



To: Dr. Mike Riggle
Board of Education

From: Dr. R.J. Gravel
Ms. Vicki Tarver

Date: January 23, 2017

Re: Acceptance of the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2016

Recommendation

It is recommended that the Board of Education acknowledge receipt of the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2016 as prepared by Glenbrook High School District 225, and audited by Miller, Cooper & Co., Ltd.

Background

On April 11, 2016, the Board of Education selected Miller Cooper & Co., Ltd. of Deerfield to perform an independent audit of the District's financial statements for the year ended June 30, 2016. Preparation for the audit started in April 2016, and activities continued through October 2016. During this time members of our assigned team from Miller Cooper were provided access to the Business Services team and the District's financial records to complete their review and testing activities.

Illinois School Code (105 ILCS 5/3-7) requires each school district to conduct an independent audit of its financial statements at the close of each fiscal year. In addition to performing a thorough review and analysis of the District's funds, accounts, statements, and other financial matters, the auditor is charged by the District with:

- Assisting with the preparation of the Annual Financial Report¹ for submission to the Illinois State Board of Education;
- Assisting with the preparation of the Comprehensive Annual Financial Report (CAFR) for submission to the Association of School Business Officials International (ASBO International) and the Government Finance Officers Association (GFOA).

Although not required by Illinois School Code, the CAFR is a thorough and detailed presentation of the District's financial condition, which includes an understanding of the District's structure and academic activities, and an independent opinion of the information presented within the report from our auditor. The Governmental Accounting Standards Board (GASB) encourages governments to prepare the detailed report in the spirit of transparency and full disclosure. Additionally, the CAFR serves as a primary source document for investors in new bond issues, and is used for other credit monitoring agency submissions including Dun and Bradstreet, Moody's Investors Service, and Standard and Poors.

¹ The Annual Financial Report utilizes information collected during the course of the District's audit, and is submitted in a format defined by the Illinois State Board of Education that is consistent for all school districts. This report is due each year to ISBE by November 15, 2016.

As referenced previously, the CAFR has historically been submitted to both ASBO International² and the GFOA³, as part of each organization's financial reporting recognition program. It should be noted that the District maintains a strong legacy of receiving both of these awards each year, including for the year ended June 30, 2015. The District is in the process of applying for both of these awards for the fiscal year ended June 30, 2016.

In addition to complete copy of the CAFR, two additional letters are included with this memo for the Board of Education's review. The first document is the required communication to the Board letter. The auditor is required to communicate with those charged with governance (the Board) matter related to the financial statements audit that are in the auditor's professional judgement, significant and relevant to the responsibilities of those charged with overseeing the financial reporting process. The second document is commonly referred to as the "management letter", which presents a single internal control deficiency identified during the audit, and a recommendation to review the capitalization threshold currently established by the District.

As you review the CAFR and supporting documentation, please do not hesitate to reach-out to either Vicki Tarver or R.J. Gravel with any questions.

² The Association of School Business Officials International facilitates the Certificate of Excellence in Financing Reporting (COE) program, providing school districts additional feedback for use in continuing to improve the quality of financial reporting, and recognizing districts for a commitment to excellence in financial management and reporting.

³ The Government Finance Officers Association facilitates the Certificate of Achievement for Excellence in Financial Reporting program, recognizing state and local governments that go beyond the minimum requirements of financial reporting, providing comprehensive financial reports that provide transparency and full disclosure.