

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, 2010

DRAFT

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McGladrey & Pullen

Certified Public Accountants

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*

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oak Park School District 97 (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated [REPORT DATE]. 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

In planning and performing our audit, we considered the District'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 the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's 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*.

This report is intended solely for the information and use of management, the Board of Education, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Chicago, Illinois
[REPORT DATE]

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's 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

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

Compliance

We have audited the compliance of Oak Park School District 97 (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2010. The District'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 the District's management. Our responsibility is to express an opinion on the District'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. 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 that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District 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, 2010.

Internal Control Over Compliance

Management of the District 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 the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order 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 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.

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.

Schedule of Expenditures of Federal Awards

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, 2010, and have issued our report thereon dated [REPORT DATE]. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Education, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Chicago, Illinois
[REPORT DATE]

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

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

Federal Agency/ Pass-through Grantor/ Program Name	Fund and Account Number (A)	CFDA Number (B)	ISBE Project Number (C)	Receipts		Disbursements		Obligations/ Encumbrances (H)	Final Status (I)	Budget (J)
				7/1/08- 6/30/09 (E)	7/1/09- 6/30/10 (E)	7/1/08- 6/30/09 (G)	7/1/09- 6/30/10 (G)			
U.S. Department of Education: Passed through Illinois State Board of Education:										
Title V : Innovative Programs - Formula	1-4100	84.298A	09-4100-00-14-016-0970-02 08-4100-00-14-016-0970-02	\$ 14,255 (15,835)	\$ - -	\$ 14,255 -	\$ - -	\$ - -	14,255 -	15,835 31,455
Title I : Low Income	1-4300	84.010A	10-4300-00-14-016-0970-02 09-4300-00-14-016-0970-02 08-4300-00-14-016-0970-02	- 603,389 (95,603)	546,819 - -	- 603,389 6,414	518,378 - -	- - -	518,378 603,389 495,238	543,890 621,441 590,841
Title I : Low Income - Neglected Priv.	1-4305	84.010A	10-4305-00-14-016-0970-02 09-4305-00-14-016-0970-02 08-4305-00-14-016-0970-02	- 28,140 (987)	33,811 - -	- 28,140 -	32,212 - -	- - -	32,212 28,140 32,119	33,811 28,140 33,106
Title IV : Safe & Drug Free Schools - Formula	1-4400	84.186A	10-4400-00-14-016-0970-02 09-4400-00-14-016-0970-02 08-4400-00-14-016-0970-02	- 15,598 (6,165)	23,492 (2,726) -	- 12,872 -	16,978 - -	- - -	16,978 12,872 -	23,492 23,216 20,910
IDEA Preschool Flow Through	1-4600	84.173A	10-4600-00-14-016-0970-02 09-4600-00-14-016-0970-02 08-4600-00-14-016-0970-02	- 51,021 (7,528)	48,157 (6,568) -	- 44,453 -	48,157 - -	- - -	48,157 44,453 39,158	50,645 51,021 46,686
IDEA Flow Through	1-4620	84.027A	10-4620-00-14-016-0970-02 09-4620-00-14-016-0970-02 08-4620-00-14-016-0970-02	- 1,165,627 91,349	1,173,644 (35,210) -	- 1,144,317 -	1,173,644 - -	- - -	1,173,644 1,144,317 -	1,261,655 1,165,627 1,206,782
IDEA Room and Board	1-4620	84.027A	09-4620-00-14-016-0970-02	1,970	1,484	-	1,484	-	1,484	-
Title II : Teacher Quality	1-4932	84.367A	10-4932-00-14-016-0970-02 09-4932-00-14-016-0970-02 08-4932-00-14-016-0970-02	- 181,323 (33,167)	230,104 (22,125) -	- 153,380 5,818	195,326 5,818 -	- - -	195,326 159,198 106,363	230,104 225,238 167,948
ARRA State Fiscal Stabilization Fund - Education State Grants, Recovery	1-4850	84.394A	10-4850-00-14-016-0970-02 09-4850-00-14-016-0970-02	- 1,454,725	1,035,675 -	- 1,454,725	1,035,675 -	- -	1,035,675 1,454,725	N/A N/A
ARRA Title I: Low Income	1-4851	84.389A	10-4851-00-14-016-00970-02	-	208,997	-	208,997	-	208,997	N/A
ARRA Title I: Low Income - Neglected Priv.	1-4852	84.389A	10-4852-00-14-016-00970-02	-	13,472	-	13,472	-	13,472	N/A
ARRA State Fiscal Stabilization Fund - Government Services	1-4870	84.397A	10-4870-00-14-016-00970-02	-	343,861	-	343,861	-	343,861	N/A
Technology- Enhancing Education - Formula	1-4971	84.318X	10-4971-00-14-016-0970-02 09-4971-00-14-016-0970-02	- 11,658	5,924 (1,166)	- 10,492	5,213 -	- -	5,924 10,492	5,924 11,658
Total Department of Education				3,459,770	3,597,645	3,478,255	3,599,215	-	7,738,827	6,389,425

