Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditors' Report

To the Board of Education of
Benjamin School District 25

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, and each major fund of Benjamin School District 25 (the District), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 28, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2026-001, that we consider to be a material weakness.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Oak Brook, Illinois
August 28, 2026

Financial Statement Findings Required to be Reported in Accordance With *Government Auditing Standards*

Finding 2026-001: Internal Control Over External Financial Report - Cash Basis Adjustments

Criteria: Governmental entities that prepare financial statements in accordance with the modified cash basis of accounting should maintain adequate internal controls to ensure that transactions are recorded accurately and completely, and that financial statements are free from material misstatement.

Condition: The external auditor identified a material audit adjustment that was necessary to properly present the District's financial statements in accordance with the modified cash basis of reporting.

Cause: The material adjustment was primarily due to insufficient internal review of financial records prior to audit.

Effect: The need for material audit adjustments indicates that the District's internal controls over financial reporting were not operating effectively. The following material cash basis adjustment was identified:

An adjustment was identified to record $203,263 of refunded bond escrow monies out of the Capital Projects Fund and into the District's Debt Service Fund.

Recommendation: We recommend that the district implement additional training for accounting staff and enhance its internal review processes to identify and correct errors before financial information is provided to the external auditor to conduct the annual audit and assist in the preparation of the financial statements.

Management's Response: The District has established internal controls over financial reporting and year-end closing procedures; however, the material audit adjustment identified during the audit indicate that those controls did not fully capture all necessary transactions. Specifically, the District recognizes the need for a more effective method to identify improperly recorded transactions prior to audit. To address this, management is evaluating enhancements to its review process.