



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, 2024

Release Date: April 30, 2025

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

SYNOPSIS

- **(24-1)** The Regional Office of Education #11 did not have 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 #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY
COUNTIES

FINANCIAL AUDIT
For The Year Ended June 30, 2024

	FY 2024	FY 2023
TOTAL REVENUES	\$3,891,590	3,615,006
Local Sources	\$622,011	\$623,859
% of Total Revenues	15.98%	17.26%
State Sources	\$2,685,904	\$2,270,040
% of Total Revenues	69.02%	62.79%
Federal Sources	\$583,675	\$721,107
% of Total Revenues	15.00%	19.95%
TOTAL EXPENDITURES	\$2,340,703	\$2,552,371
Salaries and Benefits	\$1,399,029	\$1,435,317
% of Total Expenditures	59.77%	56.23%
Purchased Services	\$536,136	\$566,313
% of Total Expenditures	22.90%	22.19%
All Other Expenditures	\$405,538	\$550,741
% of Total Expenditures	17.33%	21.58%
TOTAL NET POSITION	\$4,599,730	\$3,048,843
INVESTMENT IN CAPITAL ASSETS	\$204,299	\$116,101

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Dr. Kyle Thompson
Currently: Honorable Dr. Kyle Thompson

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**CONTROLS OVER FINANCIAL STATEMENT
PREPARATION**

The Regional Office of Education #11 did not have sufficient internal controls over the financial reporting process.

The Regional Office of Education #11 (ROE) did not have sufficient internal controls over the financial reporting process. While the ROE maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the cash basis financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure errors and 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 financial statements for audit. The ROE has chosen to utilize the modified 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.

A negative balance in a pooled cash account is a borrowing of other funds' cash and, therefore, should be reported as an amount due to another fund. During review of the ROE's accounting records, auditors noted the ROE was reporting negative cash of \$76,055 in the ROE's pooled cash account for the Institute Fund. There was sufficient cash in other bank accounts to offset this negative amount, so the Institute Fund was still reporting a positive cash balance. However, the cash amount was understated by reporting the negative pooled amount as a reduction of cash rather than an amount due to the General Fund. The General Fund's cash account was overstated, and the amount due from the Institute Fund was not reported.

Regional Office of Education #11 management indicated that this was an oversight that the ROE did not realize was being made until alerted to it on January 16, 2025. It appears as though the ROE was incorrectly borrowing for a few years but just learned of it, due to the higher than usual amount. (Finding 24-001, pages 10A-10B)

The auditors recommended that as part of internal control over the preparation of financial statements, the ROE should review individual funds' cash balances in the pooled cash account to ensure that each fund's cash balance in the pooled cash account is reported properly.

ROE Response: The ROE #11 will review individual funds' cash balances in the pooled cash account to ensure that each fund's cash balance in the pooled cash account is reported properly. We have made some recent personnel changes that will help us better monitor this process, improve internal controls, and prevent the error from reoccurring.

AUDITORS' OPINION

Our auditors state the Regional Office of Education #11 financial statements as of June 30, 2024 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