

**COMMUNITY UNIT  
SCHOOL DISTRICT No. 300**

**COMMUNICATIONS FROM AUDITOR TO  
MANAGEMENT AND THE SCHOOL BOARD**

(Including Memorandum on Accounting  
Procedures,  
Internal Controls and Other Matters)

June 30, 2009

**COMMUNITY UNIT SCHOOL DISTRICT No. 300**  
**INDEX**

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To the Board of Education  
Community Unit School District No. 300  
300 Cleveland Avenue  
Carpentersville, IL 60110

In planning and performing our audit of the financial statements of Community Unit School District No. 300 (the "District") as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of its internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control, which are defined by auditing standards to fall within three categories:

- > A **control deficiency** 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 misstatements on a timely basis.
- > A **significant deficiency** is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.
- > A **material weakness** is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

We have noted deficiencies at the District and classified them based on the above definitions accordingly. These are described in detail in the pages that follow this report.

This communication is intended solely for the information and use of the Board of Education and management and is not intended to be, and should not be, used by anyone other than the specified parties.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
December 2, 2009

Below is a list of potential controls that, if in place, would achieve a higher level of reliability that errors or irregularities in your processes would be discovered by your staff. Although some of these controls may not be practical due to your staff size or other reasons, current professional standards require us to inform you of known areas of risk. As you make changes within the District and we continue to rotate audit procedures, more observations of this kind may be communicated to you.

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## **MATERIAL WEAKNESSES**

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### **External Financial Reporting**

Internal controls encompass all external financial reporting. Most districts in Illinois do not have formal external financial reporting departments or functions and rely on their audit firm for this purpose. However, District 300 calculates most year-end accruals required to convert the internal cash basis general ledger financial information to the modified accrual basis used for external financial reporting of governmental funds and also drafts the Schedule of Expenditures of Federal Awards. Both of these processes are important steps in external financial reporting and place School District 300 ahead of their peers in this regard. We commend the District for these efforts.

The District continues to rely on its audit firm for certain accrual calculations (elements of deferred revenue), calculating and recording full accrual adjustments for annual government-wide reporting, drafting the basic financial statements, preparing necessary note disclosures, and finalizing the Schedule of Expenditures of Federal Awards.

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## **CONTROL DEFICIENCIES**

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### **Segregation of Duties**

A critical element of internal control is that incompatible procedures in a control process be properly segregated. This is accomplished when no single person can initiate, record, and control distribution of a single transaction or series of transactions.

#### *Processing of Expenditure Transactions*

As noted in our prior year communication, software upgrades implemented in recent years granted certain individuals involved in payroll and accounts payable processes access to information and systems that compromised segregation of duties in these areas. The District is currently addressing the security issue and limiting applicable access to appropriate areas.

### **Controls Over Information Technology**

A sufficient internal control system should include controls within the District's information technology systems. The District has extensive IT controls to restrict and monitor access to and upgrades of the financial software systems. However, our procedures identified the following areas where controls could be improved:

- > Among the controls present that restrict access to the District's financial systems is the use of passwords to authenticate users. The District should consider improving the password system by requiring more frequent password changes and by restricting the repeat use of the same password to a period of eighteen months or more.
- > Server rooms in some schools are not appropriately secured since space is shared with other functions. Every effort should be made to appropriately secure access to the District servers.

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## **INFORMATIONAL POINTS**

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### ***GASB No. 51: ACCOUNTING AND FINANCIAL REPORTING FOR INTANGIBLE ASSETS***

Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software.

Statement No. 51 requires that all intangible assets be classified as capital assets (except for some that are specifically excluded). Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable.

This requires costs incurred for intangible assets be treated the same as costs incurred for other capital assets like a truck or building. Intangible assets will be written off over their useful life (using amortization).

Fortunately, the new rules do not apply retroactively for your government. Instead, you will need to start reporting newly acquired intangible assets starting with your year ending June 30, 2010. We can assist you with the details of the accounting aspects of this requirement at the appropriate time.

### ***GASB No. 54: FUND BALANCE REPORTING AND GOVERNMENTAL FUND TYPE DEFINITIONS***

The Governmental Accounting Standards Board (GASB) has issued GASB statement number 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement changed the definitions used for fund balance reporting.

The GASB implemented changes to fund balance reporting to make it easier for the reader of financial statements to determine reserved fund balance vs. designated fund balance vs. undesignated fund balance. The statement was issued in the first quarter of 2009.

