

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

Performed as Special Assistant Auditors for
the Auditor General, State of Illinois

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

Table of Contents	<u>Schedule</u>	<u>Page(s)</u>
Agency Officials		1
Management Assertion Letter		2
Compliance Report:		
Summary		3-5
Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes		6-9
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		10-11
Independent Accountant’s Report on Agreed-Upon Procedures		12-13
Schedule of Findings		
Current Findings - State Compliance		14-24
Prior Findings Not Repeated		25-26
Financial Statement Report:		
<p>The Illinois State Board of Education’s financial statement report for the year ended June 30, 2014, which includes the Independent Auditor’s Report, Basic Financial Statements and Notes to the Basic Financial Statements, Supplementary Information, and the Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> has been issued separately.</p>		
Supplementary Information for State Compliance Purposes:		
Summary		27
Fiscal Schedules and Analysis		
Schedule of Appropriations, Expenditures and Reappropriated/Lapsed Balances - Fiscal Year 2014	1	28-33
Schedule of Appropriations, Expenditures and Reappropriated/Lapsed Balances - Fiscal Year 2013	2	34-39
Comparative Schedule of Net Appropriations, Expenditures and Reappropriated/Lapsed Balances	3	40-47
Schedule of Changes in State Property	4	48
Comparative Schedule of Cash Receipts	5	49-50

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

Table of Contents, Continued	<u>Schedule</u>	<u>Page(s)</u>
Fiscal Schedules and Analysis, Continued		
Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller	6	51-54
Analysis of Significant Variations in Expenditures	7	55-57
Analysis of Significant Variations in Receipts	8	58-59
Analysis of Significant Lapse Period Spending	9	60-61
Analysis of Significant Account Balances	10	62-67
Analysis of Accounts Receivable	11	68
Analysis of Operations (Unaudited)		
Agency Functions and Planning Program (Unaudited)		69-71
State Charter School Commission (Unaudited)		72
Average Number of Employees and Average Salary per Employee (Unaudited)		73
Annual School Statistics (Unaudited)		74-77
Memorandums of Understanding (Unaudited)		78-79
Service Efforts and Accomplishments (Unaudited)		80-82
Schedule of Indirect Cost Reimbursements (Unaudited)		83

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

Agency Officials

Board Members of the Illinois State Board of Education:

Current

James T. Meeks, Chairperson, effective January 20, 2015
Steven R. Gilford, Vice-Chairperson
Melinda A. LaBarre, Secretary, effective February 11, 2015
James W. Baumann
Curt Bradshaw
Craig Lindvahl, effective February 2, 2015
Eligio Pimentel, effective February 2, 2015
Roberta Parks, effective February 2, 2015
Lula Ford, effective February 2, 2015

State Superintendent of Education

Cabinet members:

General Counsel
Chief Internal Auditor
Deputy Superintendent/Chief Education Officer
Chief Operating Officer and Director of Human
Resources and Labor Relations
Chief Performance Officer
Through November 28, 2014
Effective November 29, 2014
Director of Public Information/Deputy Superintendent
Chief Financial Officer
Director of Assessment
Through December 31, 2014
Effective January 1, 2015
Assistant Superintendents:
Innovation and Improvement
Specialized Instruction Nutrition and Wellness
Center for Language and Early Child Development
Educator Effectiveness

During the Examination Period

Gery J. Chico, Chairperson, through January 19, 2015
Steven R. Gilford, Vice-Chairperson
Dr. Vinni M. Hall, Secretary, through January 14, 2015
James W. Baumann
Curt Bradshaw
Dr. Andrea S. Brown, through January 14, 2015
Dr. David L. Fields, through January 14, 2015
Melinda A. LaBarre

Dr. Christopher A. Koch, Ed.D.

Nicole Bazer
Melissa Oller
Susan C. Morrison
Donald W. Evans

Peter Godard
Vacant
Matthew Vanover
Robert Wolfe

Dr. Mary O'Brian
Vacant

Amy Jo Clemens
Elizabeth Hanselman
Reyna Hernandez
Dr. Jason Helfer

Agency offices are located at:

Alzina Building
100 North First Street
Springfield, Illinois 62777-0001

James R. Thompson Center
100 West Randolph Street
Suite 14-300
Chicago, Illinois 60601-3268



Illinois State Board of Education

100 North First Street • Springfield, Illinois 62777-0001
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James T. Meeks
Chairman

Christopher A. Koch, Ed.D.
State Superintendent of Education

February 20, 2015

E.C. Ortiz & Co., LLP
333 South Des Plaines Street
Suite 2-N
Chicago, Illinois 60661

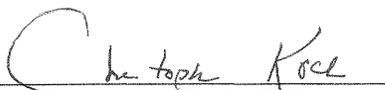
Ladies and Gentlemen:

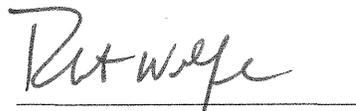
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois State Board of Education (Agency). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2014. Based on this evaluation, we assert that during the years ended June 30, 2014 and June 30, 2013, the Agency has materially complied with the assertions below.

- A. The Agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Agency are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Agency on behalf of the State or held in trust by the Agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois State Board of Education


Christopher A. Koch, Ed.D.
State Superintendent of
Education


Robert Wolfe
Chief Financial Officer


Nicole Bazer
General Counsel

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	6	10
Repeated findings	3	3
Prior recommendations implemented or not repeated	7	4

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>FINDING (GOVERNMENT AUDITING STANDARDS)</i>			
No matters were reported.			
<i>FINDINGS (STATE COMPLIANCE)</i>			
2014-001	14	Noncompliance with Obsolete Mandated Duties	Significant Deficiency/ Noncompliance
2014-002	16	Noncompliance with the School Code on Board Membership	Noncompliance
2014-003	17	Noncompliance with the School Code on Bullying Prevention	Significant Deficiency/ Noncompliance
2014-004	19	Failure to Establish a School Security and Standards Task Force	Noncompliance
2014-005	21	Noncompliance with the P-20 Longitudinal Education Data Systems Act	Significant Deficiency/ Noncompliance
2014-006	23	Required Information Not Included in the Annual Report	Significant Deficiency/ Noncompliance

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

SCHEDULE OF FINDINGS, Continued

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED		
A	25	Financial Reporting
B	25	Noncompliance with the School Code on Schools on Academic Watch Status
C	25	Noncompliance with the School Code on Audit of All Claims for State Moneys
D	26	Illinois Charter School Biennial Report Submitted Not Updated with the New Requirements
E	26	Noncompliance with the Critical Health Problems and Comprehensive Health Education Act on Advisory Committee
F	26	Weaknesses Regarding the Security and Control of Confidential Information
G	26	Failure to Comply with the Identity Protection Act

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on February 10, 2015. Attending were:

Representing Illinois State Board of Education

State Superintendent of Education
General Counsel
Deputy General Counsel
Chief Internal Auditor
Senior Internal Auditor
Internal Auditor, Information Technology Coordinator
Director of Public Information/Deputy Superintendent
Chief Financial Officer
Legislative Liaison, Governmental Relations
Division Administrator, Data Analysis
Division Supervisor, Chief Performance Office Center

Dr. Christopher A. Koch, Ed.D.
Nicole Bazer
Eric Grodsky
Melissa Oller
Matthew Ulmer
Jeremy Mehochko
Matthew Vanover
Robert Wolfe
Amanda Elliott
David Smalley
Julie Evans

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

EXIT CONFERENCE, Continued

Representing E.C. Ortiz & Co., LLP

Partner

Partner

Manager

Edilberto C. Ortiz

Gilda B. Priebe

Villalyn S. Baluga

Representing the Office of the Auditor General

Audit Manager

Lisa Warden

Responses to the recommendations were provided by Melissa Oller in a letter dated February 20, 2015.



