Benjamin School District 25
Business Services

Audit Presentation

Baker Tilly - FY26 Audit

Background

Pursuant to Section 3-7 of the Illinois School Code (105 ILCS 5/3-7), Illinois public school districts are required to conduct an annual independent audit of their financial records and accounts.

The Administration is pleased to present the District's Annual Financial Audit for the fiscal year ending June 30, 2026, as completed by Baker Tilly US, LLP. Sebastian Debroski, Senior Audit Supervisor with Baker Tilly, will be on-site to present the FY2026 financial audit results, review the auditor's findings, and answer questions from the Board of Education. The audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards, and the District prepared its financial statements using the modified cash basis of accounting.

The independent auditors issued an unmodified (clean) audit opinion, indicating that the District's financial statements fairly present, in all material respects, its financial position in accordance with the modified cash basis of accounting.

The audit results reflect the District's commitment to maintaining adequate reserves while supporting instructional programs, operational needs, and long-term capital improvements.

Financial Performance and Fiscal Health

The District concluded FY2026 in a strong financial position, maintaining reserves above the Board of Education's established fund balance policy of 180 days' cash on hand. The District also continues to demonstrate exceptional financial strength through the Illinois State Board of Education's Financial Profile system. The AFR projects a 3.90 financial profile score, placing the District in the highest financial designation, "*Financial Recognition*."

Audit Findings and Management Response

During the audit, Baker Tilly identified one financial reporting finding involving the classification of a revenue deposit. Specifically, $203,263 in refunded bond escrow proceeds had been recorded in the Capital Projects Fund rather than the Debt Service Fund.

This finding was an accounting classification issue. No funds were lost, misappropriated, or missing. The revenue was received by the District and accounted for; it was simply recorded in the incorrect fund. The necessary adjustment was reviewed and approved by District personnel and incorporated into the final audited financial statements.

The auditor classified the finding as a material weakness in internal control over financial reporting because the error was identified during the external audit rather than through the District's internal year-end review process.

The Business Office agrees with the auditor's recommendation and recognizes the importance of strengthening its procedures for reviewing and reconciling financial transactions. Additional review measures will be evaluated to help ensure that similar classification errors are identified and corrected before future audits.

Importantly, the audit identified no instances of noncompliance required to be reported under Government Auditing Standards, and the auditors reported no disagreements with management or significant difficulties completing the audit.

Conclusion

The FY2026 audit demonstrates that Benjamin School District 25 continues to maintain a strong and stable financial foundation. With cash reserves exceeding Board policy, the highest ISBE financial recognition designation, and an unmodified audit opinion, the District remains well-positioned to meet its ongoing financial obligations and support its long-term educational and facility priorities.