



Illinois State Board of Education

100 North First Street • Springfield, Illinois 62777-0001
www.isbe.net

James T. Meeks
Chairman

Tony Smith, Ph.D.
State Superintendent of Education

January 3, 2018

Ms. Nancy Sporer
Director of Business & HR
Mid-Valley Special Ed Coop
1304 Ronzheimer Ave
St Charles, IL 60174

Dear Ms. Sporer:

RE: 31-045-3030-61

The Federal and State Monitoring staff has examined the records related to the programs detailed in the enclosed Audit Adjustments Summary Report. Also enclosed is the audit report that explains the findings and reasons for adjustment(s). The audit adjustment(s) noted will be forwarded to the Division of Funding and Disbursements for application to future claims.

We appreciate the courtesies and cooperation extended to our staff. If you have any questions, please contact Federal and State Monitoring at 217/782-7970.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Ulmer".

Matthew Ulmer
Division Administrator
Federal and State Monitoring

cc: Hon. Patricia Dal Santo
Dr. Jason Pearson – Board President

**Illinois State Board of Education
Federal and State Monitoring
100 North First Street
Springfield, Illinois 62777-0001
217/782-7970**

January 3, 2018

Mid-Valley Special Ed Coop

RCDT# 31-045-3030-61

Audit Report

This Audit Report encompasses an evaluation of the accountability of program revenues, expenditures, fiscal internal controls and programmatic compliance for the following programs:

- Special Education – Personnel
- Transportation – Regular and Vocational

Discussion with Management

The results of the audit were discussed on November 13, 2017 with:

Name	Position
Nancy Sporer	Director of Business & HR

The Illinois State Board of Education was represented by Robert Cunnings.

Illinois State Board of Education
Federal and State Monitoring
100 North First Street
Springfield, Illinois 62777-0001
217/782-7970

January 3, 2018

Mid-Valley Special Ed Coop

RCDT # 31-045-3030-61

Audit Adjustment Summary Report

Fiscal Year	School Year	Revenue Code	Program Name(s)	Audit Adjustment	Written Response Required (Yes/No)
2017	2015-2016	3110-00	Special Ed. - Personnel	\$0	No
2017	2015-2016	3500-00	Transportation - Regular and Vocational	\$6,737	No

Fiscal Year of Payment	School Year	Program Name	Revenue Code
2017	2015-2016	Special Ed. - Personnel	3110-00

No testing was performed due to the passage of the Evidence-Based Funding for Student Success Act (P.A. 100-0465) on August 31, 2017, which materially changed the funding mechanism for this program. Due to the material change, a review of the past execution of the grant claim has no impact on the future, and there is no mechanism available to apply any audit adjustments which may be noted.

Fiscal Year of Payment	School Year	Program Name	Revenue Code
2017	2015-2016	Transportation - Regular and Vocational	3500-00

The transportation funding is to provide reimbursement to local education agencies that transport students who reside 1.5 miles or more from their attendance center, reside less than 1.5 miles with an approved safety hazard as determined by the Illinois Department of Transportation, attend a vocational program and are transported by their resident district during the school day or transport students with disabilities who have transportation needs. School Districts access this funding by filing an annual claim with the Illinois State Board of Education.

FSM Objective for Testing Student Transportation Claim:

The objective of our audit of the Student Transportation Claim is to test on a sample basis to determine that the claim was completed in compliance with approved rules. As part of the testing process we determine that the district has maintained supporting documentation to support the claim that was filed including but not limited to reporting allowable expenditures and are using the correct allocation methods for claimable expenditures.

Finding #1 The LEA understated Transportation Fund expenditures as reconciled with the Annual Financial Report. The LEA understated transportation related expenditures by \$540.

Recommended Corrective Action The LEA must not understate Transportation Fund expenditures as reconciled with the Annual Financial Report.

Finding #2 The LEA did not claim depreciation expense correctly. The LEA failed to claim to depreciation for Sequence #1 and #2 for the 2015-2016 claim year. Also, the auditor slightly adjusted the principle costs of Sequence #1 and #2 and allowed additional depreciation in order to arrive at the proper accumulated depreciation at the end of the 2015-2016 claim year.

Recommended Corrective Action The LEA must claim depreciation expense correctly.

Audit Adjustment

Per Audit	Per Claim	(Over Claim) Under Claim
\$10,283	\$3,546	\$6,737

Please contact Tim Imler, Division Administrator, Funding & Disbursements for technical assistance at 217/782-5256.

Forward any related questions to the audit findings directly to:

Matthew Ulmer, Division Administrator
Illinois State Board of Education
Federal and State Monitoring E-310
100 North First Street
Springfield, Illinois 62777-0001

217/782-7970



Illinois State Board of Education

100 North First Street • Springfield, Illinois 62777-0001
www.isbe.net

James T. Meeks
Chairman

Tony Smith, Ph.D.
State Superintendent of Education

January 3, 2018

Ms Nancy Sporer
Director of Business & HR
Mid-Valley Special Ed Coop
1304 Ronzheimer Ave
St Charles, IL 60174

Dear Ms. Sporer:

RE: 31-045-3030-61

The Federal and State Monitoring staff has examined the records related to the programs detailed in the enclosed Monitoring Findings Summary Report. Also enclosed is the monitoring report that explains the findings and reasons for the questioned costs.

