

GLEN ELLYN SCHOOL DISTRICT 41, ILLINOIS

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

GLEN ELLYN SCHOOL DISTRICT 41, ILLINOIS

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GLEN ELLYN SCHOOL DISTRICT 41, ILLINOIS

Schedule of Expenditures of Federal Awards

June 30, 2020

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
Child Nutrition Cluster United States Department of Agriculture	Illinois State Board of Education	National School Lunch Program	10.555	2019-4210	\$ 35,083	-
		Special Milk Program	10.556	2020-4210	159,263	-
				2019-4215	234	-
		School Breakfast Program	10.553	2020-4215	1,314	-
				2019-4220	5,545	-
		Summer Food Service Program	10.559	2020-4220	32,978	-
		Commodities (Non-Cash)	10.555	2020-4225	90,306	-
				N/A	41,671	-
				Total Child Nutrition Cluster	366,394	-
Special Education Cluster (IDEA) Department of Education	Illinois State Board of Education	Special Education - IDEA Preschool	84.173	2020-4600	42,596	-
		Special Education - IDEA	84.027	2020-4620	569,234	-
				Total IDEA Cluster *	611,830	-
Other Programs Department of Education	Illinois State Board of Education	Title I - Low Income	84.010A	2019-4300	15,681	-
				2020-4300	344,768	-
				Total 84.010A	360,449	-
Department of Education	Illinois State Board of Education	Title III - Immigrant Education Program	84.365	2019-4905	7,116	-
				2020-4905	1,697	-
		Title III - Lang Inst Prog-Limited Eng LIPLEP	84.365	2019-4909	504	-
				2020-4909	55,951	-
				Total 84.365 *	65,268	-
Department of Education	Illinois State Board of Education	Title II - Teacher Quality	84.367	2019-4932	4,150	-
				2020-4932	94,127	-
				Total 84.367	98,277	-
Department of Education	Illinois State Board of Education	Other State Programs	84.425	2020-4998	101,147	
Department of Health and Human Services	N/A	Medical Assistance Program	93.778	2020-4991	50,389	
TOTAL FEDERAL AWARDS EXPENDED						-

*Denotes major federal program

See accompanying notes to the schedule of expenditures of federal awards.

GLEN ELLYN SCHOOL DISTRICT 41, ILLINOIS

Notes to the Schedule of Expenditures of Federal Awards June 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the School District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

Pass-Through Entities

Pass-through entity identifying numbers are presented on the Schedule where available.

NOTE 3 – 10% De Minimis Indirect Cost Rate

The School District has elected to use a rate other than the 10% de minimis indirect cost rate as permitted by 2 CFR Section 200.414

NOTE 4 – Noncash Transactions

The School District received \$41,671 of Federal non-cash commodities passed through the Illinois State Board of Education.



**INDEPENDENT AUDITORS' 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***

October 23, 2020

The Board of Education
Glen Ellyn School District 41
Glen Ellyn, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Glen Ellyn School District 41 (District), Illinois, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 23, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 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*.

We noted certain other matters that we reported to management of the District in a separate letter dated October 23, 2020.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP



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

October 23, 2020

The Board of Education
Glen Ellyn School District 41
Glen Ellyn, Illinois

Report on Compliance for Each Major Federal Program

We have audited the Glen Ellyn School District 41 (District), Illinois' compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompany schedule of findings and questioned costs.

Management Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District'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 Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Uniform Guidance required 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe 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 the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Glen Ellyn School District 41, Illinois 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, 2020.

Report on Internal Control over Compliance

Management of the District 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 the District'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 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 the District'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 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Glen Ellyn School District 41, Illinois as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 23, 2020, 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 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.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

GLEN ELLYN SCHOOL DISTRICT 41, ILLINOIS

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified:	No
Significant deficiencies identified:	No
Noncompliance material to the financial statements noted:	No
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section .510(a):	No

Federal Awards

Type of auditor’s report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weakness(es) identified:	No
Significant deficiencies identified:	No
Major programs identified:	
CFDA Number(s)	<u>Name of Federal Program/Cluster</u>
84.027/84.173	Special Education Cluster
84.365	Title III

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee:	No

GLEN ELLYN SCHOOL DISTRICT 41, ILLINOIS

Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2020

SECTION 2 – FINANCIAL STATEMENT AUDIT FINDINGS

None

GLEN ELLYN SCHOOL DISTRICT 41, ILLINOIS

Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2020

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

GLEN ELLYN SCHOOL DISTRICT 41, ILLINOIS

Schedule of Findings and Questioned Costs – Continued Year Ended June 30, 2020

SECTION 4 – PRIOR YEAR AUDIT FINDINGS

Material Weakness

Finding 2019 – 001: Financial Reporting and Preparation of the SEFA

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.

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 the 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 process.

Current Status: District business management has been deemed capable of sufficiently understanding the financial statements and related footnotes. Their internal control system appears sufficient to allow for adequate review of the statements prepared by the auditors to prevent and detect material misstatement.