



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS STATE BOARD OF EDUCATION

**Financial Audit
 For the Year Ended June 30, 2020**

Release Date: June 9, 2021

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS																							
	Repeated Since	Category 1	Category 2	Category 3																				
<table border="0"> <tr> <td></td> <td style="text-align: center;"><u>New</u></td> <td style="text-align: center;"><u>Repeat</u></td> <td style="text-align: center;"><u>Total</u></td> </tr> <tr> <td>Category 1:</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Category 2:</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Category 3:</td> <td style="text-align: center;"><u>0</u></td> <td style="text-align: center;"><u>0</u></td> <td style="text-align: center;"><u>0</u></td> </tr> <tr> <td>TOTAL</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> </tr> </table>		<u>New</u>	<u>Repeat</u>	<u>Total</u>	Category 1:	0	0	0	Category 2:	1	0	1	Category 3:	<u>0</u>	<u>0</u>	<u>0</u>	TOTAL	1	0	1	No Repeat Findings			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>																					
Category 1:	0	0	0																					
Category 2:	1	0	1																					
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>																					
TOTAL	1	0	1																					
FINDINGS LAST AUDIT: 1																								

This digest covers the Illinois State Board of Education’s (Agency) Financial Audit as of and for the year ended June 30, 2020. A separate digest covers the Agency’s Compliance Examination for the two years ended June 30, 2020.

SYNOPSIS

- (20-01) The Agency did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate.

- 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 **noncompliance** with State laws and regulations.
- Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**ILLINOIS STATE BOARD OF EDUCATION
FINANCIAL AUDIT
For the Year Ended June 30, 2020**

Statement of Activities and Governmental Revenues, Expenditures and Changes in Fund Balances (In Thousands)	FY 2020	FY 2019
PROGRAM REVENUES		
General Fund.....	\$ 0	\$ 0
Other Funds.....	2,400,910	2,279,974
Total Program Revenues.....	<u>2,400,910</u>	<u>2,279,974</u>
EXPENDITURES		
General Fund.....	8,937,561	7,805,305
Other Funds.....	2,432,166	2,973,119
Total Expenditures.....	<u>11,369,727</u>	<u>10,778,424</u>
GENERAL REVENUES.....	<u>307</u>	<u>333</u>
OTHER SOURCES (USES)		
Appropriations from State resources.....	9,233,850	8,532,151
Lapsed appropriations.....	(9,031)	(15,969)
Receipts collected and transmitted to State Treasury.....	(11,689)	(14,521)
Reappropriations.....	(248,156)	(85,710)
Amount of SAMS Transfers-out.....	347	203
Capital lease financing.....	0	17
Net Other Sources (Uses) of Financial Resources.....	<u>8,965,321</u>	<u>8,416,171</u>
CHANGE IN FUND BALANCES.....	<u>\$ (3,189)</u>	<u>\$ (81,946)</u>
Statement of Net Position and Governmental Funds Balance Sheet (In Thousands)	FY 2020	FY 2019
ASSETS		
Cash and cash equivalents.....	\$ 28,754	\$ 28,429
Accounts receivable (includes State and other governments).....	563,272	434,333
All other assets.....	412,835	345,267
Total Assets.....	<u>\$ 1,004,861</u>	<u>\$ 808,029</u>
LIABILITIES		
Accounts payable and accrued liabilities.....	\$ 42,409	\$ 58,245
Due to local governments.....	1,747,865	1,556,267
All other liabilities.....	27,671	16,942
Total liabilities.....	<u>1,817,945</u>	<u>1,631,454</u>
DEFERRED INFLOWS OF RESOURCES.....	<u>118,892</u>	<u>105,645</u>
TOTAL FUND DEFICIT.....	<u>\$ (931,976)</u>	<u>\$ (929,070)</u>
STATE SUPERINTENDENT OF EDUCATION		
During Audit Period: Dr. Carmen I. Ayala		
Currently: Dr. Carmen I. Ayala		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

LACK OF CENSUS DATA RECONCILIATIONS

The Illinois State Board of Education (Agency) did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate.

Census data reconciliation not performed

During testing, we noted the Agency had not performed an initial complete reconciliation of its census data recorded by the State Employees' Retirement System of Illinois (SERS) and the Department of Central Management Services (CMS) to its internal records to establish a base year of complete and accurate census data. (Finding 1, pages 60-61)

We recommended the Agency work with SERS and CMS to develop an annual reconciliation process of its active members' census data from its underlying records to a report from each plan of census data submitted to the plan's actuary.

Agency accepted recommendation

The Agency agreed with the recommendation and stated it is developing an annual reconciliation process for active members' census data in collaboration with CMS and SERS.

We will review the Agency's progress towards the implementation of our recommendation in our next financial audit.

AUDITOR'S OPINIONS

The auditors stated the financial statements of the Agency as of and for the year ended June 30, 2020 are fairly stated in all material respects.

This financial audit was conducted by Kerber, Eck & Braeckel LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
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

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