



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**REGIONAL OFFICE OF EDUCATION #11**  
**CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND**  
**SHELBY COUNTIES**

**FINANCIAL AUDIT**  
**For the Year Ended: June 30, 2021**

**Release Date: March 30, 2022**

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

**SYNOPSIS**

- **(21-1)** The Regional Office of Education #11 had improper financial statement reporting of a grant.

**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.

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**FINANCIAL AUDIT**  
**For The Year Ended June 30, 2021**

	<b>FY 2021</b>	<b>FY 2020</b>
<b>TOTAL REVENUES</b>	\$3,620,343	\$3,255,362
Local Sources	\$546,167	\$455,893
% of Total Revenues	15.09%	14.00%
State Sources	\$2,583,735	\$2,540,417
% of Total Revenues	71.37%	78.04%
Federal Sources	\$490,441	\$259,052
% of Total Revenues	13.55%	7.96%
<b>TOTAL EXPENDITURES</b>	\$3,230,960	\$3,106,753
Salaries and Benefits	\$2,041,421	\$2,116,918
% of Total Expenditures	63.18%	68.14%
Purchased Services	\$404,289	\$417,376
% of Total Expenditures	12.51%	13.43%
All Other Expenditures	\$785,250	\$572,459
% of Total Expenditures	24.30%	18.43%
<b>TOTAL NET POSITION</b>	\$484,559	\$95,176
<b>INVESTMENT IN CAPITAL ASSETS</b>	\$48,835	\$49,740
Percentages may not add due to rounding.		

<b>REGIONAL SUPERINTENDENT</b>
During Audit Period: Dr. Kyle Thompson
Currently: Dr. Kyle Thompson

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**IMPROPER FINANCIAL STATEMENT REPORTING  
OF A GRANT**

**The Regional Office of Education #11 had improper financial statement reporting of a grant.**

During the year ended June 30, 2021, the Regional Office of Education #11 (ROE), which is the Area IV lead liaison for the McKinney Education for Homeless Children grant, learned that it could allocate a portion of the grant funds to itself in addition to the 25 percent allowed for administrative costs. Previously, the ROE had limited both its administrative and grant expenditures to 25 percent of the grant. Rather than accounting for the grant in one fund, the ROE set up a second separate fund to account for its non-administrative portion of the grant and reported the revenue and expenditures as it would with other grants. Therefore, all of the activity of the Homeless grant was reported in one fund which included the ROE's portion of the grant, and the ROE's portion of the grant was reported again in the second separate fund.

The ROE is required to prepare financial statements that properly report the ROE's grant revenues and expenditures for the period under audit.

Regional Office management indicated this was an error in presenting the revenues and expenditures. This was the first year the ROE had two separate funds for the Area IV and Sub Grant awards for Homeless. The revenues and expenditures for the Sub Grant award were reported under both the Area IV and Sub Grant Funds. (Finding 2021-001, page 10)

The auditors recommended the ROE should combine the two Homeless grant accounts at year end for financial statement purposes and ensure revenues and expenditures are only recorded once to agree to the actual amount of the grant received from the Illinois State Board of Education.

**ROE Response:** *The ROE agrees with this finding and will continue to track the revenues and expenditures separately internally but will combine them when preparing the financial statements. This will prevent the revenues and expenditures from being overstated when presented on the financial statements.*

**AUDITORS' OPINION**

Our auditors state the Regional Office of Education #11's financial statements as of June 30, 2021 are fairly presented in all material respects.

This financial audit was conducted by the firm of West & Company, 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:JMM