This statement also included a change in the definition of fund types that would likely impact many governments that uses special revenue, debt service, and capital project funds. GASB continues to discuss ways to make the definitions of the various fund types more meaningful.

This standard will be effective for your June 30, 2011 reporting year.

### ***ILLINOIS PROGRAM ACCOUNTING MANUAL UPDATES***

Illinois State Board of Education and the State Legislature have recently enacted changes to the Illinois Program Accounting Manual ("IPAM") effective July 1, 2008. This change affected the District's chart of accounts within their accounting software and how various transactions are recorded throughout the year. The following is a brief highlight of some of the changes that are effective for fiscal year 2009:

- > Elimination of the Rent Fund and creation of the Tort Immunity/Judgment Fund
- > Renaming of the Bond and Interest and creation of the Debt Service Fund
- > Renaming of the Site and Construction/Capital Improvements Fund to the Capital Projects Fund
- > Addition of several local revenue function codes
- > Addition of several expenditure function codes
- > Reclassification and addition of expenditure object codes
- > Expansion of other financing sources and uses function codes

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## **REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE**

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The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or (those charged with governance) of their responsibilities.

As part of the audit we obtained an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. The audit was not designed to provide assurance on internal control or to identify deficiencies in internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

### ***OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS***

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client prepared documents, such as official statements related to debt issues.

### ***PLANNED SCOPE AND TIMING OF THE AUDIT***

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated May 4, 2009.

### ***QUALITATIVE ASPECTS OF THE ENTITY'S SIGNIFICANT ACCOUNTING PRACTICES***

#### ***Accounting Policies***

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2009. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

#### ***Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We are not aware of any particularly sensitive accounting estimates utilized by management in its financial statement process.

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**REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE (cont.)**

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***Financial Statement Disclosures***

The disclosures in the financial statements are neutral, consistent, and clear.

***DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT***

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

***AUDIT ADJUSTMENTS***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process. Matters underlying adjustments proposed by the auditor could potentially cause future financial statements to be materially misstated.

We made all necessary conversion entries to prepare the entity-wide Statement of Net Assets. These entries are summarized on the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities, both of which are included within the District's Basic Financial Statements. We also made certain adjustments to the District's modified accrual calculations and reflected these in our preparation of the governmental fund financial statements, including the restatement of the beginning balance in Educational Fund as note in Note 13 of our audit report. These entries have been furnished to management accordingly.

There were also reclassifications entries to the District's cash-basis records that were brought to the attention of management as a result of audit procedures. These were necessary to fairly present the District's external financial reporting and corrections were made by management accordingly. These entries did not affect fund balances and have been furnished to management.

There were also proposed adjustments, which collectively, were immaterial to the District's financial statements and as such, were not adjusted. These entries have been furnished to management.

***DISAGREEMENTS WITH MANAGEMENT***

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter 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.

***CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS***

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' 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.

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**REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE (cont.)**

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***MANAGEMENT REPRESENTATIONS***

We have requested certain representations from management that are included in the management representation letter, and attached as Appendix B to this report.

***INDEPENDENCE***

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and the District that, in our professional judgment, may reasonably be thought to bear on our independence.

Relating to our audit of the financial statements of for the year ended June 30, 2009, Baker Tilly Virchow Krause, LLP hereby confirms in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants, that we are, in our professional judgment, independent with respect to the District and provided no services to the District other than the audit of the current year's financial statements and the following:

- > Financial statement preparation
- > Adjusting journal entries (as described in above audit adjustments section)
- > Trial balance formatting from general ledger data
- > Compiled regulatory reports, i.e. ISBE Annual Financial Report
- > Analysis of construction project to provide advice on contract language and potential cost savings

***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.

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**APPENDIX A – MANAGEMENT REPRESENTATIONS**

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# COMMUNITY UNIT SCHOOL DISTRICT NO. 300

300 CLEVELAND AVENUE  
CARPENTERSVILLE, IL 60110-1943  
PHONE: (847) 426-1300 • FAX: (847) 426-1209

December 2, 2009

Baker Tilly Virchow Krause, LLP  
1301 W 22<sup>nd</sup> St, Ste 400  
Oak Brook, IL 60523-3389

Dear Auditors or Baker Tilly, LLP:

We are providing this letter in connection with your audit of the financial statements of the Community Unit School District No. 300 (the "District") as of June 30, 2009 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District and the respective changes in financial position in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

2. We have made available to you all –
  - a. Financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
  - b. Minutes of the meetings of the Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or the schedule of expenditures of federal awards.
5. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole. In addition, you have recommended adjusting journal entries, and we are in agreement with those adjustments.
6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
9. We have a process to track the status of audit findings and recommendations.
10. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of this audit being undertaken and the corrective actions taken to address significant findings and recommendations.

11. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
12. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
13. The following, if any, have been properly recorded or disclosed in the financial statements:
  - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - b. Guarantees, whether written or oral, under which the municipality is contingently liable.
  - c. All accounting estimates that could be material to the financial statements including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

15. There are no -

- a. Violations or possible violations of budget ordinances, provisions of contracts and grant agreements, laws or regulations including those pertaining to adopting and amending budgets, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance.
- b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies*.
- c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
- d. Reservations or designation of fund equity that were not properly authorized and approved.

16. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

17. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

18. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

19. The financial statements properly classify all funds and activities.

20. All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
21. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
22. Provisions for uncollectible receivables have been properly identified and recorded.
23. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
24. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
25. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
26. Deposits and investment securities are properly classified as to risk, and investments are properly valued.
27. Capital assets are properly capitalized, reported, and, if applicable, depreciated.
28. Required supplementary information (RSI) is measured and presented within prescribed guidelines.

29. In regards to the nonattest services performed by you listed below, we have 1) made all management decisions and performed all management functions; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

- a. Financial statement preparation
- b. Adjusting journal entries
- c. Compiled regulatory reports
- d. Trial balance formatting from general ledger data
- e. Analysis of construction project to provide advice on contract language and potential cost savings.

30. With respect to federal award programs -

- a. We are responsible for complying and have complied with the requirements of the Single Audit Act Amendments of 1996, OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and any other applicable laws and regulations and provisions of contracts and grant agreements.
- b. We have, in accordance with OMB Circular A-133, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, insurance and other assistance received for the purpose of administering federal programs. We have also made records available to you relating to such financial awards received directly, as well as indirectly, as pass-through awards.

December 2, 2009

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34. (cont.)

- c. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.
- d. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to control deficiencies reported in the schedule of findings and questioned costs.
- e. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to each major federal program.
- f. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- g. We have complied, in all material respects, with the compliance requirements, including when applicable, those set forth in the OMB Circular A-133 Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews.
- h. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, Cost Principles for State, Local, and Tribal Governments, and OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

December 2, 2009

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34. (cont.)

- i. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- j. We have charged costs to federal awards in accordance with applicable cost principles.
- k. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- l. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of federal awards.
- m. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- n. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of OMB Circular A-133.
- o. We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of a subrecipient's auditor's report, if any, that identifies noncompliance with laws, regulations, or the provisions of contracts or grant agreements to ensure that subrecipients have taken the appropriate and timely corrective action on findings.
- p. We have considered the results of subrecipients' audits, if any, and made any necessary adjustments to our books and records.
- q. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

Baker Tilly Virchow Krause, LLP

December 2, 2009

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34. (cont.)

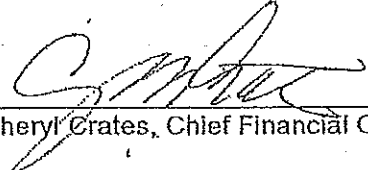
- r. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133, and we are responsible for preparing and implementing a corrective action plan for each audit finding.
- s. We have disclosed to you all contracts or other agreements with our service organizations, and we have disclosed to you all communications from the service organization relating to noncompliance at the service organizations.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

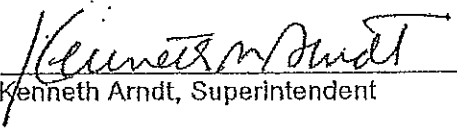
Sincerely,

Community Unit School District No. 300

Signed:

  
Cheryl Crates, Chief Financial Officer

Signed:

  
Kenneth Arndt, Superintendent

Community Unit School District No. 300  
 SUMMARY OF PROPOSED ADJUSTING JOURNAL ENTRIES  
 June 30, 2009

