

**Community High School District No. 155  
(Located within the State of Illinois)  
Single Audit  
June 30, 2019**

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards

To the Board of Education of  
Community High School District No. 155  
Crystal Lake, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Community High School District No. 155 (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2019.

**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) to determine the 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 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 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ligke Kross : Dir, PC*

Elgin, Illinois  
November 19, 2019

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control  
Over Compliance Required by the Uniform Guidance

To the Board of Education of  
Community High School District No. 155  
Crystal Lake, Illinois

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

We have audited Community High School District No. 155's (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, 2019. 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 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* 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 of the District's compliance.

***Opinion on Each Major Federal Programs***

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, 2019.

## **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.

## **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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 19, 2019, 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 purposes.

*Ligke Kross : Ou, PC*

Elgin, Illinois

November 19, 2019

**Community High School District 155  
Schedule of Expenditures of Federal Awards  
6/30/2019**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>1</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 (E)	Year 7/1/18-6/30/19 (F)			
<b>U.S. Department of Agriculture</b>									
<b>How Through Illinois Department of Education</b>									
National School Lunch*	10.555	18-4210-00	313,124	78,457	313,124	78,457		391,581	N/A
National School Lunch*	10.555	19-4210-00		323,712		323,712		323,712	N/A
School Breakfast Program*	10.555	18-4210-00	49,367	13,508	49,367	13,508		62,875	N/A
School Breakfast Program*	10.555	19-4220-00		76,942		76,942		76,942	N/A
Food Commodities - Department of Defense Fresh Fruit & Vegetables*	10.555	19-4250-00		9,998		9,998		9,998	N/A
Commodities*	10.555	19-4299-00		56,868		56,868		56,868	N/A
<b>Total U.S. Department of Agriculture</b>			<b>362,491</b>	<b>559,485</b>	<b>362,491</b>	<b>559,485</b>		<b>921,976</b>	
<b>U.S. Department of Education</b>									
<b>How Through Illinois Department of Education</b>									
IDEA Room & Board*	84.027A	18-4625-00	93,773	10,419	93,773	10,419		104,192	N/A
IDEA Room & Board*	84.027A	19-4625-00		127,369		127,369		127,369	N/A
Title I - Low Income	84.010A	18-4300-00	428,666	9,194	428,666	9,194		437,860	463,741
Title I - Low Income	84.010A	19-4300-00		491,581		491,581		491,581	507,775
Title II - Teacher Quality	84.367A	18-4932-00	58,645	532	58,645	532		59,177	128,478
Title II - Teacher Quality	84.367A	19-4932-00		132,607		132,607		132,607	178,725
Title IV - Student Support & Academic Enrichment	84.424	19-4400-00		12,958		12,958		12,958	41,436
IDEA Flow Through*	84.027	19-4620-00		1,131,963		1,131,963		1,131,963	1,241,757
<b>Total Flow Through Illinois Department of Education</b>			<b>581,084</b>	<b>1,916,623</b>	<b>581,084</b>	<b>1,916,623</b>	<b>-</b>	<b>2,497,707</b>	
<b>How Through McHenry County Cooperative for Employment Education</b>									
CTE - Pekins - Secondary	84.048A	18-4905-00	120,818	322	120,818	322		121,140	121,140
CTE - Pekins - Secondary	84.048A	19-4905-00		113,576		113,576		113,576	114,277
<b>Total Flow Through McHenry County Cooperative for Employment Education</b>			<b>120,818</b>	<b>113,898</b>	<b>120,818</b>	<b>113,898</b>		<b>234,716</b>	
<b>How Through Special Education District of McHenry County</b>									
IDEA Flow Through*	84.027	18-4620-00	1,170,472	8,469	1,170,472	8,469		1,178,941	1,282,764
<b>Total Flow Through Special Education District of McHenry County</b>			<b>1,170,472</b>	<b>8,469</b>	<b>1,170,472</b>	<b>8,469</b>		<b>1,178,941</b>	
<b>Total U.S. Department of Education</b>			<b>1,872,374</b>	<b>2,038,990</b>	<b>1,872,374</b>	<b>2,038,990</b>	<b>-</b>	<b>3,911,364</b>	
<b>Department of Health and Human Services</b>									
<b>How Through Illinois Department of Healthcare and Family Services</b>									
Medical Administrative Outreach	93.778	19-4900-00		48,120		48,120		48,120	N/A
<b>Total Flow Through Illinois Department of Healthcare and Family Services</b>			<b>-</b>	<b>48,120</b>	<b>-</b>	<b>48,120</b>		<b>48,120</b>	
<b>Total Department of Health and Human Services</b>			<b>-</b>	<b>48,120</b>	<b>-</b>	<b>48,120</b>		<b>48,120</b>	
<b>Total Schedule of Expenditures of Federal Awards</b>			<b>2,234,865</b>	<b>2,646,595</b>	<b>2,234,865</b>	<b>2,646,595</b>	<b>-</b>	<b>4,881,460</b>	

