

REQUIRED COMMUNICATIONS

October 21, 2016

To the Governing Board
Progress in Education, Inc.
North Side Community School

We have audited the modified cash basis financial statements of Progress in Education, Inc. - North Side Community School for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* 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 March 23, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Progress in Education, Inc. - North Side Community School are described in Note B to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2016. We noted no transactions entered into by the School 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

Accounting estimates are an integral part of the financial statements prepared by administration and are based on administration'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.

Difficulties Encountered in Performing the Audit

We encountered no 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 trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements reported on the attached schedule.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 October 21, 2016.

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 the School'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 the School'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

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, context, and methods of preparing the information to determine that the information complies with the modified cash basis of accounting, which is another comprehensive basis of accounting other than generally accepted accounting principles, 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 record used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the administration and the Governing Board and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Westbrook & Co., P.C." The signature is written in a cursive, flowing style.

Westbrook & Co., P.C.

Client: 2274 - North Side Community School
 Engagement: 2274 - NORTH SIDE COMMUNITY SCHOOL
 Period Ending: 6/30/2016
 Trial Balance: 300.00 - TB
 Workpaper: 375.1.1 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		700.3		
to reclass interest income on sweep account				
10 5198	Other Local Revenue		776.20	
10 5141	Earnings on investments			776.20
Total			776.20	776.20
Adjusting Journal Entries JE # 2		530.01		
to adjust principal and interest on debt				
40 5122 6611 000 000	REDEMPTION OF PRINCIPAL		2,363.17	
40 5222 6621 000 000	SERIAL BOND INTEREST			2,363.17
Total			2,363.17	2,363.17
Adjusting Journal Entries JE # 3		930.20.1		
to reclass DFS revenue				
10 5442	ECC Special Education Income		15,607.50	
10 5397	Other state revenue			15,607.50
Total			15,607.50	15,607.50
Adjusting Journal Entries JE # 4		450.2		
to reclass multiple roof top units and HVAC systemsn				
40 4051 6521 000 000	BUILDINGS		47,079.00	
40 2561 6541 000 000	REGULAR EQUIPMENT			47,079.00
Total			47,079.00	47,079.00
Adjusting Journal Entries JE # 6				
to adjust cash in fund 2 to agree to liability balance and to clear out transfer balance				
10 1111	CASH IN BANK		5,011.62	
10 1111	CASH IN BANK		304,605.00	
10 3800	Transfer out		5,011.62	
20 1111	CASH IN BANK		5,011.62	
20 5311	Basic Formula - State Monies		5,011.62	
20 5311	Basic Formula - State Monies		304,605.00	
10 1111	CASH IN BANK			5,011.62
10 5311	State Foundation Aid (Basic Formula)			5,011.62
10 5311	State Foundation Aid (Basic Formula)			304,605.00
20 1111	CASH IN BANK			5,011.62
20 1111	CASH IN BANK			304,605.00
20 3700	Transfer in			5,011.62
Total			629,256.48	629,256.48
Adjusting Journal Entries JE # 7				
to reclass bus rental payments to fund 1				
10 2552 6334 000 000	RENTALS-EQUIPMENT		36,777.96	
40 3700	Transfer in		36,777.96	
10 3800	Transfer out			36,777.96
40 2552 6552 000 000	PUPIL TRANSPORTATION BUSES			36,777.96
Total			73,555.92	73,555.92