INDEPENDENT ACCOUNTANT’S REPORT ON STATE COMPLIANCE, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

and

The Board Members of the
Illinois State Board of Education

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the Illinois State Board of Education’s compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2014. The management of the Illinois State Board of Education is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois State Board of Education’s compliance based on our examination.

- A. The Illinois State Board of Education has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Illinois State Board of Education has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Illinois State Board of Education has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Illinois State Board of Education are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Illinois State Board of Education on behalf of the State or held in trust by the Illinois State Board of Education have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Illinois State Board of Education's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Illinois State Board of Education's compliance with specified requirements.

In our opinion, the Illinois State Board of Education complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2014. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2014-001 through 2014-006.

Internal Control

Management of the Illinois State Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Illinois State Board of Education's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Illinois State Board of Education's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Illinois State Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2014-001, 2014-003, 2014-005, and 2014-006, that we consider to be significant deficiencies.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

The Illinois State Board of Education's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Illinois State Board of Education's responses and, accordingly, we express no opinion on the responses.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Illinois State Board of Education as of and for the year ended June 30, 2014, and have issued our report thereon dated December 10, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Illinois State Board of Education's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 10, 2014. The accompanying supplementary information for the year ended June 30, 2014 in Schedules 1 through 11 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the Illinois State Board of Education. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2014 in Schedules 1 through 11 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2014 in Schedules 1 through 11 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Illinois State Board of Education's basic financial statements as of and for the years ended June 30, 2013 and June 30, 2012 (not presented herein), and have issued our reports thereon dated December 10, 2013 and January 24, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information. The accompanying supplementary information for the year ended June 30, 2013 in Schedules 2 through 11 and for the year ended June 30, 2012 in Schedules 3 through 8 and 10 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2013 and June 30, 2012 financial statements. The accompanying supplementary information for the year ended June 30, 2013 in Schedules 2 through 11 and for the year ended June 30, 2012 in Schedules 3 through 8 and 10 has been subjected to the auditing procedures applied in the audits of the June 30, 2013 and June 30, 2012 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2013 in Schedules 2 through 11 and for the year ended June 30, 2012 in Schedules 3 through 8 and 10 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

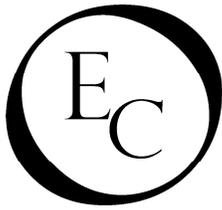
The accompanying supplementary information in the Analysis of Operations Section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Board members of the Illinois State Board of Education, and Agency management, and is not intended to be and should not be used by anyone other than these specified parties.

E.C. Ortiz & Co., LLP

Chicago, Illinois

February 20, 2015, except for our report on the Supplementary Information for State Compliance Purposes, as to which the date is December 10, 2014.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable William G. Holland
Auditor General
State of Illinois

and

The Board Members of the
Illinois State Board of Education

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Illinois State Board of Education, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Illinois State Board of Education's basic financial statements, and have issued our report thereon dated December 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Illinois State Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Illinois State Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Illinois State Board of Education's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Illinois State Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Illinois State Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Illinois State Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

E. C. Ortiz & Co., LLP

Chicago, Illinois
December 10, 2014



INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES

Honorable William G. Holland
Auditor General
State of Illinois

and

The Board Members of the
Illinois State Board of Education

As Special Assistant Auditors for the Auditor General, we have performed each of the procedures enumerated below, which were agreed to by the Auditor General, solely to assist the users in evaluating management's assertion about the Illinois State Board of Education's (Agency) compliance with respect to the reporting, during the year ended June 30, 2014, of the statewide high school dropout rate by grade level, sex, race; the annual student dropout rate of and the number of students who graduate from, transfer from, or otherwise leave bilingual programs; a critique and analysis of the status of education in Illinois; and each act or omission of a school district as a consequence of scheduled, approved visits and which constituted a failure by the district to comply with applicable State or federal laws or regulations pursuant to 105 ILCS 5/1A-4. These agreed-upon procedures were performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. We reviewed the following articles of the School Code: 105 ILCS 5/1A-4; 105 ILCS 5/26-2a; and 105 ILCS 5/26-3a, noting the Agency's mandated duties.
2. We obtained and reviewed the Fiscal Year 2013 Annual Report for the State Board of Education, noting compliance with the statute as follows:
 - a. Using the most recently available data, the Board prepared and submitted to the General Assembly and the Governor on or before January 14, 2014 a report or reports of its findings and recommendations.
 - b. The Annual Report contained a separate section which provides a critique and analysis of the status of education in Illinois and which identifies its specific problems and recommends express solutions therefor.
 - c. With the exception of the information on dates on which the State Board of Education notified the school districts of such act or omission, and what action, if any, the school districts took with respect thereto after being notified thereof by the State Board of Education, which is described in the accompanying schedule of findings as item 2014-006, the Annual Report contained the following information for the preceding year ended June 30, 2013: Each act or omission of a school district of which the State Board of Education has knowledge as a consequence of scheduled, approved visits and which

constituted a failure by the district to comply with applicable State or federal laws or regulations relating to public education, and the name of such district.

- d. With the exception of the information on the number of students who graduate from, transfer from or otherwise leave bilingual programs, which is described in the accompanying schedule of findings as item 2014-006, the report included the statewide high school dropout rate by grade level, sex and race and the annual student dropout rate.
3. We documented and determined the adequacy of the Agency's procedures for accumulating and reviewing dropout and transitional bilingual education data.
4. We obtained the list of school districts and verified submission of student data in Student Information System (SIS) for a sample of 40 school districts. We noted no exceptions.
5. We obtained the supporting file for the "2012-2013 High School Dropout Rates, by Grade Level, Gender, and Race/Ethnicity" prepared by the Agency. We traced dropout data for 20 selected students from the Agency's supporting file of dropout data to SIS and 20 selected students from SIS to Agency's supporting file of dropout data. We noted no exceptions.
6. We compared dropout data totals per the Agency's supporting file of dropout data for the school year 2012-2013 to those on the 2013 Annual Report filed with the General Assembly. All dropout totals, by grade level, gender, and race/ethnicity on the supporting file agreed to the report. We noted no exceptions.
7. There were no procedures performed on bilingual education data since the "2012-2013 Reasons for Exiting Limited English Proficient Programs" were not included by the Agency in the 2013 Annual Report filed with the General Assembly. This exception is described in the accompanying schedule of findings as item 2014-006.

