

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2013

DISTRICT/JOINT AGREEMENT NAME Community Unit School District No. 30	RCDT NUMBER 31045300026	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 066-004260
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)		NAME AND ADDRESS OF AUDIT FIRM Baker Tilly Virchow Krause, LLP 1301 West 22nd Street, Suite 400 Oak Brook
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 300 Cleveland Avenue Carpentersville		E-MAIL ADDRESS james.white@bakertilly.com
		NAME OF AUDIT SUPERVISOR James White
		CPA FIRM TELEPHONE NUMBER (630) 990-3131
		FAX NUMBER (630) 990-0039

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)



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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
Carpentersville, 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 Community Unit School District No. 300 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Community Unit School District No. 300's basic financial statements and have issued our report thereon dated November 12, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, 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.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider one of the deficiencies described in the accompanying schedules of findings and questioned costs to be a material weakness. This material weakness is item 2013-001.

Board of Education
Community Unit School District No. 300

A significant deficiency is a deficiency, or 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 one of the deficiencies described in the schedules of findings and questioned costs to be a significant deficiency. This significant deficiency is item 2013-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Unit School District No. 300's financial statements are free of 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 No. 300's Response to Findings

Community Unit School District No. 300's response to the findings identified in our audit is described in the accompanying schedules of findings and questioned costs. Community Unit School District No. 300's responses were not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
November 12, 2013

Robert Telly Vukobratovic, LLP



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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
Carpentersville, Illinois

Report on Compliance for Each Major Federal Program

We have audited the compliance of Community Unit School District No. 300 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 its major federal programs for the year ended June 30, 2013. 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 major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Unit School District No. 300's major 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 on 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 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, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2013-003. Our opinion on each major federal program is not modified with respect to this matter.

Management's Response to Findings

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

The 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 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 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 a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-003 that we consider to be a significant deficiency.

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

Management's Response to Findings

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 aggregate remaining fund information of Community Unit School District No. 300 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Community Unit School District No. 300's basic financial statements. We have issued our report thereon dated November 12, 2013 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.

Oak Brook, Illinois
November 12, 2013

Bobo Tilly Vichas Krown, LLP

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 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 (IND COST INFO 30) on Line 12.
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 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-2) 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.
- ☒ 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.
- ☒ 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
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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	\$ 14,442,606
Flow-through Federal Revenues		
Revenues 9-14, Line 112	Account 2200	-
Value of Commodities		
Indirect Cost Info 30, Line 11		308,947
Less: Medicaid Fee-for-Service		
Revenues 9-14, Line 270	Account 4992	(768,919)
AFR TOTAL FEDERAL REVENUES:		\$ 13,982,634

ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:

Reason for Adjustment:

Value of Commodities included in Account Summary \$ (308,947)

ADJUSTED AFR FEDERAL REVENUES \$ 13,673,687

Total Current Year Federal Revenues Reported on SEFA:
Federal Revenues Column D \$ 13,729,575

Adjustments to SEFA Federal Revenues:

Reason for Adjustment:

National School Lunch Program - Transfer to Charter School \$ (55,888)

ADJUSTED SEFA FEDERAL REVENUE: \$ 13,673,687

DIFFERENCE: \$ -

Year Ending June 30, 2013

[illegible]

