



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES

FINANCIAL AUDIT
For the Year Ended: June 30, 2024

Release Date: July 9, 2025

FINDINGS THIS AUDIT: 1				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	0	1	No Repeat Findings			
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 #45 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 #45
MONROE AND RANDOLPH COUNTIES

FINANCIAL AUDIT
For The Year Ended June 30, 2024

	FY 2024	FY 2023
TOTAL REVENUES	\$2,861,047	\$3,212,063
Local Sources	\$962,969	\$1,418,920
% of Total Revenues	33.66%	44.17%
State Sources	\$1,467,988	\$1,288,471
% of Total Revenues	51.31%	40.11%
Federal Sources	\$430,090	\$504,672
% of Total Revenues	15.03%	15.71%
TOTAL EXPENDITURES	\$2,074,545	\$2,256,160
Salaries and Benefits	\$1,468,093	\$1,624,770
% of Total Expenditures	70.77%	72.01%
Purchased Services	\$394,071	\$433,295
% of Total Expenditures	19.00%	19.20%
All Other Expenditures	\$212,381	\$198,095
% of Total Expenditures	10.24%	8.78%
TOTAL NET POSITION	\$3,012,968 ¹	\$2,380,496
INVESTMENT IN CAPITAL ASSETS	\$1,281,821	\$760,055
¹ The FY 2024 beginning net position was restated by (\$154,030) due to a prior period adjustment. Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Kelton Davis Currently: Honorable Kelton Davis

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

**CONTROLS OVER FINANCIAL STATEMENT
PREPARATION**

The Regional Office of Education #45 did not have sufficient internal controls over the financial reporting process.

The Regional Office of Education #45 (ROE) did not have sufficient internal controls over the financial reporting process. The ROE maintains its accounting records on the cash basis of accounting during the fiscal year and posts or maintains a list of year-end accrual adjustments for financial statement purposes. While the ROE maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of 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 errors and omissions in a timely manner.

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 the financial statements for audit. The ROE has chosen to utilize the GAAP basis of accounting for financial statement reporting. The ROE is required to maintain a system of controls over the preparation of financial statements. The ROE's 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).

During review of the financial information prepared by the ROE, the following was noted:

- Adjustments were necessary to correct interfund loans and record transfers between funds.
- Adjustments were necessary to record construction in progress.

ROE management indicated that this was an oversight that the ROE did not effectively detect all of the adjustments needed in order to present financial statements in accordance with GAAP. (Finding 24-001, pages 9b-9c)

The auditors recommended the ROE should implement comprehensive preparation procedures to ensure the financial statements are complete and accurate. These procedures should be performed by a properly trained individual(s) possessing a thorough understanding of the applicable generally accepted accounting principles, GASB pronouncements, and knowledge of ROE's activities and operations. Additionally, ROE management should consider the School Code 105 ILCS 5/2-3.17a to determine if changing to the cash or modified cash basis would be allowable or beneficial to the ROE and users of the ROE financial statements.

ROE Response: *The Regional Office agrees with the finding and corrective actions are being implemented.*

AUDITORS' OPINION

Our auditors state the Regional Office of Education #45 financial statements as of June 30, 2024 are fairly presented in all material respects.

This financial audit was conducted by the firm of Kemper CPA Group, 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