

REPORT DIGEST

REGIONAL OFFICE OF
EDUCATION #55

WHITESIDE COUNTY

FINANCIAL AUDIT

For the Year Ended:
June 30, 2009

Summary of Findings:

Total this audit	1
Total last audit	0
Repeated from last audit	0

Release Date:
July 15, 2010



State of Illinois
Office of the Auditor General
WILLIAM G. HOLLAND
AUDITOR GENERAL

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SYNOPSIS

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

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

REGIONAL OFFICE OF EDUCATION #55
WHITESIDE COUNTY

FINANCIAL AUDIT
For The Year Ended June 30, 2009

	FY 2009	FY 2008
TOTAL REVENUES	\$1,571,723	\$1,430,556
Local Sources	\$145,550	\$107,489
% of Total Revenues	9.26%	7.51%
State Sources	\$1,115,510	\$1,039,286
% of Total Revenues	70.97%	72.65%
Federal Sources	\$310,663	\$283,781
% of Total Revenues	19.77%	19.84%
TOTAL EXPENDITURES	\$1,520,207	\$1,393,852
Salaries and Benefits	\$1,153,324	\$1,033,290
% of Total Expenditures	75.87%	74.13%
Purchased Services	\$249,872	\$224,500
% of Total Expenditures	16.44%	16.11%
All Other Expenditures	\$117,011	\$136,062
% of Total Expenditures	7.70%	9.76%
TOTAL NET ASSETS	\$384,448	\$332,932
INVESTMENT IN CAPITAL ASSETS	\$51,350	\$57,020
Percentages may not add due to rounding.		

REGIONAL SUPERINTENDENT
During Audit Period: Honorable Gary Steinert Currently: Honorable Gary Steinert

**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 and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements 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. The Regional Office maintains their accounting records on the cash basis of accounting. 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 financial statement misstatements and disclosure omissions in a timely manner.

Auditors, in their review of the Regional Office's accounting records, noted that an adjustment was required to present financial statements in accordance with generally accepted accounting principles. Management's review process did not effectively detect all of the adjustments needed to present the financial statements in accordance with generally accepted accounting principles. (Finding 09-1, pages 11-12)

The auditors recommended that, as part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #55 should implement a comprehensive preparation and/or review procedure to ensure that the

financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) 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 of hiring or contracting the services outweighs the benefits. If additional financial resources are made available through the 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.

AUDITORS' OPINION

Our auditors state the Regional Office of Education #55's financial statements as of June 30, 2009 are fairly presented in all material respects.

WILLIAM G. HOLLAND, Auditor General

WGH:KJM

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors were Winkel, Parker & Foster, CPA PC.