

AUBURN COMMUNITY UNIT SCHOOL DISTRICT #10
AUBURN, ILLINOIS

SINGLE AUDIT REPORT

June 30, 2024

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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, 2024, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2024. 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 black ink that reads "Ech. Schafer + Pankh, LLP". The signature is written in a cursive, flowing style.

Springfield, Illinois
November 19, 2024

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

Opinion on Each Major Federal Program

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, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of 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, 2024.

Basis for Opinion on Each Major Federal Program

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.

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.

Report on 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 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.

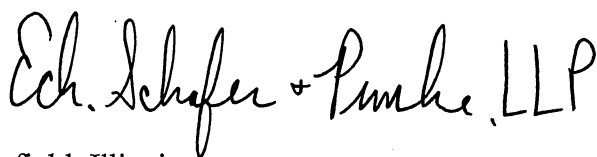
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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, 2024, and have issued our report thereon dated November 19, 2024. 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.

A handwritten signature in black ink that reads "Eck, Schaefer + Pankke, LLP". The signature is written in a cursive, flowing style.

Springfield, Illinois
November 19, 2024

AUBURN CUSD #10
51-084-0100-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	AL Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/22-6/30/23 (C)	Year 7/1/23-6/30/24 (D)	Year 7/1/22-6/30/23 (E)	Year 7/1/22-6/30/23 Pass through to Subrecipients (F)	Year 7/1/23-6/30/24 Pass through to Subrecipients (G)	Year 7/1/23-6/30/24 Pass through to Subrecipients (H)			
US DEPARTMENT OF AGRICULTURE										0	
Passed Through Illinois State Board of Education											
Child Nutrition Cluster											
USDA Commodities (Non-cash)	10.555	2023	20,564		20,564					20,564	
USDA Commodities (Non-cash)	10.555	2024		22,627			22,627			22,627	
Dept of Defense Fruit & Vegetables (Non-cash)	10.555	2023	5,392		5,392					5,392	
Dept of Defense Fruit & Vegetables (Non-cash)	10.555	2024		21,834			21,834			21,834	
National School Lunch Program	10.555	2023-4210	221,146	39,083	221,146		39,083			260,229	
National School Lunch Program	10.555	2024-4210		196,017			196,017			196,017	
School Breakfast Program	10.553	2023-4220	53,008	9,223	53,008		9,223			62,231	
School Breakfast Program	10.553	2024-4220		47,826			47,826			47,826	
Total Child Nutrition Cluster			300,110	336,610	300,110		336,610				
TOTAL, US DEPARTMENT OF AGRICULTURE			300,110	336,610	300,110		336,610				
US DEPARTMENT OF EDUCATION											
Passed Through Illinois State Board of Education											
Title I - Low Income	84.010A	2023-4300	182,832	75,721	209,250		49,303			258,553	258,629
Title I - Low Income	84.010A	2024-4300		205,719			240,121			240,121	270,550
Title I - School Improvement & Accountability	84.010A	2023-4331		17,968	17,968					17,968	20,951
Title I - School Improvement & Accountability	84.010A	2024-4331		16,125			84,866			84,866	107,000
Total Title 1			182,832	315,533	227,218		374,290				
Title II - Teacher Quality	84.367A	2023-4932	38,000		38,000					38,000	38,000
Title II - Teacher Quality	84.367A	2024-4932		21,806			21,806			21,806	21,806
			38,000	21,806	38,000		21,806				

