

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2012**

DISTRICT/JOINT AGREEMENT NAME Glen Ellyn School District 41	RCDT NUMBER 19022041002	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) 793 North Main Street Glen Ellyn 60137		E-MAIL ADDRESS n.cavaliere@bakertilly.com	NAME OF AUDIT SUPERVISOR Nick Cavaliere
		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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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

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, 2012, which collectively comprise the Glen Ellyn School District 41's basic financial statements and have issued our report thereon dated October 26, 2012. We conducted our audit 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.

Internal Control Over Financial Reporting

Management of Glen Ellyn School District 41 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Glen Ellyn School District 41's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Glen Ellyn School District 41's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses; and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

Board of Education
Glen Ellyn School District 41

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 the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. This material weakness is item 2012-01.

Compliance and Other Matters

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

We noted certain matters that we have reported to management of Glen Ellyn School District 41 in a separate letter dated October 26, 2012.

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. We did not audit Glen Ellyn School District 41's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Glen Ellyn School District 41's management, the Board of Education, others within the entity, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Oak Brook, Illinois
October 26, 2012

Baker Tilly Veitch Krause, LLP



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

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

Compliance

We have audited the compliance of Glen Ellyn School District 41 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, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Glen Ellyn School District 41's management. Our responsibility is to express an opinion on Glen Ellyn School District 41's compliance based on our audit.

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 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. Our audit does not provide a legal determination on Glen Ellyn School District 41's compliance with those requirements.

In our opinion, Glen Ellyn School District 41 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, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and is described in the accompanying schedule of findings and questioned costs as item 2012-02.

Internal Control Over Compliance

The management of Glen Ellyn School District 41 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Glen Ellyn School District 41's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2012-2. 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Glen Ellyn School District 41 as of and for the year ended June 30, 2012 and have issued our report thereon dated October 26, 2012 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Glen Ellyn School District 41's 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

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. We did not audit Glen Ellyn School District 41's response and, accordingly, we express no opinion on the response.

Board of Education
Glen Ellyn School District 41

This report is intended solely for the information and use of the Glen Ellyn School District 41's management, its Board of Education, others within the entity, the federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Oak Brook, Illinois
October 26, 2012

Robert Tully Vreche Krause, LLC

Glen Ellyn School District 41
19022041002

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

Glen Ellyn School District 41
19022041002

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 Flow-through Federal Revenues	Account 4000	\$ 663,467
Revenues 9-14, Line 112 Value of Commodities	Account 2200	-
Indirect Cost Info 30, Line 11		28,052
Less: Medicaid Fee-for-Service Revenues 9-14, Line 269	Account 4992	(62,204)
AFR TOTAL FEDERAL REVENUES:		\$ 629,315

ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:

Reason for Adjustment:

Commodities already included in revenue	\$ (28,052)
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ADJUSTED AFR FEDERAL REVENUES	\$ 601,263
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Total Current Year Federal Revenues Reported on SEFA: Federal Revenues	Column D	\$ 601,263
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Adjustments to SEFA Federal Revenues:

Reason for Adjustment:

ADJUSTED SEFA FEDERAL REVENUE:	\$ 601,263
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DIFFERENCE:	\$ -
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Glen Ellyn School District 41