These agreed-upon procedures do not constitute an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Board members of the Illinois State Board of Education, and Agency management, and is not intended to be and should not be used by anyone other than these specified parties.

E.C. Ortiz & Co., LLP

Chicago, Illinois
February 20, 2015

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-001. **FINDING** (Noncompliance with Obsolete Mandated Duties)

The Illinois State Board of Education (Agency) did not comply with or seek repeal of obsolete duties mandated by State statute.

During our testing of statutory mandates, we noted the following:

- The Agency did not require entities to design programs which provide continuing education to update or improve a teacher's skill or knowledge in order to maintain a high level of performance. The School Code (105 ILCS 5/2-3.60) requires the Agency to require school districts, cooperatives or joint agreements with a governing board or board of control, administrative agents for educational service centers, and regional superintendents acting on behalf of such entities to design programs which provide continuing education to update or improve a teacher's skill or knowledge in order to maintain a high level of performance. Although a statutory change was introduced under House Bill 5826 in Fiscal Year 2012, the bill did not pass and there have been no official attempts to change or repeal this section of the School Code since then.
- The Agency did not charge non-public schools an amount necessary to offset the cost of providing ports to the statewide educational network. The Agency ensures non-public schools access to technology through the Illinois Century Network (ICN), which expanded the network previously created by the Agency. The ICN was created to provide high speed statewide telecommunication links which is much broader in scope and covers not only schools but also museums, libraries, colleges, universities, local governments, state agencies, hospitals and health care centers. The ICN is managed by the Department of Central Management Services (DCMS) and is governed by a Policy Committee, wherein ISBE is one of the members. The School Code (105 ILCS 5/2-3.120(b)) requires the Agency to provide non-public schools with ports to the Agency's statewide educational network, provided that this access does not diminish the services available to public schools and students. The School Code also requires the Agency to charge non-public schools an amount necessary to offset the cost of providing the ports to access the Agency's statewide educational network, wherein amounts received by the Agency under this section shall be deposited in the General Revenue Fund. Agency officials stated that since ICN is managed by DCMS, the Agency no longer charges the non-public schools an amount necessary to offset the cost of providing the ports to access the statewide educational network; accordingly, no funds are deposited into the General Revenue Fund. Agency officials further stated that this requirement is obsolete and needs legislative change.
- The Agency did not comply with the School Code's annual reporting requirement on block grants. The School Code (105 ILCS 5/1C-4) requires the Agency to report annually to the leadership of the General Assembly the progress made in the implementation of a comprehensive plan to use block grants for funding educational

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

programs. Agency officials stated this mandate is obsolete, and the only block grant the State administers is the Early Childhood Education Block Grant, which has separate reporting requirements. Although a statutory change to repeal the requirement was introduced under Senate Amendment No. 1 to House Bill 5826 in Fiscal Year 2012, the bill did not pass.

During the prior examination period, the Agency did not perform the following: 1) develop and coordinate the Illinois Agenda for Cost-Effectiveness in Education; and 2) establish a Division of Conservation Education separately within the Agency. During the current examination period, the Agency sought repeal of the above requirements. These requirements (105 ILCS 225/1 et seq. and 105 ILCS 415/2) were repealed by Public Act 098-0739, effective July 2014.

Failure to carry out or seek repeal of mandated duties is noncompliance with statutory requirements and does not achieve legislative intent for the affected programs. (Finding Code Nos. 2014-001, 12-2, 10-2, 08-2, 07-1, 06-1, 05-2, 04-6, 03-6, 02-13, 00-9)

RECOMMENDATION

We recommend the Agency either comply with mandates or seek legislative changes to eliminate these statutory requirements. Further, the Agency should identify all obsolete mandates and continue to seek their repeal.

AGENCY RESPONSE

The Agency agrees with this finding and is seeking legislative repeal of these mandates.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

2014-002. **FINDING** (Noncompliance with the School Code on Board Membership)

The Illinois State Board of Education (Agency) member appointments had not been made as required by the School Code.

During our testing of statutory mandates, we noted that as of the end of Fiscal Year 2014, the Agency's Board had only seven members and a chairperson appointed by the Governor, leaving the Agency's Board with one vacancy. This vacancy was due to the resignation of a Board member on August 16, 2012, and left the Board with only two of the three required members-at-large.

During the prior examination period, the Agency's Board had one vacancy and had four members who served with expired terms. During the current examination period, it was noted that reappointments of Board members with expired terms were made in a timely manner; however, no appointment was made to replace the Board member who resigned on August 16, 2012.

The School Code (105 ILCS 5/1A-1) states that the State Board of Education shall consist of eight members and a chairperson, who shall be appointed by the Governor with the advice and consent of the Senate. The School Code requires six members to be selected from a pattern of regional representation, and three members to be selected as members-at-large.

Agency officials stated that the vacancy in the Board can only be filled by the Governor and is not within the Agency's authority, and they have been in constant communication with the Governor's Office for the appointment of the Board member.

Failure to ensure all required Board positions are filled limits the input of all citizens into Board oversight as intended by the legislature. (Finding Code Nos. 2014-002, 12-6)

RECOMMENDATION

We recommend the Agency continue to work with the Governor's Office to timely fill any vacancy on the Board.

AGENCY RESPONSE

The Agency agrees with this finding for the audit period. As of February 2, 2015, the Board has eight members and a chairperson. Previously, the Agency sent repeated requests to the Governor's Office regarding filling these vacancies. There are no vacancies at this time but should a vacancy exist, the Agency will reach out to the Governor's Office to request appointments be made in a timely manner in order to bring the Board to full membership.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

2014-003. **FINDING** (Noncompliance with the School Code on Bullying Prevention)

The Illinois State Board of Education (Agency) did not adequately monitor the implementation of bullying prevention policies.

During our testing of statutory mandates, we noted the following:

- None of the 163 non-public, non-sectarian Illinois schools had filed with the Agency their policy on bullying.
- One of 886 school districts did not file with the Agency any policy on bullying at all.

Since Fiscal Year 2008, the School Code (105 ILCS 5/27-23.7(d)) has required each school district to create and maintain a policy on bullying, update the policy every two years, and file the updated policy with the State Board of Education. The Agency was required to monitor the implementation of policies created. Since Fiscal Year 2010, non-public, non-sectarian elementary and secondary schools were also required to comply. This requirement (105 ILCS 5/27-23.7(d)) was amended by Public Act 098-0669 effective June 26, 2014, requiring the Agency not only to monitor the implementation of the policy but also to provide technical support for its implementation. The Public Act also amended the School Code to require schools to review, reevaluate, revise as necessary, and file with the Agency if updated, its bullying policy every two years.

