



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**REGIONAL OFFICE OF EDUCATION #39**  
**MACON AND PIATT COUNTIES**

FINANCIAL AUDIT (In accordance with the  
Uniform Guidance)  
For the Year Ended: June 30, 2024

Release Date: November 19, 2025

FINDINGS THIS AUDIT: 5				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2019			24-1
Category 2:	0	3	3	2019			24-2
Category 3:	0	2	2	2022		24-4	
TOTAL	0	5	5	2022		24-5	
				2023		24-3	
FINDINGS LAST AUDIT: 8							

**SYNOPSIS**

- (24-1) The Regional Office of Education #39 had inadequate controls over grant compliance.
- (24-2) The Regional Office of Education #39 did not provide completed financial statements in an auditable form by the August 31 deadline.
- (24-3) The Regional Office of Education #39 had inadequate controls over record keeping of equipment from Federal Funds.
- (24-4) The Regional Office of Education #39 had inadequate controls over subrecipient monitoring.
- (24-5) The Regional Office of Education #39 had inadequate controls over the preparation of the Schedule of Expenditures of Federal Awards.

**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 #39**  
**MACON AND PIATT COUNTIES**

**FINANCIAL AUDIT**  
**(In Accordance with the Uniform Guidance)**  
**For The Year Ended June 30, 2024**

	<b>FY 2024</b>	<b>FY 2023</b>
<b>TOTAL REVENUES</b>	\$7,628,818	\$7,809,548
Local Sources	\$1,250,277	\$1,417,164
% of Total Revenues	16.39%	18.15%
State Sources	\$5,207,534	\$4,785,926
% of Total Revenues	68.26%	61.28%
Federal Sources	\$1,171,007	\$1,606,458
% of Total Revenues	15.35%	20.57%
<b>TOTAL EXPENDITURES</b>	\$6,537,454	\$6,732,755
Salaries and Benefits	\$2,587,929	\$2,821,474
% of Total Expenditures	39.59%	41.91%
Purchased Services	\$2,453,953	\$2,387,121
% of Total Expenditures	37.54%	35.46%
All Other Expenditures	\$1,495,572	\$1,524,160
% of Total Expenditures	22.88%	22.64%
<b>TOTAL NET POSITION</b>	\$3,284,366 <sup>1</sup>	\$2,151,826
<b>INVESTMENT IN CAPITAL ASSETS</b>	\$342,207	\$80,761
<sup>1</sup> The FY2024 beginning net position has a prior period adjustment of \$41,176 due to an error related to understatement of an investment in the General Fund – Business Office.  Percentages may not add due to rounding.		

<b>REGIONAL SUPERINTENDENT</b>
During Audit Period: Honorable Jill Reedy Currently: Honorable Jill Reedy

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

### **CONTROLS OVER GRANT COMPLIANCE**

**The Regional Office of Education #39 had inadequate controls over grant compliance.**

The Regional Office of Education #39 (ROE) had inadequate controls over grant compliance. The ROE did not submit or timely submit the required reports to the Illinois State Board of Education (ISBE) in compliance with the grant award agreement.

The grant award agreements between the ROE and ISBE require the ROE to complete and submit expenditure reports quarterly. The quarterly expenditure reports are due 20 calendar days after the end of the reporting quarter.

The Code of Federal Regulations (Code) (2 CFR. §200.303 (a)) requires the ROE to establish and maintain effective internal control over the federal award to provide reasonable assurance the ROE is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure compliance with grant reporting requirements and expenditure reports are properly supported.

During testing of the ROE's compliance with the grant reporting requirements, auditors noted the following:

- One of 44 (2%) quarterly expenditure reports were submitted 31 days late.
- Five of 44 (11%) quarterly expenditure reports lacked sufficient documentation to support expenditures reported; therefore, auditors were unable to determine if the quarterly expenditure reports were accurately reported.

Regional Office management indicated that the required reports were not timely submitted, and supporting documentation was unavailable due to oversight and access limitations under the previous finance staff. (Finding 24-001, pages 15 – 16) **This finding was first reported in 2019.**

The auditors recommended the ROE implement procedures to ensure adherence to the grant reporting requirements and to ensure quarterly expenditure reports are properly supported.

**ROE Response:** *The ROE agrees with the audit findings and will provide close oversight for the timely submission of grant expenditures and performance reports. Checklist, due dates, and reminders are shared from the Regional Superintendent to the Business Office Manager and Program Directors.*

*Management will review the grant report submissions in Illinois Web Application Security (IWAS) for accuracy and completion before approving and submitting to Illinois State Board of Education.*

## **DELAY OF AUDIT**

**The Regional Office of Education #39 did not provide completed financial statements in an auditable form by the August 31 deadline.**

The Regional Office of Education #39 (ROE) did not provide completed financial statements in an auditable form by the August 31, 2024, deadline. The completed June 30, 2024 financial statements were provided to the auditors on March 18, 2025.

In addition, the delay in providing the necessary items for audit prevented the auditors from completing their work according to the planned audit timeline. The items required to finalize the audit were not provided as scheduled, which contributed to the overall delay in the audit process.

ROE #39 is subject to 105 ILCS 5/2-3.17a which requires the Auditor General's office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Government Auditing Standards. A Regional Office of Education or Educational Service Center is to utilize a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for audit.

In accordance with 105 ILCS 5/2-3.17a, the Auditor General has promulgated administrative rules and regulations to govern this process. Those rules, 74 Ill. Adm. Code 420.320 (c)(2), state that for audit purposes, each regional office of education and educational service center shall make available to the Auditor General or its designee all books and records deemed necessary to make and complete the required audits. The records shall be completed in auditable form by August 15 of the succeeding fiscal year. Financial reports are to be available no later than August 31 in order that the annual audit may be done by an independent auditor selected by the Auditor General.

