

Oak Park Elementary School District 97

Report to the Board of Education

October xx, 2012



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To the Board of Education
Oak Park Elementary School District 97
970 West Madison Street
Oak Park, Illinois 60302

Attention: Board of Education:

We are pleased to present this report related to our audit of the basic financial statements and compliance of Oak Park Elementary School District 97 ("District") for the year ended June 30, 2012. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial and compliance reporting process.

This report 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 these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to Oak Park Elementary School District 97.

[FIRM SIGNATURE]

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Required Communications

Statement on Auditing Standards No. 114 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

Area	Comments
Auditor's Responsibility Under Professional Standards	Our responsibility under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States, has been described to you in our arrangement letter dated March 6, 2012.
Accounting Practices	Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period. Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. Alternative Treatments Discussed with Management We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.
Management Judgments and Accounting Estimates	Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Accounting Estimates."
Financial Statement Disclosures	In our meeting with you, we will discuss with you the neutrality, consistency, and clarity of the disclosures in the financial statements.
Audit Adjustments	Audit adjustments recorded by the District are included as Appendix A of the representation letter, which is attached under Exhibit A.

Area	Comments
Uncorrected Misstatements	There were no uncorrected misstatements identified in our audit.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed or were the subject of correspondence with management.
Difficulties Encountered in Performing the Audit	We did not encounter any difficulties in dealing with management during the audit.
Certain Written Communications Between Management and Our Firm	Copies of certain written communications between our firm and the management of the District are attached as Exhibit A.

Oak Park Elementary School District 97

Summary of Accounting Estimates

Year Ended June 30, 2012

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the District's June 30, 2012 basic financial statements:

Area	Accounting Policy	Estimation Process	Comments
Depreciation	Depreciation is based on management's estimate of the useful life of an asset on the straight-line basis.	Useful life is determined based on the frequency of use, age when put into use, repairs, and the environment in which it will be used.	We tested a sample of assets to recalculate the depreciation expense. Useful lives appear reasonable based on asset types.
Incurred But Not Reported Health Insurance Claims	The District is self insured, which requires management to make accounting estimates for costs the District has incurred or for which 3 rd parties have asserted the District is responsible.	The District establishes the self insurance accrual to reserve for payments required in future periods based on historical cost information, subsequent information, and management's knowledge of certain pending claims.	We discussed the nature and propriety of the accrued self insurance estimate with management. We obtained and reviewed all documentation and other evidence to support the accounting treatment. Management's estimation process for this liability is appropriate.
Investments	Investments are stated at fair value.	The District obtains market value prices from its investment managers based on publicly-quoted prices available and reviews for reasonableness.	We test fair market value of investments on a sample basis with a 3 rd party. The District's methodology to value its investments is reasonable.

Area	Accounting Policy	Estimation Process	Comments
Postemployment Obligations	The District accounts for postemployment obligations and related reporting requirements in accordance with GASB 45. This requires that certain assumptions be made to calculate the funded status of the plan, the fair value of the assets, the related service costs, and the projected benefits to the participants.	The District uses an actuary to calculate a liability using participant and census data that the District provides to an actuary to perform this calculation. The actuary also determines the annual required contributions.	We obtained the actuarial report directly from the actuary and reviewed for reasonableness. We also reviewed census data provided to the actuary and compared to District records. The process to calculate and recognize the liability appears reasonable.

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**Exhibit A - Certain Written Communications between Management
and Our Firm**

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