Agency officials stated the conditions noted were due to oversight on the part of Agency staff. Officials stated that due to staffing changes and organizational needs, responsibility for the monitoring of school district bullying policies was held by multiple divisions over time.

Failure to adequately monitor the implementation of bullying prevention policies by each school district potentially defeats its purpose to educate students, parents and schools about behaviors and negative outcomes associated with bullying. (Finding Code No. 2014-003)

RECOMMENDATION

We recommend the Agency implement procedures to adequately monitor the implementation of bullying prevention policies by each school district, charter school, non-public and non-sectarian school to ensure compliance with the bullying prevention requirements of the School Code.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

AGENCY RESPONSE

The Agency agrees with this finding. Responsibility for collecting the bullying policies has resided in different divisions over the past few years. Now that the responsibility has been specifically assigned, operational stability will ensure successful monitoring and oversight of the program.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

2014-004. **FINDING** (Failure to Establish a School Security and Standards Task Force)

The Illinois State Board of Education (Agency) did not comply with the School Code's requirement to create the School Security and Standards Task Force within the Agency during Fiscal Year 2014.

During our testing of statutory mandates, we noted that the School Security and Standards Task Force (Task Force) was not created within the Agency. The required appointments of a member from the Agency, two members from the Senate, two members from the House of Representatives, and a member from the Department of State Police were made during Fiscal Year 2014; however, the required appointments of eight members from the Governor's Office were not made. Accordingly, the intended functions of the Task Force concerning the State's school security were not performed and no report had been submitted to the General Assembly and the Governor on specific recommendations for changes to the current law or other legislative measures. Further, a report was not submitted to the Agency on specific recommendations for model security plan policies for schools to access and use as a guideline.

Public Act 098-0578 amended the School Code (105 ILCS 5/2-3.157), effective August 27, 2013, to create a School Security and Standards Task Force within the State Board of Education to study the security of schools in the State, make recommendations, and draft minimum standards for use by schools to make them more secure and to provide a safer learning environment for the children of the State. The Task Force shall consist of 14 members, eight to be appointed by the Governor, two each by the Senate and House of Representatives, and one each by the Agency and Department of State Police. The Agency shall provide administrative and other support to the Task Force. On or before January 1, 2014, the Task Force was required to submit a report to the General Assembly and the Governor on specific recommendations for changes to the current law or other legislative measures; and to the Agency on specific recommendations for model security plan policies for schools to access and use as a guideline.

The Task Force provisions of Public Act 098-0578 were automatically repealed on January 2, 2014. However, the legislation was re-filed and approved on July 3, 2014 through Public Act 098-0695. The new statute on the School Security and Standards Task Force (105 ILCS 5/2-3.160), which is scheduled to be repealed on July 1, 2015, did not have any changes to the requirements except for the report submission date of on or before January 1, 2015.

Agency officials stated the School Security and Standards Task Force did not get underway in 2013 since a majority of the members of the Task Force were required to be appointed by the Governor's Office and those appointments were never made. Officials further stated that the Agency's staff spoke with the Governor's Office numerous times asking for the appointments to be made, but the members were not appointed before the law was automatically repealed on January 2, 2014.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

Failure to create the School Security and Standards Task Force resulted in nonperformance of its intended functions and noncompliance with the School Code. (Finding Code No. 2014-004)

RECOMMENDATION

We recommend the Agency work with the Governor's Office to make appointments to the Task Force, and ensure the School Security and Standards Task Force is created to comply with the provisions of the School Code.

AGENCY RESPONSE

The Agency agrees with this finding. During the fall of 2014, Agency staff worked with the Governor's Office and Legislative Leaders' offices to ensure remaining appointments were made. Given the transition to a new Governor, it was decided through correspondence with the sponsor of both Public Acts to pursue legislation this spring that will re-establish the Task Force with new appointees. Agency staff will monitor the legislation to ensure smooth implementation and quick establishment of the Task Force once the legislation is signed into law.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

2014-005. **FINDING** (Noncompliance with the P-20 Longitudinal Education Data Systems Act)

The Illinois State Board of Education (Agency) did not expand the longitudinal education data system and establish a data warehouse by June 30, 2013 as mandated by State statute.

The P-20 Longitudinal Education Data System Act (105 ILCS 13/15) (Act) requires the establishment and maintenance of a longitudinal data system linking early learning, elementary, and secondary school student unit records with institution of higher learning student unit records. The Act requires on or before June 30, 2013, subject to the availability of funding through appropriations made specifically for the purposes of this Act, the State Education Authorities to improve and expand the longitudinal data system to enable the State Education Authorities to perform or cause to be performed all of the activities and functions as set forth in the Act. State Education Authorities as defined by the Act means the Agency, Illinois Community College Board, and Illinois Board of Higher Education. The Act further requires the Agency on or before June 30, 2013, subject to the availability of funding through appropriations made specifically for the purposes of this Act, to establish a data warehouse that integrates data from multiple student unit record systems and supports all of the uses and functions of the longitudinal data system set forth in the Act.

The Agency received two federal grants totaling \$20,869,775 for Fiscal Years 2010 through 2013 specifically for the longitudinal data system and data warehouse. The Agency subsequently received extensions of federal grant funding through the end of Fiscal Year 2014, then Fiscal Year 2015.

The related federal grant applications estimated the State portion of funding for the longitudinal data system (ILDS) would be \$2,500,000 (11%); however, the Agency did not request an appropriation of State funds until budget Fiscal Year 2015.

The Agency had taken steps to improve ILDS and establish the data warehouse as required by the Act; however, 18 of 23 (78%) specific statutory requirements were not met as of June 30, 2013 despite the availability of federal funding. The overall ILDS development and data warehouse were 68% and 58% complete, respectively, at the end of the Fiscal Year 2013 statutory deadline.

Agency officials stated that the Agency procured the services of a vendor to implement the warehouse as part of the ILDS project. In Fiscal Year 2013, the overall progress for the construction of the warehouse which drives the ILDS was less than optimal, and the implementation date for the warehouse continued to slip during the grant period. The Agency subsequently issued a new Request for Sealed Proposal for this scope of work.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

Failure to complete the ILDS expansion and data warehouse as of June 30, 2013 as mandated prevented timely implementation of the intended activities and functions of the Act. Those objectives include reduction of data collection burdens, provision of data to inform decision making, data links, data reporting, analysis, and planning tools, public data accessibility, and reporting efficiencies. (Finding Code No. 2014-005)

RECOMMENDATION

We recommend the Agency ensure proper planning, implementation, monitoring and documentation of significant new projects to ensure timely compliance with its mandated duties.

AGENCY RESPONSE

The Agency agrees with this finding. Beginning in September 2013, Operations and Performance Management (Executive) along with Agency Information Technology and Data Analysis division(s) management assumed a leadership role in this project and a new vendor was procured. The data warehouse was substantially completed on June 30, 2014 and all current timelines have been met to date.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

2014-006. **FINDING** (Required Information Not Included in the Annual Report)

The Illinois State Board of Education (Agency) did not include certain required information in the Agency's 2013 Annual Report.

