



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #20
EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE, SALINE, WABASH,
WAYNE AND WHITE COUNTIES

FINANCIAL AUDIT
 For the Year Ended: June 30, 2019

Release Date: May 27, 2020

FINDINGS THIS AUDIT: 1				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:	0	0	0						
TOTAL	1	0	1						
FINDINGS LAST AUDIT: 2									

SYNOPSIS

- (19-1) The Regional Office of Education #20 did not have sufficient internal controls over the collateral of deposits.

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 #20
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FINANCIAL AUDIT
For The Year Ended June 30, 2019

	FY 2019	FY 2018
TOTAL REVENUES	\$2,848,158	\$2,780,213
Local Sources	\$1,075,738	\$1,068,676
% of Total Revenues	37.77%	38.44%
State Sources	\$1,391,218	\$1,326,517
% of Total Revenues	48.85%	47.71%
Federal Sources	\$381,202	\$385,020
% of Total Revenues	13.38%	13.85%
TOTAL EXPENDITURES	\$2,931,944	\$2,648,518
Salaries and Benefits	\$2,359,327	\$2,094,883
% of Total Expenditures	80.47%	79.10%
Purchased Services	\$442,551	\$464,258
% of Total Expenditures	15.09%	17.53%
All Other Expenditures	\$130,066	\$89,377
% of Total Expenditures	4.44%	3.37%
TOTAL NET POSITION	\$(93,100)	\$(9,314)
INVESTMENT IN CAPITAL ASSETS	\$32,100	\$24,089
Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Dr. Beth Rister Currently: Dr. Beth Rister

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

INSUFFICIENT COLLATERAL ON DEPOSITS

The Regional Office of Education #20 did not have sufficient internal controls over the collateral of deposits.

The Regional Office of Education #20 (ROE) did not have sufficient internal controls over the collateral of deposits. As of June 30, 2019, cash balances held with various banks exceeded Federal Deposit Insurance Corporation (FDIC) coverage and pledged collateral by \$21,272.

The Public Funds Deposit Act (30 ILCS 225/1) gives the authorization for deposits in excess of the federally insured limit to be covered by pledged collateral held by the financial institutions' trust departments in the ROE's name. In addition, prudent business practice requires that all cash and investments held by financial institutions for the ROE be adequately covered by depository insurance or collateral.

Regional Office management indicated they did not consistently monitor the level of collateral to determine it was at a sufficient amount. (Finding 19-001, page 10a)

The auditors recommended the ROE should periodically monitor cash balances, FDIC coverage, and pledged collateral to determine all cash balances are secured, especially around times when large deposits are being received. Additionally, the ROE should work with its financial institutions to provide sufficient collateral or enter into agreements with its financial institutions to have the cash balances monitored for adequate collateral periodically and adjusted as necessary.

ROE Response: *The ROE agrees with the recommendation.*

AUDITORS' OPINION

Our auditors state the Regional Office of Education #20's financial statements as of June 30, 2019 are fairly presented in all material respects.

This financial audit was conducted by the firm of Doehring, Winders & Co. LLP.

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:JRB