



February 24, 2023

School Board and Management
Huron School District No. 2-2

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of School District No. 2-2 for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 7, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Huron School District No. 2-2 are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Huron School District No. 2-2 changed accounting policies related to Leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, Leases, in 2022. The adoption of this standard had no effect on beginning net position of the school district, as the school district does not carry any leases. We noted no transactions entered into by Huron School District No. 2-2 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the unavailable revenue is based on modified accrual basis of accounting. We evaluated the key factors and assumptions used to develop the unavailable revenue in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 24, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Huron School District No. 2-2's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Huron School District No. 2-2's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison schedules, schedule of the proportionate share of the net pension liability (asset), and the schedule of school district contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the School Board and management of Huron School District No. 2-2 and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "ELO Prof. LLC". The signature is written in a cursive, slightly slanted style.

ELO Prof. LLC

Client: HURON SCHOOL DISTRICT
Engagement: 2022 AUDIT
Current Period: 06/30/2022
Workpaper: Adjusting Journal Entries

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
1					
Record Unamortized Bond Premiums & OPEB obl					
00 503	Unamortized GOB		0.00	0.00	
00 507	Unamortized GOB		0.00	0.00	
00 505	Unamortized CO Cert		0.00	0.00	
00 508	Unamortized CO Cert		0.00	0.00	
00 706	NET INVESTMENT IN CAPITAL ASSETS		0.00	0.00	
Total			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
ELO 1		6001			
To properly report 21st Century grant money rec					
22 4193 925	ARP IDEA 619		17,939.00	0.00	
22 101	CASH IN BANK		0.00	17,939.00	
10 101	CASH IN BANK		17,939.00	0.00	
10 4151 961	FED GRANTS-OTHER		0.00	17,939.00	
10 4151	FED GRANTS-OTHER		6,118.00	0.00	
10 4151 961	FED GRANTS-OTHER		0.00	6,118.00	
Total			<u>41,996.00</u>	<u>41,996.00</u>	<u>0.00</u>
ELO 2		6001			
To properly report state revenue.					
21 4151	FED GRANTS-OTHER		225,000.00	0.00	
21 3900	Other State Revenue		0.00	225,000.00	
Total			<u>225,000.00</u>	<u>225,000.00</u>	<u>0.00</u>
ELO 3		2002			
Adjust (reverse entry made in June 2022 but sho					
32 5000 000 612	INTEREST		62,758.00	0.00	
32 104	CASH WITH FISCAL AGENT		0.00	62,758.00	
Total			<u>62,758.00</u>	<u>62,758.00</u>	<u>(62,758.00)</u>
ELO 4		6000			
To properly report delinquent tax revenue in the					
22 101	CASH IN BANK		4,435.00	0.00	
22 1120	PRIOR YEARS TAX		0.00	4,435.00	
21 1120	PRIOR YEARS TAX		4,435.00	0.00	
21 101	CASH IN BANK		0.00	4,435.00	
Total			<u>8,870.00</u>	<u>8,870.00</u>	<u>0.00</u>
ELO 5		5402			
Adjust fund balances to actual					
10 760	UNASSIGNED		0.00	78.00	
10 1111 511 111	CERTIFIED SALARIES		78.00	0.00	
21 723	CAPITAL OUTLAY		0.00	59,367.00	
21 2542 000 323	REPAIRS & MTNCE		59,367.00	0.00	
51 708	UNRESTRICTED NET ASSETS		0.00	6,424.00	
51 2569 000 112	REGULAR SALARY		5,667.00	0.00	
51 1690	MISC REVENUE		757.00	0.00	
Total			<u>65,869.00</u>	<u>65,869.00</u>	<u>(65,869.00)</u>
ELO 6		3203			
Client Made: To properly report food service accu					
51 208	ACCUM DEPR-LOCAL FUNDS		32,820.00	0.00	
51 2569 000 910	DEPRECIATION		0.00	32,820.00	
Total			<u>32,820.00</u>	<u>32,820.00</u>	<u>32,820.00</u>
GRAND TOTAL			<u>437,313.00</u>	<u>437,313.00</u>	<u>(95,807.00)</u>