The School Code (105 ILCS 5/1A-4E) requires the Agency to annually prepare and submit to the General Assembly and the Governor on or before January 14 a report or reports of its findings and recommendations. Such annual report shall contain the following information for the preceding year ending on June 30: each act or omission of a school district of which the Agency has knowledge as a consequence of scheduled, approved visits and which constituted a failure by the district to comply with applicable State or federal laws or regulations relating to public education, the name of such district, the date or dates on which the Agency notified the school district of such act or omission, and what action, if any, the school district took with respect thereto after being notified thereof by the Agency. The School Code further requires that the report shall include the number of students who graduate from, transfer from or otherwise leave bilingual programs.

Additionally, the School Code (105 ILCS 5/2-3.11) requires the Agency to annually report to the General Assembly and the Governor on or before January 14 the condition of the schools of the State using the most recently available data. Such annual report shall contain statistical reports of the Agency, including the number of men and women teachers.

In our review of the Agency's 2013 Annual Report submitted to the General Assembly and the Governor on January 14, 2014, we noted the following required information were not included:

- Dates on which the Agency notified the school districts for each act or omission, and what action, if any, the school districts took with respect thereto after being notified thereof by the Agency.
- Reasons for exiting Limited English Proficient (LEP) programs that include information on the number of students who graduate from, transfer from or otherwise leave bilingual programs.
- Number of men and women teachers.

During the prior examination period, the data reported in the Agency's 2012 Annual Report relating to the reasons for exiting LEP programs was inaccurate. The number of students classified as graduated was interchanged with the number of students classified as transferred. In the prior finding response, officials stated that Agency personnel will perform additional reviews of the Annual Report prior to its release to ensure the data presented is accurate. However, current year's testing showed the Agency did not ensure that all required information were included in the Annual Report.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

Agency officials stated the conditions noted were due to oversight on the part of Agency staff. Officials stated that due to staffing changes and organizational needs, responsibilities for preparing the portions of the Annual Report in question were transferred during the audit period resulting in the oversight.

Failure to include certain required information in the Annual Report submitted to the General Assembly and the Governor limits usefulness of the report and prevents fulfillment of the purpose of the School Code provisions. (Finding Code Nos. 2014-006, 2013-002, 12-5)

RECOMMENDATION

We recommend the Agency implement procedures to ensure that all required information is included in the Annual Report and checked for accuracy prior to filing.

AGENCY RESPONSE

The Agency agrees with this finding. Due to the large volume of data and multiple data sources used to create the annual report, the Agency has developed a list of required data elements which includes the responsible person for each item. Furthermore, a staff person will be assigned to compare the reported data with the source data for accuracy and completeness prior to submission.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

PRIOR FINDINGS NOT REPEATED

A. **FINDING** (Financial Reporting)

During the prior audit, the Agency understated expenditures, liabilities, and federal receivables due to miscalculations for subrecipient amounts for the year ended June 30, 2013. Additionally, in our review of the Fiscal Year 2013 Grant/Contract Analysis Form (Form SCO-563) of the GAAP Reporting Package, we noted the Agency did not report for two funds the cost of noncash and cash grants provided to subrecipients.

During the current audit, the Agency's calculation of liability to its subrecipients was automated and subjected to various reviews by Agency personnel involved. The results of our testing disclosed no material misstatements of liabilities, expenditures, and federal receivables as of June 30, 2014 or the cost of grants provided to subrecipients during Fiscal Year 2014. (Finding Code Nos. 2013-001, 12-1, 11-1)

B. **FINDING** (Noncompliance with the School Code on Schools on Academic Watch Status)

During the prior examination period, the Agency did not take actions on all the schools identified to have been on academic watch status after three years following placement in such status.

During the current examination period, the results of our testing indicated the Agency sought legislative changes which were signed into law as Public Act 098-1155 on January 9, 2015. (Finding Code Nos. 12-3, 10-4)

C. **FINDING** (Noncompliance with the School Code on Audit of All Claims for State Moneys)

During the prior examination period, the Agency did not adequately perform an audit of all claims by school districts for State moneys.

During the current examination period, the results of our testing indicated the Agency sought amendment of the section of the School Code (105 ILCS 5/2-3.32) requiring the Agency to audit all claims for State moneys relative to the public school system. This requirement (105 ILCS 5/2-3.32) was amended by Public Act 98-739 effective July 16, 2014, allowing the Agency to establish a system to perform audits on a sample basis of claims for State moneys relative to the public school system of Illinois. The Agency currently utilizes an annual risk based model in order to select the highest risk local education agencies and related programs to be reviewed with the resources available. (Finding Code No. 12-4)

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

PRIOR FINDINGS NOT REPEATED, Continued

- D. **FINDING** (Illinois Charter School Biennial Report Submitted Not Updated with the New Requirements)

During the prior examination period, the Agency's 2009-2010 and 2010-2011 Illinois Charter School Biennial Report, submitted in January 2012, did not include the new requirements of the School Code related to the charter schools' progress, financial performance and functions provided.

During the current examination period, the results of our testing indicated the Agency's Charter School Biennial Report submitted in January 2014 included the new requirements of the School Code. (Finding Code No. 12-7)

- E. **FINDING** (Noncompliance with the Critical Health Problems and Comprehensive Health Education Act on Advisory Committee)

During the prior examination period, the Agency did not comply with the Critical Health Problems and Comprehensive Health Education Act (Act) as to the maintenance of an active Advisory Committee.

During the current examination period, the results of our testing indicated the Agency re-established and maintained the Advisory Committee. The Advisory Committee had 11 members and met regularly in accordance with the Act. (Finding Code No.12-8)

- F. **FINDING** (Weaknesses Regarding the Security and Control of Confidential Information)

During the prior examination period, weaknesses were noted regarding the Agency's security and control of confidential information. The Agency had not performed a risk assessment or ensured confidential information was secured.

During the current examination period, the results of our testing indicated the Agency enhanced system security settings, locked bins containing confidential information, and started performing a risk assessment and drafting breach notification policy. However; since the risk assessment and policy have not been finalized, these issues have been included in the report of immaterial findings as IM2014-002. (Finding Code No. 12-9)

- G. **FINDING** (Failure to Comply with the Identity Protection Act)

During the prior examination period, the Agency failed to implement the provisions of the Identity Protection Act (Act), which required the Agency to draft and approve an identity protection policy by June 1, 2011.

