

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2016**

DISTRICT/JOINT AGREEMENT NAME School Association for Special Edu	RCDT NUMBER 19-022-8030-60	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 066-003910	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)		NAME AND ADDRESS OF AUDIT FIRM Klein Hall CPAs 3957 75th Street Aurora IL 60504	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 2900 Ogden Avenue Lisle, Illinois 60532 IL		E-MAIL ADDRESS: sduenser@kleinhallcpa.com	
		NAME OF AUDIT SUPERVISOR Scott Duenser	
		CPA FIRM TELEPHONE NUMBER 630-898-5578	FAX NUMBER 630-225-5128

THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE SINGLE AUDIT REPORT:

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes Title 2 CFR §200.510 (a)
- Schedule of Expenditures of Federal Awards including footnotes Title 2 CFR §200.510 (b)
- Independent Auditor's Report Title 2 CFR §200.515 (a)
- Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* Title 2 CFR §200.515 (b)
- Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance Title 2 CFR §200.515 (c)
- Schedule of Findings and Questioned Costs Title 2 CFR §200.515 (d) (1) - (3)
- Summary Schedule of Prior Year Audit Findings Title 2 CFR §200.511 (b)
- Corrective Action Plan Title 2 CFR §200.511 (c)

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

- Copy of Federal Data Collection Form Title 2 CFR §200.512 (b)
- Copy(ies) of Management Letter(s)



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Control
School Association for Special Education in DuPage County
Lisle, Illinois

Report on Compliance for Each Major Federal Program

We have audited the School Association for Special Education in DuPage County's 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 School Association for Special Education in DuPage County's major federal programs for the year ended June 30, 2016. School Association for Special Education in DuPage County'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 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 School Association for Special Education in DuPage County'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* 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 School Association for Special Education in DuPage County'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 of the School Association for Special Education in DuPage County's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Association for Special Education in DuPage County 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, 2016.

Report on Internal Control over Compliance

Management of the School Association for Special Education in DuPage County 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 School Association for Special Education

in DuPage County'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 School Association for Special Education in DuPage County'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.

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 School Association for Special Education in DuPage County as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School Association for Special Education in DuPage County's basic financial statements. We issued our report thereon dated January 3, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

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.



Klein Hall CPAs
Aurora, Illinois
January 3, 2017

COUNTY
DuPage
DISTRICT/JOINT AGREEMENT NAME
School Association for Special Education in DuPage Co
DISTRICT/JOINT AGREEMENT NUMBER
19-022-8030-60

LEA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2016

Page 1 of 3

Federal Grantor/Pass-Through Grantor, Program Title and Major Program Designation	CFDA Number (A)	Project Number (1st 8 digits) or Contract # (B)	Receipts/Revenues		Expenditure/Disbursements 7-1-14 to 6-30-15 (E)	Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7-1-14 to 6-30-15 (C)	7-1-15 to 6-30-16 (D)				
Department of Health and Human Services:								
Passed Through Illinois Department of Healthcare and Family Services Medicaid Administrative Outreach	93.778	15-4991-00	176,069		176,069		176,069	N/A
Passed Through IL State Board of Education Illinois Awareness	93.778	16-4991-00		278,653	278,653		278,653	N/A
	93.243	15-4999-AW	169,756	85,002	169,756		254,758	268,000
	93.243	16-4999-AW		147,523			131,124	268,000
Passed Through Illinois Council on Developmental Disabilities Developmental Disabilities	93.630	15-1094	15,044		15,044		15,044	54,925
	93.630	16-1094		30,831			30,831	54,295
Total Department of Health and Human Services			360,869	542,009	360,869	0	886,479	
Department of Education:								
Passed Through IL Department of Human Services DORS Step	84.126	46CSD00190	181,618		181,618		181,618	185,554
	84.126	46CSD00189	59,684		59,684		59,684	59,684
	84.126	48CUD00190		185,544			185,544	185,544
	84.126	48CUD00189		75,000			75,000	75,000
	84.126	46CUD03216		15,000			15,000	15,000
Passed Through IL State Board of Education Preschool Expansion Grant	84.419	16-4902-PL		96,485			96,485	98,441
(M) IDEA Preschool Flow-through	84.173	15-4600-00	241,228		241,228		241,228	286,844
	84.173	16-4600-00		409,073			409,073	445,747
(M) IDEA Preschool Discretionary	84.173	15-4605-00	253,767		253,767		253,767	309,000
	84.173	16-4605-00		266,250			266,250	309,000

