

## **School District U-46**

Reports Required by the Uniform Guidance  
and *Government Auditing Standards*

Year Ended June 30, 2021

## Contents

---

Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	1-2
Report on compliance for each major federal program; report on internal control over compliance; and report on the schedule of expenditures of federal awards required by the Uniform Guidance	3-4
Schedule of expenditures of federal awards	5-6
Notes to schedule of expenditures of federal awards	7
Schedule of findings and questioned costs	8-9
Summary schedule of prior audit findings	10

---



RSM US LLP

**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**

**Independent Auditor's Report**

Members of the Board of Education  
School District U-46  
Elgin, Illinois

We have audited, in accordance with the 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 of America, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2021. Our report contains an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

**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 opinions 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 District'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 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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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*.

**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.

*RSM US LLP*

Chicago, Illinois  
December 20, 2021

**Report on Compliance for Each  
Major Federal Program; Report on Internal Control Over Compliance;  
and Report on the Schedule of Expenditures of Federal Awards  
Required by the Uniform Guidance**

**Independent Auditor's Report**

Members of the Board of Education  
School District U-46  
Elgin, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited School District U-46, Illinois' (the District) compliance with the types of compliance requirements described 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, 2021. 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.

***Management's Responsibility***

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

***Opinion on Each Major Federal Program***

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, 2021.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 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. *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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 20, 2021, which contained an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinions on those financial statements were not modified with respect to this matter. Our audit was conducted for the purpose of forming 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 the Uniform Guidance and is not a required part of the basic 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 basic 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 basic financial statements or to the basic 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 basic financial statements as a whole.

*RSM US LLP*

Chicago, Illinois  
August 24, 2022

**School District U-46  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education:				
Passed through Illinois State Board of Education:				
Title I Grants to Local Education Agencies:				
Title I : Low Income	84.010A	21-4300-00 20-4300-00	\$ - -	\$ 8,645,079 26,568 <u>8,671,647</u>
Title I: School Improvement and Accountability	84.010A	21-4331-21 20-4331-20	- -	312,499 8,642 <u>321,141</u>
Total Title I Grants to Local Education Agencies			-	8,992,788
<hr/>				
Twenty-First Century Community Learning Centers:				
Title IV - 21st Century Community Learning Centers	84.287C	21-4421-15 20-4421-15	- -	300,105 15,193 <u>315,298</u>
<hr/>				
Special Education Cluster (IDEA)				
Special Education - Preschool Grants: IDEA Preschool	84.173A	21-4600-00	-	<u>252,185</u>
Special Education - Grants to States: IDEA Part B	84.027A	21-4620-00 21-4620-EI	- -	7,142,041 248,653 <u>7,390,694</u>
Special Education - Grants to States: IDEA Part B - Room & Board	84.027A	21-4625-00 20-4625-00 20-4625-XC	- - -	221,799 135,615 56,514 <u>413,928</u>
Total Special Education Cluster (IDEA)			-	8,056,807
<hr/>				
English Language Acquisition Grants:				
Title III : Language Instruction Program - Limited English	84.365A	21-4909-00 20-4909-00	- -	928,906 264,196 <u>1,193,102</u>
<hr/>				
Supporting Effective Instruction State Grants:				
Title II : Teacher Quality	84.367A	21-4932-00 20-4932-00	- -	1,036,616 40,241 <u>1,076,857</u>
<hr/>				
COVID-19 - Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	20-4998-ER	-	2,827,676
Elementary and Secondary School Emergency Relief Fund (ESSER I - Digital Equity)	84.425D	21-4998-DE	-	2,150,174
Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	21-4998-E2	-	4,943,386
Governor's Emergency Education Relief Fund (GEER I)	84.425C	21-4998-EC	-	139,295 <u>10,060,531</u>

(Continued)

