

HINCKLEY-BIG ROCK COMMUNITY  
UNIT SCHOOL DISTRICT NO. 429

AUDITOR'S COMMUNICATION TO THE  
BOARD OF EDUCATION

For the Year Ended  
June 30, 2025

HINCKLEY-BIG ROCK COMMUNITY UNIT  
SCHOOL DISTRICT NO. 429

TABLE OF CONTENTS

	<u>Page(s)</u>
COVER LETTER.....	1
REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE.....	2-5
• Adjusting Journal Entries	
MANAGEMENT LETTER.....	6-7



September 17, 2025

Members of the Board of Education  
Hinckley-Big Rock CUSD #429  
700 E Lincoln Ave  
Hinckley, Illinois 60520

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by Auditing Standards. Our communication at the beginning of our audit process was provided to Jessica Sonntag on March 11, 2025.

Auditing standards also require the communication of internal control related matters to those charged with governance. Our management letter is enclosed within this document.

This information is intended solely for the information and use of the Board of Education and management of Hinckley-Big Rock Community Unit School District No. 429 and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*Newkirk & Associates, Inc.*

Newkirk & Associates, Inc.  
By: Andrea C. Meyer, CPA  
Shareholder



September 17, 2025

To the Board of Education  
Hinckley-Big Rock CUSD #429  
700 E Lincoln Ave  
Hinckley, Illinois 60520

We have audited the financial statements of Hinckley-Big Rock CUSD 429 (District) for the year ended June 30, 2025. 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 March 11, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*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 year. We noted no transactions entered into by the District 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. There were no significant estimates affecting the financial statements.

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, none of the misstatements detected as a 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, except those on the attached schedule.

*Disagreements with Management*

For the 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 September 17, 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 District'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 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.

### Other Matters

We were engaged to report on the supplementary information in the AFR, which accompany the financial statements but are not required supplementary information (RSI). 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 accounting principles prescribed or permitted by the Illinois State Board of Education, which is a basis of accounting other than those generally accepted in the United States of America. 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.

We were not engaged to report on the other information in the AFR, which accompany the financial statements but are not RSI. 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.

### Restriction on Use

This information is intended solely for the information and use of the Board of Education and management of Hinckley-Big Rock CUSD 429 and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Newkirk & Associates, Inc.*

Newkirk & Associates, Inc.

By: Andrea C. Meyer, CPA

Shareholder

# Hinckley - Big Rock CUSD 429

Year End: June 30, 2025

Adjusting Journal Entries

Date: 7/1/2024 To 6/30/2025

Number	Date	Name	Account No	Debit	Credit
1	6/30/2025	Cash - Fiduciary Funds	W 1100 FF	10,233.00	
1	6/30/2025	Due to Agency Funds	W 2000 FF		-10,233.00
1	6/30/2025	MARY B. GUNIER SCHOLARSHIP	10A000 1205 0000 00 000000 EF-10		-10,233.00
1	6/30/2025	CD INVESTMENTS	10A000 1210 0000 00 000000 EF-10	50,000.00	
1	6/30/2025	EDUCATION FUND BALANCE	10Q000 7300 0000 00 000000 EF-10		-50,000.00
1	6/30/2025	EDUCATION FUND BALANCE	10Q000 7300 0000 00 000000 EF-10	10,233.00	
1	6/30/2025	MAX-CDB Grant	20A000 1213 0000 00 000000 O-20	256,775.00	
1	6/30/2025	O&M FUND BALANCE	20Q000 7300 0000 00 000000 O-20		-256,775.00
1	6/30/2025	MAX - DEBT SERVICE (103)	30A000 1215 0000 00 000000 BI-30		-256,775.00
1	6/30/2025	FUND BALANCE	30Q000 7300 0000 00 000000 BI-30	256,775.00	
1	6/30/2025	MAX - ISDLAF	60A000 1211 0000 00 000000 CP-60		-50,000.00
1	6/30/2025	FUND BALANCE	60Q000 7300 0000 00 000000 CP-60	50,000.00	
To adjust beginning fund balance to prior year audit					
2	AJE 2 Not Used				
3	6/30/2025	IMPREST FUND	10A000 1110 0000 00 000000 EF-10	1.76	
3	6/30/2025	INTEREST - DISTRICT IMPREST	10R000 1510 0012 00 000000 EF-10		-1.76
To record June interest					
4	6/30/2025	FISCAL SERVICES SOFTWARE	10E000 2520 3160 00 000000 EF-10		-6,890.90
4	6/30/2025	TECH DIST-SFTWRE LIC/SUBSCRIPT	10E000 2900 3160 00 000000 EF-10		-7,863.46
4	6/30/2025	Transfer Out - Principal	10E000 8410 0000 00 000000 EF-10	13,557.85	
4	6/30/2025	TRANSFERS OUT - INTEREST	10E000 8510 0000 00 000000 EF-10	996.51	
4	6/30/2025	DEBT SERVICE - LEASE INTEREST	30E000 5210 6200 00 000000 BI-30	996.51	
4	6/30/2025	DEBT SERV - LEASE PRINCIPAL	30E000 5310 6000 00 000000 BI-30	13,557.85	
4	6/30/2025	TRANSFERS IN - PRINCIPAL	30R000 7410 0000 00 000000 BI-30		-13,557.85
4	6/30/2025	TRANSFERS IN - INTEREST	30R000 7510 0000 00 000000 BI-30		-996.51
Record SBITA Activity (Skyward)					
5	6/30/2025	ADMIN - RENTALS	10E000 2320 3250 00 000000 EF-10		-2,204.00
5	6/30/2025	Transfer Out - Principal	10E000 8410 0000 00 000000 EF-10	21,114.00	
5	6/30/2025	TRANSFERS OUT - INTEREST	10E000 8510 0000 00 000000 EF-10	980.00	
5	6/30/2025	ELEM-PURCH SERV-RENTALS	10E100 1110 3250 00 000000 EF-10		-6,630.00
5	6/30/2025	MS - PURCHASED SERV - RENTALS	10E200 1120 3250 00 000000 EF-10		-6,630.00
5	6/30/2025	HS - RENTALS	10E300 1130 3250 00 000000 EF-10		-6,630.00
5	6/30/2025	DEBT SERVICE - LEASE INTEREST	30E000 5210 6200 00 000000 BI-30	980.00	
5	6/30/2025	DEBT SERV - LEASE PRINCIPAL	30E000 5310 6000 00 000000 BI-30	21,114.00	
5	6/30/2025	TRANSFERS IN - PRINCIPAL	30R000 7410 0000 00 000000 BI-30		-21,114.00
5	6/30/2025	TRANSFERS IN - INTEREST	30R000 7510 0000 00 000000 BI-30		-980.00
To reclass copier lease payments					
6	6/30/2025	TRANSP - BUS LEASES	40E000 2550 3251 00 000000 T-40		-193,728.18
6	6/30/2025	LEASE INTEREST	40E000 5200 6200 00 000000 T-40	28,928.86	
6	6/30/2025	LEASE PRINCIPAL	40E000 5300 6200 00 000000 T-40	164,799.32	
Reclass Bus Lease Payments to Principal & Interest Accounts					
7	6/30/2025	CD INVESTMENTS	10A000 1210 0000 00 000000 EF-10		-50,000.00
7	6/30/2025	MAX - ISDLAF	10A000 1211 0000 00 000000 EF-10	50,000.00	
Reclass CD adjustment from PY audit					