During the current examination period, the results of our testing indicated the Agency has drafted and approved an identity protection policy effective October 1, 2013 in compliance with the Act. (Finding Code No. 12-10)

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2014**

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Summary

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis
 - Schedule of Appropriations, Expenditures and Reappropriated / Lapsed Balances - Fiscal Year 2014
 - Schedule of Appropriations, Expenditures and Reappropriated / Lapsed Balances - Fiscal Year 2013
 - Comparative Schedule of Net Appropriations, Expenditures and Reappropriated / Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending
 - Analysis of Significant Account Balances
 - Analysis of Accounts Receivable
- Analysis of Operations (Unaudited)
 - Agency Functions and Planning Program (Unaudited)
 - State Charter School Commission (Unaudited)
 - Average Number of Employees and Average Salary per Employee (Unaudited)
 - Annual School Statistics (Unaudited)
 - Memorandums of Understanding (Unaudited)
 - Service Efforts and Accomplishments (Unaudited)
 - Schedule of Indirect Cost Reimbursements (Unaudited)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditor's opinion, it is fairly stated, in all material respects, in relation to the basic financial statements as a whole from which it has been derived. The accountant's report also states the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 1

FISCAL SCHEDULES AND ANALYSIS

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2014
FOURTEEN MONTHS ENDED AUGUST 31, 2014

Public Acts 98-0033, 98-0034, 98-0642, 98-0675	Appropriations (Net After Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01-8/31/14	Total Expenditures	Balances Reappropriated 7/01/14	Lapsed Balances
APPROPRIATED FUNDS						
GENERAL REVENUE FUND (001)						
Awards and Grants	\$ 2,192,324,904	\$ 2,108,970,319	\$ 77,143,481	\$ 2,186,113,800	\$ -	\$ 6,211,104
Lump Sum and Other Purposes	50,764,922	43,372,514	7,179,591	50,552,105	-	212,817
Lump Sum and Other Purposes - Community and Residential Services Authority (CRSA)**	592,300	528,022	6,141	534,163	-	58,137
Interfund Transfer	1,500,000	1,500,000	-	1,500,000	-	-
Total General Revenue Fund	2,245,182,126	2,154,370,855	84,329,213	2,238,700,068	-	6,482,058
EDUCATION ASSISTANCE FUND (007)						
Awards and Grants	404,000,000	404,000,000	-	404,000,000	-	-
TEACHER CERTIFICATE FEE REVOLVING FUND (016)						
Lump Sum and Other Purposes	5,000,000	2,525,662	78,146	2,603,808	-	2,396,192
DRIVERS EDUCATION FUND (031)						
Awards and Grants	15,000,000	14,999,979	-	14,999,979	-	21
SCHOOL DISTRICT EMERGENCY FINANCIAL ASSISTANCE FUND (130)						
Awards and Grants	16,140,000	1,183,050	251,140	1,434,190	-	14,705,810
CAPITAL DEVELOPMENT FUND (141)						
Construction Grants	25,000,000	-	-	-	25,000,000	-
SCHOOL CONSTRUCTION FUND (143)						
Construction Grants	67,285,147	46,937,814	(153,831)	46,783,983	20,356,631	144,533

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 1

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued

APPROPRIATIONS FOR FISCAL YEAR 2014
FOURTEEN MONTHS ENDED AUGUST 31, 2014

Public Acts 98-0033, 98-0034, 98-0642, 98-0675	Appropriations (Net After Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01-8/31/14	Total Expenditures	Balances Reappropriated 7/01/14	Lapsed Balances
S.B.E. SPECIAL PURPOSE TRUST FUND (144)						
Lump Sum and Other Purposes	\$ 15,500,000	\$ 2,695,063	\$ 616,221	\$ 3,311,284	\$ -	\$ 12,188,716
S.B.E. TEACHER CERTIFICATION INSTITUTION FUND (159)						
Lump Sum and Other Purposes	2,208,900	-	-	-	-	2,208,900
S.B.E. FEDERAL DEPARTMENT OF AGRICULTURE FUND (410)						
Personal Services	3,831,000	2,709,209	-	2,709,209	-	1,121,791
Employee Retirement Contribution						
Paid by the State	16,800	5,486	-	5,486	-	11,314
State Employees'/Teachers' Retirement	1,606,800	1,000,580	-	1,000,580	-	606,220
Social Security	191,200	71,034	-	71,034	-	120,166
Group Insurance	1,157,600	811,521	-	811,521	-	346,079
Contractual Services	4,210,500	1,127,004	852,278	1,979,282	-	2,231,218
Travel	400,000	247,577	22,746	270,323	-	129,677
Commodities	85,000	14,994	91	15,085	-	69,915
Printing	156,300	13,325	-	13,325	-	142,975
Equipment	310,000	4,236	-	4,236	-	305,764
Telecommunications	50,000	-	-	-	-	50,000
Awards and Grants	725,000,000	679,134,734	34,085,955	713,220,689	-	11,779,311
Total S.B.E. Federal Department of Agriculture Fund	737,015,200	685,139,700	34,961,070	720,100,770	-	16,914,430
COMMON SCHOOL FUND (412)						
Awards and Grants	4,038,198,260	4,038,198,255	-	4,038,198,255	-	5

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 1

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued

APPROPRIATIONS FOR FISCAL YEAR 2014
FOURTEEN MONTHS ENDED AUGUST 31, 2014

Public Acts 98-0033, 98-0034, 98-0642, 98-0675	Appropriations (Net After Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01-8/31/14	Total Expenditures	Balances Reappropriated 7/01/14	Lapsed Balances
AFTER-SCHOOL RESCUE FUND (512)						
Lump Sum and Other Purposes	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
DOWNSTATE TRANSIT IMPROVEMENT FUND (559)						
Awards and Grants	550,000	550,000	-	550,000	-	-
S.B.E. FEDERAL AGENCY SERVICES FUND (560)						
Personal Services	106,800	24,776	-	24,776	-	82,024
State Employees'/Teachers' Retirement	56,700	9,310	-	9,310	-	47,390
Social Security	5,400	856	-	856	-	4,544
Group Insurance	26,000	9,891	-	9,891	-	16,109
Contractual Services	945,000	741	2,875	3,616	-	941,384
Travel	30,000	4,374	-	4,374	-	25,626
Commodities	20,000	-	-	-	-	20,000
Printing	700	-	-	-	-	700
Equipment	11,000	-	-	-	-	11,000
Telecommunications	9,000	-	-	-	-	9,000
Total S.B.E. Federal Agency Services Fund	1,210,600	49,948	2,875	52,823	-	1,157,777

