



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, 2025

Release Date: March 30, 2026

FINDINGS THIS AUDIT: 2				AGING SCHEDULE OF REPEATED FINDINGS					
				Repeated Since	Category 1	Category 2	Category 3	No Repeat Findings	
	<u>New</u>	<u>Repeat</u>	<u>Total</u>						
Category 1:	0	0	0						
Category 2:	1	0	1						
Category 3:	1	0	1						
TOTAL	2	0	2						
FINDINGS LAST AUDIT: 0									

**SYNOPSIS**

- (25-1) The Regional Office of Education #26 did not have sufficient internal controls over the financial reporting process.
- (25-2) 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, 2025**

	<b>FY 2025</b>	<b>FY 2024</b>
<b>TOTAL REVENUES</b>	\$6,762,186	\$6,732,107
Local Sources	\$1,672,156	\$1,769,327
% of Total Revenues	24.73%	26.28%
State Sources	\$4,561,167	\$3,637,307
% of Total Revenues	67.45%	54.03%
Federal Sources	\$528,863	\$1,325,473
% of Total Revenues	7.82%	19.69%
<b>TOTAL EXPENDITURES</b>	\$7,033,456	\$6,885,713
Salaries and Benefits	\$4,415,241	\$3,614,695
% of Total Expenditures	62.77%	52.50%
Purchased Services	\$1,077,547	\$951,639
% of Total Expenditures	15.32%	13.82%
All Other Expenditures	\$1,540,668	\$2,319,379
% of Total Expenditures	21.90%	33.68%
<b>TOTAL NET POSITION</b>	\$346,942	\$618,212
<b>INVESTMENT IN CAPITAL ASSETS</b>	\$0	\$0
Percentages may not add due to rounding.		

<b>REGIONAL SUPERINTENDENT</b>
During Audit Period: Honorable John Meixner
Currently: Honorable John Meixner

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

### **CONTROLS OVER THE FINANCIAL STATEMENT PREPARATION**

**The Regional Office of Education #26 did not have sufficient internal controls over the financial reporting process.**

The Regional Office of Education #26 (ROE) did not have sufficient internal controls over the financial reporting process. During our review of ROE 26's financial information prepared by the ROE, we noted that the Institute Fund met the criteria as a major fund; however, this fund was reported within the aggregate of nonmajor funds. The ROE subsequently revised its financial statements to present the Institute Fund as a major fund.

While ROE 26 maintains controls over the processing of most accounting transactions, there are 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 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 the financial statements for audit. ROE #26 has chosen 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 Governments* (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.

The Regional Office officials indicated the exception was due to oversight. (Finding 25-1, pages 11-12)

The auditors recommended as part of internal control over the preparation of financial statements, the ROE 26 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 26's activities and operations.

**ROE Response:** *The Regional Office of Education #26 will, as part of internal control over the preparation of financial statements, implement comprehensive preparation procedures to ensure the financial statements are complete and accurate. These procedures will be performed by a properly trained individual(s) possessing a thorough understanding of the applicable cash basis of accounting principles, GASB pronouncements, and knowledge of the ROE's activities and operations.*

#### **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 31, 2025, deadline. The completed June 30, 2025 financial statements were provided to the auditors on November 5, 2025.

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. 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 15th of the succeeding fiscal year. Financial reports are to be available no later than August 31st 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 the delay was due to competing priorities of the accounting firm preparing the ROE's financial statements. (Finding 25-2, pages 13-14)

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 31 deadline.

**ROE Response:** *The Regional Office 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, 2025 are fairly presented in all material respects.

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

**SIGNED ORIGINAL ON FILE**

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TRICIA WAGNER  
Division Director

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

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

FJM:JRB