

DOLTON SCHOOL DISTRICT NO. 149

COOK COUNTY, ILLINOIS

UNIFORM GUIDANCE REPORT

FOR THE YEAR ENDED
JUNE 30, 2022

 **John Kasperek Co.**

CERTIFIED PUBLIC ACCOUNTANTS

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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

To the Board of Education
Dolton School District 149
Dolton, 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 Dolton School District 149 (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 27, 2023.

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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on 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 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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and 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 the financial statements and, accordingly, we express no opinion on the responses.

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.



Calumet City, Illinois
June 27, 2023

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR’S REPORT

To the Board of Education
Dolton School District 149
Dolton, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Dolton School District 149 (“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, 2022. Dolton School District 149’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District’s 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, 2022.

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 (GAAS); 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 Auditor’s 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.

Auditor's 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 GAAS, *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 judgement 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 GAAS, *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 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 items 2022-002, 2022-003, 2022-004 and 2022-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Dolton School District 149's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Dolton School District 149'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

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 Auditor's 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.

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 Dolton School District 149 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated June 27, 2023, which contained a qualified opinion on the governmental activities, each major fund and the aggregate remaining fund information as we were unable to obtain sufficient appropriate audit evidence about the carrying amount of the District's cash and investments. Our audit was performed 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, except for the effect on the supplementary information of the basis for qualified opinion section of our annual financial report, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

John Kasperuk Co., Inc.

Calumet City, Illinois
June 27, 2023

Dolton School District No.149
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>		<i>Federal Expenditures (\$)</i>
Child Nutrition Cluster				
United States Department of Agriculture				
School Breakfast Program				
School Breakfast Program	10.553	Illinois State Board of Education	22-4220-00	\$ 558,140
School Breakfast Program	10.553	Illinois State Board of Education	21-4220-00	89,664
Total School Breakfast Program				<u>647,804</u>
National School Lunch Program				
National School Lunch Program	10.555	Illinois State Board of Education	22-4210-00	914,111
National School Lunch Program	10.555	Illinois State Board of Education	21-4210-00	129,632
National School Lunch Program- ARP- NSLP- Nutrition Supply Chain Assistance	COVID-19 10.560	Illinois State Board of Education	22-4210-SC	46,547
National School Lunch Program- ARP- NSLP- Nutrition PEBT Funding	COVID-19 10.649	Illinois State Board of Education	22-4210-BT	3,135
National School Lunch Program- ARP- NSLP- Nutrition PEBT Funding	COVID-19 10.649	Illinois State Board of Education	21-4210-BT	3,063
National School Lunch Program- CRRSA- NSLP- Child Nutrition Emergency Funding	COVID-19 10.555	Illinois State Board of Education	21-4210-SN	18,936
National School Lunch Program (non-cash commodities)	10.555	Illinois State Board of Education	07016149002A1-USDA	109,825
National School Lunch Program (DOD commodities)	10.555	Illinois State Board of Education	07016149002A1-DOD	52,228
Total National School Lunch Program				<u>1,277,477</u>
Total United States Department of Agriculture				<u>1,925,281</u>
Total Child Nutrition Cluster				<u>1,925,281</u>
Medicaid Cluster				
Department of Health and Human Services				
Medical Assistance Program				
Medical Assistance Program	93.778	IL Dept. of Healthcare and Family Services	22-4991-00	112,425
Total Medical Assistance Program				<u>112,425</u>
Total Department of Health and Human Services				<u>112,425</u>
Total Medicaid Cluster				<u>112,425</u>

The accompanying notes are an intergral part of this schedule

Dolton School District No.149
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures (\$)</i>
Special Education Cluster (IDEA)			
Department of Education			
Special Education Grants to States			
Special Education Grants to States- IDEA Flow Through	M	84.027	Illinois State Board of Education
			22-4620-00
			\$ 584,077
Total Special Education Grants to States			584,077
Special Education Preschool Grants			
Special Education Preschool Grants	M	84.173	Illinois State Board of Education
			22-4600-00
			15,956
Total Special Education Preschool Grants			15,956
<i>Total Department of Education</i>			600,033
Total Special Education Cluster (IDEA)			600,033
Other Programs			
Department of Education			
Title I Grants to Local Educational Agencies			
Title I Grants to Local Educational Agencies		84.010	Illinois State Board of Education
			22-4300-00
			2,167,109
Title I Grants to Local Educational Agencies		84.010	Illinois State Board of Education
			21-4300-00
			160,038
Title I Grants to Local Educational Agencies- School improvement and accountability		84.010	Illinois State Board of Education
			22-4331-00
			92,269
Total Title I Grants to Local Educational Agencies			2,419,416
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			
Title II, Part A - Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders		84.367	Illinois State Board of Education
			22-4932-00
			39,476
Title II, Part A - Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders		84.367	Illinois State Board of Education
			21-4932-00
			5,000
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			44,476
Student Support and Academic Enrichment Program			
Title IVA Student Support & Academic Enrichment		84.424	Illinois State Board of Education
			22-4400-00
			3,151
Total Student Support and Academic Enrichment Program			3,151