COUNTY
DuPage
DISTRICT/JOINT AGREEMENT NAME
School Association for Special Education in DuPage Co
DISTRICT/JOINT AGREEMENT NUMBER
19-022-8030-60

LEA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2016

Page 2 of 3

Federal Grantor/Pass-Through Grantor, Program Title and Major Program Designation	CFDA Number (A)	Project Number (1st 8 digits) or Contract # (B)	Receipts/Revenues (C)		Expenditure/Disbursements (E)		Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7-1-14 to 6-30-15	7-1-15 to 6-30-16	7-1-14 to 6-30-15	7-1-15 to 6-30-16			
Department of Education: (continued)									
(M) IDEA Flow-through	84.027	15-4620-00	9,758,807		9,758,807			9,758,807	10,635,346
	84.027	16-4620-00		9,829,251			9,829,251	9,829,251	10,598,861
(M) IDEA Flow Through Discretionary	84.027	15-4630-02	98,322		98,322			98,322	115,000
	84.027	15-4630-IS	4,918,550		4,918,550			4,918,550	6,500,000
	84.027	16-4630-02		108,767			108,767	108,767	115,000
	84.027	16-4630-IS		3,990,912			3,990,912	3,990,912	6,500,000
Subtotal IDEA Cluster			15,270,674	14,604,253	15,270,674	14,604,253		29,874,927	
Passed through University of Oregon Special Education Technical Assistance	84.326	15-4999-00	332,867		332,867			332,867	460,000
	84.326	2224440F		368,561			368,561	368,561	460,000
Passed through University of Vermont Education Research Project Grant	84.305	SUB51802		247,168			241,656	241,656	283,461
Total Department of Education			15,844,843	15,592,011	15,844,843	15,586,499	0	31,431,342	
Department of Justice:									
Passed through University of South Carolina Criminal Justice Project Grant	16.560	16-3701		12,985			12,985	12,985	58,689
Total Department of Justice			0	12,985	0	12,985	0	12,985	

COUNTY	DuPage
DISTRICT/JOINT AGREEMENT NAME	School Association for Special Education in DuPage Co
DISTRICT/JOINT AGREEMENT NUMBER	19-022-8030-60

LEA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2016

Page 3 of 3

Federal Grantor/Pass-Through Grantor, Program Title and Major Program Designation	CFDA Number (A)	Project Number (1st 8 digits) or Contract # (B)	Receipts/Revenues		Expenditure/Disbursements		Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7-1-14 to 6-30-15 (C)	7-1-15 to 6-30-16 (D)	7-1-14 to 6-30-15 (E)	7-1-15 to 6-30-16 (F)			
Department of Agriculture:									
Passed Through IL State Board of Education Commodity Food Program	10.555	FY2015	7,463		7,463			7,463	N/A
	10.555	FY2016		10,012		10,012		10,012	N/A
National School Lunch Program	10.555	15-4210-00	74,265	11,983	74,265	11,983		86,248	N/A
	10.555	16-4210-00		63,934		63,934		63,934	N/A
School Breakfast Program	10.553	15-4220-00	36,923	5,430	36,923	5,430		42,353	N/A
	10.553	16-4220-00		28,569		28,569		28,569	N/A
Total Department of Agriculture (Nutrition Cluster)			118,651	119,928	118,651	119,928	0	238,579	N/A
Total Federal Awards			16,324,363	16,266,933	16,324,363	16,245,022	0	32,569,385	

(M) - Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

**School Association for Special Education in DuPage County
19-022-8030-60**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ending June 30, 2016**

Note 1: Basis of Presentation⁵

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of SASSED and is presented on the modified accrual basis of accounting. 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: Subrecipients⁷

Of the federal expenditures presented in the schedule, SASSED provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipients
See note 8		

Note 4: Non-Cash Assistance

The following amounts were expended in the form of non-cash assistance by SASSED and are included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)**:	<u>\$10,012</u>
OTHER NON-CASH ASSISTANCE	<u>\$0</u>

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.

⁵ This note is included to meet the Uniform Guidance requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule.

⁶ The Uniform Guidance requires the Schedule of Expenditures of Federal Awards to note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs. §200.510 (b)(6)

⁷ The Uniform Guidance requires the Schedule of Expenditures of Federal Awards to include, to the extent practical, an identification of the total amount provided to subrecipients, from each federal program. Although this example includes the required subrecipient information in the notes to the schedule, the information may be included on the face of the schedule as a separate column or section, if that is preferred by the auditee. §200.510 (b)(2)

**SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016**

NOTE 6 - OVERSIGHT AGENCY

SASED's federal oversight agency is the U.S. Department of Education.