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 1

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued

APPROPRIATIONS FOR FISCAL YEAR 2014

FOURTEEN MONTHS ENDED AUGUST 31, 2014

Public Acts 98-0033, 98-0034, 98-0642, 98-0675	Appropriations (Net After Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01-8/31/14	Total Expenditures	Balances Reappropriated 7/01/14	Lapsed Balances
S.B.E. FEDERAL DEPARTMENT OF EDUCATION						
FUND (561)						
Personal Services	\$ 13,959,200	\$ 7,829,383	\$ 8,588	\$ 7,837,971	\$ -	\$ 6,121,229
Employee Retirement Contribution						
Paid by the State	98,100	35,547	-	35,547	-	62,553
State Employees'/Teachers' Retirement	6,069,200	2,853,437	2,233	2,855,670	-	3,213,530
Social Security	1,062,700	172,143	298	172,441	-	890,259
Group Insurance	4,020,200	2,433,839	1,759	2,435,598	-	1,584,602
Contractual Services	21,370,000	6,674,875	2,850,415	9,525,290	-	11,844,710
Travel	1,600,000	455,955	43,616	499,571	-	1,100,429
Commodities	305,000	28,109	524	28,633	-	276,367
Printing	341,000	415	2,225	2,640	-	338,360
Equipment	679,000	18,682	1,219	19,901	-	659,099
Telecommunications	400,000	-	-	-	-	400,000
Awards and Grants	2,077,100,000	1,183,793,120	253,851,892	1,437,645,012	-	639,454,988
ARRA - Awards and Grants	83,400,000	28,394,985	6,281,587	34,676,572	-	48,723,428
Lump Sum and Other Purposes	58,780,300	16,603,939	3,037,251	19,641,190	-	39,139,110
Total S.B.E. Federal Department of Education Fund	<u>2,269,184,700</u>	<u>1,249,294,429</u>	<u>266,081,607</u>	<u>1,515,376,036</u>	<u>-</u>	<u>753,808,664</u>
CHARTER SCHOOLS REVOLVING LOAN						
FUND (567)						
Awards and Grants	20,000	-	-	-	-	20,000

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 1

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued
 APPROPRIATIONS FOR FISCAL YEAR 2014
 FOURTEEN MONTHS ENDED AUGUST 31, 2014

Public Acts 98-0033, 98-0034, 98-0642, 98-0675	Appropriations (Net After Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01-8/31/14	Total Expenditures	Balances Reappropriated 7/01/14	Lapsed Balances
SCHOOL INFRASTRUCTURE FUND (568)						
Lump Sum and Other Purposes	\$ 600,000	\$ 212,364	\$ -	\$ 212,364	\$ -	\$ 387,636
SCHOOL TECHNOLOGY REVOLVING LOAN FUND (569)						
Awards and Grants	5,000,000	3,514,625	-	3,514,625	-	1,485,375
TEMPORARY RELOCATION EXPENSES REVOLVING GRANT FUND (605)						
Awards and Grants	1,400,000	398,783	-	398,783	-	1,001,217
STATE CHARTER SCHOOL COMMISSION FUND (674)*						
Lump Sum and Other Purposes	600,000	377,574	172,540	550,114	-	49,886
PERSONAL PROPERTY TAX REPLACEMENT FUND (802)						
Awards and Grants	14,625,000	13,549,760	15,982	13,565,742	-	1,059,258
Lump Sum and Other Purposes	70,000	70,000	-	70,000	-	-
Total Personal Property Tax Replacement Fund	14,695,000	13,619,760	15,982	13,635,742	-	1,059,258
Total - All Appropriated Funds	9,863,989,933	8,618,067,861	386,354,963	9,004,422,824	45,356,631	814,210,478

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 1

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued

APPROPRIATIONS FOR FISCAL YEAR 2014
FOURTEEN MONTHS ENDED AUGUST 31, 2014

Public Acts 98-0033, 98-0034, 98-0642, 98-0675	Appropriations (Net After Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01-8/31/14	Total Expenditures	Balances Reappropriated 7/01/14	Lapsed Balances
NONAPPROPRIATED FUNDS						
S.B.E. FEDERAL DEPARTMENT OF AGRICULTURE FUND (410)						
Refunds	\$ -	\$ 54,700	\$ 147,251	\$ 201,951	\$ -	\$ -
S.B.E. FEDERAL DEPARTMENT OF EDUCATION FUND (561)						
Refunds	-	588,107	-	588,107	-	-
Total - All Nonappropriated Funds	-	642,807	147,251	790,058	-	-
Grand Total - All Funds	\$ 9,863,989,933	\$ 8,618,710,668	\$ 386,502,214	\$ 9,005,212,882	\$ 45,356,631	\$ 814,210,478

Note: The data was taken directly from Agency records which have been reconciled to those of the State Comptroller. Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

*The Agency provides administrative support to the State Charter School Commission (Commission). The School Code (105 ILCS 5/27A-7.5(g-5)) states that funds or spending authority for the operation and administrative costs of the Commission shall be appropriated to the Agency in a separate line item. During Fiscal Year 2014, the Agency received a separate appropriation for the State Charter School Commission Fund (Fund 674) to be used for all costs associated with the Commission. Fund 674 is not included in the Agency's financial statements due to this fund being solely used for the Commission and is not part of the financial activity of the Agency.

**The Agency provides staff assistance to the Community and Residential Services Authority (Authority). The School Code (105 ILCS 5/14-15.01(c)(5)) states that funds for the ordinary and contingent expenses of the Authority shall be appropriated to the Agency in a separate line item. During Fiscal Year 2014, the Agency received a separate lump sum appropriation for the Authority under the General Revenue Fund (001) to be used for all costs associated with the Authority.

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 2

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013

Public Acts 97-0728, 98-0001, 98-0050	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01-8/31/13	Total Expenditures	Balances Reappropriated 7/01/13	Lapsed Balances
APPROPRIATED FUNDS						
GENERAL REVENUE FUND (001)						
Personal Services	\$ 16,036,300	\$ 16,005,199	\$ 1,013	\$ 16,006,212	\$ -	\$ 30,088
Employee Retirement Contribution						
Paid by the State	211,800	206,157	-	206,157	-	5,643
Social Security	497,600	462,276	15	462,291	-	35,309
Contractual Services	6,000,000	4,530,036	1,118,585	5,648,621	-	351,379
Travel	276,250	179,177	21,329	200,506	-	75,744
Commodities	71,300	48,066	5,078	53,144	-	18,156
Printing	64,700	11,465	18	11,483	-	53,217
Equipment	132,200	67,074	49,138	116,212	-	15,988
Telecommunications	340,000	258,113	12,402	270,515	-	69,485
Operation of Automotive Equipment	23,800	20,286	3,267	23,553	-	247
Awards and Grants	2,209,146,283	2,112,916,188	86,629,083	2,199,545,271	-	9,601,012
Lump Sum and Other Purposes	29,654,002	27,129,466	2,039,449	29,168,915	-	485,087
Lump Sum and Other Purposes - CRSA**	592,300	493,817	5,336	499,153	-	93,147
Total General Revenue Fund	2,263,046,535	2,162,327,320	89,884,713	2,252,212,033	-	10,834,502
EDUCATION ASSISTANCE FUND (007)						
Awards and Grants	390,661,700	390,661,700	-	390,661,700	-	-
TEACHER CERTIFICATE FEE REVOLVING FUND (016)						
Lump Sum and Other Purposes	5,000,000	1,396,116	1,038	1,397,154	-	3,602,846
DRIVERS EDUCATION FUND (031)						
Awards and Grants	17,500,000	17,499,971	-	17,499,971	-	29
SCHOOL DISTRICT EMERGENCY FINANCIAL ASSISTANCE FUND (130)						
Awards and Grants	1,000,000	57,361	9,723	67,084	-	932,916