The accompanying notes are an intergral part of this schedule

Dolton School District No.149
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures (\$)</i>
Other Programs (continued)			
Department of Education (continued)			
Education Stabilization Fund Under The Coronavirus Aid, Relief, and Security Act 2021			
ARP – LEA and COOP American Rescue Plan (ESSER III)	COVID-19 M 84.425U	Illinois State Board of Education 22-4998-E3	\$ 774,707
Elementary and Secondary Relief - Digital Equity Formula	COVID-19 M 84.425D	Illinois State Board of Education 22-4998-D2	117,675
EC - Governor’s Emergency Education Relief (GEER) and GEER II Fund	COVID-19 M 84.425C	Illinois State Board of Education 21-4998-EC	19,906
CARES/CRRSAA - Elementary and Secondary School Relief Grant	COVID-19 M 84.425D	Illinois State Board of Education 21-4998-E2	<u>333,867</u>
Total Education Stabilization Fund Under The Coronavirus Aid, Relief, and Security Act 2021			<u>1,246,155</u>
<i>Total Department of Education</i>			<u>3,713,198</u>
United States Department of Agriculture			
Fresh Fruit and Vegetable Program			
Fresh Fruit and Vegetable Program	10.582	Illinois State Board of Education 22-4240-22	<u>98,416</u>
Total Fresh Fruit and Vegetable Program			<u>98,416</u>
<i>Total United States Department of Agriculture</i>			<u>98,416</u>
Total Other Programs			<u>3,811,614</u>
Total Expenditures of Federal Awards			<u>\$ 6,449,353</u>

The accompanying notes are an intergral part of this schedule

DOLTON SCHOOL DISTRICT NO. 149
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDING JUNE 30, 2022

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Dolton School District No. 149 (the District) under programs of the federal government for the year ended June 30, 2022. 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). As 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 cash flows of the District.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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.

Note 3: Indirect Cost Rate

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

Note 4: Subrecipients

There were no payments to subrecipients as of June 30, 2022.

Note 5: Noncash Assistance

The following amounts were expended in the form of noncash assistance by Dolton School District No. 149 and should be included in the Schedule of Expenditures of Federal Awards:

Non-Cash Commodities (Assistance Listing Number 10.555):	\$109,825
Other Non-Cash Assistance - Dept. of Defense Fruits & Vegetables (Assistance Listing Number 10.555):	52,228
Total Non-Cash	\$162,053

Note 6: Other Information

The District did not have any federal insurance in effect during the year ended June 30, 2022. The District did not have any loans or loan guarantees outstanding as of June 30, 2022. The District had no federal grants requiring matching expenditures.

Note 7: Major Program Determination

In accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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.

**DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDING JUNE 30, 2022**

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Qualified
(Unmodified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? X YES 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, Disclaimer)

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

IDENTIFICATION OF MAJOR PROGRAMS:

ASSISTANCE LISTING NUMBER (S)	NAME OF FEDERAL PROGRAM or CLUSTER	AMOUNT OF FEDERAL PROGRAM
84.425D, 84.425C, 84.425U	Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	\$ 1,246,155
84.027, 84.173	IDEA Flow Through, IDEA Preschool	600,033
	Total Amount Tested as Major	\$ 1,846,188

Total Federal Expenditures for 7/1/21-6/30/22 \$6,449,353

% tested as Major 28.63%

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

Auditee qualified as low-risk auditee? X YES NO

**DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDING JUNE 30, 2022**

FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER: 2022- 001 **2. THIS FINDING IS:** New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

The District should have a system in place to ensure that the accounting records are accurate and that cash presented within the financial statements are held and reconciled by the Thornton Township School Treasurer's Office.

4. Condition

Thornton Township School Treasurer's Office is the legal custodian of the District's cash. During the year ended June 30, 2022, the Treasurer's office experienced significant turnover within key personnel, which resulted in the bank reconciliations not being done in a timely manner.

