Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- ☒ Independent Auditor's Report § .505
- ☒ 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* § .505
- ☒ Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 § .505
- ☒ Schedule of Findings and Questioned Costs § .505 (d)
- ☒ Summary Schedule of Prior Year Audit Findings § .315 (b)
- ☒ Corrective Action Plan § .315 (c)

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

- ☐ Copy of Federal Data Collection Form § .320 (b)
- ☐ Copy(ies) of Management Letter(s)

REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Unit School District No. 300 as of and for the year ended June 30, 2015, 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 December 11, 2015.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 the Community Unit School District No. 300's internal control.

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, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. This material weakness is item 2015-001.

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

### ***Compliance and Other Matters***

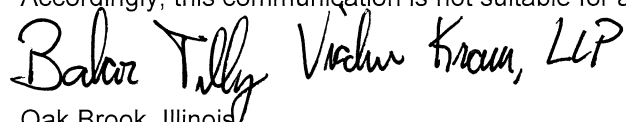
As part of obtaining reasonable assurance about whether Community Unit School District No. 300's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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*.

### **Community Unit School District 300's Response to Finding**

Community Unit School District No. 300's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Community Unit School District No. 300's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Community Unit School District No. 300'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  
December 11, 2015



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133

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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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.

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.



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

### ***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, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-002. Our opinion on each major federal program is not modified with respect to this matter.

### ***Community Unit School District 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 schedule of findings and questioned costs and 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 a 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 OMB Circular A-133, 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 certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-002, 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 schedule of findings and questioned costs and 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133***

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, as of and for the year ended June 30, 2015 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 December 11, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 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, 2014 (not presented herein), and have issued our report thereon dated November 7, 2014 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The 2014 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 2014 financial statements. The 2014 information has been subjected to the auditing procedures applied in the audit of the 2014 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 2014 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, 2014 as a whole.

  
Oak Brook, Illinois  
December 11, 2015

**Community Unit School District No. 300**  
**31045300026**  
**A-133 SINGLE AUDIT INFORMATION CHECKLIST**

The following checklist is **OPTIONAL**; it is not a required form for completion of A-133 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 A-133 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. (OMB A-133, §\_520)

**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 | \$        | 17,688,873        |
| Flow-through Federal Revenues      |              |           |                   |
| Revenues 9-14, Line 112            | Account 2200 |           | -                 |
| Value of Commodities               |              |           |                   |
| Indirect Cost Info 30, Line 11     |              |           | 404,637           |
| Less: Medicaid Fee-for-Service     |              |           |                   |
| Revenues 9-14, Line 270            | Account 4992 |           | (2,410,936)       |
| <b>AFR TOTAL FEDERAL REVENUES:</b> |              | <b>\$</b> | <b>15,682,574</b> |

**ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:**

Reason for Adjustment:

Food commodities already included in account summary

\$ (404,636)

**ADJUSTED AFR FEDERAL REVENUES**

\$ 15,277,938

Total Current Year Federal Revenues Reported on SEFA:  
Federal Revenues Column D

**Adjustments to SEFA Federal Revenues:**

Reason for Adjustment:

