

AUBURN COMMUNITY UNIT SCHOOL DISTRICT #10
AUBURN, ILLINOIS

SINGLE AUDIT REPORT

June 30, 2023

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Independent Auditors' 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*

Board of Education
Auburn Community Unit School District #10
Auburn, 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, the basic financial statements of Auburn Community Unit School District #10 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2023. Our opinion was adverse because the financial statements are not prepared in accordance with accounting principles generally accepted in the United States of America. However, the financial statements were found to be fairly stated, on the modified cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 the 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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.

A handwritten signature in cursive script that reads "Ech, Schaefer + Pender, LLP".

Springfield, Illinois
December 8, 2023

Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control over Compliance Required by the Uniform Guidance

Board of Education
Auburn Community Unit School District #10
Auburn, Illinois

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Auburn Community Unit School District #10's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB 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, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Child Nutrition Cluster

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding the Child Nutrition Cluster as described in finding number 2023-001 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-02. Our opinion on this major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 a 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.

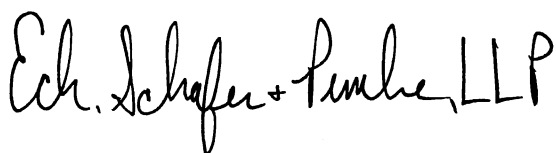
A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Auburn Community Unit School District #10 as of and for the year ended June 30, 2023, and have issued our report thereon dated December 8, 2023. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.



Springfield, Illinois
December 8, 2023

AUBURN CUSD #10
51-084-0100-26

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	AL Number (A)	ISBE Project # (Last 8 digits) or Contract # (B)	Receipts/Revenues		Expenditure/Disbursements			Year 7/1/22-6/30/23 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/21-6/30/22 (C)	Year 7/1/22-6/30/23 (D)	Year 7/1/21-6/30/22 (E)	Year 7/1/21-6/30/22 Pass through to Subrecipients	Year 7/1/22-6/30/23 (F)				
US DEPARTMENT OF AGRICULTURE										0	
Passed Through Illinois State Board of Education											
Child Nutrition Cluster											
USDA Commodities (Non-cash)	10.555	2023	0	20,564	0	20,564	0	20,564		20,564	
USDA Commodities (Non-cash)	10.555	2022	27,210	0	27,210	0	0	0		27,210	
Dept of Defense Fruit & Vegetables (Non-cash)	10.555	2023	0	5,392	0	5,392	0	5,392		5,392	
Dept of Defense Fruit & Vegetables (Non-cash)	10.555	2022	15,008	0	15,008	0	0	0		15,008	
National School Lunch Program	10.555	2023-4210	0	221,146	0	221,146	0	221,146		221,146	
National School Lunch Program	10.555	2022-4210	355,035	128,405	355,035	128,405	0	128,405		483,440	
School Breakfast Program	10.553	2023-4220	0	53,008	0	53,008	0	53,008		53,008	
School Breakfast Program	10.553	2022-4220	95,074	30,153	95,074	30,153	0	30,153		125,227	
Total Child Nutrition Cluster (M)			492,327	458,668	492,327	458,668	0	458,668			
TOTAL, US DEPARTMENT OF AGRICULTURE			492,327	458,668	492,327	458,668	0	458,668			
US DEPARTMENT OF EDUCATION											
Passed Through Illinois State Board of Education											
Title I - Low Income	84.010A	2023-4300	0	182,832	0	182,832	0	182,832		182,832	258,629
Title I - Low Income	84.010A	2022-4300	153,839	106,330	232,000	232,000	0	28,169		260,169	275,296
Title I - School Improvement & Accountability	84.010A	2023-4331	0	0	0	0	0	0		0	20,951
Title I - School Improvement & Accountability	84.010A	2022-4331	56,254	0	56,254	0	0	0		56,254	57,205
Total Title 1 (M)			210,093	289,162	288,254	237,419	0	237,419			
Title II - Teacher Quality	84.367A	2023-4932	0	38,000	0	38,000	0	38,000		38,000	38,000
Title II - Teacher Quality	84.367A	2022-4932	49,840	12,188	62,028	62,028	0	0		62,028	68,636
Total Title 2 (M)			49,840	50,188	62,028	62,028	0	38,000			