5. Context

There is no review by the District of cash reconciliations performed by Thornton Township School Treasurer's Office throughout the year due to bank reconciliations were not prepared timely by Thornton Township School Treasurer's Office. Timely preparation and review of complete and accurate cash reconciliations is a key to maintaining adequate controls over both cash receipts and disbursements. An unreconciled difference can obscure significant but offsetting items that would be a cause for investigation if the items were apparent.

6. Effect

The District was unable to verify cash held by Thornton Township School Treasurer's Office. There were cash and other adjusting audit entries proposed, reviewed and approved by management for multiple transactions not properly posted by the Treasurer's Office.

7. Cause

Thornton Township School Treasurer's Office not timely preparing bank reconciliations, which resulted in multiple journal entries during the audit.

8. Recommendation

The District should work with Thornton Township School Treasurer's Office to ensure that bank reconciliations are done in a timely manner. In addition, reconciliations and reviews of various revenue and expenditure accounts should be done throughout the course of the year.

9. Management's response

The District has agreed with the findings and recommendations as presented. See Corrective Action Plan provided by the District.

**DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDING JUNE 30, 2022**

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: 2022- 002 **2. THIS FINDING IS:** New Repeat from Prior year?
Year originally reported? _____ 2021

3. Federal Program Name and Year: Education Stabilization Fund Under The Coronavirus Aid, Relief, and Security Act
2021 (2021)

4. Project No.: 21-4998-DE, 21-4998-EC **5. Assistance Listing No.:** 84.425C, 84.425D

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 compliance requirements for "L.Reporting" generally requires that LEA's report financial information to the pass-through entity and that those reports are accurate and supported by the underlying accounting records.

9. Condition
The District did not comply with the requirements of filing quarterly reports by the due dates set by ISBE.

10. Questioned Costs
N/A

11. Context
The District did not timely file quarterly expenditure reports for multiple grants. The reports for the quarter ending 9/30/21 due 10/20/21, were submitted on 11/12/21 for grants 84.425D and 84.425C. The report for the quarter ending 12/31/21 due 1/20/22, was submitted on 2/17/22 for grant 84.425D.

12. Effect
The District was not compliant with reporting requirements. Due to the late filing of reports, ISBE could freeze the District's federal funds.

13. Cause
Policies and procedures are in place that provide reasonable assurance that reports of federal awards submitted to ISBE are filed in a timely manner by the due dates provided by ISBE. The District did not follow this process.

14. Recommendation
We recommend that management review its policies and procedures and implement changes to strengthen internal control over federal reporting.

15. Management's response
The District will establish procedures for internal controls that will assure that we submit quarterly reports 15 days prior to the due date. The Business Manager will be responsible to certify to the Superintendent that these timelines have been achieved. In the event that the timelines are not met the Superintendent will notify the Board of Education.

DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDING JUNE 30, 2022

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: 2022- 003 **2. THIS FINDING IS:** New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: CARES/CRRSAA - Elementary and Secondary School Relief Grant (2021), Title I Grants to Local Educational Agencies (2022), Title IVA Student Support & Academic Enrichment (2022), Special Education Preschool Grants (2022), Special Education Grants to States-IDEA Flow Through (2022), Title II, Part A- Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders (2022), Elementary and Secondary Relief - Digital Equity Formula (2022), ARP – LEA and COOP American Rescue Plan (ESSER III) (2022), ARP - Homeless Children and Youth Grant (2022), Special Education Grants to States ARP - LEA- IDEA (2022), EC - Governor’s Emergency Education Relief (GEER) and GEER II Fund (2022), and Special Education Grants to States Preschool ARP (2022)

4. Project No.: 21-4998-E2, 22-4300-00, 22-4331-00, 22-4400-00, 22-4600-00, 22-4620-00, 22-4932-00, 22-4998-D2, 22-4998-E3, 22-4998-HL, 22-4998-ID, 22-4998-JK, 22-4998-PS **5. Assistance Listing No.:** 84.425D, 84.010, 84.424, 84.027, 84.173, 84.367, 84.425U, 84.425W, 84.027X, 84.425C

6. Passed Through: Illinois State Board of Education
7. Federal Agency: U.S. Department of Education

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
The compliance requirements for "L.Reporting" generally requires that LEA's report financial information to the pass-through entity and that those reports are accurate and supported by the underlying accounting records.

9. Condition
The District did not comply with the requirements of filing quarterly and final reports by the due dates set by ISBE.

