

October 31, 2022
Orland Park, Illinois

To the Governing Board of
Plato Learning Academy
5545 W. Harrison St
Chicago, Illinois 60644

We have audited the financial statements of Plato Learning Academy (Plato) for the year ended June 30, 2022, and we will issue our report thereon dated October 31, 2022. 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 April 15, 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 the Plato are described in Note 2 to the financial statements (Financial Statements). No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2022. We noted no transactions entered into by the Plato 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.

The following significant risks of material misstatement were identified during planning and performance of our audit:

Management override of controls - Management may perpetrate financial reporting frauds by overriding established control procedures and recording unauthorized or inappropriate journal entries or other closing adjustments.

Improper revenue recognition due to error or fraud - Potential misstatements as a result of fraudulent financial reporting often result from an overstatement of revenue. Some fraud risks associated with improper revenue recognition are premature revenue recognition, recording fictitious revenue, improperly shifting revenue to an earlier or later period, and manipulating estimates used in accounting for revenue.

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 estimates affecting the Financial Statements were:

Management's allocation of functional expenses not directly chargeable to a specific program or supporting service is based on a square footage basis of which programs benefit from the expense. We evaluated the key factors and assumptions used to develop the allocation of functional expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's calculation of depreciation expense is based on the estimated useful lives of the assets. We evaluated the key factors and assumptions used to develop depreciation expense 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 misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the Financial Statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on 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 31, 2022.

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 Plato'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 Plato's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

PKF Mueller

2022 Plato Learning Aca
Year End: June 30, 2022
Adjusting journal entries - Plato
Date: 7/1/2021 To 6/30/2022

0802

Plan by	Plan Review by	T/B/D	Prep by 1 NGA 10/11/2022
Prep by 2	Reviewed by 1 JAK 10/19/2022	Reviewed by 2	Provided by

Number	Date	Name	Account No	Debit	Credit
AJE 01	6/30/2022	Opening Balance Equity	3000 PLATO		272.00
AJE 01	6/30/2022	Other	6000.11 PLATO	272.00	
To adjust net assets to match PY financials					
AJE 02	6/30/2022	Accounts Payable	2000 PLATO		15,541.00
AJE 02	6/30/2022	Utilities	6300.02 PLATO	15,541.00	
To adjust subsequent disbursement improperly excluded from AP.					
AJE 04	6/30/2022	Prepaid Expenses	1400 PLATO		32,712.00
AJE 04	6/30/2022	Business Insurance	6400 PLATO	32,712.00	
To adjust prepaid expenses that should have just been expensed.					
AJE 05	6/30/2022	Accounts Receivable	1300 PLATO	27,914.00	
AJE 05	6/30/2022	Special Services	6000.13 PLATO		27,914.00
PBC entry to record overpayment that was paid back on 8/1/2022.					
AJE 07	6/30/2022	Accounts Receivable	1300 PLATO	3,461.00	
AJE 07	6/30/2022	Pension - CTPF ER	6100.15 PLATO		3,461.00
Entry made to record true up from CPS pension reduction					
AJE 08	6/30/2022	Accounts Payable - AQS	2002 PLATO	2,823.00	
AJE 08	6/30/2022	Other	6000.11 PLATO		2,823.00
To adjust AP					
AJE 09	6/30/2022	Management Fees Payable	2001 PLATO	50,000.00	
AJE 09	6/30/2022	CMO / SMO Fee	6500 PLATO		50,000.00
PBC entries to forgive management fees per Brandon					
				132,723.00	132,723.00
Net Income (Loss)			3,734.00		

2022 Plato Learning Aca

0804

Year End: June 30, 2022

Waived Journal Entries

Date: 7/1/2021 To 6/30/2022

Plan by	Plan Review by	T/B/D	Prep by 1 NGA 10/11/2022
Prep by 2	Reviewed by 1 JAK 10/17/2022	Reviewed by 2	Provided by

Number	Date	Name	Account No	Debit	Credit
WAJE 01	6/30/2022	Prepaid Expenses	1400 PLATO	4,564.00	
WAJE 01	6/30/2022	Accounts Payable	2000 PLATO		4,564.00
		reclassify prepaids out of AP. See WP 6001.			
				4,564.00	4,564.00

Net Income (Loss) 3,734.00