

# WOODRIDGE SCHOOL DISTRICT NO. 68, ILLINOIS

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## MANAGEMENT LETTER



**WOODRIDGE**  
SCHOOL DISTRICT **68**

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2025

7925 Janes Avenue  
Woodridge, Illinois 60517  
Phone: 630.985.7925  
[www.woodridge68.org](http://www.woodridge68.org)



November 4, 2025

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, 2025, 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

## **CURRENT RECOMMENDATION**

### **1. IT SECURITY AWARENESS AND MONITORING OF EMERGING RISKS**

#### **Comment**

Recently, we have noted the increasing importance of information technology (IT) security for school districts. While we did not identify a specific security breach during our auditing procedures, we have noted increased risks to school districts in the following areas of IT security:

- Ransomware and Phishing Attacks – Increasingly targeted at school districts due to limited IT staffing and valuable public data.
- Multi-Factor Authentication (MFA) – This is now considered a minimum standard of protection for access to email, financial systems and remote logins.
- Vendor and Third-Party Risk – Cloud service providers, software vendors, and contractors may present risks if not adequately monitored.
- Data Backup and Recovery – Secure, tested backups are critical to minimize downtime and financial loss in the event of an incident.
- Staff Awareness and Training – Many breaches in school districts occur due to human error; regular training and simulated testing can help reduce exposure.

#### **Recommendation**

We recommend that the District continue to increase awareness around IT security issues by:

- Engaging in ongoing monitoring of cyber security trends affecting school districts.
- Incorporating regular staff training on phishing and other social engineering tactics.
- Periodically reviewing policies for password strength, MFA, and incident response.
- Ensuring vendor contracts address security standards and data protection.
- Testing data backup and recover plans on at least an annual basis.

By increasing awareness and preparedness, the District can reduce the likelihood of a security incident, protect sensitive constituent and financial data, and help to ensure continuity of operations.

#### **Management Response**

We are actively employing these practices through the use of our cyber toolkit as provided by our Cyber Insurance Carrier (Cowell) and our Insurance Cooperative (SSCIP, as administered by Arthur J Gallagher and Associates), as well as our use of the Falcon Crowdstrike Software Program to monitor network usage and identify potential improper usage right away.

## 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	6/30/2024	6/30/2025
Educational Account	\$ —	108,304
Tort Immunity Account	87,854	40,843
Transportation	54,488	317,162
Social Security/Medicare	70,926	134,579

#### 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 and complex fund and there are multiple areas where fund expenditure amounts may be over/under budget, accordingly. The net amount of overage (\$108,304) is immaterial when compared to the overall activity in that fund, and we will continue monitoring actual vs. budgeted spending in the fund.

We have been readjusting spending in the Tort Immunity Fund and minimizing both the levies (inflows) and expenses (outflows) while reducing and stabilizing fund balance reserves at adequate, but not excessive, levels.

Transportation Fund expenses continue to escalate rapidly (after COVID) and we have been intentionally using fund balance reserves to reduce net overall fund balance levels to adequate, but not excessive, levels.

The Social Security Fund budget is estimated through our payroll system based on eligible employee contributions, and we have overspent in this area based on underestimations of employee hours and wages. As we are spending down excess reserves to an adequate level, this fund will be monitored going forward to ensure appropriateness.

## UPCOMING STANDARDS

### 1. **GASB STATEMENT NO. 103 FINANCIAL REPORTING MODEL IMPROVEMENTS**

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, Financial Reporting Model Improvements, which establishes improvements to key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement addresses application issues related to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. GASB Statement No. 103, Financial Reporting Model Improvements is applicable to the District's financial statements for the year ended June 30, 2026.

### 2. **GASB STATEMENT NO. 104 DISCLOSURE OF CERTAIN CAPITAL ASSETS**

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, Disclosure of Certain Capital Assets, which provide users of government financial statements with essential information about certain types of capital assets. This statement establishes requirements for (1) Certain types of capital assets to be disclosed separately in the capital assets note disclosures, and (2) Capital assets held for sale, including additional disclosures for those capital assets. GASB Statement No. 104, Disclosure of Certain Capital Assets is applicable to the District's financial statements for the year ended June 30, 2026.