

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)**  
**DISTRICT/JOINT AGREEMENT**  
**Year Ending June 30, 2017**

DISTRICT/JOINT AGREEMENT NAME <b>Glen Ellyn School District 41</b>	RCDT NUMBER <b>19022041002</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>239-025764</b>	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)  <b>Dr. Paul Gordon</b>		NAME AND ADDRESS OF AUDIT FIRM <b>Baker Tilly Virchow Krause, LLP</b> <b>1301 West 22nd Street, Suite 400</b> <b>Oak Brook IL 60523</b>	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code)  <b>793 North Main Street</b> <b>Glen Ellyn</b>		E-MAIL ADDRESS <b>susannah.baney@bakertilly.com</b>	
		NAME OF AUDIT SUPERVISOR <b>Susannah Baney, CPA</b>	
		CPA FIRM TELEPHONE NUMBER <b>(630) 990-3131</b>	FAX NUMBER <b>(630) 990-0039</b>

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

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

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

- ☐ A Copy of the Federal Data Collection Form (Title 2 CFR §200.512 (b))
- ☐ A Copy of each Management Letter

IF THE PAPER COPY OF THE AFR IS NOT THE SAME AS THE ELECTRONIC VERSION, PLEASE NOTIFY  
 LESLIE CLAY AT LCLAY@ISBE.NET.

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  
Glen Ellyn School District 41  
Glen Ellyn, Illinois 60137

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Glen Ellyn School District 41 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Glen Ellyn School District 41's basic financial statements, and have issued our report thereon dated December 11, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Glen Ellyn School District 41'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 Glen Ellyn School District 41's internal control. Accordingly, we do not express an opinion on the effectiveness of Glen Ellyn School District 41's internal control.

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

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs; that we consider to be a material weakness. The material weakness is item 2017-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Glen Ellyn School District 41'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*.

### **Glen Ellyn School District 41's Response to Finding**

Glen Ellyn School District 41's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Glen Ellyn School District 41'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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
December 11, 2017



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

Independent Auditors' Report

To the Board of Education  
Glen Ellyn School District 41  
Glen Ellyn, Illinois 60137

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

We have audited Glen Ellyn School District 41's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Glen Ellyn School District 41's major federal programs for the year ended June 30, 2017. Glen Ellyn School District 41's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Glen Ellyn School District 41's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Glen Ellyn School District 41'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 Glen Ellyn School District 41's compliance.

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

In our opinion, Glen Ellyn School District 41 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, 2017.

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

Management of Glen Ellyn School District 41 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 Glen Ellyn School District 41's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Glen Ellyn School District 41'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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Glen Ellyn School District 41 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Glen Ellyn School District 41's basic financial statements. We issued our report thereon dated December 11, 2017, 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 the Uniform Guidance 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, Glen Ellyn School District 41's basic financial statements as of and for the year ended June 30, 2016 (not presented herein), and have issued our report thereon dated October 7, 2016, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The 2016 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 2016 financial statements. The 2016 information has been subjected to the auditing procedures applied in the audit of the 2016 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 2016 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, 2016 as a whole.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
December 11, 2017

Glen Ellyn School District 41  
19022041002  
**SINGLE AUDIT INFORMATION CHECKLIST**

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

**GENERAL INFORMATION**

- ☒ 1. **Signed** and **dated** 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).
- ☒ 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 <https://harvester.census.gov/facweb/Default.aspx>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

- ☒ 8. All prior year's projects are included and reconciled to final FRIS report amounts.  
- Including receipt/revenue and expenditure/disbursement amounts.
- ☒ 9. All current year's projects are included and reconciled to most recent FRIS report filed.  
- Including receipt/revenue and expenditure/disbursement amounts.
- ☒ 10. Differences in reported spending amounts on the SEFA and the final FRIS reports should be detailed and/or documented in a finding, - discrepancies should be reported as Questioned Costs.
- ☒ 11. The total amount provided to subrecipients from each Federal program is included.
- ☒ 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 a 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: <https://www.isbe.net/Pages/School-Nutrition-Programs-Food-Distribution.aspx>
  - ☐ N/A \* **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:  
<https://www.isbe.net/Pages/School-Nutrition-Programs-Food-Distribution.aspx>
  - ☒ \* **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:  
<https://www.isbe.net/Pages/School-Nutrition-Programs-Food-Distribution.aspx>
  - ☐ N/A \* 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.