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

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 ¹		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/10-6/30/11 (C)	Year 7/1/11-6/30/12 (D)	Year 7/1/10-6/30/11 (E)	Year 7/1/11-6/30/12 (F)			
U.S. Department of Education									
Illinois State Board of Education									
Title I - Low Income - PY 11 (M)	84.101A	11-4300-00	158,738	0	158,738	0	158,738	170,888	
Title I - Low Income - PY 12 (M)	84.101A	12-4300-00	12,150	218,532	0	230,682	230,682	232,899	
Subtotal - 84.010A - Title I - Low Income			170,888	218,532	158,738	230,682	389,420	403,787	
Title II - Teacher Quality - PY 11	84.367A	11-4932-00	129,580		129,580	0	129,580	133,462	
Title II - Teacher Quality - PY 12	84.367A	12-4932-00	3,882	71,217	0	75,099	75,099	94,611	
Subtotal - 84.367A - Title II - Teacher Quality			133,462	71,217	129,580	75,099	204,679	228,073	
Title III - Immigrant Education Program IEP - PY 11	84.365A	11-4905-00	48,030	0	47,384	646	48,030	24,750	
Title III - Immigrant Education Program IEP - PY 12	84.365A	12-4905-00	5,658	1,408	0	7,066	7,066	12,370	
Subtotal - 84.365A - Title III - Immigrant Education Program			53,688	1,408	47,384	7,712	55,096	37,120	
Title III - Lang Inst. Prog. Limited PY 11	84.365A	11-4909-00	17,044	5,122	17,265	4,901	22,166	78,585	
Title III - Lang Inst. Prog. Limited PY 12	84.365A	12-4909-00	34,447	53,762	0	88,209	88,209	134,031	
Subtotal - 84.365A - Title III - Lang Inst. Prog. Limited			51,491	58,884	17,265	93,110	110,375	212,616	
Subtotal - Title III Cluster			105,179	60,292	64,649	100,822	165,471	249,736	
National School Lunch Program - PY 11 (M)	10.555	11-4210-00	0	11,711	0	11,711	11,711	0	
National School Lunch Program - PY 12 (M)	10.555	12-4210-00	0	65,011	0	65,011	65,011	0	
Subtotal - 10.555 - National School Lunch Program			0	76,722	0	76,722	76,722	0	
Special Milk Program - PY 11 (M)	10.556	11-4215-00	30,063	3,700	30,063	3,700	33,763	0	
Special Milk Program - PY 12 (M)	10.556	12-4215-00	0	26,133	0	26,133	26,133	0	

Glen Ellyn School District 41

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

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 ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/10-6/30/11 (C)	Year 7/1/11-6/30/12 (D)	Year 7/1/10-6/30/11 (E)	Year 7/1/11-6/30/12 (F)			
Subtotal - 10.556 - Special Milk Program			30,063	29,833	30,063	29,833	0	59,896	0
Food Commodity Program PY 12 (M)	10.555	12-4299-00	0	28,052	0	28,052	0	28,052	0
Subtotal - 10.555 - Food Commodity Program			0	28,052	0	28,052	0	28,052	0
Subtotal - Child Nutrition Cluster			30,063	134,608	30,063	134,607	0	164,670	0
ARRA Education Jobs Funds Program - PY 11	84.410A	11-4880-00	120,420	0	120,420	0	0	120,420	0
ARRA Education Jobs Funds Program - PY 12	84.410A	12-4880-00	0	0	0	0	0	0	0
Subtotal - 84.410A - ARRA Education Jobs Funds Program			120,420	0	120,420	0	0	120,420	0
IDEA Room & Board PY 11	84.027	11-4625-00	97,258	18,866	97,258	18,866	0	116,124	0
IDEA Room & Board PY 12	84.027	12-4625-00	0	0	0	0	0	0	0
Subtotal - 84.027 - IDEA Room & Board			97,258	18,866	97,258	18,866	0	116,124	0
Cooperative Association for Special Education									
ARRA - IDEA Flow-Through Part B - PY 11	84.391	11-4857-00	64,492	0	64,492	0	0	64,492	64,492
ARRA - IDEA Flow-Through Part B - PY 12	84.391	12-4857-00	0	0	0	0	0	0	0
Subtotal - 84.392 - ARRA - IDEA Flow-Through Part B			64,492	0	64,492	0	0	64,492	64,492
IDEA Flow-Through Part B - PY 12	84.173	12-4620-00	0	11,140	0	11,140	0	11,140	0
Subtotal - 84.173 - IDEA Flow-Through Part B			0	11,140	0	11,140	0	11,140	0