Community Unit School District No. 300
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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements*		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
Illinois Department of Human Services									
Secondary Transition Experience Program- FY12	84.126	12-4950-00	1,148	0	1,148	0	0	1,148	N/A
Secondary Transition Experience Program- FY13	84.126	13-4950-00	0	6,648	0	6,648	0	6,648	N/A
Subtotal - 84.126 - Secondary Transition Experience			1,148	6,648	1,148	6,648	0	7,796	0
Subtotal - U.S. Department of Education			8,335,368	7,765,838	7,786,928	8,328,975	167,349	16,283,252	17,002,824
U.S. Department of Agriculture									
Illinois State Board of Education									
National School Lunch Program - FY12 (M)	10.555	12-4210-00	2,341,960	642,014	2,341,960	642,014	0	2,983,974	N/A
National School Lunch Program - FY13 (M)	10.555	13-4210-00	0	2,695,858	0	2,695,858	0	2,695,858	N/A
National School Lunch Program - Transfer to Charter School FY12 (M)	10.555	12-4210-00	36,218	0	36,218	0	0	36,218	N/A
National School Lunch Program - Transfer to Charter School FY13 (M)	10.555	13-4210-00	0	55,887	0	55,887	0	55,887	N/A
Subtotal - 10.555 - National School Lunch Program			2,378,178	3,393,759	2,378,178	3,393,759	0	5,771,937	0
School Breakfast Program - FY12 (M)	10.553	12-4220-00	814,451	211,310	814,451	211,310	0	1,025,761	N/A
School Breakfast Program - FY13 (M)	10.553	13-4220-00	0	828,824	0	828,824	0	828,824	N/A
Subtotal - 10.553 - School Breakfast Program			814,451	1,040,134	814,451	1,040,134	0	1,854,585	0
Summer Food Service Program - FY12 (M)	10.559	12-4225-00	81,880	0	81,880	0	0	81,880	N/A
Summer Food Service Program - FY13 (M)	10.559	13-4225-00	0	101,855	0	101,855	0	101,855	N/A
Subtotal - 10.559 - Summer Food Service Program			81,880	101,855	81,880	101,855	0	183,735	0
Non-Cash Commodities FY12 (M)	10.555	12-4999-00	345,543	0	345,543	0	0	345,543	N/A
Non-Cash Commodities FY13 (M)	10.555	13-4999-00	0	284,794	0	284,794	0	284,794	N/A
Subtotal - 10.555 - Non-Cash Commodities			345,543	284,794	345,543	284,794	0	630,337	0
Non-Cash Commodities-Department of Defense Fresh Fruits and Vegetables FY12 (M)	10.555	12-4999-00	32,620	0	32,620	0	0	32,620	N/A
Non-Cash Commodities-Department of Defense Fresh Fruits and Vegetables FY13 (M)	10.555	13-4999-00	0	24,153	0	24,153	0	24,153	N/A
Subtotal - 10.555 - Non-Cash Commodities - Dept. of Defense Fresh Fruits and Vegetables			32,620	24,153	32,620	24,153	0	56,773	0
Subtotal - Child Nutrition Cluster			3,652,672	4,844,695	3,652,672	4,844,695	0	8,497,367	0
Child & Adult Care Food Program - FY12	10.558	12-4226-00	204,276	48,464	204,276	48,464	0	252,740	N/A
Child & Adult Care Food Program - FY13	10.558	13-4226-00	0	201,012	0	201,012	0	201,012	N/A

Community Unit School District No. 300
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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ^c (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ^a		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
Subtotal - 10.558 - Child & Adult Care Food Program			204,276	249,476	204,276	249,476	0	453,752	0
Subtotal - U.S. Department of Agriculture			3,856,948	5,094,171	3,856,948	5,094,171	0	8,951,119	0
Fresh Fruits and Vegetables	10.582	12-4240-11	13,078	0	13,078	0	0	13,078	N/A
Fresh Fruits and Vegetables	10.582	12-4240-12	130,788	0	130,788	0	0	130,788	N/A
Fresh Fruits and Vegetables	10.582	13-4240-12	0	43,385	0	43,385	0	43,385	N/A
Fresh Fruits and Vegetables	10.582	13-4240-13	0	189,933	0	189,933	0	189,933	N/A
Subtotal - 10.582 - Fresh Fruits and Vegetables			143,866	233,318	143,866	233,318	0	377,184	0
Corporation for National and Community Services									
Illinois State Board of Education									
Learn and Serve America FY 12	94.004	12-4910-00	0	12,543	7,748	17,568	0	25,316	25,316
Subtotal - Corporation for National and Community Services			0	12,543	7,748	17,568	0	25,316	25,316
U.S. Department of Health and Human Services									
Illinois Department of Healthcare and Family Service									
Medicaid Matching - Administrative Outreach FY12	93.778	12-4991-00	414,641	0	414,641	0	0	414,641	N/A
Medicaid Matching - Administrative Outreach FY13	93.778	13-4991-00	0	623,705	0	623,705		623,705	N/A
Subtotal - U.S. Department of Health and Human Services			414,641	623,705	414,641	623,705	0	1,038,346	N/A
Total All Federal Awards			12,750,823	13,729,575	12,210,131	14,297,737	187,349	26,675,217	17,028,140

Community Unit School District No. 300
31045300026
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2013

- (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- ⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Community Unit School District No. 300

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

Year Ending June 30, 2013

Note 1: Basis of Presentation⁵

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**. 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: Subrecipients⁶

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

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipients
Cambridge Lake Learning Center (Charter School)	10.555	55,887

⁵ 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.

