

**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  
Ridgewood High School District 234

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, the financial statements of the governmental activities and each major fund of the Ridgewood High School District 234, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Ridgewood High School District 234's basic financial statements, and have issued our report thereon dated December 9, 2021.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

*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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2021-001 to be a material weakness.

*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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2021-002 to be a significant deficiency.

## **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 determination of financial statement amounts. 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 Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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.

*Baker Tilly US, LLP*

Oak Brook, Illinois  
December 9, 2021

# **Ridgewood High School District No. 234**

## **SCHEDULE OF FINDINGS AND RESPONSES**

Year Ended June 30, 2021

### **Finding No. 2021-001 External Financial Reporting**

#### **Material Weakness**

Criteria – The District must have functioning internal controls over external financial reporting.

Condition – The District does not have functioning internal controls over external financial reporting but instead relies upon the auditor for this expertise.

Cause – This finding was caused by a lack of internal controls over the external financial reporting process due to the lack of an external financial reporting. During the course of our audit it was necessary to make adjustments to the financial statements to convert the District's internal cash basis financial statements to external GAAP basis financial statements. The District relies upon the auditor for expertise in external financial reporting.

Effect – Management may not be able to detect material errors and omissions to its financial statements and external financial statements would not have been presented in accordance with GAAP.

District Response - The District has evaluated the costs and benefits of establishing functioning internal controls over external financial reporting and has determined that the costs outweigh the benefits. The District will continue to rely upon the Auditor for expertise in external financial reporting. Management will strive to improve its oversight of internal controls. The Finance-Audit Subcommittee of the Board of Education will also regularly review financial reports.

# **Ridgewood High School District No. 234**

## **SCHEDULE OF FINDINGS AND RESPONSES**

Year Ended June 30, 2021

### **Finding No. 2021-002 Lack of Segregation of Duties**

Significant Deficiency

Criteria – A properly functioning internal control system must include segregation of duties of incompatible functions.

Condition – The District did not have adequate segregation of duties of incompatible functions specifically in the accounts payable, payroll, and journal entry processes.

Cause – This finding was caused by a lack of segregation of duties over the processing of accounts payable, payroll, and journal entries.

Effect – The District may be unaware of significant misstatements due to error or fraud in its external financial statements.

District Response - The District will continue to review the segregation of duties of incompatible functions with its auditors in order to improve internal controls despite stringent budgetary limits.