

October 12, 2021

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, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, 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 September 15, 2021. 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. As described in Note I, the financial statements are presented on the regulatory basis of accounting as prescribed or permitted by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. As discussed in Note III to the financial statements, the District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, in the year ended June 30, 2021. No other accounting policies were adopted and the application of existing policies was not changed during the year. 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 12, 2021.

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 26 through 32, statistical section on pages 33 through 41 (except for the average daily attendance figure included in the computation of operating expense per pupil on page 35 and per capita tuition charge on page 36, and the Indirect Cost Rate - Contracts paid in Current Year on page 41), the Limitation on Administrative Costs Worksheet (except for the information on next fiscal year's budget), the Illinois Grant Accountability and Transparency Act 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 35 and per capita tuition charges on page 36, the Indirect Cost Rate - Contracts paid in Current Year on page 41, the Report on Shared Services or Outsourcing on page 42, the budget information contained in the Limitation on Administrative Costs Worksheet on page 43, 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,

Handwritten signature of PKF Mueller in cursive script.

6.30.21 Chaney-Monge School District No. 88

Year End: June 30, 2021

Adjusting journal entries

Date: 7/1/2020 To 6/30/2021

Prepared by	Reviewed by	Reviewed by
CEM 9/2/2021	JJS 9/25/2021	

LTR-01.01

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement	
1	6/30/2021	CASH	10-0101.00000000				188,792.00			
1	6/30/2021	FUND BALANCE	10-0704.00000000			188,792.00				
1	6/30/2021	CASH	20-0101.00000000			148,979.00				
1	6/30/2021	FUND BALANCE-20	20-0704.00000000				148,979.00			
1	6/30/2021	CASH	30-0101.00000000			7,715.00				
1	6/30/2021	FUND BALANCE-30	30-0704.00000000				7,715.00			
1	6/30/2021	CASH	40-0110.00000000			33.00				
1	6/30/2021	FUND BALANCE-40	40-0704.00000000				33.00			
1	6/30/2021	CASH	50-0101.00000000			1,796.00				
1	6/30/2021	FUND BALANCE	50-0704.00000000				1,796.00			
1	6/30/2021	CASH	60-0101.00000000							
1	6/30/2021	FUND BALANCE - 60	60-0704.00000000							
1	6/30/2021	CASH	70-0117.00000000			26,577.00				
1	6/30/2021	FUND BALANCE-70	70-0704.00000000				26,577.00			
		To adjust fund balance								Recurring
2	6/30/2021	TRS ON BEHALF REVENUE	10-9998.00000000				2,198,412.00			
2	6/30/2021	TRS ON BEHALF EXPENDITURE	10-9999.00000000			2,198,412.00				
		To record on behalf payments								Recurring
3	6/30/2021	CASH	10-0101.00000000				57,740.00			
3	6/30/2021	OTHER CURRENT LIABILITIES	10-0499.00000000			58,599.00				
3	6/30/2021	GENERAL STATE AID	10-3001.00000000				859.00			
		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	6/30/2021	INTEREST PAYMENTS ON BONDS	30-5100.62400000				39,800.00			
4	6/30/2021	INTEREST PAYMENTS ON BONDS	30-5100.62400000				500.00			
4	6/30/2021	BOND PRINCIPAL PAYMENTS	30-5200.61000000				1,500.00			
4	6/30/2021	BOND PRINCIPAL PAYMENTS	30-5200.61000000			39,800.00				
4	6/30/2021	BOND SERVICE FEE	30-5400.00000000			1,500.00				
4	6/30/2021	BOND SERVICE FEE	30-5400.00000000				500.00			
		To reclassify principal and interest								
5	6/30/2021	Cash - 8th grade	99-100			5,855.00				
5	6/30/2021	Cash - CM activity	99-110			1,466.00				
5	6/30/2021	Fund Balance - 8th Grade	99-200				3,749.00			
5	6/30/2021	Fund Balance - CM Activity	99-210				1,809.00			
5	6/30/2021	Revenue - 8th Grade	99-300				4,028.00			
5	6/30/2021	Revenue - CM	99-310				308.00			
5	6/30/2021	Expenditures - 8th Grade	99-400			1,922.00				
5	6/30/2021	Expenditures - CM	99-410				651.00			
		To record student activities and CM activity								
6	6/30/2021	ACCRUED EXPENSES	50-0498.00000000			3,619.00				
6	6/30/2021	ESSER III SALARIES (MR)	50-1100.21400000				162.00			
6	6/30/2021	MATCHING MEDICARE	50-1110.21400000				2,085.00			
6	6/30/2021	SPECIAL ED MC	50-1200.21400000				543.00			
6	6/30/2021	READ IMPRV MC	50-1292.14000000				276.00			
6	6/30/2021	BILINGUAL SALARY (MR)	50-1800.21411000				93.00			
6	6/30/2021	SOCIAL WORK SALARIES	50-2113.21410000				138.00			
6	6/30/2021	DEAN SALARY (MR)	50-2400.21400000				139.00			
6	6/30/2021	PRINCIPALS SALARY (MR)	50-2410.21400000				183.00			
		PBC entry - To adjust accrued payroll posted in June for July								
7	6/30/2021	OPEN ACCTS PAY (SYS)	10-0402.00000000				29,298.00			
7	6/30/2021	TEACHER SALARIES	10-1110.11000000			22,460.00				
7	6/30/2021	TEACHER RETIREMENT	10-1110.21000000			1,448.00				