NOTE 7 - FEDERAL EXPENDITURES

The Schedule of Expenditures of Federal Awards reflects federal expenditures for all individual grants that were active during the fiscal year.

NOTE 8 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, SASED provides federal awards to subrecipients as follows:

<u>PROGRAM TITLE/SUBRECIPIENT NAME</u>	<u>FEDERAL CFDA NUMBER</u>	<u>AMOUNT PROVIDED TO SUBRECIPIENTS</u>
I.D.E.A. Preschool:	84.173A	
Keeneyville School Dist. 20		\$ 12,597
Benjamin School Dist. 25		6,600
West Chicago School Dist. 33		37,340
Winfield School Dist. 34		2,092
Villa Park Elementary Dist. 45		43,632
Salt Creek Dist. 48		3,393
Downers Grove Grade School Dist. 58		33,037
Maercker School School Dist. 60		8,040
Cass School Dist. 63		4,674
Center Cass School Dist. 66		7,125
Woodridge School Dist. 68		17,160
Community Cons. School Dist. 180		8,367
Westmont C.U.S.D. 201		19,243
Lisle C.U.S.D. 202		12,175
Elmhurst Unit School Dist. 205		36,168
TOTAL		\$ 251,643

NOTE 8 - SUBRECIPIENTS (continued)

<u>PROGRAM TITLE/SUBRECIPIENT NAME</u>	<u>FEDERAL CFDA NUMBER</u>	<u>AMOUNT PROVIDED TO SUBRECIPIENTS</u>
I.D.E.A. Flow Through:	84.027A	
Keeneyville School Dist. 20		\$ 323,103
Benjamin School Dist. 25		130,789
West Chicago School Dist. 33		799,446
Winfield School Dist. 34		102,541
Villa Park Elementary Dist. 45		817,908
Salt Creek Dist. 48		179,479
Downers Grove Grade School Dist. 58		1,010,253
Maercker School School Dist. 60		335,271
Cass School Dist. 63		158,884
Center Cass School Dist. 66		178,120
Woodridge School Dist. 68		702,936
DuPage High School Dist. 88		834,338
Community High School Dist. 94		384,139
Community High School Dist. 99		863,924
Community Cons. School Dist. 180		141,441
Westmont C.U.S.D. 201		305,220
Lisle C.U.S.D. 202		495,894
Elmhurst Unit School Dist. 205		1,471,350
TOTAL		\$ 9,235,036

**School Association for Special Education in DuPage County
19-022-8030-60
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2016**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified
(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 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

CFDA NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰
84.027, 84.173A	IDEA Cluster

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

Auditee qualified as low-risk auditee? X YES NO

⁷ If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program. Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

⁸ Major programs should generally be reported in the same order as they appear on the SEFA.

⁹ When the CFDA number is not available, include other identifying number, if applicable.

¹⁰ The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

School Association for Special Education in DuPage County
19-022-8030-60
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2016

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2016- None

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

For ISBE Review

Date: _____

Resolution Criteria Code Number

Initials: _____

Disposition of Questioned Costs Code Letter

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2016 would be assigned a reference number of 2016-001, 2016-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See §200.521 *Management decision* for additional guidance on reporting management's response.

School Association for Special Education in DuPage County
 19-022-8030-60
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ending June 30, 2016

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2016- None 2. THIS FINDING IS: New Repeat from Prior year?
 Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____ 5. CFDA 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 _____

For ISBE Review	
Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

¹⁴ See footnote 11.
¹⁵ Include facts that support the deficiency identified on the audit finding.
¹⁶ Identify questioned costs as required by §200.516 (a)(3 - 4).
¹⁷ See footnote 12.
¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

School Association for Special Education in DuPage County
19-022-8030-60
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2016

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
None		

When possible, all prior findings should be on the same page

¹⁹ Explanation of this schedule - §200.511 (b)

²⁰ Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

School Association for Special Education in DuPage County
19-022-8030-60
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2016

Corrective Action Plan

Finding No.: **2016-** _____

Condition:

Plan:

Anticipated Date of Completion:

Name of Contact Person: [Name and Title of person responsible for implementation]

Management Response: [If applicable, an explanation giving specific reasons if the district officials do not agree with the finding and believe that corrective action is unnecessary.]

²¹ Explanation of this schedule - §200.511 (c)