Glen Ellyn School District 41  
19022041002  
**SINGLE AUDIT INFORMATION CHECKLIST**

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)
- ☐ N/A \* ARRA funds are listed separately from "regular" Federal awards

**SUMMARY OF AUDITOR'S 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 **and** amounts are listed.
- ☒ 31. Correct testing threshold has been entered. (Title 2 CFR §200.518)

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

- ☒ 32. Financial Statement and/or Federal Award Findings information has been completely filled out for each finding, with finding numbers in correct format.
- ☒ 33. Finding completed for each **Significant Deficiency** and for each **Material Weakness** noted in opinion letters.
- ☐ N/A 34. Separate finding for each Federal program (i.e., don't report same finding for multiple programs on one sheet).
- ☐ N/A 35. 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).
- ☐ N/A 36. Questioned Costs have been calculated where there are questioned costs.
- ☐ N/A 37. Questioned Costs are separated by project year and by program (and sub-project, if necessary).
- ☐ N/A 38. 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
- ☒ 39. **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



**Glen Ellyn School District 41**  
**19022041002**

**RECONCILIATION OF FEDERAL REVENUES**  
**Year Ending June 30, 2017**

**Annual Financial Report to Schedule of Expenditures of Federal Awards**

**TOTAL FEDERAL REVENUE IN AFR**

Account Summary 7-8, Line 7	Account 4000	\$ 1,351,029
Flow-through Federal Revenues		
Revenues 9-14, Line 112	Account 2200	-
Value of Commodities		
Indirect Cost Info 30, Line 11		56,939
Less: Medicaid Fee-for-Service		
Revenues 9-14, Line 271	Account 4992	(224,932)
<b>AFR TOTAL FEDERAL REVENUES:</b>		<b>\$ 1,183,036</b>

**ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:**

Reason for Adjustment:

Non-Cash commodities included twice in above calculation	\$ (56,939)
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<b>ADJUSTED AFR FEDERAL REVENUES</b>	<b>\$ 1,126,097</b>
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Total Current Year Federal Revenues Reported on SEFA:

Federal Revenues	Column D	\$ 1,126,097
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**Adjustments to SEFA Federal Revenues:**

Reason for Adjustment:

