State of Illinois
Office of the
Auditor General
Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #49
ROCK ISLAND COUNTY

FINANCIAL AUDIT (In accordance with the Uniform Guidance)
For the Year Ended: June 30, 2023

Release Date: November 19, 2025

FINDINGS THIS AUDIT: 1				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2007		23-1	
Category 2:	0	1	1				
Category 3:	0	0	0				
TOTAL	0	1	1				
FINDINGS LAST AUDIT: 2							

SYNOPSIS

- **(23-1)** The Regional Office of Education #49 lacked sufficient internal controls over the financial reporting process.

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 #49
ROCK ISLAND COUNTY

FINANCIAL AUDIT
(In Accordance with the Uniform Guidance)
For The Year Ended June 30, 2023

	FY 2023	FY 2022
TOTAL REVENUES	$5,003,077	$4,478,612
Local Sources	$392,114	$292,454
% of Total Revenues	7.84%	6.53%
State Sources	$3,808,903	$3,294,881
% of Total Revenues	76.13%	73.57%
Federal Sources	$802,060	$891,277
% of Total Revenues	16.03%	19.90%
TOTAL EXPENDITURES	$4,273,224	$4,834,124
Salaries and Benefits	$2,279,495	$2,278,024
% of Total Expenditures	53.34%	47.12%
Purchased Services	$945,086	$1,193,033
% of Total Expenditures	22.12%	24.68%
All Other Expenditures	$1,048,643	$1,363,067
% of Total Expenditures	24.54%	28.20%
TOTAL NET POSITION	$1,650,385	$920,532
INVESTMENT IN CAPITAL ASSETS	$0	$0

Percentages may not add due to rounding.

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Tammy Muerhoff Currently: Honorable Tammy Muerhoff

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

CONTROLS OVER FINANCIAL STATEMENT PREPARATION

The Regional Office of Education #49 lacked sufficient internal controls over the financial reporting process.

The Regional Office of Education #49 (ROE) lacked sufficient internal controls over the financial reporting process. While the ROE maintained controls over the processing of most accounting transactions, there were not sufficient controls over the preparation of the financial statements for management or employees in the normal course of performing their assigned functions to prevent, or detect and correct, financial statement misstatements and disclosure omissions in a timely manner.

The ROE's financial information prepared reported the Institute Fund within the aggregate of nonmajor funds when it met the criteria as a major fund.

The ROE subsequently revised its financial statements to present the Institute Fund as a major fund.

The School Code (105 ILCS 5/2-3.17a) allows a Regional Office of Education or Educational Service Center to utilize a cash basis, modified cash basis or generally accepted accounting principles (GAAP) basis of accounting to prepare financial statements for audit. The ROE chose to utilize the cash basis of accounting for financial statement reporting. The ROE is required to maintain a system of controls over the preparation of financial statements in accordance with its selected basis of accounting.

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government* (Statement), states the focus of governmental and proprietary fund financial statements is on major funds. Fund statements should present the financial information of each major fund in a separate column. Nonmajor funds should be aggregated and displayed in a single column.

The reporting government's main operating fund (the general fund or its equivalent) should always be reported as a major fund. Other individual governmental and enterprise funds should be reported in separate columns as major funds based on these criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total (assets, liabilities, and so forth) for all funds of that category or type (that is, total governmental or total enterprise funds), and

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users (for example, because of public interest or consistency) may be reported as a major fund.

Regional Office officials indicated the exception noted was due to oversight. (Finding 2023-001, pages 15 – 16) **This finding was first reported in 2007.**

The auditors recommended as part of internal control over the preparation of financial statements, the ROE should implement comprehensive preparation procedures to ensure the financial statements are complete and accurate. These procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable cash basis of accounting principles, GASB pronouncements, and knowledge of the ROE's activities and operations.

ROE Response: *The ROE will identify and attend applicable courses and/or training sessions that will lend for more comprehensive preparation procedures implemented to ensure the accuracy and completion of financial statements.*

AUDITORS' OPINION

Our auditors state the Regional Office of Education #49's financial statements as of June 30, 2023 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