



# **Report to the Board of Education and Management**

**Urbana School District No. 116**

**Results of the 2025 Financial Statement Audit, Including Required Communications**

June 30, 2025

# Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Matter	Discussion
<b>Scope of Our Audit</b>	<p>This report covers audit results related to your financial statements and supplementary information</p> <ul style="list-style-type: none"><li>• As of and for the year ended June 30, 2025</li><li>• Conducted in accordance with our contract dated March 24, 2025</li></ul>
<b>Our Responsibilities</b>	<p>Forvis Mazars is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), except for the GAAP departure resulting from the failure to present government-wide financial statements and to display each major fund and aggregating nonmajor funds in the fund financial statements.</p>
<b>Audit Scope &amp; Inherent Limitations to Reasonable Assurance</b>	<p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.</p>

<b>Matter</b>	<b>Discussion</b>
<b>Extent of Our Communication</b>	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
<b>Independence</b>	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
<b>Your Responsibilities</b>	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
<b>Distribution Restriction</b>	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: <ul style="list-style-type: none"> <li>• Board of Education and Management</li> </ul>

## Government Auditing Standards

Matter	Discussion
<b>Additional GAGAS Reporting</b>	We also provided reports as of June 30, 2025, on the following as required by GAGAS: <ul style="list-style-type: none"><li>• Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS</li></ul>
<b>Reporting Limitations</b>	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

## Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topic:

- The District financial statements are not prepared in accordance with accounting principles generally accepted in the United States of America due to the failure to present government-wide financial statements and to display each major fund and aggregate nonmajor funds in the financial statements.

## Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature):

- No matters are reportable

## **Alternative Accounting Treatments**

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows.

- No matters are reportable

## **Management Judgments & Accounting Estimates**

- No matters are reportable

## **Financial Statement Disclosures**

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Basis of accounting and presentation of financial statements
- Over expenditure of budget or deficit fund balances by certain funds

## **Our Judgment About the Quality of the Entity's Accounting Principles**

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

- The District financial statements are not prepared in accordance with accounting principles generally accepted in the United States of America due to the failure to present government-wide financial statements and to display each major fund and aggregate nonmajor funds in the financial statements.

## Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

## Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- No matters are reportable

## Uncorrected Misstatements

No uncorrected misstatements to report.

# Required Communications Regarding Internal Control (AU-C 265)

## Consideration of Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Urbana School District #116, as of and for the year ended June 30, 2025, in accordance with GAAS and GAGAS, we considered the Entity's internal control over financial reporting (internal control).

This consideration served as a basis for designing audit procedures that are appropriate in the circumstance for the purpose of expressing our opinion on the financial statements.

However, this consideration was **not** for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs 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.

## Categorizing Deficiencies by Severity

### Deficiency

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.



### Significant Deficiency

A significant deficiency is a deficiency, or 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.



### Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatements of the Entity's financial statements will not be prevented or detected and corrected on a timely basis.



## Identified Deficiencies

We identified certain deficiencies in internal control that we consider to be deficiencies.

### **Deficiencies**

Segregation of accounting duties is an essential element of effective internal controls, involving the separation of custody of assets from related recording of transactions. Segregation of conflicting duties within the District's accounting department is difficult because of the limited number of personnel. However, there are compensating controls management could implement to reduce the possibility of errors or irregularities going undetected in the normal course of business. We encourage you to limit, to the extent possible, performance of incompatible duties by individuals in the District's accounting department. Following are the incompatible duties that we noted with management's response to our comments.

- The Accounting Manager and Payroll Processor have the ability to access, record and monitor payroll. This creates a situation where errors or fraud within payroll could occur and not be detected in a timely manner.

Management's Response:

- The Chief Financial Officer reviews the general ledger monthly and all journal entries. The Treasurer (an independent person) signs all payroll checks. The Chief Financial Officer reviews the payroll register for each payroll. The Chief Financial Officer and the Board of Education review the financial statements monthly. It should also be noted the Accounting Manager does not generate the payroll unless the primary person is unavailable to do so. The Chief Financial Officer also reviews all bank reconciliations monthly.

Management's written responses to the deficiencies identified in our audit have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on those responses.

We observed matters that we consider to be deficiencies that we communicated to management orally.

# Attachments

## Management Representation Letter (Attachment A)

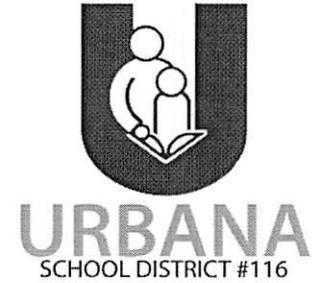
As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.