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<b>ADJUSTED SEFA FEDERAL REVENUE:</b>	<b>\$ 1,126,097</b>
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<b>DIFFERENCE:</b>	<b>\$ -</b>
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**Glen Ellyn School District 41**  
**19-022-0410-02**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and	CFDA Number <sup>2</sup>	ISBE Project # (1st 8 digits) or Contract #3	Receipts/Revenues		Expenditures/Disbursements		Year 7/1/16-6/30/17 Pass Through to Subrecipients	Obligations/ Encumb.	Final Status	Budget
			Year 7/1/15-6/30/16	Year 7/1/16-6/30/17	Year 7/1/15-6/30/16	Year 7/1/16-6/30/17				
Major Program Designation	(A)	(B)	(C)	(D)	(E)	(F)		(G)	(H)	(I)
<b>U.S. Department of Education - Passed Through Illinois State Board of Education (ISBE):</b>										
<b>TITLE I GRANTS TO LOCAL EDUCATION AGENCIES</b>										
Title I - Low Income - PY 16	84.010	16-4300-00	332,108	37,450	332,108	37,450	0	0	369,558	N/A
Title I - Low Income - PY 17	84.010	17-4300-00	0	340,887	0	340,887	0	0	340,887	360,732
<b>Subtotal - 84.010 - TITLE I GRANTS TO LOCAL EDUCATION AGENCIES</b>			<b>332,108</b>	<b>378,337</b>	<b>332,108</b>	<b>378,337</b>	<b>0</b>	<b>0</b>	<b>710,445</b>	
<b>IMPROVING TEACHER QUALITY STATE GRANTS</b>										
Title II - Teacher Quality - PY 16 (M)	84.367	16-4932-00	85,580	0	85,580	0	0	0	85,580	N/A
Title II - Teacher Quality - PY 17 (M)	84.367	17-4932-00	0	88,546	0	88,546	0	0	88,546	93,377
<b>Subtotal - 84.367 - IMPROVING TEACHER QUALITY STATE GRANTS</b>			<b>85,580</b>	<b>88,546</b>	<b>85,580</b>	<b>88,546</b>	<b>0</b>	<b>0</b>	<b>174,126</b>	
<b>ENGLISH LANGUAGE ACQUISITION STATE GRANTS</b>										
Title III - Lang Inst. Prog. Limited PY 16	84.365	16-4909-00	61,189	870	61,189	870	0	0	62,059	N/A
Title III - Lang Inst. Prog. Limited PY 17	84.365	17-4909-00	0	43,771	0	43,771	0	0	43,771	58,133
Title III - Immigrant Education Program (IEP) - PY 16	84.365	16-4905-00	1,739	1,562	1,739	1,562	0	0	3,301	N/A
Title III - Immigrant Education Program (IEP) - PY 17	84.365	17-4905-00	0	5,028	0	5,028	0	0	5,028	10,517
<b>Subtotal - 84.365 - ENGLISH LANGUAGE ACQUISITION STATE GRANTS</b>			<b>62,928</b>	<b>51,231</b>	<b>62,928</b>	<b>51,231</b>	<b>0</b>	<b>0</b>	<b>114,159</b>	<b>68,650</b>
<b>SPECIAL EDUCATION CLUSTER (IDEA)</b>										
<b>SPECIAL EDUCATION GRANTS TO STATES</b>										
Special Education - I.D.E.A - Room & Board PY 16	84.027	16-4625-00	0	21,840	0	21,840	0	0	21,840	N/A
<b>U.S. Department of Education - Passed Through Cooperative Association for Special Education (CASE):</b>										
Special Education - I.D.E.A - Flow-Through PY 17	84.027	17-4620-00	0	133,800	0	133,800	0	0	133,800	N/A
<b>Subtotal - 84.027 - SPECIAL EDUCATION GRANTS TO STATES</b>			<b>0</b>	<b>155,640</b>	<b>0</b>	<b>155,640</b>	<b>0</b>	<b>0</b>	<b>155,640</b>	
<b>Subtotal - SPECIAL EDUCATION CLUSTER (IDEA)</b>			<b>0</b>	<b>155,640</b>	<b>0</b>	<b>155,640</b>	<b>0</b>	<b>0</b>	<b>155,640</b>	
<b>U.S. Department of Education Passed Through Marquardt School District 15</b>										
Education for Homeless Children and Youth	84.196	N/A	0	760	0	760	0	0	760	N/A
<b>Subtotal - 84.196 - Education for Homeless Children and Youth</b>			<b>0</b>	<b>760</b>	<b>0</b>	<b>760</b>			<b>760</b>	
<b>CHILD NUTRITION CLUSTER</b>										
<b>U.S. Department of Agriculture - Passed Through the Illinois State Board of Education:</b>										
<b>NATIONAL SCHOOL LUNCH PROGRAM</b>										
National School Lunch Program - PY16 (M)	10.555	16-4210-00	216,378	43,911	216,378	43,911	0	0	260,289	N/A
National School Lunch Program - PY17 (M)	10.555	17-4210-00	0	240,879	0	240,879	0	0	240,879	N/A
Food Commodity Program PY 16 (M)	10.555	16-4299-00	29,320	0	29,320	0	0	0	29,320	N/A
Food Commodity Program PY 17 (M)	10.555	17-4299-00	0	33,624	0	33,624	0	0	33,624	N/A