Glen Ellyn School District 41
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

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 ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/10-6/30/11 (C)	Year 7/1/11-6/30/12 (D)	Year 7/1/10-6/30/11 (E)	Year 7/1/11-6/30/12 (F)			
ARRA - IDEA Pre-School Part B - PY 11	84.392	11-4856-00	4,282	0	4,282	0	0	4,282	6,451
ARRA - IDEA Pre-School Part B - PY 12	84.392	12-4856-00	0	0	0	0	0	0	0
Subtotal - 84.393 - ARRA - IDEA Pre-School Part B			4,282	0	4,282	0	0	4,282	6,451
Subtotal - IDEA Cluster			166,032	30,006	166,032	30,006	0	196,038	70,943
DuPage County Regional Office of Education									
ARRA - McKinney-Vento Homeless Program PY 11	84.387A	11-4862-00	1,079	0	1,079	0	0	1,079	0
ARRA - McKinney-Vento Homeless Program PY 12	84.387A	12-4862-00	0	0	0	0	0	0	0
Subtotal - 84.387A - ARRA McKinney-Vento Homeless Program			1,079	0	1,079	0	0	1,079	0
Area 1 in Will County									
McKinney-Vento Homeless Program PY 11	84.196	11-4920-00	8,000	0	8,000	0	0	8,000	0
McKinney-Vento Homeless Program PY 12	84.196	12-4920-00	0	7,000	0	7,000	0	7,000	0
Subtotal - 84.196 - McKinney-Vento Homeless Program			8,000	7,000	8,000	7,000	0	15,000	0
Subtotal - U.S. Department of Education			735,123	521,655	678,561	578,216	0	1,256,777	952,539
U.S. Department of Health and Human Services									
Department of Public Aid									
Medicaid Matching - Administrative Outreach - PY 11	93.778	11-4991-00	51,076	0	51,076	0	0	51,076	0
Medicaid Matching - Administrative Outreach - PY 12	93.778	11-4991-00	0	53,652	0	53,652	0	53,652	0
Subtotal - 93.778 - Medicaid Matching - Administrative Outreach			51,076	53,652	51,076	53,652	0	104,728	0
Subtotal - U.S. Department of Health and Human Services			51,076	53,652	51,076	53,652	0	104,728	0

Glen Ellyn School District 41

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

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 ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/10-6/30/11 (C)	Year 7/1/11-6/30/12 (D)	Year 7/1/10-6/30/11 (E)	Year 7/1/11-6/30/12 (F)			
U.S. Department of Homeland Security									
Illinois Emergency Management Agency									
IEMA Public Assistance Program FEMA - Severe Winter Storms	97.036	11-4998-00	0	25,956	25,956	0	25,956	0	0
Subtotal - 97.036 - IEMA Public Assistance Program FEMA - Severe Winter Storms			0	25,956	25,956	0	25,956	0	0
Subtotal - U.S. Department of Homeland Security			0	25,956	25,956	0	25,956	0	0
Total All Federal Awards			786,199	601,263	755,593	631,868	1,387,461	952,539	

* (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.

Glen Ellyn School District 41
19022041002
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ending June 30, 2012

Note 1: Basis of Presentation⁵

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 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, **Glen Ellyn School District 41** provided federal awards to subrecipients as follows:

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

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

Glen Ellyn School District 41
19022041002
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2012

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unqualified
 (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) YES X None Reported
- Noncompliance material to financial statements noted? YES X NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? YES X 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: Unqualified
 (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
84.101A	Title I Low Income
10.555, 10.556	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

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.

Glen Ellyn School District 41
19022041002
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2012-01 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? 2009

3. Criteria or specific requirement

An internal control structure over external financial reporting is necessary to ensure the proper presentation of financial statements.

4. Condition

Like most District's in the Illinois, the District does not maintain an external financial reporting department or function, but relies on the external auditor for this purpose.

