



Mid-Valley Special Education Cooperative

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MEMO TO: MV Executive Advisory Board

FROM: Sue Caddy
Director of Business & Human Resources

DATE: November 7, 2012

RE: **FY12 AUDIT REPORT**

The 2012 audit report of Mid Valley is complete and a copy of the AFR has been filed electronically with the State. A copy of the audit report is included with this memo, and a hard copy will be available at the Board meeting on November 7, 2012.

The auditors completed their field work on September 13, 2012. As noted in the management discussion letter, no material weaknesses were identified. Recommendations were made to budget for on-behalf payments for TRS and to allocate interest to the O&M Fund. Both recommendations will be implemented.

The audited fund balances, and my subsequent adjustments, are as follows:

	Fund Balance Reconciliation		
			6/30/12 Audit
	Ed Fund	O&M Fund	Total
Fund balance as per books	831,823	312,692	
Audited fund balance	831,823	312,692	1,144,515
Tuition overpayments	(403,196)	(40,697)	(443,893)
Tuition Due from FY12	25,918		25,918
Personnel Reimb	(467,673)		(467,673)
FY12 Adjusted fund balance	(13,128)	271,995	258,867

The tuition refunds and the personnel reimbursements have been processed for the districts and will be sent out following the D303 Board of Education meeting in November. The FY12 adjusted fund balance represents primarily an accumulation of Medicaid Administrative Outreach funds over the years. The balance in the O&M Fund, to the best of my knowledge, has accumulated over the years due to tuition refunds not being coded properly. All the refunds were paid from the Ed Fund instead of proportionately from Ed and O&M. The reported fund balance will be discussed with the Finance Committee and a recommendation will be forthcoming.

Please feel free to call me if you have any questions.

Recommendation

It is recommended that the MVSEC Executive Advisory Board approve and accept the audit report for fiscal year ended 2012.