National School Lunch Program - Transfer to Charter School

\$ -

**ADJUSTED SEFA FEDERAL REVENUE:**

\$ -

**DIFFERENCE:**

\$ 15,277,938



**Community Unit School District No. 300**  
**31045300026**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2015**

| Federal Grantor/Pass-Through Grantor/<br>Program or Cluster Title and<br>Major Program Designation | CFDA<br>Number <sup>2</sup><br>(A) | ISBE Project #<br>(1st 8 digits)<br>or Contract #3<br>(B) | Receipts/Revenues             |                               | Expenditure/Disbursements <sup>4</sup> |                               | Obligations/<br>Encumb.<br>(G) | Final<br>Status<br>(H) | Budget<br>(I) |
|----------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------|-------------------------------|-------------------------------|----------------------------------------|-------------------------------|--------------------------------|------------------------|---------------|
|                                                                                                    |                                    |                                                           | Year<br>7/1/13-6/30/14<br>(C) | Year<br>7/1/14-6/30/15<br>(D) | Year<br>7/1/13-6/30/14<br>(E)          | Year<br>7/1/14-6/30/15<br>(F) |                                |                        |               |
| U.S. Department of Education                                                                       |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| Illinois State Board of Education                                                                  |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| Title I - Low Income - FY14 (M)                                                                    | 84.010A                            | 14-4300-00                                                | 2,814,205                     | 336,970                       | 2,814,205                              | 336,970                       | 0                              | 3,151,175              | 3,214,625     |
| Title I - Low Income - FY15 (M)                                                                    | 84.010A                            | 15-4300-00                                                | 0                             | 2,469,697                     | 0                                      | 2,469,697                     | 43,219                         | 2,512,916              | 3,221,691     |
| Subtotal - 84.010A - Title I - Low Income                                                          |                                    |                                                           | 2,814,205                     | 2,806,667                     | 2,814,205                              | 2,806,667                     | 43,219                         |                        |               |
|                                                                                                    |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| Title II - Teacher Quality - FY14 (M)                                                              | 84.367A                            | 14-4932-00                                                | 376,946                       | 0                             | 376,946                                | 0                             | 0                              | 376,946                | 497,414       |
| Title II - Teacher Quality - FY15 (M)                                                              | 84.367A                            | 15-4932-00                                                | 0                             | 442,933                       | 0                                      | 441,658                       | 6,173                          | 447,831                | 601,600       |
| Subtotal - 84.367A - Title II - Teacher Quality                                                    |                                    |                                                           | 376,946                       | 442,933                       | 376,946                                | 441,658                       | 6,173                          |                        |               |
|                                                                                                    |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| Title III - Immigrant Education Program - FY15                                                     | 84.365A                            | 15-4905-00                                                | 0                             | 8,880                         | 0                                      | 8,880                         | 0                              | 8,880                  | 8,880         |
| Subtotal - 84.365A - Title III - Immigrant Education Program                                       |                                    |                                                           | 0                             | 8,880                         | 0                                      | 8,880                         | 0                              |                        |               |
|                                                                                                    |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| Title III - LIPLEPS - FY14                                                                         | 84.365A                            | 14-4909-00                                                | 346,635                       | 36,074                        | 346,635                                | 36,074                        | 0                              | 382,709                | 516,552       |
| Title III - LIPLEPS - FY15                                                                         | 84.365A                            | 15-4909-00                                                | 0                             | 395,880                       | 0                                      | 395,880                       | 1,640                          | 397,520                | 446,419       |
| Subtotal - 84.365A - Title III - LIPLEPS                                                           |                                    |                                                           | 346,635                       | 431,954                       | 346,635                                | 431,954                       | 1,640                          |                        |               |
|                                                                                                    |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| Fed.-Sp.Ed. - Pre-School Flow Through FY14                                                         | 84.173A                            | 14-4600-00                                                | 92,197                        | 0                             | 92,197                                 | 0                             | 0                              | 92,197                 | 117,018       |
| Fed.-Sp.Ed. - Pre-School Flow Through FY15                                                         | 84.173A                            | 15-4600-00                                                | 0                             | 91,776                        | 0                                      | 91,776                        | 0                              | 91,776                 | 121,510       |
| Subtotal - 84.173A - Pre-School Flow Through                                                       |                                    |                                                           | 92,197                        | 91,776                        | 92,197                                 | 91,776                        | 0                              |                        |               |
|                                                                                                    |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| Other Federal Programs - Preschool Expansion Grant FY15                                            | 84.419B                            | 15-4999-PE                                                | 0                             | 71,188                        | 0                                      | 42,093                        | 28,077                         | 70,170                 | 147,858       |
| Subtotal - 84.419B - Other Federal Programs - Preschool Expansion Grant                            |                                    |                                                           | 0                             | 71,188                        | 0                                      | 42,093                        | 28,077                         |                        |               |
|                                                                                                    |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| IDEA Flow-Through FY14                                                                             | 84.027A                            | 14-4620-00                                                | 3,921,717                     | 0                             | 3,921,717                              | 0                             | 0                              | 3,921,717              | 4,240,626     |
| IDEA Flow-Through FY15                                                                             | 84.027A                            | 15-4620-00                                                | 0                             | 3,999,268                     | 0                                      | 3,855,425                     | 35,961                         | 3,891,386              | 4,365,667     |
| Subtotal - 84.027A - IDEA Flow Through                                                             |                                    |                                                           | 3,921,717                     | 3,999,268                     | 3,921,717                              | 3,855,425                     | 35,961                         |                        |               |
|                                                                                                    |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| IDEA Room & Board FY14                                                                             | 84.027A                            | 14-4625-00                                                | 264,165                       | 217,575                       | 264,165                                | 217,575                       | 0                              | 481,740                | N/A           |
| IDEA Room & Board FY15                                                                             | 84.027A                            | 15-4625-00                                                | 0                             | 316,201                       | 0                                      | 316,201                       | 0                              | 316,201                | N/A           |
| Subtotal - 84.027A - IDEA Room & Board                                                             |                                    |                                                           | 264,165                       | 533,776                       | 264,165                                | 533,776                       | 0                              |                        |               |
| Subtotal - Special Education Cluster (IDEA)                                                        |                                    |                                                           | 4,278,079                     | 4,624,820                     | 4,278,079                              | 4,480,977                     | 35,961                         |                        |               |
|                                                                                                    |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| Northern Kane County Regional Vocational System                                                    |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| Title II- Carl Perkins Grant - FY14                                                                | 84.020                             | 14-4745-00                                                | 183,391                       | 0                             | 183,391                                | 0                             | 0                              | 183,391                | N/A           |
| Title II- Carl Perkins Grant - FY15                                                                | 84.020                             | 15-4745-00                                                | 0                             | 100,107                       | 0                                      | 100,107                       | 0                              | 100,107                | N/A           |
| Subtotal - 84.020 - Title II - Carl Perkins                                                        |                                    |                                                           | 183,391                       | 100,107                       | 183,391                                | 100,107                       | 0                              |                        |               |
|                                                                                                    |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| Illinois Department of Human Services                                                              |                                    |                                                           |                               |                               |                                        |                               |                                |                        |               |
| Secondary Transition Experience Program- FY14                                                      | 84.126                             | 14-4950-00                                                | 10,148                        | 0                             | 10,148                                 | 0                             | 0                              | 10,148                 | N/A           |
| Secondary Transition Experience Program- FY15                                                      | 84.126                             | 15-4950-00                                                | 0                             | 10,134                        | 0                                      | 10,134                        | 0                              | 10,134                 | N/A           |
| Subtotal - 84.126 - Secondary Transition Experience                                                |                                    |                                                           | 10,148                        | 10,134                        | 10,148                                 | 10,134                        | 0                              |                        |               |

