

October 8, 2020

To the Superintendent of Schools and Board of Education
Chaney-Monge School District No. 88
Crest Hill, Illinois

We have audited the financial statements of Chaney-Monge School District No. 88 for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated July 3, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Chaney-Monge School District No. 88 are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2020. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached journal entries were proposed as a result of audit procedures and were agreed to by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 8, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the information provided on pages 3 through 6, supplementary schedules on pages 25 through 27, statistical section on pages 28 through 35 (except for the average daily attendance figure included in the computation of operating expense per pupil on page 29 and per capita tuition charge on page 30, and the Indirect Cost Rate - Contracts paid in Current Year on page 35), the Limitation on Administrative Costs Worksheet (except for the information on next fiscal year's budget), the Limitation on Administrative Costs Worksheet - Crosswalk of FY 2020 Tort Fund Expenditures (except for the information concerning next year's amended rules), the Illinois Grant Accountability and Transparency Consolidated Year-End Financial Report, the Itemization Schedule, the Reference Page, the Deficit Annual Financial Report (AFR) Summary Information, the Audit Checklist / Balancing Schedule, and the Annual Federal Financial Compliance Report Cover Sheet which accompany the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the financial reporting provisions of the Illinois State Board of Education, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the average daily attendance figure, included in the computation of operating expense per pupil on page 29 and per capita tuition charges on page 30, the Indirect Cost Rate - Contracts paid in Current Year on page 35, the Report on Shared Services or Outsourcing on page 36, the budget information contained in the Limitation on Administrative Costs Worksheet on page 37, the information concerning next year's amended rules contained in the Limitation on Administrative Costs Worksheet - Crosswalk of FY 2020 Tort Fund Expenditures, and the other information relative to the Teachers' Retirement System of the State of Illinois, the Illinois Municipal Retirement Fund, and the Teacher Health Insurance Security Fund which accompany the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Superintendent of Schools, the Board of Education, and management of Chaney-Monge School District No. 88 and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Muller & Co., LLP

6.30.20 Chaney-Monge School District No. 88

Year End: June 30, 2020

Adjusting journal entries

Date: 7/1/2019 To 6/30/2020

Prepared by	Reviewed by	Reviewed by
CEM 9/1/2020	JAB 9/10/2020	

LTR-01.01

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	6/30/2020	CASH	10-0101.00000000				188,792.00		
1	6/30/2020	FUND BALANCE-10	10-0704.00000000			188,792.00			
1	6/30/2020	CASH	20-0101.00000000			148,979.00			
1	6/30/2020	FUND BALANCE-20	20-0704.00000000				148,979.00		
1	6/30/2020	CASH	30-0101.00000000			2,534.00			
1	6/30/2020	FUND BALANCE-30	30-0704.00000000				2,534.00		
1	6/30/2020	CASH	40-0110.00000000			33.00			
1	6/30/2020	FUND BALANCE-40	40-0704.00000000				33.00		
1	6/30/2020	CASH	50-0101.00000000			1,796.00			
1	6/30/2020	FUND BALANCE-50	50-0704.00000000				1,796.00		
1	6/30/2020	CASH	60-0101.00000000						
1	6/30/2020	FUND BALANCE - 60	60-0704.00000000						
1	6/30/2020	CASH	70-0117.00000000			31,731.00			
1	6/30/2020	FUND BALANCE-70	70-0704.00000000				31,731.00		
		To adjust fund balance							Recurring
2	6/30/2020	TRS ON BEHALF REVENUE	10-9998.00000000				1,987,241.00		
2	6/30/2020	TRS ON BEHALF EXPENDITURE	10-9999.00000000			1,987,241.00			
		To record on behalf payments							Recurring
3	6/30/2020	CASH	10-0101.00000000				57,739.00		
3	6/30/2020	OTHER LIABILITIES	10-0499.00000000			57,739.00			
		To reclass other liabilities - SD 88 is an operating agent for Lockport Special Ed Coop. funds are sent though here from the state then disbursed out per Mary Ann							Recurring
4	6/30/2020	PROCEEDS FROM BOND	60-1999.00000000			403,909.00			
4	6/30/2020	Transfers	60-7990.00000000				403,909.00		
		To reclass transfer							
5	6/30/2020	CASH	70-0117.00000000				5,154.00		
5	6/30/2020	PROCEEDS WORK CASH BONDS	70-1900.00000000			5,154.00			
		to adust WC bond proceeds							
6	6/30/2020	CASH	30-0101.00000000			5,181.00			
6	6/30/2020	Bond issuance costs	30-5300.00000000			122,833.00			
6	6/30/2020	Proceeds from bond issuance	30-7120.00000000				2,894,295.00		
6	6/30/2020	Bond premium	30-7200.00000000				67,524.00		
6	6/30/2020	Payment to escrow agent	30-7500.00000000			2,833,805.00			
		To record refunding of debt							
8	6/30/2020	Amt due to Activity Fund Orgs	97-0209.10000000	1005		168.00			
8	6/30/2020	Chaney - Monge SD 88	97-0300.30100000	1005			14.00		
8	6/30/2020	8th Grade Fund	97-0300.60100000	1005			154.00		
		To record student activities							Reversing
9	6/30/2020	FEDERAL MEDICAD	10-4900.00000000			6,619.00			
9	6/30/2020	FEDERAL MEDICAID REIMBURSEMENT	10-4999.00000000				6,619.00		
		To reclass medicaid							
						5,796,514.00	5,796,514.00		
Net Income (Loss)			485,434.00						