AUBURN CUSD #10
51-084-0100-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Adverse - GAAP /Unmodified - Modified Cash
(Unmodified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? YES X None Reported
- Noncompliance material to the financial statements noted? YES X NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? X YES None Reported

Type of auditor's report issued on compliance for major programs: Qualified- Child Nutrition, Unmodified- Title I
(Unmodified, Qualified, Adverse, Disclaimer)

Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)? X YES NO

IDENTIFICATION OF MAJOR PROGRAMS:

AL NUMBER(S)	NAME OF FEDERAL PROGRAM or CLUSTER	AMOUNT OF FEDERAL PROGRAM
10.553, 10.555	Child Nutrition Cluster	458,668
84.010A	Title I Program	237,419
Total Amount Tested as Major		\$696,087

Total Federal Expenditures for 7/1/2022 - 6/30/2023 \$ 1,519,385

% tested as Major 45.81%

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.00

Auditee qualified as low-risk auditee? YES X NO

AUBURN CUSD #10
51-084-0100-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:
NONE

2022 - _____

2. THIS FINDING IS:

New

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context

6. Effect

7. Cause

8. Recommendation

9. Management's response

AUBURN CUSD #10
51-084-0100-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: **2023 - 001** 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____ **Child Nutrition Cluster - 2023**

4. Project No.: _____ **4210, 4220** 5. AL No.: _____ **10.553, 10.555**

6. Passed Through: _____ **Illinois State Board of Education (ISBE)**

7. Federal Agency: _____ **U.S. Department of Agriculture**

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
The District must submit monthly reimbursement claims for meals (both breakfast and lunch) served to eligible students. Accurate records must be maintained justifying all meals claimed.

9. Condition
The District submitted claims which reported meals greater than what the supporting documentation reflected. In one instance, the counts for lunch and breakfast were reported opposite (lunch was reported as breakfast and breakfast as lunch).

10. Questioned Costs
The program is funded based on eligible meals at the established reimbursement rate. Due to the errors identified, the District received excess funding. The exact amount of questioned costs was not determined.

11. Context
We selected four months as our sample size to test for reporting. Errors were identified in two of the months selected (August 2022 and February 2023).

12. Effect
The situation resulted in the District receiving excess funding from the Child Nutrition Cluster.

13. Cause
District personnel incorrectly entered amounts into the monthly reimbursement claim reporting.

14. Recommendation
We recommend that management heighten their review of the claims submission prior to its submittal to ISBE in order to identify errors.

15. Management's response
Management agrees with the finding and has indicated that they will work with ISBE to correct this situation.

AUBURN CUSD #10
51-084-0100-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: **2023 - 002** 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: **Title I - Low Income - 2023**

4. Project No.: **4300** 5. AL No.: **84.010A**

6. Passed Through: **Illinois State Board of Education (ISBE)**

7. Federal Agency: **U.S. Department of Education**

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
The District should request Title I grant reimbursement for actual costs in accordance with the Uniform Guidance.

9. Condition
The District submitted ISBE expenditure reports with amounts greater than the actual Title I amounts identified in the financial records (within the 200 Employee Benefits function).

10. Questioned Costs
Amounts in the ISBE expenditure reports exceeds actual Title I amounts by \$1,919.

11. Context
Testing of other disbursements related to this grant identified no further exceptions.

12. Effect
The situation had the effect of the District receiving \$1,919 in excess receipts under this grant.

13. Cause
District personnel incorrectly entered amounts into the ISBE grant expenditure reporting.

14. Recommendation
We recommend that management heighten their review of the ISBE grant expenditure reports prior to filing.

15. Management's response
Management agrees with this finding and indicated that they will work with ISBE to correct this situation.

AUBURN CUSD #10
51-084-0100-26
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ending June 30, 2023

[If there are no prior year audit findings, please submit schedule and indicate **NONE**]

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
NONE		
