



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**REGIONAL OFFICE OF EDUCATION #31**  
**KANE COUNTY**

**FINANCIAL AUDIT**  
**For the Year Ended: June 30, 2018**

**Release Date: May 30, 2019**

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>				
<b>Category 1:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>No Repeat Findings</b>			
<b>Category 2:</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>Category 3:</b>	<u>1</u>	<u>0</u>	<u>1</u>				
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>1</b>				
<b>FINDINGS LAST AUDIT: 0</b>							

**SYNOPSIS**

- **(18-1)** The Regional Office of Education #31 did not provide completed financial statements in the appropriate format by the August 31 deadline.

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

{Revenues and expenditures are summarized on the reverse page.}

**REGIONAL OFFICE OF EDUCATION #31**  
**KANE COUNTY**

**FINANCIAL AUDIT**  
**For The Year Ended June 30, 2018**

	<b>FY 2018</b>	<b>FY 2017</b>
<b>TOTAL REVENUES</b>	\$6,847,202	\$5,793,564
Local Sources	\$827,975	\$1,254,987
% of Total Revenues	12.09%	21.66%
State Sources	\$5,812,763	\$4,357,165
% of Total Revenues	84.89%	75.21%
Federal Sources	\$206,464	\$181,412
% of Total Revenues	3.02%	3.13%
<b>TOTAL EXPENDITURES</b>	\$6,274,258	\$5,194,110
Salaries and Benefits	\$2,304,110	\$2,258,388
% of Total Expenditures	36.72%	43.48%
Purchased Services	\$1,091,889	\$1,169,083
% of Total Expenditures	17.40%	22.51%
All Other Expenditures	\$2,878,259	\$1,766,639
% of Total Expenditures	45.87%	34.01%
<b>TOTAL NET POSITION</b>	\$9,102,436 <sup>1</sup>	\$8,431,550
<b>INVESTMENT IN CAPITAL ASSETS</b>	\$103,769 <sup>2</sup>	\$139,413
<sup>1</sup> The FY 2018 beginning net position was restated by \$97,942 due to a prior period adjustment for new reporting requirements for other postemployment benefits. <sup>2</sup> Capital asset amounts include debt associated with a capital lease. Percentages may not add due to rounding.		

<b>REGIONAL SUPERINTENDENT</b>
During Audit Period: Honorable Patricia Dal Santo Currently: Honorable Patricia Dal Santo

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

### **DELAY OF AUDIT**

**The Regional Office of Education #31 did not provide completed financial statements in the appropriate format by the August 31 deadline.**

The Regional Office of Education #31 (ROE) did not provide completed financial statements in the appropriate format until October 22, 2018, which delayed timely completion of the audit.

ROE #31 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 30<sup>th</sup> 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 Governmental Auditing Standards (GAGAS).

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. Annual financial statements are to be prepared on an accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

In addition, prudent business practices and transparency require timely preparation and completion of financial statements.

According to Regional Office management, the ROE was unaware of this specific deadline requirement (Finding 18-001, pages 10-11).

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). Annual financial statements should be compiled on an accrual basis of accounting in accordance with GAAP. These financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31 deadline.

**ROE Response:** *The ROE was unaware of the specific deadline requirement for fiscal year ended June 30, 2018.*

**AUDITORS' OPINION**

Our auditors state the Regional Office of Education #31's financial statements as of June 30, 2018 are fairly presented in all material respects.

This financial audit was conducted by the firm of West & Company, LLC.

**SIGNED ORIGINAL ON FILE**

KELLY MITTELSTAEDT  
Audit Manager

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

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