8	6/30/2025	Cash - Fiduciary Funds	W 1100 FF		-857.36
8	6/30/2025	Due to Agency Funds	W 2000 FF	857.36	
8	6/30/2025	MARY B. GUNIER SCHOLARSHIP	10A000 1205 0000 00 000000 EF-10	857.36	
8	6/30/2025	INTEREST - LOCAL INVESTMENTS	10R000 1510 0000 00 000000 EF-10		-857.36

Reclass to fiduciary funds for reporting purposes

9	6/30/2025	MAX-CDB Grant	20A000 1213 0000 00 000000 O-20		-256,775.00
9	6/30/2025	TRANSFER INTEREST OUT	20E000 8140 0000 00 000000 O-20	256,775.00	
9	6/30/2025	MAX - DEBT SERVICE (103)	30A000 1215 0000 00 000000 BI-30	256,775.00	
9	6/30/2025	TRANSFER INTEREST IN	30R000 7140 0000 00 000000 BI-30		-256,775.00

To close the CDB Grant account

12	6/30/2025	SBAA MS CHEERLEADING	95E200 0000 0000 00 900230 AF	270.00	
12	6/30/2025	SBAA MS CHEERLEADING	95R200 0000 0000 00 900230 AF		-270.00

Reclass activity fund debit revenue to expense

13	6/30/2025	MAX - ISDLAF	60A000 1211 0000 00 000000 CP-60	15,714.56	
13	6/30/2025	Due to Working Cash	60L000 4101 0000 00 000000 CP-60		-15,714.56
13	6/30/2025	MAX - ISDLAF	70A000 1211 0000 00 000000 WC-70		-15,714.56
13	6/30/2025	Due from Capital Projects	70A000 1410 0000 00 000000 WC-70	15,714.56	

Eliminate negative investment balance in capital projects fund



Members of the Board of Education, Superintendent, and Bookkeeper  
Hinckley-Big Rock CUSD #429  
700 E Lincoln Ave  
Hinckley, Illinois 60520

In planning and performing our audit of the financial statements of Hinckley-Big Rock Community Unit School District No. 429 (District) as of and for the year ended June 30, 2025, 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 opinions 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.

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. 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Newkirk & Associates, Inc.*

Plano, Illinois

September 17, 2025



## **OTHER COMMENTS**

### **1. Credit and Procurement Card Agreements**

Per the District's Policy Manual, Section 4:55 Use of Credit and Procurement Cards, all cardholders must sign a statement affirming that they are familiar with the policy. During our testing of the credit cards, we noted that the District does not currently have signed statements for any cardholders on file. Signed statements from the cardholders affirming they are familiar with the credit card policy is a valuable control to ensure that cardholders familiarize themselves with the controls in place. We recommend that all cardholders are provided with a copy of the credit and procurement card policy and sign a statement affirming they have familiarized themselves with the policy and that the signed statement be retained.