Those programs requiring a written response to their findings have been noted on the Monitoring Findings Summary Report. A written response to the findings should be submitted to our office within 30 days, delineating specific actions that will be taken to correct problems identified in the Monitoring Report.

We appreciate the courtesies and cooperation extended to our staff. If you have any questions, please contact Federal and State Monitoring at 217/782-7970.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Ulmer".

Matthew Ulmer
Division Administrator
Federal and State Monitoring

cc: Hon. Patricia Dal Santo
Dr. Jason Pearson – Board President

Illinois State Board of Education
Federal and State Monitoring
100 North First Street
Springfield, Illinois 62777-0001
217/782-7970

January 3, 2018

Mid-Valley Special Ed Coop

RCDT # 31-045-3030-61

Monitoring Findings Summary Report

Fiscal Year	School Year	Revenue Code	Program Name(s)	Questioned Costs	Written Response Required (Yes/No)
2017	2016-2017	4600-00	Fed. - Sp. Ed. - Pre-School Flow Through	\$0	Yes
2017	2016-2017	4620-00	Fed. - Sp. Ed. - I.D.E.A. - Flow Through	\$37,930	Yes

**Illinois State Board of Education
Federal and State Monitoring,
100 North First Street
Springfield, Illinois 62777-0001
217/782-7970**

January 3, 2018

Mid-Valley Special Ed Coop

RCDT # 31-045-3030-61

Monitoring Report

This Monitoring Report encompasses an evaluation of the accountability of program revenues, expenditures, fiscal internal controls and programmatic compliance for the following programs:

- Fed. - Sp. Ed. - Pre-School Flow Through July 1, 2016 – August 18, 2017
- Fed. - Sp. Ed. - I.D.E.A. - Flow Through July 1, 2016 – August 18, 2017

Discussion with Management

The results of the monitoring review were discussed on November 13, 2017 with:

Name	Position
Nancy Sporer	Director of Business & HR

The Illinois State Board of Education was represented by Robert Cunnings.

School Year	Program Name	Revenue Code
2016-2017	Fed. - Sp. Ed. - Pre-School Flow Through	4600-00

The objective of the Federal Special Ed Pre-School Flow-Through Grant is to provide supplemental funds to ensure all Pre-School children with disabilities receive a free appropriate public education in the least restrictive environment. Funds may be used to support salaries of staff that provide services for special education students. This may include teachers, aides, administrative staff and other personnel such as social workers, psychologists, and physical therapist; training; specialized consultants and instructional supplies, materials and equipment.

Fiscal Review

The objective of our fiscal review is to test on a sample basis that the funds are being used in accordance with the grant requirements. During this process we determine for our sample selected that the expenditures claimed were allowable, were approved in the budget submitted to Illinois State Board of Education Program Staff, the expenditures were within the grant period, expenditures were supported by proper documentation and the expenditures were properly accounted for and recorded in the correct accounts.

Finding #1 The public school district did not maintain separate revenue and expenditure accounts or subsidiary ledger accounts in accordance with the Illinois Program Accounting Manual (IPAM). The LEA incorrectly coded some expenditures to the IDEA grant expense account instead of the IDEA – Preschool expense account. Auditor verified expenditure report figures were submitted correctly.

Questioned Costs: \$0

Recommended Corrective Action All expenditures and revenues must be recorded in accordance with the Illinois Program Accounting Manual.

Please contact Mark Schudel, Division Administrator, Special Education Services for technical assistance at 217/782-5589.

Forward any written response to the monitoring findings directly to:

Matthew Ulmer, Division Administrator
 Illinois State Board of Education
 Federal and State Monitoring E-310
 100 North First Street
 Springfield, Illinois 62777-0001

217/782-7970

School Year	Program Name	Revenue Code
2016-2017	Fed. - Sp. Ed. - I.D.E.A. - Flow Through	4620-00

The objective of IDEA Flow-Through Grant is to provide supplemental funds to ensure all children with disabilities ages 3 through 21 receive a free appropriate public education in the least restrictive environment. Funds may be used to support salaries of staff that provide services for special education students. This may include teachers, aides, administrative staff and other personnel such as social workers, psychologists, and physical therapist; training; specialized consultants and instructional supplies, materials and equipment.

Fiscal Review

The objective of our fiscal review is to test on a sample basis that the funds are being used in accordance with the grant requirements. During this process we determine for our sample selected that the expenditures claimed were allowable, were approved in the budget submitted to Illinois State Board of Education Program Staff, the expenditures were within the grant period, expenditures were supported by proper documentation and the expenditures were properly accounted for and recorded in the correct accounts.