5. Context¹²

Management is responsible for the fair presentation of the financial statements. This includes cash basis adjustments, drafting the individual fund statements, making conversion entries, drafting the government-wide statements, preparing footnote disclosures and preparing the Schedule of Expenditures for Federal Awards,

6. Effect

External financial statements would not have been presented in accordance with GAAP without the reliance on the external auditor.

7. Cause

The District does not have an external reporting function, but relies upon the auditor for expertise in external financial reporting.

8. Recommendation

While this is defined as a material weakness by accounting standards, it may not be practical or cost beneficial for the District to mitigate this weakness. New accounting literature continues to be added at an astonishing pace and comes from a variety of sources. Employing an individual who remains current on the ever changing accounting and reporting standards can add significant financial cost to your internal control process. As such, the District may choose to accept the risk as most district in the state have done.

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.

Glen Ellyn School District 41
19022041002
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2012

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2012-2 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: National School Lunch Program (Child Nutrition Cluster)

4. Project No.: 12-4210-00 5. CFDA No.: 10.555

6. Passed Through: Illinois State Board of Education

7. Federal Agency: Department of Agriculture

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
The District must have functioning internal controls to ensure that student's eligibility information is entered correctly into the District's software.

9. Condition¹⁵
The District made correct determinations of student's eligibility based on their applications, but two student's eligibility status was entered incorrectly into the District's software. From our sample of 40 students we identified 1 student was properly determined as eligible for a reduced meal, but was entered into the food service program as eligible for free meals. Within the same sample we further noted that another student was properly determined to be eligible for free meals, however this student was entered into the system as full pay.

10. Questioned Costs¹⁶
The known questioned cost of \$46 was calculated for students eligible for reduced lunch, but entered as free in the District's system. Projected questioned cost could not be determined.

11. Context¹⁷
Instances of data entry error were detected as the eligibility per the student's applications were properly calculated, but entered into the system incorrectly.

12. Effect
By not having the proper controls in place to detect data entry errors, the District could submit incorrect reimbursement reports which would result in the District receiving either overstated or understated reimbursement amounts.

13. Cause
This finding is caused by lack of controls over data entry in the Food Service Department.

14. Recommendation
We recommend that the District take the proper action to ensure that internal controls over data entry for eligibility determination are operating effectively.

15. Management's response¹⁸
See corrective action plan.

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.

Glen Ellyn School District 41
19022041002
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2012

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> ²⁰
NONE		

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.

Glen Ellyn School District 41
19022041002
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2012

Corrective Action Plan

Finding No.: 2012-1

Condition:

An internal control structure over external financial reporting is necessary to ensure the proper presentation of financial statements.

Plan:

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

Anticipated Date of Completion: N/A

Name of Contact Person: Bob Ciserrela - Assistant Superintendent of Finance, Facilities and Operations

Management Response: N/A

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

Glen Ellyn School District 41
19022041002
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2012

Corrective Action Plan

Finding No.: 2012-2

Condition:

The District made correct determinations of student's eligibility based on their applications, but two student's eligibility status was entered incorrectly into the District's software.

Plan:

For the 2012-2013 fiscal year, District 41 is participating in the National School Lunch Program at all schools. The District also implemented using the student food service software for determining meal benefits. When the application is received, it is entered in the software for a determination and the lunch code is automatically set in the computer based on this determination. The noted application is then given to another staff member to send the benefits determination letter to the family. This second staff member also reviews the determination for accuracy using the NSLP chart prior to the benefits letter being sent to the family. If there is a discrepancy, both staff review the application once more and the computer entry is changed if needed. Therefore the computer application process is setting the lunch code flags in the system which is connected to the POS system for reporting and student meal accounts.

Anticipated Date of Completion: 6/30/2012

Name of Contact Person: Bob Ciserrela - Assistant Superintendent of Finance, Facilities and Operations

Management Response: See above

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