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ACCOUNTANTS AND CONSULTANTS

To the Board of Education
Community Unit School District 200
Wheaton, Illinois

We have audited the financial statements of Community Unit School District 200 (the "District") as of and for the year ended June 30, 2015, and have issued our report thereon dated October 14, 2015. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 12, 2015, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America, *Government Auditing Standards* issued by the Comptroller General of the United States, and the provisions of the Single Audit Act, OMB Circular A-133, and OMB's *Compliance Supplement*. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. In accordance with *Government Auditing Standards*, we have also performed tests of internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on Community Unit School District 200's internal control over financial reporting or on compliance and other matters.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you. We have provided our comments regarding a material weakness, and other matters noted during our audit in separate letter to you dated October 14, 2015.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. We are not aware of any documents that include the audited financial statements.

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Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team; others in our firm, as appropriate; and our firm; have complied with all relevant ethical requirements regarding independence.

Management and the Board have acknowledged our role in providing requested non-audit services and has taken full responsibility for these non-audit services, as detailed in the engagement letter.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note A to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application, except for those described below, during the fiscal year ended June 30, 2015. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Policies Adopted in the Current Year

GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans – An amendment of GASB Statement No. 27*, issued in June 2012, was effective for the District beginning with its year ending June 30, 2015. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers,* as well as the requirements of Statement No. 50, *Pension Disclosures,* as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*, issued in November 2013, was effective for the District beginning with its year ending June 30, 2015. The objective of this Statement is to address an issue regarding application of *GASB Statement No. 68* regarding amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The adoption of the above statements required restatement of net position, and deferred outflows, which is addressed in an emphasis of matter paragraph in our report. Our opinion is not modified as a result of this matter.

Qualitative Aspects of the District's Significant Accounting Practices (Continued)

Significant Accounting Policies which will be Applicable in Future Years

GASB Statement No. 72, *Fair Value Measurement and Application,* issued in February 2015, will be effective for the District beginning with its year ending June 30, 2016. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value investments.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* issued in June 2015, will be effective for the District beginning with its year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans,* and Statement 68 for pension plans and pensions that are within their respective scopes.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* issued in June 2015, will be effective for the District beginning with its year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans,* as amended, Statement 43, and Statement No. 50, *Pension Disclosures.*

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* issued in June 2015, will be effective for the District beginning with its year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,* for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* establishes new accounting and financial reporting requirements for OPEB plans.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* issued in June 2015, will be effective for the District beginning with its year ending June 30, 2016. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*

Qualitative Aspects of the District's Significant Accounting Practices (Continued)

Significant Accounting Policies which will be Applicable in Future Years (Continued)

GASB Statement No. 77, *Tax Abatement Disclosures,* issued in August 2015, will be effective for the District beginning with its year ending June 30, 2017. The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current year revenues were sufficient to pay for current year services, (b) compliance with finance related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time.

The District's management has not yet determined the effect that these Statements will have on the District's financial statements.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are pension obligations, other postemployment benefits, and risk management (self-insurance). Included in the notes to the financial statements are the methodologies used by management to determine the estimates.

We evaluated the key factors and assumptions used to develop those estimates noted above and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to: risk management (self-insurance), actuarial methods and assumptions regarding the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois, and other postemployment benefit obligations.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The attached schedule/schedule below summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

	Correction of Error - Debit (Credit)					
DESCRIPTION	ASSETS	LIABILITIES	NET POSITION	REVENUE	EXPENSES	CUMULATIVE EFFECT ON NET POSITION
CARRYOVER IMPACT FROM PREVIOUS YEARS	$ -	$ -	$ -	$ -	$ -	$ 437,617
Reversal of IMRF net pension obligation	-	-	-	-	-	(437,617)
CURRENT YEAR MISSTATEMENTS						
Known Errors:						
2014 Capital Lease Annual Activity	697,449	(697,449)	-	-	-	-
TOTAL MISSTATEMENTS	$ 697,449	$ (697,449)	$ -	$ -	$ -	$ -

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no material, corrected misstatements identified by us.

As an accounting service we assisted your personnel with non-audit services necessary for the preparation of the financial statements, including drafting of the financial statements and AFR, preparation of the Schedule of Expenditures of Federal Awards, assistance with the preparation of the Data Collection Form, assistance with modified accrual adjustments, GASB 34 entries, filing the AFR with the Illinois State Board of Education, and compilation of capital asset records.

Disagreements with Management

For purposes of this letter, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the representation letter dated October 14, 2015.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the District, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

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This report 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.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants
Deerfield, Illinois
October 14, 2015

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

To the Board of Education
Community Unit School District 200
Wheaton, Illinois

In planning and performing our audit of the financial statements of Community Unit School District 200 (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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiency in the District's internal control to be a material weakness:

1. Capital Asset Tracking (Repeated from the prior year)

Currently the District is accounting for its capital assets and related depreciation at year-end with assistance from the external auditor. We believe that maintaining a current, complete list of capital assets guards against asset misappropriation and material misstatements of the financial statements. Such a system is also part of an effective system of internal control. We encourage the District to develop an internal system to accomplish this control objective provided the cost of such a system is not prohibitive.

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.

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Following is a description of another identified control deficiency that we determined did not constitute a significant deficiency or material weakness:

2. *Student Activity Funds*

During our testing of the student activity funds, we noted various control issues including: instances where an Activities Requisition Form was not used, instances where the school principal's signature was not documented on the Activities Requisition Form, and instances where the advisor's signature was not documented on the Activities Requisition Form. Additionally, we noted an instance where a minimal amount of sales tax was charged and paid by the student activity fund. To mitigate the risk that student activity funds are misappropriated or improperly disbursed, we recommend the District improves its enforcement of applicable control procedures at the various schools.

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MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
October 14, 2015