\* Major Federal Award Program

Total Noncash \$66,866

**Community High School District No. 155**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

**Note 1 – Summary of Significant Accounting Policies**

**General:** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Community High School District No. 155 (the “District”). The District’s reporting entity is defined in Note 1 of the District’s financial statements.

**Basis of Accounting:** The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the District’s financial statements.

**Basis of Presentation:** The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2019 and is presented on the GAAP basis of accounting. The information in this Schedule is presented in accordance with the 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). Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of, the basic financial statements.

**Relationship to Basic Financial Statements:** Federal awards received are reflected in the District’s financial statements within the Educational Account of the District’s General Fund as receipts from federal sources.

**Relationship to Program Financial Reports:** Amounts reported in the accompanying Schedule were prepared using amounts reported in the Program Financial Reports for programs for which the District has filed final reports as of June 30, 2019, with the Illinois State Board of Education.

**Note 2 – Grants to Subrecipients**

Of the federal expenditures presented in the schedule, the district did not provide any federal awards to subrecipients.

**Note 3 – Major Programs**

In accordance with Uniform Guidance, major programs for the District are individual programs or a cluster of programs determined by using a risk-based analysis. The threshold for distinguishing Type A and Type B programs was \$750,000.

**Note 4 – Non-Cash Assistance**

The District received \$66,866 of non-cash assistance during the year for its National School Lunch Program.

**Community High School District No. 155**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

**Note 5 – Federal Insurance and Loans**

The district had no Federal Insurance in force or loans during the year.

**Note 6 – 10% de minimis cost rate**

The district did not elect to use the 10% de minimis cost rate for indirect cost.

**Community High School District No. 155  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2019**

**Part I - Summary of Auditor's Results Section**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

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

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

Identification of major federal programs:

CFDA No.	Name of Federal Program
10.555	National School Lunch Program
10.555	School Breakfast Program
10.555	Food Commodities - Department of Defense Fresh Fruit & Vegetables (Noncash)
10.555	Commodities (Noncash)
84.027A	IDEA Room & Board
84.027	IDEA Flow Through

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No

**Part II - Financial Statement Findings Section**

No matters of reportable conditions, material weaknesses or instances of noncompliance related to the financial statements were noted during our audit of the financial statements of Community High School District No. 155, for the year ended June 30, 2019.

**Part III - Federal Award Findings and Questioned Costs Section**

No matters of reportable conditions, material weaknesses or instances of noncompliance related to the financial statements were noted during our audit of the financial statements of Community High School District No. 155, for the year ended June 30, 2019.

**Community High School District No. 155**  
**Schedule Prior Year Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2019**

**Part II - Financial Statement Findings Section**

No matters of reportable conditions, material weaknesses, or material instances of noncompliance were noted during our audit of the financial statements of Community High School District No. 155, for the year ended June 30, 2018.

**Part III - Federal Award Findings and Questioned Costs Section**

No matters of reportable conditions, material weaknesses, or material instances of noncompliance were noted during our audit of the financial statements of Community High School District No. 155, for the year ended June 30, 2018.