

# MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

The Members of the Board of Education  
Pleasantdale School District 107  
Burr Ridge, Illinois

In planning and performing our audit of the financial statements of Pleasantdale School District 107 (the "District") as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, there can be no assurance that all deficiencies, material weaknesses or significant deficiencies have been identified.

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 and correct misstatements on a timely basis. A deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

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

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.

Following are descriptions of other identified control deficiencies that we determined did not constitute significant deficiencies or material weaknesses:

## **Student Activity Accounts**

### *Negative Account Balances*

At June 30, 2015, four student club accounts at the Middle School had negative account balances. As student activity accounts are intended for the benefit of the students, it is important to properly track student activity accounts. We recommend the District review applicable accounts and develop a plan to relieve the negative account balances.

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*Negative Account Balances (Continued)*

Management's Response

The negative account balances resulted from phasing out the five club accounts. The overall activity accounts had a positive balance. Updating the student accounts will enhance the tracking of these accounts.

*Middle School Bank Reconciliation*

During the current year engagement, we noted that the bank reconciliation for the Middle School Student Activity cash balance at June 30, 2015 was reconciled with July 2015 activity included. This resulted in one improper reconciling item as of year-end and an adjustment of \$1,477 to the student activity cash balance as of June 30, 2015 was needed in order to remove the item. We recommend that the District reconcile all accounts as of month end to avoid future adjustments to the financial statements.

Management's Response

Moving forward, the District will reconcile all reconciliations as of month end.

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The Company's written response to the items identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the Members 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.

MILLER, COOPER & CO., LTD.

*Miller, Cooper & Co., Ltd.*

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Certified Public Accountants

Deerfield, Illinois  
November 10, 2015