



**Board of Education
Bensenville School District 2
Board Meeting
October 17, 2018**

Administrative Reports

E. 2017-18 Audited Financial Statements

Background

The District's financial statements for the 2018 fiscal year have been audited by the firm of Mueller & Co., LLP. Mueller is the successor firm to our longstanding auditors, MPS | CPA.

Links are provided in the agenda to these four documents.

1. The District's Financial Statements, with Notes & Schedules, for the year ended June 30, 2018.
2. Mueller's Report letter, providing its opinion about the information presented in the District's Financial Statements.
3. Mueller's Conclusions Letter, describing the audit it performed.
4. Mueller's Internal Control Letter, describing its opinion about the District's processes for collecting and recording financial information.

Next month, Mr. Ed McCormick from Mueller will discuss the audit results with the Board.

Administrative Considerations

Mueller's Report Letter provided the highest level of confidence that auditors may use: that the Financial Statements' information is presented fairly, in all material respects. This is commonly known as an "unqualified opinion".

The District's net financial position increased in 2017-18 for the 15th consecutive year. This means that its assets (reduced for its liabilities) have increased in each of those years, even allowing for a modest decline of its building values due to age.

Two more indicators of the District's excellent financial strength are the relative newness of the District's buildings and its AA+ bond rating.

Options Considered

As part of the audit, Mueller calculates the District's ISBE Financial Profile score. The District scores in the second-highest level, "Financial Review". The District has scored that same level since 2013, after previously scoring in the highest level.

Since 2013, and due to the District's superior financial strength, it has funded construction with savings instead of with borrowed funds. Most Illinois schools have to borrow for almost all construction.

For District 2, spending down its savings gives the appearance of deficit spending. ISBE's scoring gives a negative effect to this deficit spending, without considering whether the district has large savings with which to fund the construction.

The District finished 2017-18 with over \$23 million of cash. The Administration does not recommend changing the District's borrowing practices at this time.

Fund Affected

All Funds.

Recommendations

No action recommended at this time.

1. [District's Financial Statement as of 6-2018](#)
2. [Auditors Report Letter](#)
3. [Auditor's Conclusion Letter 6-2018](#)
4. [Auditor's Internal Control Letter 6-2018](#)