Community Unit School District No. 300  
31045300026  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ending June 30, 2015

[illegible]

**Community Unit School District No. 300**  
**31045300026**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2015**

| Federal Grantor/Pass-Through Grantor/<br>Program or Cluster Title and<br>Major Program Designation | CFDA<br>Number <sup>2</sup><br>(A) | ISBE Project #<br>(1st 8 digits)<br>or Contract #3<br>(B) | Receipts/Revenues     |                       | Expenditure/Disbursements <sup>4</sup> |                       | Obligations/<br>Encumb.<br>(G) | Final<br>Status<br>(H) | Budget<br>(I) |
|----------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------|-----------------------|-----------------------|----------------------------------------|-----------------------|--------------------------------|------------------------|---------------|
|                                                                                                    |                                    |                                                           | Year                  | Year                  | Year                                   | Year                  |                                |                        |               |
|                                                                                                    |                                    |                                                           | 7/1/13-6/30/14<br>(C) | 7/1/14-6/30/15<br>(D) | 7/1/13-6/30/14<br>(E)                  | 7/1/14-6/30/15<br>(F) |                                |                        |               |
| Medicaid Matching - Administrative Outreach FY14                                                   | 93.778                             | 14-4991-00                                                | 562,436               | 0                     | 562,436                                | 0                     | 0                              | 562,436                | N/A           |
| Medicaid Matching - Administrative Outreach FY15                                                   | 93.778                             | 15-4991-00                                                | 0                     | 551,682               | 0                                      | 551,682               | 0                              | 551,682                | N/A           |
|                                                                                                    |                                    |                                                           |                       |                       |                                        |                       |                                |                        |               |
| Subtotal - U.S. Department of Health and Human Services                                            |                                    |                                                           | 562,436               | 551,682               | 562,436                                | 551,682               | 0                              |                        |               |
|                                                                                                    |                                    |                                                           |                       |                       |                                        |                       |                                |                        |               |
| Total All Federal Awards                                                                           |                                    |                                                           | 13,115,034            | 15,277,938            | 13,105,034                             | 15,103,725            | 115,070                        | 28,333,829             | 17,499,860    |

## Community Unit School District No. 300

31045300026

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

Year Ending June 30, 2015

**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 Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. 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: Subrecipients<sup>6</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 3: Non-Cash Assistance**

The following amounts were expended in the form of non-cash assistance by Community Unit School District No. 300 and **are/are not** included in the Schedule of Expenditures of Federal Awards:

|                                       |           |
|---------------------------------------|-----------|
| NON-CASH COMMODITIES (CFDA 10.555)**: | \$339,655 |
| OTHER NON-CASH ASSISTANCE             | \$0       |

**Note 4: Other Information**

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

|                      |      |
|----------------------|------|
| Property             | None |
| Auto                 | None |
| General Liability    | None |
| Workers Compensation | None |

|                                               |      |
|-----------------------------------------------|------|
| Loans/Loan Guarantees Outstanding at June 30: | None |
|-----------------------------------------------|------|

|                                                             |    |
|-------------------------------------------------------------|----|
| 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 Circular A-133 requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule.