6.30.21 Chaney-Monge School District No. 88

Year End: June 30, 2021

Adjusting journal entries

Date: 7/1/2020 To 6/30/2021

Prepared by	Reviewed by	Reviewed by
CEM 9/2/2021	JJS 9/25/2021	

LTR-01.01-1

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
7	6/30/2021	TEACHER RETIREMENT	10-1110.21000000			2,296.00			
7	6/30/2021	TEACHER HEALTH INSURANCE	10-1110.22200000			3,094.00			
		To adjust TRS liability for June in July							
8	6/30/2021	ACCRUED EXPENSES	10-0498.00000000			273,939.00			
8	6/30/2021	ESSER II SALARIES (THB)	10-1100.11010000				125.00		
8	6/30/2021	ESSER II SALARIES (THB)	10-1100.11010000				43.00		
8	6/30/2021	ESSER II SALARIES (LS)	10-1100.12110000				10.00		
8	6/30/2021	ESSER II SALARIES (BIN)	10-1100.12210000				1,394.00		
8	6/30/2021	TEACHER SALARIES	10-1110.11000000				143,714.00		
8	6/30/2021	TEACHER RETIREMENT	10-1110.21000000				1,322.00		
8	6/30/2021	TEACHER RETIREMENT	10-1110.21000000				834.00		
8	6/30/2021	TEACHER LIFE INSURANCE	10-1110.22100000				105.00		
8	6/30/2021	TEACHER HEALTH INSURANCE	10-1110.22200000				12,368.00		
8	6/30/2021	ESSER II SALARIES	10-1111.12000000				11,190.00		
8	6/30/2021	SPECIAL ED SALARIES	10-1200.11000000				37,359.00		
8	6/30/2021	SPECIAL ED TEACHER RETIREMENT	10-1200.21000000				416.00		
8	6/30/2021	SPECIAL ED TEACHER RETIREMENT	10-1200.21000000				144.00		
8	6/30/2021	SPECIAL ED LIFE INSURANCE	10-1200.22100000				20.00		
8	6/30/2021	SPECIAL ED HEALTH INSURANCE	10-1200.22200000				2,263.00		
8	6/30/2021	IASA TITLE I SALARY	10-1250.11000000				7,260.00		
8	6/30/2021	IASA TITLE I SALARY (THB)	10-1250.11014305				54.00		
8	6/30/2021	IASA TITLE I SALARY (THB)	10-1250.11014305				19.00		
8	6/30/2021	IASA TITLE I LIFE INS	10-1250.22100000				10.00		
8	6/30/2021	READING/INTERVENTION SALARIES	10-1290.11000000				4,902.00		
8	6/30/2021	READING/INTERVENTION SALA (THB)	10-1290.11010000				55.00		
8	6/30/2021	READING/INTERVENTION SALA (THB)	10-1290.11010000				113.00		
8	6/30/2021	READING/INTERVENTION SALA (THB)	10-1290.11010000				19.00		
8	6/30/2021	READING/INTERVENTION SALA (THB)	10-1290.11010000				36.00		
8	6/30/2021	READING/ INTERVENTIONHEALTH INSURAN	10-1290.22200000				668.00		
8	6/30/2021	MATH INTERVENTION SALARY	10-1291.11110000				6,852.00		
8	6/30/2021	BILINGUAL SALARY	10-1800.10000000				6,313.00		