	Financial Statements Effect -				Change in Net Assets/ Fund Balances
	Total Assets	Total Liabilities	Total Revenues	Total Expenses/ Expenditures	
Operations and Maintenance	(35,598)	-	-	-	-
Debt Service	(40,694)	-	(40,694)	-	(40,694)
Capital Projects	100,926	(16,535)	(144,452)	(62,789)	(81,663)
Working Cash	-	-	(23,036)	-	(23,036)
Tort Immunity/Judgment	-	-	(9,330)	(9,330)	-

Community Unit School District No. 300  
 Summary of Proposed Adjusting Journal Entries

06/30/09

Operations and Maintenance

Description of Passed Audit Differences <u>Identified in current year</u> <u>Known uncorrected misstatements</u>	Total Assets	Total Liabilities	Beg. Fund Balance	Revenues	Expenditures	Change in Fund Balances	Fund Balances
<u>Projected uncorrected misstatements</u>	-	-	-	-	-	-	-
Total - Current	-	-	-	-	-	-	-
<u>Identified in prior years (carryforwards/reversals)</u>							
<u>Known uncorrected misstatements</u> Passed recording real estate tax split	(35,598)		(35,598)				
<u>Projected uncorrected misstatements</u>							
Total - Prior (carryforward/reversal)	(35,598)		(35,598)				
Net Audit Differences	(35,598)		(35,598)				

Community Unit School District No. 300  
 Summary of Proposed Adjusting Journal Entries  
 06/30/09

Capital Projects

Description of Passed Audit Differences	Total Assets	Total Liabilities	Beg. Fund Balance	Revenues	Expenditures	Change in Fund Balances	Fund Balances
<i>Identified in current year</i>							
<u>Known uncorrected misstatements</u>							
Passed recording of interest receivable / deferral	100,926	46,254		54,672		54,672	54,672
Difference in Retainage Payable		(62,789)			(62,789)	62,789	62,789
<u>Projected uncorrected misstatements</u>							
Total - Current	100,926	(16,535)	-	54,672	(62,789)	117,461	117,461
<i>Identified in prior years (carryforwards/reversals)</i>							
<u>Known uncorrected misstatements</u>							
Passed recording of Market Value Adjustment			94,726	(94,726)		(94,726)	
Passed recording of accrued interest on securities			104,398	(104,398)		(104,398)	
<u>Projected uncorrected misstatements</u>							
Total - Prior (carryforward/reversal)	-	-	199,124	(199,124)	-	(199,124)	-
Net Audit Differences	100,926	(16,535)	199,124	(144,452)	(62,789)	(81,663)	117,461

Community Unit School District No. 300  
 Summary of Proposed Adjusting Journal Entries  
 06/30/09  
 Working Cash

Description of Passed Audit Differences <i>Identified in current year</i>	Total Assets	Total Liabilities	Beg. Fund Balance	Revenues	Expenditures	Change in Fund Balances	Fund Balances
<u>Known uncorrected misstatements</u>	-	-	-	-	-	-	-
<u>Projected uncorrected misstatements</u>	-	-	-	-	-	-	-
<u>Total - Current</u>	-	-	-	-	-	-	-
<i>Identified in prior years (carryforwards/reversals)</i>							
<u>Known uncorrected misstatements</u> Passed recording of interest receivable/deferral	-	-	23,036	(23,036)	-	(23,036)	-
<u>Projected uncorrected misstatements</u>	-	-	-	-	-	-	-
<u>Total - Prior (carryforward/reversal)</u>	-	-	23,036	(23,036)	-	(23,036)	-
<u>Net Audit Differences</u>	-	-	23,036	(23,036)	-	(23,036)	-

Community Unit School District No. 300  
 Summary of Proposed Adjusting Journal Entries

06/30/09

Tort Immunity/Judgment

Description of Passed <u>Audit Differences</u>	Total <u>Assets</u>	Total <u>Liabilities</u>	Beg. Fund <u>Balance</u>	Revenues	Expenditures	Change in Fund Balances	Fund Balances
<i>Identified in current year</i>							
Known uncorrected misstatements							
Passed Real estate tax split difference	(9,330)			(9,330)		(9,330)	(9,330)
Passed Transfer of Tort eligible exp to cover revenue in new fund	9,330				(9,330)	9,330	9,330
<u>Projected uncorrected misstatements</u>							
Total - Current	-	-	-	(9,330)	(9,330)	-	-

Identified in prior years (carryforwards/reversals)  
Known uncorrected misstatements

Projected uncorrected misstatements

Total - Prior (carryforward/reversal)

Net Audit Differences

	-	-	-	(9,330)	(9,330)	-	-
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