10. Questioned Costs
N/A

11. Context
The District did not timely file quarterly and final expenditure reports for multiple grants. The reports for the quarter ending 9/30/21 due 10/20/21, were submitted on 10/22/21 for grants 84.027 and 84.173, and on 11/12/21 for grants 84.425D, 84.010, 84.424, and 84.367. The report for the period ending 11/30/21 due 12/20/21, was submitted on 1/18/22 for grant 84.425D. The reports for the quarter ending 12/31/21 due 1/20/22, were submitted on 1/21/22 for grants 84.027 and 84.173 and on 3/10/22 for grant 84.425D. The reports for the quarter ending 3/31/22 due 4/20/22, were submitted on 4/26/22 for grants 84.027 and 84.173. The reports for the period ending 5/31/22 due 6/20/22, were submitted on 8/18/22 for grants 84.027X and 84.173. The reports for the quarter ending 6/30/22 due 7/20/22, were submitted on 7/28/22 for grants 84.424, 84.027, 84.173, 84.425D, 84.425W, and 84.425C; on 8/18/22 for grants 84.425D, 84.010, and 84.367; on 9/6/22 for grants 84.010 and 84.425U; on 9/21/22 for grants 84.027X and 84.173.

12. Effect
The District was not compliant with reporting requirements. Due to the late filing of reports, ISBE could freeze the District's federal funds.

13. Cause
Policies and procedures are in place that provide reasonable assurance that reports of federal awards submitted to ISBE are filed in a timely manner by the due dates provided by ISBE. The District did not follow this process.

14. Recommendation
We recommend that management review its policies and procedures and implement changes to strengthen internal control over federal reporting.

15. Management's response
The District will establish procedures for internal controls that will assure that we submit quarterly reports 15 days prior to the due date. The Business Manager will be responsible to certify to the Superintendent that these timelines have been achieved. In the event that the timelines are not met the Superintendent will notify the Board of Education.

**DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDING JUNE 30, 2022**

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: 2022- 004 **2. THIS FINDING IS:** New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: Education Stabilization Fund Under The Coronavirus Aid, Relief, and Security Act (2022)

4. Project No.: 22-4998-E3 **5. Assistance Listing No.:** 84.425U

6. Passed Through: Illinois State Board of Education

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

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

The compliance requirements for "L.Reporting", requires the District maintain accurate accounting records for grant expenditures.

9. Condition

During compliance testing of the District's accounting records to the expenditure report filed with the Illinois State Board of Education, we noted the District double-claimed \$59,000 worth of expenditures.

10. Questioned Costs

\$59,000

11. Context

The District claimed expenditures under two different grants at 6/30/22.

12. Effect

The District claimed the same expenditure twice which resulted in an overpayment of funding received.

13. Cause

The District claimed \$59,000 under grant E3 at 3/31/22 but then reclassified the grant expenditure to grant E2 and claimed the expenditure at 6/30/22. The District inadvertently didn't adjust the E3 grant at 6/30/22 to remove the expense claimed which resulted in a double claim of the expenditure.

14. Recommendation

We recommend that management review its policies and procedures and implement changes to strengthen internal control over federal reporting.

15. Management's response

The District inadvertently claimed the same expenditure on two different grants. The District has removed the \$59,000 from E3 on the 8/31/22 claim. The District will monitor subsequent reports more closely and make sure expenditures are not claimed twice.

**DOLTON SCHOOL DISTRICT NO. 149
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDING JUNE 30, 2022**

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: 2022- 005 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: Special Education Grants to States- IDEA Flow Through (2022)

4. Project No.: 22-4620-00 5. Assistance Listing No.: 84.027

6. Passed Through: Illinois State Board of Education

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

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

The compliance requirements for "L.Reporting" requires that the District maintain accurate accounting records for grant expenditures.

9. Condition

During compliance testing of the District's accounting records to the expenditure report and budget filed with the Illinois State Board of Education, we noted the District claimed \$250 under the 1220-300 line but per the budget, it should have been claimed under 2130-300.

10. Questioned Costs

\$250

11. Context

The District claimed expenditures under the incorrect budget line.

12. Effect

The District was not compliant with reporting requirements. The District reported \$250 worth of expenditures under account 1220-300 but should have reported it under 2130-300.

13. Cause

The District erroneously recorded the expenditure under account 1220-300. The budget submitted to ISBE approved the expense under 2130-300. The expenditure was approved within the entire budget and under object 300. The grant was closed, so no updates were submitted to ISBE.

14. Recommendation

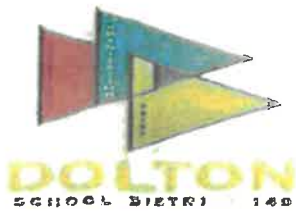
We recommend that management review its policies and procedures and implement changes to strengthen internal control over federal reporting.

15. Management's response

The District inadvertently claimed the expenditure under the incorrect function in comparison to the detailed budget. The District will monitor subsequent reports more closely.