⁶ 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, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

INTERNAL CONTROL OVER FINANCIAL REPORTING:

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

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? YES X NO
- 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
(Unqualified, Qualified, Adverse, Disclaimer⁷)

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:⁸

CFDA NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰
10.553, 10.555, 10.559	Child Nutrition Cluster
84.027A, 84.173A	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B programs: \$433,953.00

Auditee qualified as low-risk auditee? YES X NO

⁷ If the audit report for one or more major programs is other than unqualified, indicate the type of report issued for each program. Example: "Unqualified for all major programs except for [name of program], which was qualified and [name of program], which was a disclaimer."

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

⁹ When the CFDA number is not available, include other identifying number, if applicable.

¹⁰ 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, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS

1. **FINDING NUMBER:**¹¹ 2013-001 2. **THIS FINDING IS:** ☐ New ☒ Repeat from Prior Year?
 Year originally reported? 2010

3. Criteria or specific requirement

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

4. Condition

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

5. Context¹²

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

6. Effect

Management was unaware of material errors to their financial statements.

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 response¹³

See Corrective Action Plan

For ISBE Review

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

¹¹ A suggested format for assigning reference numbers is to use the last two 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 2003 would be assigned a reference number of 02-01, 02-02, etc.

¹² 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.

¹³ 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, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS

1. **FINDING NUMBER:**¹¹ 2013-002 2. **THIS FINDING IS:** ☒ New ☐ Repeat from Prior Year?
 Year originally reported? _____

3. Criteria or specific requirement

A critical element of internal control is that incompatible procedures in a control process be properly segregated. This is accomplished when no single person can initiate, record, and control distribution of a single transaction or series of transactions.

4. Condition

District personnel in accounts payable can initiate, record and process payments to one time vendors. Additionally, the employee who completes the bank reconciliations can also initiate, record and process a journal entry. There is no secondary review of the monthly bank reconciliations.

5. Context¹²

The accounts payable risk is mitigated by a review of all check runs. The journal entry risk is mitigated by a manual review process. While these are effective monitoring processes, they are not a preventative control.

6. Effect

There is segregation of duties related to accounts payable and journal entries. One individual has the ability to initiate, record and control distribution of a single transaction or series of transactions.

7. Cause

Due to the relatively small size of local governments such as school districts, segregation issues often exist. The District has attempted to work with the software provider to properly restrict access so an employee initiating a journal entry cannot post it directly to the system.

8. Recommendation

The journal entries need to be restricted for the person who reconciles the bank statement and approved by a separate individual and the bank reconciliations need to be reviewed by a separate individual. Employees should be restricted from initiating, recording and controlling an accounts payable distribution.

9. Management's response¹³

See corrective action plan.

For ISBE Review

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

¹¹ A suggested format for assigning reference numbers is to use the last two 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 2003 would be assigned a reference number of 02-01, 02-02, etc.

¹² 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.

¹³ 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, 2013

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2013-003 **2. THIS FINDING IS:** ☐ New ☒ Repeat from Prior year?
 Year originally reported? 2012

3. Federal Program Name and Year: Special Education Cluster (IDEA)

4. Project No.: 4620 **5. CFDA No.:** 84.027, 84.173

6. Passed Through: Illinois State Board of Education

7. Federal Agency: Department of Education

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

Payroll charges must be supported by the documentation required by OMB Circular A-87. When employees work on one sole federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications must be prepared at least semi-annually and must be signed by the employee or supervisory official having first-hand knowledge of the work performed by employees. When employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation. This activity must reflect an after-the-fact distribution, must account for the total activity for each employee, must be prepared at least monthly and coincide with one or more pay periods, and must be signed by the employee.