Title IV, Part A - Student Support & Academic Enrichment	84.424A	2023-4400	6,551	776	7,327					7,327	7,327
Title IV, Part A - Student Support & Academic Enrichment	84.424A	2024-4400						2,053		2,053	2,054
			6,551	776	7,327			2,053			
COVID-19: Elementary and Secondary School Emergency Relief (ESSER)	84.425D	2022-4998-E3		60,029							
COVID-19: Elementary and Secondary School Emergency Relief (ESSER)	84.425D	2023-4998-E2	80,825		80,825					80,825	80,825
COVID-19: ARP Homeless Children and Youth	84.425W	2023-4998-HL		3,169							
COVID-19: Elementary and Secondary School Emergency Relief (ESSER)	84.425D	2024-4998-D3		0				140,448		140,448	140,448
COVID-19: Elementary and Secondary School Emergency Relief (ESSER)	84.425D	2024-4998-E3		41,968				610,047		610,047	652,015
COVID-19: ARP Homeless Children and Youth	84.425W	2024-4998-HL		5,994				8,814		8,814	8,844
Total Education Stabilization Fund (M)			80,825	111,160	80,825			759,309			
Special Education (IDEA) Cluster											
ARP- Spec. Ed. - IDEA - Part B Flow Through	84.027X	2022-4620		14,458							
ARP - Spec. Ed. - Preschool Flow Through	84.173X	2022-4600		1,428							
Spec. Ed. - IDEA - Part B Flow Through	84.027A	2023-4620	236,778	75,593	302,371					302,371	302,371
Spec. Ed. - IDEA - Part B Flow Through	84.027A	2024-4620		308,464				308,464		308,464	308,464
Spec. Ed. - Preschool Flow Through	84.173A	2023-4600	15,290	5,097	20,387					20,387	20,387
Spec. Ed. - Preschool Flow Through	84.173A	2024-4600		20,540				20,540		20,540	20,540
Total Special Education (IDEA) Cluster			242,068	425,580	322,758			329,004			
TOTAL, US DEPARTMENT OF EDUCATION			550,276	874,855	676,128			1,486,462			
US DEPARTMENT OF HEALTH & HUMAN SERVICES											
Passed Through Illinois Dept of Healthcare & Family Services											
Medicaid Administrative Outreach	93.778	2023	16,556		16,556					16,556	
Medicaid Administrative Outreach	93.778	2024		13,459				13,459		13,459	
TOTAL, US DEPARTMENT OF HEALTH & HUMAN SERVICES			0	13,459	0			13,459			
TOTAL FEDERAL AWARDS			\$850,386	\$1,224,924	\$976,238			\$1,836,531			

• (M) Program was audited as a major program as defined by §200.518.

The accompanying notes are an integral part of this schedule.

AUBURN CUSD #10**51-084-0100-26****NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)****Year Ending June 30, 2024****Note 1: Basis of Presentation⁵**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Auburn CUSD #10 and is presented on the modified cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Indirect Facilities & Administration costs⁶

Auditee elected to use 10% de minimis cost rate? _____ YES _____ X NO

Note 3: Subrecipients

Of the federal expenditures presented in the schedule, Auburn CUSD #10 provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal AL Number	Amount Provided to Subrecipient
None		

Note 4: Non-Cash Assistance

The following amounts were expended in the form of non-cash assistance by Auburn CUSD #10 and should be included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (AL 10.555)**:	<u>\$22,627</u>	
OTHER NON-CASH ASSISTANCE - DEPT. OF DEFENSE FRUITS & VEGETABLES	<u>\$21,834</u>	Total Non-Cash \$44,461

Note 5: Other Information

Insurance coverage in effect paid with Federal funds during the fiscal year:

Property	<u>\$0</u>
Auto	<u>\$0</u>
General Liability	<u>\$0</u>
Workers Compensation	<u>\$0</u>
Loans/Loan Guarantees Outstanding at June 30:	<u>\$0</u>
District had Federal grants requiring matching expenditures	<u>No</u>
	(Yes/No)

** The amount reported here should match the value reported for non-cash Commodities on the Indirect Cost Rate Computation page.

AUBURN CUSD #10
51-084-0100-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2024

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)? YES **X** None Reported

Type of auditor's report issued on compliance for major programs: Unmodified
(Unmodified, Qualified, Adverse, Disclaimer⁷)

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

IDENTIFICATION OF MAJOR PROGRAMS:⁸

AL NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰	AMOUNT OF FEDERAL PROGRAM
84.425	Education Stabilization Funds	759,309
	Total Amount Tested as Major	\$759,309

Total Federal Expenditures for 7/1/2023 - 6/30/2024

\$1,836,531

% tested as Major

41.34%

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, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2024 - N/A 2. THIS FINDING IS: ☐ New ☐ Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

AUBURN CUSD #10
51-084-0100-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2024

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2024 - N/A** 2. THIS FINDING IS: ☐ New ☐ Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____ 5. AL No.: _____

6. Passed Through: _____

7. Federal Agency: _____

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

9. Condition¹⁵

10. Questioned Costs¹⁶

11. Context¹⁷

12. Effect

13. Cause

14. Recommendation

15. Management's response¹⁸

AUBURN CUSD #10
51-084-0100-26
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ending June 30, 2024

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2023-001	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).	Based on discussions with client, corrective action was taken by the District during the current year.
2023-002	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).	Based on discussions with client, corrective action was taken by the District during the current year.