# Attachment A

## Management Representation Letter

Jean F. Burkholder Administrative Service Center  
1101 E. University Ave., Suite B  
Urbana, IL 61802  
[www.usd116.org](http://www.usd116.org)



*Representation of:*

Urbana School District #116  
1101 E. University Ste B  
Urbana, Illinois 61802

*Provided to:*

**Forvis Mazars, LLP**  
Certified Public Accountants  
225 N. Water Street, Suite 400  
Decatur, IL 62523

The undersigned (“We”) are providing this letter in connection with Forvis Mazars’ audit of our financial statements as of and for the year ended June 30, 2025.

We are also providing this letter in connection with:

- Your audit of our compliance with requirements applicable to each of our major federal awards programs as of and for the year ended June 30, 2025.

Our representations are current and effective as of the date of Forvis Mazars’ report: October 23, 2025.

Our engagement with Forvis Mazars is based on our contract for services dated: March 24, 2025.

**Our Responsibility & Consideration of Material Matters**

We confirm that we are responsible for the fair presentation of the financial statements subject to Forvis Mazars’ report in conformity with accounting principles generally accepted in the United States of America, and with the regulatory basis of accounting, a comprehensive basis of accounting other than GAAP.

We understand that you will not express an unmodified opinion on the financial statements due to lack of conformity with GAAP due to the failure to present governmentwide financial statements and to display each major fund and aggregating nonmajor funds in the fund financial statements.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

**Confirmation of Matters Specific to the Subject Matter of Forvis Mazars’ Report**

We confirm, to the best of our knowledge and belief, the following:

**Broad Matters**

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, except for the GAAP departure resulting from the failure to present governmentwide financial statements and to display each major fund and aggregating nonmajor funds in the fund financial statements. The annual financial report is on the regulatory basis of accounting, a comprehensive basis of accounting other than GAAP. accounting principles generally accepted in the United States of America, and with the regulatory basis of accounting, a comprehensive basis of accounting other than GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
  - a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
  - b. Internal control to prevent and detect fraud.
3. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. All minutes of board of education meetings, held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the board of education, if applicable, and maintained as part of our records.
  - e. All significant contracts and grants.
4. We have responded fully and truthfully to all your inquiries.

**Government Auditing Standards**

5. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
6. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
7. We have identified and disclosed to you any violations or possible violations of laws, regulations, including those pertaining to adopting, approving, and amending budgets, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
8. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.
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 your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.

11. We have provided our views on any findings, conclusions, and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.

***Federal Awards Programs (Uniform Guidance)***

12. We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations, or in any other form.
13. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
14. We have reconciled the schedule of expenditures of federal awards (SEFA) to the financial statements.
15. Federal awards-related revenues and expenditures are fairly presented, both in form and content, in accordance with the applicable criteria in the entity's financial statements.
16. We have evaluated all recipient organizations that received federal funding and have correctly identified all subrecipients on the schedule of expenditures of federal awards.
17. We have identified the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* regarding activities allowed or unallowed; allowable costs/cost principles; cash management; eligibility; equipment and real property management; matching, level of effort, earmarking; period of performance of federal funds; procurement and suspension and debarment; program income; reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our federal awards programs. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.
18. We are responsible for complying, and have complied, with the requirements of Uniform Guidance.
19. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe the entity has complied with all applicable compliance requirements.
20. We are responsible for the design, implementation, and maintenance of internal controls over compliance that provide reasonable assurance we have administered each of our federal awards programs in compliance with federal statutes, regulations, and the terms and conditions of the federal awards.
21. We have made available to you all federal awards (including amendments, if any) and any other correspondence or documentation relevant to each of our federal awards programs and to our compliance with applicable requirements of those programs.

22. The information presented in federal awards program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.
23. The costs charged to federal awards are in accordance with applicable cost principles.
24. The reports provided to you related to federal awards programs are true copies of reports submitted or electronically transmitted to the federal awarding agency, the applicable payment system, or passthrough entity in the case of a subrecipient.
25. Amounts claimed or used for matching were determined in accordance with Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) regarding cost principles.
26. We have disclosed to you any communications from federal awarding agencies and passthrough entities concerning possible noncompliance with the applicable compliance requirements for each of our federal awards programs, including any communications received from the end of the period of your audit through the date of this letter.
27. We have identified to you any previous compliance audits, attestation engagements, and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other monitoring.
28. Except as described in the schedule of findings and questioned costs, we are in agreement with the findings contained therein and our views regarding any disagreements with such findings are consistent, as of the date of this letter, with the description thereof in that schedule.
29. The reporting package does not contain any protected personally identifiable information.
30. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.

***Misappropriation, Misstatements, & Fraud***

31. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
  - a. Misappropriation of assets.
  - b. Misrepresented or misstated assets, liabilities, or fund balance.
32. We have no knowledge of fraud or suspected fraud affecting the entity involving:
  - a. Management or employees who have significant roles in internal control over financial reporting, or
  - b. Others when the fraud could have a material effect on the financial statements.
33. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, analysts, SEC or other regulators, citizens, suppliers, or others.
34. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

### ***Ongoing Operations***

35. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year of the date of the financial statements and known facts thereafter without consideration of potential mitigating effects of management's plans and concluded substantial doubt does not exist.
36. We acknowledge the current economic volatility presents difficult circumstances and challenges for our industry. Entities are potentially facing declines in the fair values of investments and other assets, declines in the volume of business, contributions, constraints on liquidity, difficulty obtaining financing or bonding, significant credit quality problems, including significant volatility in the values of real estate and other collateral supporting loans, etc. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts and notes or contributions receivable, capital, net realizable value of inventory, etc., that could negatively impact the entity's ability to meet debt covenants or maintain sufficient liquidity.

