

Gorenz and Associates, Ltd.

Certified Public Accountants

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Communication with Those Charged with Governance

January 21, 2025

To the Board of Education
Putnam County Community Unit School District No. 535
Granville, Illinois

We have audited the Statement of Assets and Liabilities Arising from Cash Transactions of each fund and account group as of June 30, 2024, and the related Statement of Revenues Received, Expenditures Disbursed, Other Sources (Uses) and Changes in Fund Balances (All Funds), the Statement of Revenues Received (All Funds), and the Statements of Expenditures Disbursed - Budget to Actual for the year then ended and the related notes to the financial statements of Putnam County Community Unit School District No. 535 (the District), which collectively comprise the District's basic financial statements. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Governmental Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 31, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by 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 the fiscal year ending June 30, 2024. We noted no transactions entered into by the governmental unit 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.

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. The District's financial statements are prepared using the regulatory modified cash basis of accounting as described in Note #1, and while some estimates are used to prepare the notes to financial statements, there are no particularly sensitive accounting estimates used to prepare the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosure of Pension Disclosures in Note #6 and the Other Post-Employment Benefits in Note #7 to the financial statements because they are subject to actuarial methods and assumptions.

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. Management has corrected all such misstatements. In addition, some of the misstatements detected as result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. See attached for material adjustments.

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 January 21, 2025.

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 governmental unit'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 governmental unit'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 supplementary information, which includes Schedule of Taxes Extended and Collected, Schedule of Ad Valorem Tax Receipts, Schedule of Short-term Debt/Long-term Debt, Schedule of Restricted Local Tax Levies and Selected Revenue Sources/Schedule of Tort Immunity Expenditures, and CARES CRRSA ARP Schedule, 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 basis of accounting as described in Note #1 of the financial statements, 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 supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Matters (Cont'd.)

We were not engaged to report on the other information, which includes the Illinois School District Annual Financial Report (cover), Table of Contents (AFR), Auditor's Questionnaire, Financial Profile Information, Estimated Financial Profile Summary, Schedule of Capital Outlay and Depreciation, Estimated Operating Expenditures Per Pupil (OEPP)/Per Capita Tuition Charge (PCTC) Computations, Current Year Payment on Contracts for Indirect Cost Rate Computation, Estimated Indirect Cost Rate Data, Report on Shared Services or Outsourcing, Limitation of Administrative Costs Worksheet, Itemization Schedule, Reference page, Notes-Opinions-Letters-etc. page, Deficit Reduction Calculation, Audit Checklist/Balancing Schedule, and Single Audit and GATA Information, which accompany the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restrictions on Use

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

Very truly yours,

Gorenz and Associates, Ltd.

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Putnam County Community Unit School District No. 535
 Educational Fund
 Adjusting Journal Entries
 June 30, 2024

ACCOUNT NUMBER	ACCOUNT NAME	AJE NUMBER	POSTED TO W/S	Dr	Cr
		1			
112	CASH		x		138,927.31
10-431-1	Accounts Payable		x	171.88	
10-481-1	Teacher Ret. Payable		x	902.12	
1510	INTEREST ON INVESTMENTS		x	5,625.40	
730	UNRESERVED FUND BALANCE		x	132,227.91	
	- To record prior year entries / interest posted in wrong year				
		2			
126	STUDENT ACTIVITY FUND CASH & INV		x	194,064.00	
715	STUDENT ACTIVITY FUND BALANCE		x		194,064.00
	- To record student activity beginning fund balance				
		3			
4998	OTHER FEDERAL		x	517,629.00	
112	CASH		x		517,629.00
4998	OTHER FEDERAL		x	129,578.00	
112	CASH		x		129,578.00
	- To reclassify ESSER II, III to match expenditures				

Putnam County Community Unit School District No. 535
Operations and Maintenance Fund
Adjusting Journal Entries
June 30, 2024

ACCOUNT NUMBER	ACCOUNT NAME	AJE NUMBER	POSTED TO W/S	Dr	Cr
		1			
112	CASH		x	52,283.00	
1510	INTEREST ON INVESTMENTS		x	13.28	
730	UNRESERVED FUND BALANCE		x		52,296.28
	- To record prior year entries / interest posted in wrong year				
		2			
112	CASH		x	517,629.00	
4998	OTHER FEDERAL		x		517,629.00
112	CASH		x	129,578.00	
4998	OTHER FEDERAL		x		129,578.00
	- To reclassify ESSER II, III to match expenditures				

Putnam County Community Unit School District No. 535
 Transportation Fund
 Adjusting Journal Entries
 June 30, 2024

ACCOUNT NUMBER	ACCOUNT NAME	AJE NUMBER	POSTED TO W/S	Dr	Cr
		1			
112	CASH		x	101,271.80	
2550.3	PUPIL TRANSP-PURCH SERV - Correct AJEs #946, 947, 952		x		101,271.80

Putnam County Community Unit School District No. 535
 Illinois Municipal Retirement Fund
 Adjusting Journal Entries
 June 30, 2024

ACCOUNT NUMBER	ACCOUNT NAME	AJE NUMBER	POSTED TO W/S	Dr	Cr
		1			
1510	INTEREST ON INVESTMENTS		x	1.01	
112	CASH		x	9,930.36	
730	UNRESERVED FUND BALANCE		x		9,931.37
	- To record prior year entries / interest posted in wrong year				
		2			
112	CASH		x	30,000.00	
1230	CORP PERS PROP REPLACEMENT TAX		x		30,000.00
	- To cover replacement tax lien				

Putnam County Community Unit School District No. 535
Tort Fund
Adjusting Journal Entries
June 30, 2024

ACCOUNT NUMBER	ACCOUNT NAME	AJE NUMBER	POSTED TO W/S	Dr	Cr
		1			
112	CASH		x	24,509.00	
730	UNRESERVED FUND BALANCE - To record prior year entries		x		24,509.00

Putnam County Community Unit School District No. 535
 Fire Prevention and Safety Fund
 Adjusting Journal Entries
 June 30, 2024

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT NAME</u>	<u>AJE NUMBER</u>	<u>POSTED TO W/S</u>	<u>Dr</u>	<u>Cr</u>
		1			
112	CASH		x	52,204.95	
730	UNRESERVED FUND BALANCE - To record prior year entries		x		52,204.95