



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

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**REGIONAL OFFICE OF EDUCATION #55**  
**WHITESIDE COUNTY**

**FINANCIAL AUDIT**  
**For the Year Ended: June 30, 2013**

**Release Date: August 27, 2014**

**Summary of Findings:**

<b>Total this audit:</b>	<b>1</b>
<b>Total last audit:</b>	<b>1</b>
<b>Repeated from last audit:</b>	<b>1</b>

**SYNOPSIS**

- The Regional Office of Education #55 did not have sufficient internal controls over the financial reporting process.

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

**REGIONAL OFFICE OF EDUCATION #55**  
**WHITESIDE COUNTY**

**FINANCIAL AUDIT**  
**For The Year Ended June 30, 2013**

	<b>FY 2013</b>	<b>FY 2012</b>
<b>TOTAL REVENUES</b>	\$1,435,210	\$1,331,925
Local Sources	\$147,973	\$167,820
% of Total Revenues	10.31%	12.60%
State Sources	\$1,060,162	\$951,154
% of Total Revenues	73.87%	71.41%
Federal Sources	\$227,075	\$212,951
% of Total Revenues	15.82%	15.99%
<b>TOTAL EXPENDITURES</b>	\$1,431,303	\$1,320,859
Salaries and Benefits	\$1,152,529	\$1,032,618
% of Total Expenditures	80.52%	78.18%
Purchased Services	\$201,898	\$212,377
% of Total Expenditures	14.11%	16.08%
All Other Expenditures	\$76,876	\$75,864
% of Total Expenditures	5.37%	5.74%
<b>TOTAL NET POSITION</b>	\$511,378 <sup>1</sup>	\$519,487
<b>INVESTMENT IN CAPITAL ASSETS</b>	\$37,306	\$42,757
<sup>1</sup> The beginning net position for governmental activities was restated by \$(12,016) to account for accounts receivable and revenue that were collected during FY 2012. Percentages may not add due to rounding.		

<b>REGIONAL SUPERINTENDENT</b>
During Audit Period: Honorable Robert Sondgeroth Currently: Honorable Robert Sondgeroth

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

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

**The Regional Office of Education #55 did not have sufficient internal controls over the financial reporting process.**

The Regional Office of Education #55 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

The Regional Office of Education #55 did not have sufficient internal controls over the financial reporting process. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based 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.

During review of the Regional Office of Education #55's financial information prepared by the Regional Office, auditors noted that the Regional Office did not have adequate controls to ensure financial statement balances were accurate. While the Regional Office did maintain records to indicate the balances of financial statement accounts, numerous material audit adjustments were proposed in order to ensure those balances were accurate.

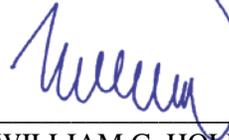
Management did not effectively detect all of the material adjustments needed in order to present financial statements in accordance with GAAP. (Finding 2013-001, pages 11-12)  
**This finding was first reported in 2009.**

The auditors recommended that, as part of internal control over the preparation of financial statements, including disclosures, the Regional Office of Education #55 should implement comprehensive preparation procedures to ensure that the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

The Regional Office of Education #55 responded that it will continue to maintain its accounting records on the cash basis of accounting. The Regional Office noted that, at the present time, the additional cost to the Regional Office of hiring or contracting the services outweighs the benefits. If additional financial resources are made available through the County or State of Illinois, the Regional Office will consider seeking the services of an accountant to review the financial statements and related disclosures for completeness and accuracy. (For previous Regional Office response, see Digest Footnote #1.)

### **AUDITORS' OPINION**

Our auditors state the Regional Office of Education #55's financial statements as of June 30, 2013 are fairly presented in all material respects.



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WILLIAM G. HOLLAND  
Auditor General

WGH:KJM

AUDITORS ASSIGNED: Winkel, Parker & Foster, CPA PC were our special assistant auditors.

### **DIGEST FOOTNOTE**

#### **#1: Controls Over Financial Statement Preparation - Previous Regional Office Response**

In its prior response in 2012, the Regional Office of Education #55 responded that it will continue to maintain its accounting records on the cash basis of accounting. The Regional Office noted that, at the present time, the additional cost to the Regional Office of hiring or contracting the services outweighs the benefits. If additional financial resources are made available through the County or State of Illinois, the Regional Office will consider seeking the services of an accountant to review the financial statements and related disclosures for completeness and accuracy.