We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity's financial statements. Further, management and governance are solely responsible for all aspects of managing the entity, including questioning the quality and valuation of investments, inventory, and other assets; evaluating assumptions regarding defined benefit pension plan obligations, reviewing allowances for uncollectible amounts; evaluating capital needs and liquidity plans; etc.

### ***Related Parties***

37. We have disclosed to you the identity of all of the entity's related parties and all the related party relationships of which we are aware. The entity has not entered into any new agreements with a related party or modified terms related to an existing related party transaction during the year under audit, or as of the date of this letter. Further, we do not have any existing or ongoing agreements with related parties that are still in effect as of the date of this letter.
38. We understand that the term related party refers to:
- Affiliates
  - Trusts for the benefits of employees, such as pension and profitsharing trusts that are managed by or under the trusteeship of management
  - Management and members of their immediate families
  - Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

***Litigation, Laws, Rulings & Regulations***

39. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America, and with the regulatory basis of accounting, a comprehensive basis of accounting other than GAAP.
40. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
41. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
42. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act*, nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
43. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

***Nonattest Services***

44. You have provided nonattest services, including the following, during the period of this engagement:
  - Preparing a draft of the financial statements and related notes and supplementary information
  - Preparing a draft of the schedule of expenditures of federal awards
  - Completing the auditee portion of the Form SFSAC (Data Collection Form) through the Federal Audit Clearinghouse
  - Preparing entries to convert cash basis accounting records to accrual basis accounting records
45. With respect to these services:
  - a. We have designated a qualified management level individual to be responsible and accountable for overseeing the nonattest services.
  - b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.
  - c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
  - d. We have evaluated the adequacy of the services performed and any findings that resulted.
  - e. We have established and maintained internal controls, including monitoring ongoing activities.

- f. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

***Financial Statements & Reports***

- 46. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
- 47. With regard to supplementary information:
  - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
  - b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
  - c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
  - e. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.
- 48. We do not issue an annual report, nor do we have plans to issue an annual report at this time.

***Transactions, Records, & Adjustments***

- 49. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 50. The entity has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. All intracompany (and intercompany) accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.
- 51. We have everything we need to keep our books and records.
- 52. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.
- 53. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the entity's accounts.

***Governmental Accounting & Disclosure Matters***

- 54. Interfund, internal, and intraentity activity and balances have been appropriately classified and reported.

55. With regard to deposit and investment activities:
  - a. All deposit and investment transactions have been made in accordance with legal and contractual requirements.
  - b. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
  - c. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
56. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.
57. Classifications of fund balance (reserved and unreserved) are properly classified.
58. We have appropriately disclosed the entity's policy regarding whether to first apply reserved or unreserved resources when an expense is incurred for purposes for which both reserved and unreserved fund balance is available and have determined that fund balance is properly recognized under the policy.

***Accounting & Disclosure***

59. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.
60. Except as reflected in the financial statements, there are no:
  - a. Plans or intentions that may materially affect carrying values or classifications of assets, liabilities, or fund balance.
  - b. Material transactions omitted or improperly recorded in the financial records.
  - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
  - d. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
  - e. Agreements to purchase assets previously sold.
  - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
  - g. Guarantees, whether written or oral, under which the entity is contingently liable.
  - h. Known or anticipated asset retirement obligations.
61. Except as disclosed in the financial statements, the entity has:
  - a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
  - b. Complied with all aspects of contractual and grant agreements, for which noncompliance

would materially affect the financial statements.

**Revenue, Accounts Receivable, & Inventory**

62. Adequate provisions, allowances, or other adjustments in basis have been recorded for any material losses from:
- a. Uncollectible receivables.
  - b. Excess or obsolete inventories.

**Estimates**

63. We have identified all accounting estimates that could be material to the financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.
64. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that "near term" means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to a lack of diversity related to employers, industries, inflows of resources, workforce covered by collective bargaining agreements, providers of financial resources, or suppliers of material, labor or services, or constraints, which refer to a limitation imposed by an external party or by formal action of a government's highest level of decisionmaking authority related to limitations on raising revenue, limitations on spending, limitations on the incurrence of debt, or mandated spending, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

**TaxExempt Bonds**

65. Taxexempt bonds issued have retained their taxexempt status.
66. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c212 and applicable state laws.



Dr. Jennifer Ivory Tatum, Superintendent



Mary Ann Schloz, Chief Financial Officer