**Glen Ellyn School District 41**  
**19-022-0410-02**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and	CFDA Number <sup>2</sup>	ISBE Project # (1st 8 digits) or Contract #3	Receipts/Revenues		Expenditures/Disbursements		Year 7/1/16-6/30/17 Pass Through to Subrecipients	Obligations/ Encumb.	Final Status	Budget
			Year 7/1/15-6/30/16	Year 7/1/16-6/30/17	Year 7/1/15-6/30/16	Year 7/1/16-6/30/17				
Major Program Designation	(A)	(B)	(C)	(D)	(E)	(F)		(G)	(H)	(I)
U.S. Department of Defense - Passed Through the Illinois State Board of Education:										
NATIONAL SCHOOL LUNCH PROGRAM										
Department of Defense - Fruits and Vegetables - PY16 (M)	10.555	16-4299-00	16,283	0	16,283	0	0	0	16,283	N/A
Department of Defense - Fruits and Vegetables - PY17 (M)	10.555	17-4299-00	0	23,315		23,315	0	0	23,315	N/A
Subtotal - 10.555 - NATIONAL SCHOOL LUNCH PROGRAM			261,981	341,729	261,981	341,729	0	0	603,710	
U.S. Department of Agriculture - Passed Through the Illinois State Board of Education:										
SCHOOL BREAKFAST PROGRAM										
School Breakfast Program - PY 16 (M)	10.553	16-4220-00	49,418	9,043	49,418	9,043	0	0	58,461	N/A
School Breakfast Program - PY 17 (M)	10.553	17-4220-00	0	54,443	0	54,443	0	0	54,443	N/A
Subtotal - 10.553 - SCHOOL BREAKFAST PROGRAM			49,418	63,486	49,418	63,486	0	0	112,904	
SPECIAL MILK PROGRAM FOR CHILDREN										
Special Milk Program - PY 16 (M)	10.556	16-4215-00	3,038	538	3,038	538	0	0	3,576	N/A
Special Milk Program - PY 17 (M)	10.556	17-4215-00	0	2,164	0	2,164	0	0	2,164	N/A
Subtotal - 10.556 - SPECIAL MILK PROGRAM FOR CHILDREN			3,038	2,702	3,038	2,702	0	0	5,740	
Subtotal - CHILD NUTRITION CLUSTER			314,437	407,917	314,437	407,917	0	0	722,354	
U.S. Department of Health and Human Services - Passed Through the Illinois Department of Healthcare and Family Services:										
MEDICAID CLUSTER										
MEDICAL ASSISTANCE PROGRAM										
Medicaid Matching - Administrative Outreach - PY 16	93.778	16-4991-00	60,484	0	60,484	0	0	0	60,484	N/A
Medicaid Matching - Administrative Outreach - PY 17	93.778	17-4991-00	0	43,666	0	63,688	0	0	63,688	N/A
Subtotal - 93.778 - MEDICAL ASSISTANCE PROGRAM			60,484	43,666	60,484	63,688	0	0	124,172	
Subtotal Medicaid Cluster			60,484	43,666	60,484	63,688	0	0	124,172	
TOTAL FEDERAL FUNDS			855,537	1,126,097	855,537	1,146,119	0	0	2,001,656	N/A

• (M) Program was audited as a major program as defined by §200.518.

\* NEW - Also include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

<sup>4</sup> The Uniform Guidance 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 the schedule and suggests to include the amounts in the SEFA notes.



**Glen Ellyn School District 41**  
**19022041002**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**  
**Year Ending June 30, 2017**

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

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Glen Ellyn School District 41 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

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

**Note 3: Subrecipients**

Of the federal expenditures presented in the schedule, Glen Ellyn School District 41 provided federal awards to subrecipients as follows:

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

**Note 4: Non-Cash Assistance**

The following amounts were expended in the form of non-cash assistance by Glen Ellyn School District 41 and are included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)\*\*:

\$56,939

OTHER NON-CASH ASSISTANCE

\$0

Total Non-Cash

**\$56,939**

**Note 5: Other Information**

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

Property

No

Auto

No

General Liability

No

Workers Compensation

No

Loans/Loan Guarantees Outstanding at June 30:

No

District had Federal grants requiring matching expenditures

No

(Yes/No)

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

<sup>5</sup> This note is included to meet the Uniform Guidance requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule. (§200.510 (b)(6))

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

**Glen Ellyn School District 41**  
**19022041002**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2017**

**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 the 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)?        YES   X   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 §200.516 (a)?        YES   X   NO

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

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>	AMOUNT OF FEDERAL PROGRAM
10.553, 10.555, 10.556	CHILD NUTRITION CLUSTER	407,917
84.367	IMPROVING TEACHER QUALITY STATE GRANTS	88,546
Total Amount Tested as Major		\$496,463

Total Federal Expenditures for 7/1/16-6/30/17

\$1,146,119

% tested as Major

43.32%

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

Auditee qualified as low-risk auditee?        YES   X   NO

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

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

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

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



**Glen Ellyn School District 41**  
**19022041002**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2017**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. FINDING NUMBER:<sup>11</sup> **2017- 001** 2. THIS FINDING IS: ☐ New ☒ Repeat from Prior Year?  
 Year originally reported? 2009

**3. Criteria or specific requirement**

The District must have functioning internal controls over external financial reporting.