Finding #1 The public school district did not maintain separate revenue and expenditure accounts or subsidiary ledger accounts in accordance with the Illinois Program Accounting Manual (IPAM). The LEA incorrectly coded some expenditures to the IDEA grant expense account instead of the IDEA – Preschool expense account. Auditor verified expenditure report figures were submitted correctly.

Questioned Costs: \$0

Recommended Corrective Action All expenditures and revenues must be recorded in accordance with the Illinois Program Accounting Manual.

Finding #2 The grant recipient did not submit accurate periodic expenditure reports. The LEA overstated 4000-600 Payments to Other Govt. Units-Other by \$37,930.

Questioned Costs: \$37,930

Recommended Corrective Action The grant recipient must submit accurate periodic expenditure reports.

Please contact Mark Schudel, Division Administrator, Special Education Services for technical assistance at 217/782-5589.

Forward any written response to the monitoring findings directly to:

Matthew Ulmer, Division Administrator
Illinois State Board of Education
Federal and State Monitoring E-310
100 North First Street
Springfield, Illinois 62777-0001

217/782-7970



Mid-Valley Special Education Cooperative

Dr. Marianne Fidishin, Executive Director
1304 Ronzheimer Avenue
St. Charles, IL 60174
Phone: 331-228-4873
Fax: 331-228-4874

February 1, 2018

Illinois State Board of Education
Federal and State Monitoring E-310
100 North First Street
Springfield, IL 62777-0001

Dear Mr. Ulmer:

This is in response to your letter dated January 3, 2018 in regards to the audit of our federal and state programs for the 2016-2017 school year.

Program Name: Fed. – Sp. Ed. – Pre-School Flow Through

Finding #1: The LEA incorrectly coded some expenditures to the IDEA grant expense account instead of the IDEA – Preschool account. Auditor verified expenditure report figures were submitted correctly.

Corrective Action: One payment to one of our districts was coded incorrectly. A journal entry, #305, was made on November 10, 2017 to correctly code the preschool expenditures from the IDEA flow through account to the IDEA preschool account.

Program Name: Fed. – Sp. Ed. – I.D.E.A.- Flow Through

Finding #1: The LEA incorrectly coded some expenditures to the IDEA grant expense account instead of the IDEA – Preschool account. Auditor verified expenditure report figures were submitted correctly.

Corrective Action: Same finding as above. One payment to one of our districts was coded incorrectly. A journal entry, #305, was made on November 10, 2017 to correctly code the preschool expenditures from the IDEA flow through account to the IDEA preschool account.

Finding #2: The grant recipient did not submit accurate periodic expenditure reports. The LEA overstated 4000-600 Payments to Other Govt. Units-Other by \$37,930.

Corrective Action: The \$37,930 is a pre-payment from 2015-2016. An expenditure report was submitted with a scheduled payment amount of \$240,111 in July of 2016. After realizing the expenditures were overstated Mid Valley tried to void the original submission and resubmit a corrected report for a scheduled payment of \$202,181. The deadline was missed to resubmit and a disbursement of \$240,111 was processed by the comptroller on 7/21/2016. This led to a pre-payment of \$37,930 for one of our districts which carried over to the 2016-2017 grant year. In order to correct the pre-payment in the 2016-17 year, the district with the pre-payment was paid the amount due to them less the \$37,930 in one of their disbursements from Mid Valley. However, on the ISBE expenditure report all the expenses were claimed including the amount of \$37,930. Mid Valley is working hard to be more careful in submitting accurate and timely expenditure reports.

I wanted to mention that we appreciated Robert's willingness to answer our questions and also his knowledge and expertise. Please let me know if you need any further information.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Sporer". The signature is written in black ink and is positioned to the left of the typed name.

Nancy Sporer
Director of Business and Human Resources

cc: Dr. Jason Pearson – Chairman of the MVSEC Executive Advisory Board



Illinois State Board of Education

100 North First Street • Springfield, Illinois 62777-0001
www.isbe.net

James T. Meeks
Chairman

Tony Smith, Ph.D.
State Superintendent of Education

February 21, 2018

RECEIVED

FEB 6 2018

MID VALLEY SPECIAL EDUCATION

Ms. Marianne Fidishin
Superintendent
Mid-Valley Special Ed Coop
1304 Ronzheimer Ave
St Charles, IL 60174

Dear Superintendent Fidishin:

RE: 31-045-3030-61 Final Closing

We have received and accepted your response to the findings and the corresponding corrective actions to those findings as cited in the Monitoring report issued on January 3, 2018.

The final decreased adjustment for the **Fed. – Sp. Ed. – I.D.E.A. – Flow Through Program** in the amount of \$37,930 will be requested via the Funding & Disbursement's Division on March 27, 2018.

This file is now closed.

If you have any further questions please contact Brittany N. Reardon at 217/782-7970 or via e-mail at breardon@isbe.net.

Sincerely,

Matthew Ulmer
Division Administrator
Federal and State Monitoring