

Prepared by Dr. Jeffrey Alstadt

FY 2025 Annual Financial Audit

Newkirk & Associates, Inc. has completed the annual audit of Streator Elementary School District No. 44's financial statements for the fiscal year ended June 30, 2025. The purpose of this audit is to express an opinion on the financial statements and evaluate the District's internal control over financial reporting.

Background and Information:

The audit identified specific areas for improvement, categorized as a significant deficiency and material weaknesses. The business office has already reviewed these findings and began implementing the following Corrective Action Plans (CAP):

- Financial Reporting Preparation (Finding 2025-001): As is common for districts of our size, we rely on the auditors to draft the final technical financial statements.
 - Action: Management accepts this risk but will continue to review and approve all statements to ensure accuracy, while maintaining confidence in our staff's ability to prepare interim reports.
- Certified Payroll Compliance (Finding 2025-002): The audit noted missing certified payroll records for certain construction contractors paid via federal funds.
 - Action: The District is improving training related to grant compliance to ensure all necessary certified payroll records are collected prior to payment.
- Food Service Fund Balance (Finding 2025-003): The Food Service program revenue exceeded expenditures, resulting in a cash balance higher than the federal 3-month average allowance.
 - Action: We will monitor the cash position on a rolling three-month average to ensure funds do not accumulate beyond regulatory limits.
- Meal Claim Accuracy (Finding 2025-004): A clerical error resulted in an overclaim of reimbursement for meals served at Centennial School.
 - Action: The team is creating adequate review and control systems to verify the accuracy of reported meals before submission.

The business team has actively begun work to address these Corrective Action Plans to ensure full compliance by the end of the current fiscal year. Administration recommends the Board accept the Annual Financial Audit as presented.

Administrative Recommendation:

The administration recommends that the Board of Education accept the Fiscal Year 2025 Annual Financial Audit and the Annual Financial Report as presented by Newkirk & Associates.