

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

REPORTS REQUIRED BY
OMB CIRCULAR A-133 AND
GOVERNMENT AUDITING STANDARDS

YEAR ENDED JUNE 30, 2014

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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 Members of the Board of Education
Oak Park Elementary School District 97
Oak Park, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oak Park Elementary School District 97 ("District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____. During the year ended June 30, 2014, the District adopted the reporting and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

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 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. 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 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*.

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 *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chicago, Illinois
Report Date

**Independent Auditor's Report on Compliance for the Major Federal Program;
Report on Internal Control Over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by OMB Circular A-133**

To the Members of the Board of Education
Oak Park Elementary School District 97
Oak Park, Illinois

Report on Compliance for the Major Federal Program

We have audited the Oak Park Elementary School District 97's ("District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2014. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal program 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 of America, 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 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 the major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the Oak Park Elementary School District 97 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

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 programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated **October XX, 2014** which contained unmodified opinions on those financial statements. Our audit for the year ended June 30, 2014 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2014 is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 2014 information has been subjected to the auditing procedures applied in the audits of the basic financial statements for the year ended June 30, 2014, 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 2014 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

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We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated October 15, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The schedule of expenditures of federal awards for the year ended June 30, 2013 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 2013 financial statements. The 2013 information has been subjected to the auditing procedures applied in the audit of the 2013 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 2013 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2013.

Chicago, Illinois
Report Date

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ILLINOIS STATE BOARD OF EDUCATION
100 NORTH FIRST STREET
SPRINGFIELD, ILLINOIS 62777-0001

County Cook 14-016-0970-02
District/Joint Agreement Name Oak Park School District 97
District/Joint Agreement No. 97

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

Federal Agency/ Pass-through Grantor/ Program Name	Fund and Account Number (A)	CFDA Number (B)	ISBE Project Number (C)	Receipts			Disbursements			Final Status (I)	Budget (J)
				7/1/12- 6/30/13 (D)	7/1/13- 6/30/14 (E)	7/1/12- 6/30/13 (F)	7/1/13- 6/30/14 (G)	Obligations/ Encumbrances (H)			
U.S. Department of Education: Passed through Illinois State Board of Education: Title I Cluster:											
	1-4300	84.010A	14-4300-00-14-016-0970-02 13-4300-00-14-016-0970-02	\$ -	\$ 397,214 (2,368)	\$ -	\$ 344,218 (2,368)	\$ 397,214 (2,368)	\$ -	\$ 397,214 341,850	\$ 565,690 468,247
	1-4305	84.010A	14-4305-00-14-016-0970-02 13-4305-00-14-016-0970-02	-	23,896	-	28,113	23,896	-	23,896 28,113	23,896 28,113
	Total Title I Cluster			372,331	418,742	372,331	418,742	-	-	791,073	1,085,946
Special Education Cluster:											
	1-4600	84.173A	14-4600-00-14-016-0970-02 13-4600-00-14-016-0970-02	-	40,285	-	36,254	40,285	-	40,285 36,254	82,490 66,732
	1-4620	84.027A	14-4620-00-14-016-0970-02 13-4620-00-14-016-0970-02	-	1,229,973 (5,388)	-	1,281,619	1,229,973 (5,388)	-	1,229,973 1,276,231	1,645,489 1,675,609
	1-4625	84.027A	13-4625-00-14-016-0970-02	298	18,249	288	18,249	-	-	18,547	N/A
	Total Special Education Cluster			1,318,171	1,283,119	1,318,171	1,283,119	-	-	2,601,290	3,470,320
Improving Teacher Quality - State Grants - Title II : Teacher Quality											
	1-4932	84.367A	14-4932-00-14-016-0970-02 13-4932-00-14-016-0970-02	-	135,406	-	145,107	135,406	-	135,406 145,107	148,491 163,903
	1-4880	84.410A	13-4880-00-14-016-0970-02	12,188	-	12,188	-	-	-	12,188	N/A
	Total U.S. Department of Education			1,847,797	1,837,267	1,847,797	1,837,267	-	-	3,685,064	4,868,660

