



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #26
FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES

FINANCIAL AUDIT
For the Year Ended: June 30, 2022

Release Date: June 28, 2023

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since 2018
Category 1:	0	0	0	
Category 2:	0	0	0	
Category 3:	<u>0</u>	<u>1</u>	<u>1</u>	
TOTAL	0	1	1	
FINDINGS LAST AUDIT: 4				

SYNOPSIS

- (22-1) The Regional Office of Education #26 did not provide completed financial statements in an auditable form by the August 31 deadline.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
Category 2: Findings that are **significant deficiencies** in internal control and/or **noncompliance** with State laws and regulations.
Category 3: Findings that have **no internal control issues but are in noncompliance** with federal and/or State laws and regulations.

REGIONAL OFFICE OF EDUCATION #26
FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES

FINANCIAL AUDIT
For The Year Ended June 30, 2022

	FY 2022	FY 2021
TOTAL REVENUES	\$4,811,153	\$4,908,385
Local Sources	\$1,289,933	\$1,360,274
% of Total Revenues	26.81%	27.71%
State Sources	\$2,922,182	\$3,097,296
% of Total Revenues	60.74%	63.10%
Federal Sources	\$599,038	\$450,815
% of Total Revenues	12.45%	9.18%
TOTAL EXPENDITURES	\$4,707,632	\$4,717,582
Salaries and Benefits	\$2,806,914	\$2,837,174
% of Total Expenditures	59.62%	60.14%
Purchased Services	\$767,777	\$716,793
% of Total Expenditures	16.31%	15.19%
All Other Expenditures	\$1,132,941	\$1,163,615
% of Total Expenditures	24.07%	24.67%
TOTAL NET POSITION	\$650,464	\$(293,365)
INVESTMENT IN CAPITAL ASSETS	\$0	\$128,577
¹ The FY 2022 beginning net position was restated by \$840,308 due to a change in accounting principle from generally accepted accounting principles (GAAP) basis to cash basis of accounting.		
Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable John Meixner Currently: Honorable John Meixner

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

DELAY OF AUDIT

The Regional Office of Education #26 did not provide completed financial statements in an auditable form by the August 31 deadline.

The Regional Office of Education #26 (ROE) did not provide completed financial statements in an auditable form by the August 31st deadline. The completed financial statements were provided on December 1, 2022.

The ROE is subject to 105 ILCS 5/2-3.17a which requires the Auditor General's office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). The ROE may utilize a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for audit. The ROE has chosen the cash basis of accounting for financial reporting.

In accordance with 105 ILCS 5/2-3.17a, the Auditor General has promulgated administrative rules and regulations to govern this process. Those rules, 74 Ill. Adm. Code 420.320 (c) (2), state that for audit purposes, each regional office of education and educational service center shall make available to the Auditor General or his designee all books and records deemed necessary to make and complete the required audits. The records shall be in auditable form by August 15 of the succeeding fiscal year. Financial reports are to be available no later than August 31 in order for the annual audit to be completed by an independent auditor selected by the Auditor General. In addition, prudent business practices and transparency require timely preparation and completion of financial statements.

Regional Office officials indicated competing priorities within the accounting firm they contracted with to prepare the financial statements resulted in the delay in providing completed financial statements in an auditable form by the August 31st deadline. (Finding 22-001, pages 11 – 12) **This finding was first reported in 2018.**

The auditors recommended the ROE should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). These financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31st deadline.

ROE Response: *The ROE will implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). These financial statements will be presented to the Auditor General's independent auditors for audit in a timely manner to the best of our ability.*

AUDITORS' OPINION

Our auditors state the Regional Office of Education #26's financial statements as of June 30, 2022 are fairly presented in all material respects.

This financial audit was conducted by the firm of Adelfia LLC.

SIGNED ORIGINAL ON FILE

JOE BUTCHER
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:JRB