



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**REGIONAL OFFICE OF EDUCATION #16**  
**DEKALB COUNTY**

**FINANCIAL AUDIT**  
**For the Year Ended: June 30, 2022**

**Release Date: April 19, 2023**

FINDINGS THIS AUDIT: 2				AGING SCHEDULE OF REPEATED FINDINGS				
				Repeated Since	Category 1	Category 2	Category 3	No Repeat Findings
New	Repeat	Total						
Category 1:	1	0	1					
Category 2:	1	0	1					
Category 3:	0	0	0					
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>2</b>					
FINDINGS LAST AUDIT: 0								

**SYNOPSIS**

- **(22-1)** The Regional Office of Education #16 did not have sufficient internal controls over the financial reporting process.
- **(22-2)** The Regional Office of Education #16 did not have adequate internal control over receipts.

**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 #16**  
**DEKALB COUNTY**

**FINANCIAL AUDIT**  
**For The Year Ended June 30, 2022**

	<b>FY 2022</b>	<b>FY 2021</b>
<b>TOTAL REVENUES</b>	\$2,094,517	\$1,974,616
Local Sources	\$454,874	\$523,760
% of Total Revenues	21.72%	26.52%
State Sources	\$1,350,553	\$1,374,459
% of Total Revenues	64.48%	69.61%
Federal Sources	\$289,090	\$76,397
% of Total Revenues	13.80%	3.87%
<b>TOTAL EXPENDITURES</b>	\$2,217,571	\$1,821,240
Salaries and Benefits	\$973,703	\$1,112,358
% of Total Expenditures	43.91%	61.08%
Purchased Services	\$669,344	\$290,487
% of Total Expenditures	30.18%	15.95%
All Other Expenditures	\$574,524	\$418,395
% of Total Expenditures	25.91%	22.97%
<b>TOTAL NET POSITION</b>	\$642,200 <sup>1</sup>	\$523,796
<b>INVESTMENT IN CAPITAL ASSETS</b>	\$0	\$0
<sup>1</sup> The FY 2022 beginning net position was restated by \$241,458 due to converting the financial statements to the cash basis of accounting.  Percentages may not add due to rounding.		

<b>REGIONAL SUPERINTENDENT</b>
During Audit Period: Honorable Amanda Christensen Currently: Honorable Amanda Christensen

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

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

**The Regional Office of Education #16 did not have sufficient internal controls over the financial reporting process.**

The Regional Office of Education #16 (ROE) did not have sufficient internal controls over the financial reporting process. The financial statements required material audit adjustments in order to ensure the balances were accurate for the basis of accounting selected for financial statement presentation.

The School Code (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 financial statements for audit. The ROE has chosen to utilize the cash basis of accounting for financial statement reporting. The ROE is required to maintain a system of controls over the preparation of financial statements in accordance with its selected basis of accounting. The ROE's internal controls over financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare financial statements and include all related disclosures as required by the Governmental Accounting Standards Board (GASB).

The financial statements submitted for audit reported receipts and disbursements totaling \$36,181 of a separate legal entity in its Education Fund when they should have been reported in the Fiduciary Fund financial statements. Accordingly, the program receipts and disbursements reported in the Statement of Activities were overstated by \$36,181.

The ROE subsequently revised its financial statements to adjust for the misstatements.

Regional Office officials indicated this was an oversight. (Finding 22-001, pages 11 – 12)

The auditors recommended that as part of internal control over the preparation of financial statements, the ROE should implement comprehensive preparation procedures to ensure the financial statements and disclosures are complete and accurate. These procedures should be performed by a properly trained individual(s) possessing a thorough understanding of the basis of accounting selected for financial statements, GASB pronouncements, and knowledge of the ROE's activities and operations.

**ROE Response:** *The ROE will review financial statements to ensure balances are accurate for the basis of accounting selected for financial statement presentation.*

## **INADEQUATE INTERNAL CONTROL OVER RECEIPTS**

**The Regional Office of Education #16 did not have adequate internal control over receipts.**

The Regional Office of Education #16 (ROE) did not have adequate internal control over receipts. Auditors noted 11 of 40 receipts tested (28%), totaling \$111,713, had no documentation of when checks were received. As a result, auditors were unable to determine if cash was deposited in a timely manner.

Sound internal controls require a policy on timeliness of deposits, either based on a dollar threshold or defined timeframe, from the date of receipt.

Regional Office officials indicated deposits were delayed due to competing priorities. (Finding 22-002, page 13)

The auditors recommended the ROE should implement controls and maintain adequate supporting documentation to ensure cash receipts are deposited in a timely manner.

**ROE Response:** *The ROE will ensure deposits are done timely, at least once a week, per policy.*

### **AUDITORS' OPINION**

Our auditors state the Regional Office of Education #16's financial statements as of June 30, 2022 are fairly presented in all material respects.

This financial audit was conducted by the firm of Adelfia LLC.

**SIGNED ORIGINAL ON FILE**

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JOE BUTCHER  
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

FJM:BAO