

GLENBROOK HIGH SCHOOLS
Office of the Assistant Superintendent for Business Affairs
Regular Meeting Monday, December 14, 2009

TO: Dr. Michael Riggle

FROM: Hillarie Siena

DATE: December 14, 2009

RE: Acceptance of the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2009

It is recommended that the Board of Education:

Accept the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2009 as prepared by Miller, Cooper & Co., Ltd.

Background

This is the second year that Northfield Township High School District 225 is filing a Comprehensive Annual Financial Report (CAFR). The CAFR is a thorough and detailed presentation of the district's financial condition. The report is presented in three sections: Introductory, Financial and Statistical. The Introductory section contains a transmittal letter, written by management, which contains information relevant to the district's position within the community. The Financial section begins with the independent auditor's report and contains the Management's Discussion and Analysis (MD&A), financial statements, notes to the financial statements, required supplementary information and schedules. The MD&A presents a two-year comparison of summary financial data. The Statistical section completes the report, containing historical data relevant to the district's overall financial condition.

While there is no requirement that the Board of Education approve the CAFR, it has been past practice in the district to have the Board accept the financial information contained in the CAFR, as presented. It should be noted that the district was awarded the Association of School Business Officials International Certificate of Excellence in Financial Reporting award for the prior year CAFR. The district is in process of applying for the award for the current year report. Attached, please find the Comprehensive Annual Financial Report for Northfield Township High School District 225, for the year ended June 30, 2009.

c. Board of Education

HS/hjs

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

To the Members of the Board of Education of
Northfield Township High School District 225
Glenview, Illinois

We have audited the financial statements of Northfield Township High School District 225 (the District) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 9, 2009. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As communicated in our engagement letter dated April 4, 2009, 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. 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 the District'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 control deficiencies and other matters noted during our audit in a separate letter to you dated December 9, 2009.

Other Information in Documents Containing Audited Financial Statements

We are not aware of any other documents that contain the audited financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the District.

Planned Scope and Timing of the Audit

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

Qualitative Aspects of the District's Significant Accounting Practices*Significant Accounting Policies*

Management and the Board have 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. The following is a description of significant accounting policies or their application which were either initially selected or changed during the year.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of other postemployment benefits expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplemental information in the financial statements of the employer.

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Policies which will be Applicable in Future Years

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued in June 2007, will be effective for Northfield Township School High School District 225 beginning with its year ending June 30, 2011. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This Statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to existing authoritative guidance for capital assets.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, issued in November 2007, will be effective for Northfield Township High School District 225 beginning with its year ending June 30, 2010. This Statement establishes new standards for the reporting of land and other real estate held as investments by endowments. Under this Statement, endowments are required to report their land and other real estate investments at fair value.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued in June 2008, will be effective for Northfield Township High School District 225 beginning with its year ending June 30, 2011. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swaptions, forward contracts, and futures contracts.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions*, issued in March 2009, will be effective for Northfield Township High School District 225 beginning with its year ending June 30, 2012. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund-type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources in the governmental funds.

To the Members of the Board of Education of
Northfield Township High School District 225

Page Three

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

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

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 depreciation and the self-insurance accrual.

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 depreciation and the self-insurance accrual.

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. There were no identified misstatements identified during the audit.

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 uncorrected misstatements noted during the June 30, 2009 audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 auditors' report. No such disagreements arose during the course of the audit.

To the Members of the Board of Education of
Northfield Township High School District 225

Page Four

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated December 9, 2009.

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 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.

* * * * *

This report is intended solely for the information and use of the Board of Education and management of Northfield Township High School District 225 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
December 9, 2009

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

Board of Education
Northfield Township High School District 225
Glenview, Illinois

This letter includes observations and recommendations with respect to matters that came to our attention in connection with our audit of the financial statements of Northfield Township High School District 225 for the year ended June 30, 2009. These items are offered as constructive suggestions to be considered as part of the ongoing process of modifying and improving the government's practices and procedures.

Observations and Recommendations:

We noted that the District has not had a significant amount of capital asset disposals in the current or prior years. Now that renovations are complete at both campuses, we recommend that the District complete an inventory of all capital assets. A periodic inventory of capital assets will ensure that the District is continuing to properly maintain and fairly state its capital assets records.

* * * * *

This communication is intended solely for the information and use of the Board of Directors, management, and others within the organization, 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
December 9, 2009