9. Condition¹⁵

During our testing we found deficiencies with the District's compliance with OMB Circular A-87. The district did not require all employees who's salaries were paid in part or in whole with Federal IDEA funds to sign an acknowledgement form that their salaries were being paid with said dollars. Per the Compliance Supplement, this is a requirement under Allowable Costs that employee time must be documented. When an employee is full time or has all of their salary charged to a grant, the employee must sign a bi-annual statement noting they acknowledge where their salary is being paid from. We also noted an instance where an employee's salary was charged to the grant at double the percentage budgeted for.

10. Questioned Costs¹⁶

Questioned costs were computed as \$39,848 by projecting the identified error to the total salaries paid.

11. Context¹⁷

During expenditure testing of the Special Education Cluster, noted one employee was both missing a current time study for the school year and 42% of their salary was charged to the program instead of the approved 21% of salary.

12. Effect

It is possible that actual distributions of the employees' time was different than what was charged to federal program. In addition, the total amount charged to the grant for one employee was doubled from what was budgeted and approved for that individual.

13. Cause

The cause of the condition was an error in payroll allocation setup and a failure to ensure time studies were completed for applicable employees.

14. Recommendation

The District should review its overall process for charging salaries and wages to federal grants. All employees charged under the grant should be signing the salary certifications. In addition, the District should investigate how the error in salary rate charged to the grant occurred and modify the process as necessary to prevent the error from occurring in the future.

15. Management's response¹⁸

For ISBE Review

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

¹⁴ See footnote 11.

¹⁵ Include facts that support the deficiency identified on the audit finding.

¹⁶ Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.

¹⁷ See footnote 12.

¹⁸ 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 FINDINGS¹⁹
Year Ending June 30, 2013

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
12-2	For one of the forty students included in our testing sample, the District miscalculated income on an application and improperly classified a student as 'free' when, in fact, their application reflected income that would classify the student as 'reduced.'	Corrected.

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

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

²⁰ 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 FINDINGS²¹
Year Ending June 30, 2013

Corrective Action Plan

Finding No.: 2013-001

Condition:

Material audit entries were required for the financial statements to be properly stated.

Plan:

Management will evaluate their internal controls over financial reporting and improve controls to prevent and detect material misstatements in the financial records. Management will seek additional training on this area as necessary.

Anticipated Date of Completion: **6/30/2014**

Name of Contact Person: **MeriAnn Besonen**

Management Response: **Management will continue to evaluate their internal controls over financial reporting and improve controls to prevent and detect material misstatements in the financial records. Management will also continue to seek additional training as necessary.**

²¹ 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 FINDINGS²¹
Year Ending June 30, 2013

Corrective Action Plan

Finding No.: 2013-002

Condition:

Two segregation of duties risks exist. The issues exist in the processessing of expenditure transactions and posting journal entries.

Plan:

The District will continue to address the segregation of duties risks and minimize when possible.

Anticipated Date of Completion: 6/30/2014

Name of Contact Person: MeriAnn Besonen

Management Response: Management will continue to address the segregation of duties risks and minimize when possible.

²¹ 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 FINDINGS²¹
Year Ending June 30, 2013

Corrective Action Plan

Finding No.: 2013-003

Condition:

During our testing we found deficiencies with the District's compliance with OMB Circular A-87. The district did not require all employees who's salaries were paid in part or in whole with Federal IDEA funds to sign an acknowledgement form that their salaries were being paid with said dollars. Per the Compliance Supplement, this is a requirement under Allowable Costs that employee time must be documented. When an employee is full time or has all of their salary charged to a grant, the employee must sign a bi-annual statement noting they acknowledge where their salary is being paid from. We also noted an instance where an employee's salary was charged to the grant at double the percentage budgeted for.

Plan:

Management will review their controls in place over the process of obtaining time studies from employees working under the grant. Management will ensure that all required documentation is obtained to support the salaries and benefits reimbursed by the grant.

Anticipated Date of Completion: 6/30/2014

Name of Contact Person: MeriAnn Besonen.

Management Response: Management is working on implementing time studies for all applicable staff during the 2013 - 2014 school year.

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