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

National School Lunch Program	10.555	10-4210-00-14-016-0970-02	-	335,660	-	389,588	-	389,588	N/A
		09-4210-00-14-016-0970-02	296,486	53,928	337,068	-	-	337,068	N/A
		08-4210-00-14-016-0970-02	40,582	-	-	-	-	317,747	N/A
School Breakfast Program	10.553	10-4220-00-14-016-0970-02	-	30,812	-	35,608	-	35,608	N/A
		09-4220-00-14-016-0970-02	28,215	4,796	28,215	-	-	28,215	N/A
		08-4220-00-14-016-0970-02	1,975	-	1,975	-	-	17,614	N/A
Value of Commodity Assistance	10.555	10-4299-00-14-016-0970-02	-	111,816	-	111,816	-	111,816	N/A
		09-4299-00-14-016-0970-02	81,988	-	81,988	-	-	81,988	N/A
Fresh Fruits and Vegetables	10.555	10-4299-00-14-016-0970-02	-	33,228	-	33,228	-	33,228	N/A
		09-4299-00-14-016-0970-02	43,097	-	43,097	-	-	43,097	N/A
Child Nutrition Commodity/Salvage	10.555	09-4299-00-14-016-0970-02	7,265	-	7,265	-	-	7,265	N/A
Total Department of Agriculture			499,608	570,240	499,608	570,240	-	1,403,234	-
U.S. Department of Health and Human Services Passed through Illinois Department of Public Aid:									
Medicaid Matching Outreach	93.778	10-4991-00-14-016-0970-02	-	53,064	-	53,064	-	53,064	N/A
		09-4991-00-14-016-0970-02	51,242	-	51,242	-	-	51,242	N/A
Total US Dept. Health and Human Services Awards			51,242	53,064	51,242	53,064	-	104,306	N/A
Grand Total Federal Awards			\$ 4,010,620	\$ 4,220,949	\$ 4,029,105	\$ 4,222,519	\$ -	\$ 9,246,367	\$ 6,389,425

CFDA Catalog of Federal Domestic Assistance

See Note to Schedule of Expenditures of Federal Awards

Oak Park 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 (the 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.

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 School District 97

Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

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 weaknesses identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes X No

Identification of Major programs:

<u>CFDA NUMBER</u>	<u>Name of Federal Program or Cluster</u>
84.010A, 84.389A	Title I Cluster
84.173A, 84.027A	IDEA Cluster
84.394A, 84.397A	State Fiscal Stabilization Fund (SFSF) Cluster
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee? Yes X No

Oak Park School District 97

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2010

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.

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Oak Park School District 97

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2010

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 09-01: IDEA Cluster

Audit Finding:

The District did not submit quarterly expenditure reports for its IDEA grants within the required 30 day-limit.

Corrective Action Taken:

The Assistant Superintendent for Finance and Operations ensured all reports were submitted timely.

Finding 09-02: IDEA Cluster

Audit Finding:

Expenditures for employee benefits and hearing/vision contracted services reported on quarterly expenditure reports for the IDEA Flow-Through program were based on budgeted, not actual, expenditures.

Corrective Action Taken:

Management reviewed all reports before submission to ensure they were based on actual expenditures.

Finding 09-03: Child Nutrition Cluster

Audit Finding:

The District was reimbursed for fewer meals than were actually provided.

Corrective Action Taken:

Management reviewed all reimbursement requests to verify accuracy.

Finding 09-04: Child Nutrition Cluster

Audit Finding:

The District did not submit its Verification Summary Report in a timely manner.

Corrective Action Taken:

Procedures were put into place to ensure all reports were submitted timely.

Finding 09-05: Report Submission

Audit Finding:

The District did not have procedures in place to ensure timely and accurate filing of required reports.

Corrective Action Taken:

Management coordinated with the proper individuals to ensure all filing requirements were met.