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Child Nutrition Cluster:
Passed through Illinois State Board of Education:
U.S. Department of Agriculture:

National School Lunch Program	1-4210	10.555	14-4210-00-14-016-0970-02	-	525,950	-	525,950	-	525,950	N/A
			13-4210-00-14-016-0970-02	484,066	80,739	484,066	80,739	-	564,805	N/A
			12-4210-00-14-016-0970-02	75,933	-	75,933	-	-	75,933	N/A
School Breakfast Program	1-4220	10.553	14-4220-00-14-016-0970-02	-	46,600	-	46,600	-	46,600	N/A
			13-4220-00-14-016-0970-02	43,059	4,843	43,059	4,843	-	47,902	N/A
			12-4220-00-14-016-0970-02	4,915	-	4,915	-	-	4,915	N/A
National School Lunch Program - Value of Commodity Assistance	10.555		14-4299-00-14-016-0970-02	-	88,896	-	88,896	-	88,896	N/A
			13-4299-00-14-016-0970-02	78,388	-	78,388	-	-	78,388	N/A
				686,361	747,028	686,361	747,028	-	1,433,389	N/A
Total U.S. Department of Agriculture										
U.S. Department of Defense: National School Lunch Program - Fruits and Vegetables	10.555		14-4299-00-14-016-0970-02	-	18,161	-	18,161	-	18,161	N/A
	10.555		13-4299-00-14-016-0970-02	30,012	-	30,012	-	-	30,012	N/A
				716,373	765,189	716,373	765,189	-	1,481,562	N/A
Total Child Nutrition Cluster										

U.S. Department of Health and Human Services
Passed through Illinois Department of Public Aid:

Medical Assistance Program - Medicaid Matching Outreach	93.778		14-4991-00-14-016-0970-02	-	116,417	-	116,417	-	116,417	N/A
			13-4991-00-14-016-0970-02	95,136	-	95,136	-	-	95,136	N/A
				95,136	116,417	95,136	116,417	-	211,553	N/A
Total U.S. Department of Health and Human Services										
Grand Total Federal Awards										
				\$	2,659,306	\$	2,659,306	\$	5,378,179	4,868,660

CFDA Catalog of Federal Domestic Assistance

Oak Park Elementary School District 97

Note to Schedule of Expenditures of Federal Awards

Note 1. Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Oak Park School District 97 ("District") and is presented in accordance with the requirements of OMB 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 financial statements.

No funds were identified as having been provided to subrecipients by the District under the meaning of Sections 105 and 210 of OMB of Circular A-133, and accordingly, no funds identified in the Schedule of Expenditures of Federal Awards are attributable to subrecipient entities as required under Section 310(b) of OMB Circular A-133. There were no federal awards expended for insurance or any loans or loan guarantees outstanding at year-end. The District did receive noncash assistance in the form of food commodities that is included in the Child Nutrition Cluster on the Schedule of Expenditures of Federal Awards.

Basis of accounting: The schedule has been prepared using the modified accrual basis of accounting which is the same basis used in preparing the basic financial statements of the District.

Oak Park Elementary School District 97

Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	___ Yes	_X_ No
Significant deficiency(ies) identified?	___ 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(ies) identified?	___ Yes	_X_ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	___ Yes	_X_ No
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Identification of Major programs:

<u>CFDA NUMBER</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs	\$300,000
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Auditee qualified as low-risk auditee?	_X_ Yes	___ No
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Oak Park Elementary School District 97

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2014

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings required to be reported in accordance with generally accepted government auditing standards.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for federal awards.

Oak Park Elementary School District 97

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014

FINANCIAL STATEMENT FINDINGS

The prior year audit disclosed no financial statement findings.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from the prior year's Summary of Prior Audit Findings.