WOODRIDGE SCHOOL DISTRICT NO. 68, ILLINOIS

MANAGEMENT LETTER

WOODRIDGE
SCHOOL DISTRICT 68

FOR THE FISCAL YEAR ENDED
JUNE 30, 2026

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October 28, 2026

Members of the Board of Education
Woodridge School District No. 68
Woodridge, Illinois

In planning and performing our audit of the financial statements of the Woodridge School District No. 68 (the District), Illinois, for the year ended June 30, 2026, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Members of the Board of Education and senior management of the Woodridge School District No. 68, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire District staff.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

PRIOR RECOMMENDATION

1. **FUNDS OVER BUDGET**

Comment

Previously and during our current year-end audit procedures, we noted that the following funds had an excess of actual expenditures over budget for the fiscal year:

Fund	6/30/2025	6/30/2026
Educational Account	$ 108,304	—
Tort Immunity Account	40,843	20,205
Transportation	317,162	—
Capital Projects	—	3,649,419
Social Security/Medicare	134,579	179,036

Recommendation

We recommended the District investigate the causes of the funds over budget and adopt appropriate future funding measures.

Status

This comment has not been implemented and will be repeated in the future.

Management Response

The Educational Account is a large, diverse and complex fund with multiple cost drivers where expenditure amounts might vary from budgeted estimates and be over or under budget, due simply to operational changes that occur throughout the year. The net amount of overage in FY25 was only about $108K and was immaterial when compared to the overall fund activity of over $40Min that account. There was no amount over budget in FY26. We will continue to monitor actual spending versus planned spending to ensure that adequate, but not excessive, fund balance reserves are managed and maintained.

We have been slowly adjusting both the amount we levy and the amount we spend in the Tort Immunity Fund over time and we expect to carry very minimal balances, and plan for very minimal activity, in this fund going forward. We plan to minimize both inflows (revenues) and outflows (expenses) while reducing and stabilizing fund balance reserves at minimally adequate, and not excessive, levels. The fund was only about $40K over budget in FY25 and $20K over budget in FY26 (minimal and immaterial to total fund balance reserves overall), and we will continue to monitor actual spending versus budgeted spending to ensure that adequate, but not excessive, reserves are maintained.

Transportation expenditures continue to escalate rapidly as labor and fuel costs rise at greater than the rate of inflation. We are working to adequately plan for these rapidly rising expenses and State mandated categorical transportation expense reimbursements have also lagged behind these rapidly increasing costs. Fuel surcharges and rapidly increasing labor costs, especially related to individualized Special Education and McKinney-Vento transportation routes, led to this fund being over budget by about $317K in FY25. However, with better planning and budgeting techniques employed, we did not see a negative variance in this fund in FY26.

PRIOR RECOMMENDATION - Continued

1. **FUNDS OVER BUDGET - Continued**

Capital Projects expenditures are budgeted for, and based on, the estimated cost of Board approved construction and renovation projects that are part of the School District's Capital Improvement Plan and are largely completed each summer and can span multiple fiscal years. Budget to actual variances can easily occur if projects are completed and paid for either earlier, or later, than was initially planned (timing differences). There was no negative variance in FY25 and the variance in FY26 of $3.65M related to the timing of payments for approved roof repairs and solar array installation projects. We will continue to monitor the estimated completion dates for these projects in an effort to better match budgeted and actual expenditures.

Medicare/Social Security expenditures are estimated through our payroll system and based on projected employee salaries and related contributions, and we overspent in this area in FY25 (by about $135K) and FY26 (by about $170K) due to an underestimations of employee hours and wages for related staff. As we are intentionally spending down excess reserves in this fund to lower planned levels, we will continue to monitor both ongoing expenditures and accumulated fund balance reserves to ensure that appropriate levels are maintained.

UPCOMING STANDARD

1. GASB STATEMENT NO. 105 SUBSEQUENT EVENTS

In December 2025, the Governmental Accounting Standards Board (GASB) issued Statement No. 105, Subsequent Events, which improves financial reporting requirements related to recognized and unrecognized events and transactions that occur after the financial statement date but before the financial statements are available to be issued. Recognized subsequent events are those which provide additional evidence about conditions that existed at the financial statement date and may require adjustments to the financial statements. Unrecognized subsequent events are those that relate to conditions arising after the financial statement date and may require disclosures but not an adjustment. This Statement is applicable to June 30, 2027 fiscal year-ends and thereafter.