**DOLTON SCHOOL DISTRICT NO. 149
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDING JUNE 30, 2022**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2020-001	The District did not comply with the requirements of filing quarterly and final reports by the due dates set by ISBE.	CLOSED
2021-001	The District did not comply with the requirements of filing quarterly and final reports by the due dates set by ISBE.	CLOSED
2021-002	The District did not comply with the requirements of filing quarterly and final reports by the due dates set by ISBE.	OPEN
2021-003	The District did not comply with the requirements of filing quarterly and final reports by the due dates set by ISBE.	OPEN
2021-004	The District did not comply with the requirements of filing quarterly and final reports by the due dates set by ISBE.	CLOSED
2021-005	The District did not comply with the requirements of filing quarterly and final reports by the due dates set by ISBE.	CLOSED



School District 149

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708-868-8300
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www.sd149.org

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Shonda De Vasher-Williams

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Laura Wolf
Interim Director of
Specialized Services

Corrective Action Plan

Finding No.: 2022 001

Condition:

Thornton Township School Treasurer's Office is the legal custodian of the District's cash. During the year ended June 30, 2022, the Treasurer's office experienced significant turnover within key personnel which resulted in the bank reconciliations not being done in a timely manner.

Plan:

Management will review its policies and procedures and implement changes to strengthen internal control over financial reporting.

Anticipated Date of Completion: June 30, 2023

Name of Contact Person: Dr. Maureen M. White, Superintendent

Management Response: The District will work with Thornton Township School Treasurer's Office to ensure timely bank reconciliations are prepared moving forward and make sure all revenue and expenditures posted are accurate.



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Corrective Action Plan

Finding No.: 2022 002

Condition:

The District did not comply with the requirements of filing quarterly reports by the due dates set by ISBE.

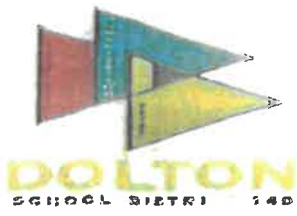
Plan:

The District will establish procedures in order to assure that reports are submitted to ISBE on a timely manner.

Anticipated Date of Completion: June 30, 2023

Name of Contact Person: Dr. Maureen M. White, Superintendent

Management Response: The District will establish procedures for internal controls that will assure that we submit quarterly reports 15 days prior to the due date. The Business Manager will be responsible to certify to the Superintendent that these timelines have been achieved. In the event that the timelines are not met, the Superintendent will notify the Board of Education.



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Corrective Action Plan

Finding No.: 2022 003

Condition:

The School District did not comply with the requirements of filing quarterly and final reports by the due dates set by ISBE.

Plan:

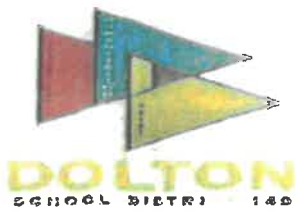
The District will establish procedures in order to assure that reports are submitted to ISBE on a timely manner.

Anticipated Date of Completion: June 30, 2023

Name of Contact Person: Dr. Maureen M. White, Superintendent

Management Response:

The District will establish procedures for internal controls that will assure that we submit quarterly reports 15 days prior to the due date. The Business Manager will be responsible to certify to the Superintendent that these timelines have been achieved. In the event that the timelines are not met, the Superintendent will notify the Board of Education.



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Corrective Action Plan

Finding No.: 2022 004

Condition:

During compliance testing of the District's accounting records to the expenditure report filed with the Illinois State Board of Education, we noted the District double-claimed \$59,000 worth of expenditures.

Plan:

Management will review its policies and procedures and implement changes to strengthen internal controls over federal reporting.

Anticipated Date of Completion: June 30, 2023

Name of Contact Person: Dr. Maureen M. White, Superintendent

Management Response: The District inadvertently claimed the same expenditure on two different grants. The District will monitor subsequent reports more closely and make sure expenditures are not claimed twice.



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Corrective Action Plan

Finding No.: 2022 005

Condition:

During compliance testing of the District's accounting records to the expenditure report and budget filed with the Illinois State Board of Education, we noted the District claimed \$250 under the 1220-300 line but per the budget, it should have been claimed under 2130-300.

Plan:

Management will review its policies and procedures and implement changes to strengthen internal controls over federal reporting.

Anticipated Date of Completion: June 30, 2023

Name of Contact Person: Dr. Maureen M. White, Superintendent

Management Response: The District inadvertently claimed the expenditure under the incorrect function in comparison to the detailed budget. The District will monitor subsequent reports more closely.