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Christi Tyler
East Aurora School District #131
Aurora, Illinois

As detailed in the accompanying schedule of prior period adjustments, fund balance at June 30, 2014 was restated. In the prior year the District's financial statements were presented on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As further explained in Note 1 to the financial statements, the financial statements as of June 30, 2015 and for the year then ended have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Listed below are explanation of the individual prior period adjustments necessary to present fund balance as of June 30, 2014 in accordance with GAAP.

Property Taxes Receivable

As described in Note 1 to the financial statements, the District considers that 50% of the 2013 property tax levy was to be used to finance operations in fiscal 2014 and that 50% of the levy was to be used to finance operations in fiscal 2015. Therefore, under the modified accrual basis of accounting, \$295,986 of property tax revenue was earned in fiscal year 2014 although the cash was received in fiscal year 2015.

Personal Property Taxes Receivable

In July 2014, the District received personal property taxes in the amount of \$578,776 from the Illinois Department of Revenue. Although the cash receipt occurred in fiscal 2015, the taxes were collected in May and June 2014 and should be recognized as revenue in fiscal 2014 under GAAP.

ISBE Grants Receivable

The District receives grant revenue from the Illinois State Board of Education (ISBE) on the reimbursement basis. Under GAAP, this revenue is recognized as the related expenditures are incurred. \$4,543,501 is the amount of ISBE grant funding that the District received between July 1, 2014 and August 31, 2014 related to expenditures incurred in fiscal 2014.

Claims Payable

Under GAAP, medical, dental, and workers' compensation expenditures are incurred on the date of the service or incident. There is often a lag between the date the expenditure is incurred and the date of the District's payment. We obtained reports of actual claims paid in July and August 2014 along with the

service dates associated with those payments. July and August 2014 payments pertaining to claims incurred before June 30, 2014 of \$2,123,003 and an estimate of \$201,480 for claims incurred before June 30, 2014 but not yet reported to the District comprise the \$2,324,483 decrease in fund balance.

Summer Payroll Payable

The District pays certain employees over 24 pay periods for wages earned during the school year. The wages paid in July and August 2014 pertained to work performed in fiscal year 2014, the related expenditure should be recorded in fiscal 2014 in order to properly match the expenditures to the period of service.

Tuition Payable

On July 1, 2014, West Aurora School District 129 sent the District final tuition billings for Hope Wall programs, the Vaughan Transition program, and the District Hearing Impaired program related to the 2014 school year. This tuition payment has now been recorded in fiscal year 2014 under GAAP.

Accounts Payable

Vendors invoice the District for goods delivered and services performed before June 30, 2014 in fiscal year 2015. In other words, certain expenditures were incurred in fiscal year 2014 but paid by the District in fiscal year 2015. Under GAAP, those expenditures are recorded in fiscal year 2014 although they were paid in fiscal year 2015. An adjustment was made to record a payable and expenditure for these items.

Hope Wall True Up

As described in Note 8 to the financial statements, the operating and capital costs of the Hope Wall building are shared equally between the District and West Aurora School District 129, and the program costs are allocated between the two Districts based on the average daily enrollment. The \$125,439 increase in fund balance represents revenue owed to the District at June 30, 2014.



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East Aurora School District 131
Schedule of Prior Period Adjustments
Year Ended June 30, 2015

	Fund 10	Fund 20	Fund 30	Fund 40	Fund 50	Fund 60	Fund 70	Fund 80	Fund 90
6/30/14 cash basis fund balances per the FY14 audit	\$ 51,770,839	\$ 1,043,620	\$ 5,285,389	\$ 3,442,289	\$ 2,741,754	\$ 6,761,132	\$ 22,924,339	\$ (2,048,698)	\$ 372,958
Property taxes receivable	152,622	29,645	67,172	18,473	27,516	-	8	-	550
Personal property replacement taxes receivable	578,776	-	-	-	-	-	-	-	-
ISBE grants receivable	4,543,501	-	-	-	-	-	-	-	-
Claims payable	(2,324,483)	-	-	-	-	-	-	-	-
Summer payroll payable	(10,937,704)	-	-	-	(302,927)	-	-	-	-
Tuition payable	(115,384)	-	-	-	-	-	-	-	-
Accounts payable	(1,767,041)	(307,490)	-	(239,166)	-	(1,159,366)	-	-	-
Hope Wall true up	125,439	-	-	-	-	-	-	-	-
7/1/14 accrual basis fund balances	<u>\$ 42,026,565</u>	<u>\$ 765,775</u>	<u>\$ 5,352,561</u>	<u>\$ 3,221,596</u>	<u>\$ 2,466,343</u>	<u>\$ 5,601,766</u>	<u>\$ 22,924,347</u>	<u>\$ (2,048,698)</u>	<u>\$ 373,508</u>

Fund Key -

- 10 - Educational
- 20 - Operations & Maintenance
- 30 - Debt Services
- 40 - Transportation
- 50 - IMRF/Social Security
- 60 - Capital Projects
- 70 - Working Cash
- 80 - Tort
- 90 - Fire Prevention & Safety