**4. Condition**

The District does not have functioning internal controls over external financial reporting as the District does not currently prepare its Annual Financial Statements and the Schedule of Expenditures of Federal Awards. Additionally, the auditors identified material cash basis audit entries that were required for the external financial statements to be properly stated as of June 30, 2017.

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

It was determined that management did not have an external financial reporting expert. Management did not have a process in place to ensure that property tax revenues were allocated properly by fund. Management did not have a process in place to ensure that funding for the payment of principal and interest payments of the outstanding debt certificates was properly transferred into the Debt Service Fund during the year.

**6. Effect**

Management was not able to detect material errors to its financial statements and external financial statements would not have been presented in accordance with GAAP; the auditors prepared the Annual Financial Statements and the Schedule of Expenditures Federal Expenditures.

**7. Cause**

This finding was caused by a lack of internal controls over the external financial reporting process due to the lack of an external financial reporting expert and lack of training in the preparation of the Schedule of Expenditures of Federal Awards. The District relies upon the auditor for expertise in external financial reporting.

**8. Recommendation**

Like many entities of its size, the District does not maintain an external financial reporting department or function, but relies on its audit firm for this purpose. While this is defined as a material weakness by accounting standards, it may not be practical or cost effective for the District to mitigate this weakness. Employing an individual who remains current on the ever-changing accounting and reporting standards would add a significant cost to the District's internal control process. As it relates to material cash basis audit adjustments we recommend that management implement procedures to ensure property tax receipts and the funding of payments for outstanding debt certificates be properly accounted for and reviewed throughout the fiscal year.

**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 2017 would be assigned a reference number of 2017-001, 2017-002, 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 §200.521 *Management decision* for additional guidance on reporting management's response.



Glen Ellyn School District 41  
19022041002  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2017

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: <sup>14</sup>	2017- <u>N/A</u>	2. THIS FINDING IS:	<input type="checkbox"/>	New	<input type="checkbox"/>	Repeat from Prior year?
						Year originally reported? _____
3. Federal Program Name and Year: _____						
4. Project No.: _____			5. CFDA No.: _____			
6. Passed Through: _____						
7. Federal Agency: _____						
8. Criteria or specific requirement (including statutory, regulatory, or other citation)						
9. Condition <sup>15</sup>						
10. Questioned Costs <sup>16</sup>						
11. Context <sup>17</sup>						
12. Effect						
13. Cause						
14. Recommendation						
15. Management's response <sup>18</sup>						

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 (§200.516 (b)(3)).

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

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

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

**Glen Ellyn School District 41**  
**19022041002**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2017**

[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>
2016-001	A material cash basis audit adjustment was required for the financial statements to be properly stated in all material respects. State aid revenue belonging to the Transportation Fund was recorded in the Education Fund. As such, an audit adjustment was made to correct cash and state aid revenue in each respective fund.	Please see the Corrective Action Plan for Finding No: 2017-001. As is the case with many school districts, the District does not deem it cost-effective to employ internal staff to perform this function at this time.

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

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

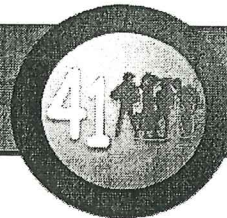
<sup>20</sup> Current Status should include one of the following:

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

# Glen Ellyn School District 41

Ignite passion. Inspire excellence. Imagine possibilities.

793 North Main Street, Glen Ellyn, IL 60137



## Glen Ellyn School District 41

### Corrective Action Plan for Current Year Audit Findings

Year Ending June 30, 2017

#### **Corrective Action Plan**

##### **Finding No: 2017-001**

**Condition:** The District does not have functioning internal controls over external financial reporting as the District does not currently prepare its Annual Financial Statements and the Schedule of Expenditures of Federal Awards. Additionally, the auditors identified material cash basis audit entries that were required for the external financial statements to be properly stated as of June 30, 2017. Below is a summary of these adjustments:

1. Entries were identified to properly allocate property tax revenues by fund in a manner that was consistent with the finalized 2016 levy.
2. Entries were identified to record transfers from the General Fund (Educational Account) to the Debt Service Fund to properly fund debt certificate payments that were made during the year.

##### **Plan:**

Management will continually review this and if and when it would be financially feasible to implement the change needed to remedy this finding.

**Anticipated Date of Completion:** N/A

**Name of Contact Person:** Eric DePorter