**School District U-46  
Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2021**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Passed through Illinois Department of Human Services Rehabilitation Services - Vocational Rehabilitation Grants to States: Rehabilitation Services	84.126	H126A250018	\$ -	\$ 92,050
Passed through Northern Kane County Regional Career and Technical Education System: Career and Technical Education - Basic Grants to States: Perkins Secondary	84.048A	21-4745-00	-	312,476
<b>Total U.S. Department of Education</b>			-	<b>30,099,909</b>
U.S. Department of Agriculture:				
Passed through Illinois State Board of Education:				
Child Nutrition Cluster				
National School Lunch Program - Non-Cash USDA Foods	10.555	31045046022A1	-	787,193
National School Lunch Program - Department of Defense Fresh Fruits and Vegetables, Non-Cash	10.555	31045046022A1	-	971,157
National School Lunch Program	10.555	21-4210-00	-	79
COVID-19 - Summer Food Service Program for Children	10.559	20-4225-00	-	2,215,697
Summer Food Service Program for Children	10.559	21-4225-00 20-4225-00	- -	18,358,789 922,646
			-	19,281,435
Total Child Nutrition Cluster			-	23,255,561
COVID-19 - Child and Adult Care Food Program	10.558	20-4226-00	-	2,780
Child and Adult Care Food Program	10.558	21-4226-00 20-4226-00	- -	86,391 13,389
			-	99,780
Total Child and Adult Care Food Program			-	102,560
<b>Total U.S. Department of Agriculture</b>			-	<b>23,358,121</b>
U.S. Department of Health and Human Services:				
Passed through Illinois Department of Healthcare and Family Services				
Medical Assistance Program	93.778	499800	-	1,738,920
<b>Total U.S. Department of Health and Human Services</b>			-	<b>1,738,920</b>
Total Expenditures of Federal Awards			\$ -	<b>\$ 55,196,950</b>

See Notes to Schedule of Expenditures of Federal Awards

## School District U-46

### Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

---

#### Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of School District U-46, Illinois (the District) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance of the District.

#### Note 2. Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting which is the same basis used in preparing the governmental fund financial statements of the District. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

There were no federal awards expended for insurance at year-end. There were no loan programs or guarantees outstanding for the year ended June 30, 2021. No funds were identified as having been provided to subrecipients by the District under the meaning of the Uniform Guidance, and accordingly, no funds identified in the Schedule are attributable to subrecipient entities as required by the Uniform Guidance. For the year ended June 30, 2021, the District received \$1,758,350 of noncash assistance in the form of food commodities that is included under the Department of Agriculture passed through the Illinois State Board of Education (CFDA #10.555).

#### Note 3. Indirect Cost Rate

The District has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

#### Note 4. Assistance Listing Number Totals

Total federal expenditures for Assistance Listing Numbers with multiple ISBE project numbers are as follows:

Assistance Listing Number	2021
84.010A	\$ 8,992,788
84.027A	7,804,622
84.425D	9,921,236
10.555	1,758,429
10.558	102,560

**School District U-46**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

---

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

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 weakness(es) identified? \_\_ Yes X No

Significant deficiency(ies) identified? \_\_ Yes X None  
Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_ Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
84.010A	Title I Grants to Local Education Agencies
84.010A	Title I: Low Income
84.010A	Title I: School Improvement and Accountability
COVID-19 - 84.425C	COVID-19 - Education Stabilization Fund
COVID-19 - 84.425D	Governor’s Emergency Education Relief Fund
COVID-19 - 84.425D	Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$1,655,909

Auditee qualified as low-risk auditee? X Yes \_\_ No

**School District U-46**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2021**

---

**Section II – Financial Statement Findings**

- (A) Internal Control  
No matters were reported.
  
- (B) Compliance Findings  
No matters were reported.

**Section III – Federal Award Findings and Questioned Costs**

- (A) Internal Control  
No matters were reported.
  
- (B) Compliance Findings  
No matters were reported.



**School District U-46**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2021**

---

**I. Financial Statement Findings**

(A) Internal Control  
No matters were reported.

(B) Compliance Findings  
No matters were reported.

**II. Federal Award Findings and Questioned Costs**

(A) Internal Control  
No matters were reported.

(B) Compliance Findings  
No matters were reported.