In addition, prudent business practices and transparency require timely preparation and completion of financial statements and timely provision of audit requests.

Regional Office management indicated the Fiscal Year 2020, 2021, 2022, and 2023 audits were late resulting in the delay of the Fiscal Year 2024 audit. Previous management was not monitoring this timeline, which led to the audits falling behind.

In addition, necessary items and supporting documentation were not provided on time due to other priorities. (Finding 24-002, pages 17 – 18) **This finding was first reported in 2019.**

The auditors recommended the ROE should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c)(2). These financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31 deadline. Additionally, the ROE should establish internal controls and clear responsibilities to ensure that all necessary supporting documentation and audit items are provided on time, preventing delays in completing the audit.

**ROE Response:** *The ROE agrees with the audit findings and is working with their contracted accounting firm to ensure that the office gets back on schedule with the yearly audit deadlines.*

#### **INADEQUATE RECORD KEEPING OVER EQUIPMENT FROM FEDERAL FUNDS**

**The Regional Office of Education #39 had inadequate controls over record keeping of equipment from Federal Funds.**

The Regional Office of Education #39 (ROE) did not have adequate record keeping over its equipment acquired from federal funds.

The ROE manually maintains and stores its inventory of property and equipment. Asset details in the property records include only the description of the property, manufacturer's serial number or other identification number, source of funds, who holds title, acquisition date, and cost of the property. The other minimum requirements specified by the Code including Federal Award Identification Number (FAIN), location, use and condition of the property are not included in the property records.

The Code of Federal Regulations (2 CFR §200.313(d)(1)) requires that procedures for managing equipment acquired with federal funds must maintain property records that include the following information: (i) a description of the property, (ii) manufacturer's serial number or other identification number, (iii) source of the funding for the property (including the FAIN), (iv) who holds title, (v) acquisition date (vi) cost of the property, (vii) percentage of federal contribution in the project cost for the Federal award under which the property was acquired, (viii) location (ix) use and condition of the property, and (x) and any ultimate disposition data, including date of disposal and sale price of the property.

Moreover, the Code (2 CFR §200.303 (a)) requires the ROE to establish and maintain effective internal control over the federal award to provide reasonable assurance the ROE is managing the federal award in compliance with federal

statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include record keeping and monitoring of equipment acquired from federal funds.

Regional Office management indicated that the issue was due to oversight and lack of training on requirements. (Finding 24-003, pages 19 – 20)

The auditors recommended the ROE should maintain detailed property records as required by federal regulations to ensure full compliance.

**ROE Response:** *The ROE agrees with the audit findings and is implementing documents and procedures to meet requirements in the future.*

## **CONTROLS OVER SUBRECIPIENT MONITORING**

### **The Regional Office of Education #39 had inadequate controls over subrecipient monitoring.**

The Regional Office of Education #39 (ROE) did not have adequate controls over subrecipient monitoring in compliance with the Code of Federal Regulations (Code).

The Code (2 CFR § 200.332 (e)) requires the ROE to monitor the activities of the subrecipient to ensure the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved

The Code (2 CFR §200.303 (a)) requires the ROE to establish and maintain effective internal control over the federal award to provide reasonable assurance the ROE is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures over subrecipient monitoring.

During auditor's testing of four subrecipients, auditors noted the ROE did not adequately monitor its subrecipients' grant reporting requirements:

- 43 of 48 (90%) monthly expenditure reports were not received.
- 4 of 48 (8%) monthly expenditure reports were received five to 183 days late.
- 4 of 4 (100%) annual performance reports were received 51 to 114 days late.

Regional Office management indicated this was due to oversight and staffing limitation. (Finding 24-004, page 21-22)

**This finding was first reported in 2022.**

The auditors recommended the ROE establish and implement procedures over subrecipient monitoring.

**ROE Response:** *The ROE agrees with the audit findings and although some subrecipient monitoring was conducted, not all of the required reports were received, or they were not received in a timely manner. The ROE is implementing policies and procedures to ensure subrecipient monitoring is not only received but received in a timely manner as well.*

## **CONTROLS OVER PREPARATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

### **The Regional Office of Education #39 had inadequate controls over the preparation of the Schedule of Expenditures of Federal Awards.**

The Regional Office of Education #39 (ROE) did not have sufficient internal controls over the preparation of the Schedule of Expenditures of Federal Awards (SEFA) to ensure all federal expenditures during the fiscal year were reported and information in the SEFA was accurately reported.

The Code of Federal Regulations (Code) (2 CFR §200.510 (b)), establishes criteria and requirements related to the preparation of the SEFA.

The Code (2 CFR § 200.303 (a)) requires the ROE to establish and maintain effective internal control over the federal award to provide reasonable assurance the ROE is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures over preparation of the schedule of expenditures of federal awards.

During the auditor's review of the SEFA, the following was noted:

- Program title descriptions were incorrect.
- Assistance listing number was incorrectly listed.

Regional Office management indicated the errors on the SEFA was due to oversight. (Finding 24-005, pages 23 – 24) **This finding was first reported in 2022.**

The auditors recommended the ROE should establish and implement internal controls over preparation of the SEFA to ensure accurate reporting.

**ROE Response:** *The ROE agrees with the audit findings and will work with contracted accounting firm to ensure that the schedule of expenditures of federal awards is accurately reported as required.*

**AUDITORS' OPINION**

Our auditors state the Regional Office of Education #39's financial statements as of June 30, 2024 are fairly presented in all material respects.

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

**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

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