<sup>6</sup> Circular A-133 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 subrecipie 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.

**Community Unit School District No. 300**  
**31045300026**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2015**

**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? X YES        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 Circular A-133, § .510(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>  |
|-----------------------------|---------------------------------------------------|
| 84.010                      | Title I - Grants to Local Educational Agencies    |
| 84.367                      | Title II - Improving Teacher Quality State Grants |
| 10.553, 10.555, 10.559      | Child Nutrition Cluster                           |
|                             |                                                   |
|                             |                                                   |
|                             |                                                   |

Dollar threshold used to distinguish between Type A and Type B programs: \$453,112.00

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, 2015**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. FINDING NUMBER:<sup>11</sup> **2015- 001** 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

**3. Criteria or specific requirement**

The District is required to maintain an internal control structure over external financial reporting.

**4. Condition**

Management was unaware of the need for material adjustments to their financial statements

**5. Context<sup>12</sup>**

During the course of our audit it was necessary to make material adjustments to the financial statements.

**6. Effect**

.Material audit adjustments were required for the financial statements to be properly stated in all material respects.

**7. Cause**

This finding was caused by weaknesses of certain internal controls over the external financial reporting process.

**8. Recommendation**

We recommend that management evaluate their internal controls over financial reporting and develop controls to prevent and detect material misstatements in the financial records. Management might consider seeking additional training in this area.

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

See Corrective Action Plan

**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 2015 would be assigned a reference number of 2015-001, 2015-002, 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 paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards 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, 2015

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

1. FINDING NUMBER:<sup>14</sup> **2015- 002** 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: \_\_\_\_\_ Title II - Teacher Quality 2015

4. Project No.: **15-4932-00-31-045-3000-26** 5. CFDA No.: **84.367**

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 2015 Compliance Supplement, CFDA 84.010 - Title II Improving Teacher Quality in State Grants, LEAs may only use Title II funds for allowable activities/personnel.

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

During testing of payroll expenditures, BT noted one teacher that was paid out of Title II funds was not a Title II teacher.

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

We determined that there were no questioned costs as the expenditures that were paid out in error were reversed at year end on the District's records and on ISBE reimbursement reports.

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

During payroll expenditure testing, we noted one teacher being paid out of Title II funds was not a Title II approved instructor. As there was no other errors noted, we will consider this an isolated incident.

**12. Effect**

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

**13. Cause**

We noted cause of the condition was due to lack of control in regards to verifying that the teachers being paid under Title II are Title II approved teachers.

**14. Recommendation**

We recommend that the District implements internal control procedures to ensure that any teachers paid under Title II funds are approved to be paid under the funds.

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

See Corrective Action Plan

**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 sections 510(a)(3) and 510 (a) (4) of Circular A-133.

<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, 2015**

[If there are no prior year audit findings, please submit schedule and indicate NONE]

| <u>Finding Number</u> | <u>Condition</u> | <u>Current Status<sup>20</sup></u> |
|-----------------------|------------------|------------------------------------|
| NONE                  |                  |                                    |

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

<sup>19</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

<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, 2015**

**Corrective Action Plan**

Finding No.: **2015- 001**

**Condition:**

Material audit entries were required for the financial statements to be properly stated in all material respects.

**Plan:**

The District has reviewed the adjustments and taken steps to improve procedures to ensure controls are in place to avoid such adjustments in the future.

Anticipated Date of Completion:

6/30/2016

Name of Contact Person: Susan Harkin

Management Response: N/A

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<sup>21</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

**Community Unit School District No. 300**  
**31045300026**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2015**

**Corrective Action Plan**

Finding No.: **2015- 002**

**Condition:**

During testing of payroll expenditures, BT noted that one teacher that was paid out of Title II funds was not a Title II teacher.

**Plan:**

During the FY14-15 under Title II staff class-size reduction funding we had a teacher that was listed as providing services. Human Resources did not notify our department that this teacher was no longer assigned to provide services. The error was noticed in May 30, 2015 and changes were made immediately for a journal entry that was posted June 30, 2015. Our grant manager completed the journal entry and it was corrected in our final expenditure report to ISBE. We plan to increase our communication with HR to ensure this does not occur going forward.

Anticipated Date of Completion: Correction was completed August 31, 2015 with ISBE's submitted expenditure report.

Name of Contact Person: Luz Baez; Director of Grant Management & Programs

Management Response: N/A

<sup>21</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.