8	6/30/2021	BILINGUAL SALARY (THB)	10-1800.11011100				75.00		
8	6/30/2021	BILINGUAL SALARY (THB)	10-1800.11011100				24.00		
8	6/30/2021	BILINGUAL SALARY (BIN)	10-1800.12211100				35.00		
8	6/30/2021	SOCIAL WORK SALARIES	10-2110.11000000				9,619.00		
8	6/30/2021	SOCIAL WORK HEALTH INSURANCE	10-2110.22200000				735.00		
8	6/30/2021	SOCIAL WORK SALARIES (THB)	10-2113.11010000				112.00		
8	6/30/2021	SOCIAL WORK SALARIES (THB)	10-2113.11010000				37.00		
8	6/30/2021	DEAN SALARY	10-2400.11000000				9,824.00		
8	6/30/2021	DEAN SALARY (THB)	10-2400.11010000				115.00		
8	6/30/2021	DEAN SALARY (THB)	10-2400.11010000				38.00		
8	6/30/2021	DEAN SALARY (BIN)	10-2400.12200000				776.00		
8	6/30/2021	PRINCIPALS SALARY	10-2410.11000000				12,522.00		
8	6/30/2021	PRINCIPALS SALARY (THB)	10-2410.11010000				144.00		
8	6/30/2021	PRINCIPALS SALARY (THB)	10-2410.11010000				48.00		
8	6/30/2021	OFFICE HEALTH INSURANCE	10-2410.22200000				2,227.00		
		PBC entry - To adjust accrued payroll posted in June for July							
9	6/30/2021	CURRENT & BACK TAXES	50-1110.00000000				2,983.00		
9	6/30/2021	TAXES - SOCIAL SECURITY	50-1150.00000000			2,983.00			
		To reclass property taxes between IMRF and SS							
10	6/30/2021	CASH	10-0101.00000000				5,000.00		
10	6/30/2021	CARES ACT FEDERAL GRANT/ESSER II	10-4998.00000000			5,000.00			
10	6/30/2021	CASH	20-0101.00000000			5,000.00			
10	6/30/2021	CARES ACT FEDERAL GRANT	20-4998.00000000				5,000.00		
		PBC entry							
SA-1	6/30/2021	Medicaid Admin Assessment	10-1200.39990000			619.00			
SA-1	6/30/2021	FEDERAL MEDICAID REIMBURSEMENT	10-4999.00000000				619.00		

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Date: 7/1/2020 To 6/30/2021

Prepared by	Reviewed by	Reviewed by
CEM 9/2/2021	JJS 9/25/2021	

LTR-01.01-2

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
		Gross up Medicaid for administrative fee (4%)							
SA-2	6/30/2021	FEDERAL MEDICAD	10-4900.00000000				19,108.00		
SA-2	6/30/2021	FEDERAL MEDICAID REIMBURSEMENT	10-4999.00000000			19,108.00			
		Reclassify Medicaid admin outreach							
SA-3	6/30/2021	WILL COUNTY OTHER	10-1998.00000000			21,108.00			
SA-3	6/30/2021	FEDERAL OTHER (WILL COUNTY CARES)	10-4998.10000000				21,108.00		
		Reclass Will County CARES federal pass-through							
						3,043,271.00	3,043,271.00		
Net Income (Loss)			162,559.00						