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 2

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued

APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013

Public Acts 97-0728, 98-0001, 98-0050	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01-8/31/13	Total Expenditures	Balances Reappropriated 7/01/13	Lapsed Balances
CAPITAL DEVELOPMENT FUND (141)						
Construction Grants	\$ 25,000,000	\$ -	\$ -	\$ -	\$ 25,000,000	\$ -
SCHOOL CONSTRUCTION FUND (143)						
Construction Grants	83,716,205	16,388,065	(9,298)	16,378,767	67,285,147	52,291
S.B.E. SPECIAL PURPOSE TRUST FUND (144)						
Lump Sum and Other Purposes	15,500,000	2,475,785	615,806	3,091,591	-	12,408,409
S.B.E. TEACHER CERTIFICATION INSTITUTION FUND (159)						
Lump Sum and Other Purposes	2,208,900	-	-	-	-	2,208,900
S.B.E. FEDERAL DEPARTMENT OF AGRICULTURE FUND (410)						
Personal Services	3,669,200	2,861,182	-	2,861,182	-	808,018
Employee Retirement Contribution						
Paid by the State	15,900	5,543	-	5,543	-	10,357
State Employees'/Teachers' Retirement	1,540,000	872,832	-	872,832	-	667,168
Social Security	176,300	73,689	-	73,689	-	102,611
Group Insurance	1,112,000	955,885	-	955,885	-	156,115
Contractual Services	4,210,500	950,280	556,914	1,507,194	-	2,703,306
Travel	400,000	229,751	26,182	255,933	-	144,067
Commodities	85,000	36,681	345	37,026	-	47,974
Printing	156,300	21,868	1,916	23,784	-	132,516
Equipment	310,000	99,803	9,737	109,540	-	200,460
Telecommunications	50,000	-	-	-	-	50,000
Awards and Grants	725,000,000	619,947,196	68,253,550	688,200,746	-	36,799,254
Total S.B.E. Federal Department of Agriculture Fund	736,725,200	626,054,710	68,848,644	694,903,354	-	41,821,846

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 2

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued

APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013

Public Acts 97-0728, 98-0001, 98-0050	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01-8/31/13	Total Expenditures	Balances Reappropriated 7/01/13	Lapsed Balances
COMMON SCHOOL FUND (412)						
Awards and Grants	\$ 3,896,090,800	\$ 3,896,090,800	\$ -	\$ 3,896,090,800	\$ -	\$ -
AFTER-SCHOOL RESCUE FUND (512)						
Lump Sum and Other Purposes	200,000	-	-	-	-	200,000
S.B.E. FEDERAL AGENCY SERVICES FUND (560)						
Personal Services	103,700	20,508	-	20,508	-	83,192
State Employees'/Teachers' Retirement	55,000	5,871	-	5,871	-	49,129
Social Security	5,200	293	-	293	-	4,907
Group Insurance	23,000	7,540	-	7,540	-	15,460
Contractual Services	945,000	93,525	42,427	135,952	-	809,048
Travel	30,000	2,149	-	2,149	-	27,851
Commodities	20,000	653	-	653	-	19,347
Printing	700	-	-	-	-	700
Equipment	11,000	-	-	-	-	11,000
Telecommunications	9,000	-	-	-	-	9,000
Awards and Grants	500,000	175,220	-	175,220	-	324,780
Total S.B.E. Federal Agency Services Fund	1,702,600	305,759	42,427	348,186	-	1,354,414

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 2

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued

APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013

Public Acts 97-0728, 98-0001, 98-0050	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01-8/31/13	Total Expenditures	Balances Reappropriated 7/01/13	Lapsed Balances
S.B.E. FEDERAL DEPARTMENT OF EDUCATION						
FUND (561)						
Personal Services	\$ 13,602,800	\$ 8,136,797	\$ 3,375	\$ 8,140,172	\$ -	\$ 5,462,628
Employee Retirement Contribution						
Paid by the State	93,500	30,944	-	30,944	-	62,556
State Employees'/Teachers' Retirement	5,912,500	2,412,328	-	2,412,328	-	3,500,172
Social Security	1,041,100	180,293	-	180,293	-	860,807
Group Insurance	3,917,200	2,780,078	-	2,780,078	-	1,137,122
Contractual Services	20,370,000	6,415,113	1,136,645	7,551,758	-	12,818,242
Travel	1,600,000	497,307	67,718	565,025	-	1,034,975
Commodities	305,000	50,481	2,069	52,550	-	252,450
Printing	341,000	21,904	527	22,431	-	318,569
Equipment	679,000	48,755	8,627	57,382	-	621,618
Telecommunications	400,000	-	-	-	-	400,000
Awards and Grants	1,971,100,000	1,041,042,789	324,093,528	1,365,136,317	-	605,963,683
ARRA - Awards and Grants	160,100,000	41,469,357	9,960,292	51,429,649	-	108,670,351
Lump Sum and Other Purposes	58,780,300	12,519,919	1,195,530	13,715,449	-	45,064,851
Total S.B.E. Federal Department of Education Fund	<u>2,238,242,400</u>	<u>1,115,606,065</u>	<u>336,468,311</u>	<u>1,452,074,376</u>	<u>-</u>	<u>786,168,024</u>

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 2

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued

APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013

Public Acts 97-0728, 98-0001, 98-0050	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01-8/31/13	Total Expenditures	Balances Reappropriated 7/01/13	Lapsed Balances
CHARTER SCHOOLS REVOLVING LOAN FUND (567)						
Awards and Grants	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
SCHOOL INFRASTRUCTURE FUND (568)						
Lump Sum and Other Purposes	600,000	117,201	1,395	118,596	-	481,404
SCHOOL TECHNOLOGY REVOLVING LOAN FUND (569)						
Awards and Grants	5,000,000	1,181,600	-	1,181,600	-	3,818,400
TEMPORARY RELOCATION EXPENSES REVOLVING GRANT FUND (605)						
Awards and Grants	1,400,000	-	-	-	-	1,400,000
STATE CHARTER SCHOOL COMMISSION FUND (674)*						
Lump Sum and Other Purposes	300,000	-	81,236	81,236	-	218,764
PERSONAL PROPERTY TAX REPLACEMENT FUND (802)						
Awards and Grants	12,025,000	11,014,303	22,982	11,037,285	-	987,715
BUILD ILLINOIS BOND FUND (971)						
Construction Grants	409,619	409,619	-	409,619	-	-
Total - All Appropriated Funds	9,696,348,959	8,241,586,375	495,966,977	8,737,553,352	92,285,147	866,510,460

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 2

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued

APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013

Public Acts 97-0728, 98-0001, 98-0050	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01-8/31/13	Total Expenditures	Balances Reappropriated 7/01/13	Lapsed Balances
NONAPPROPRIATED FUNDS						
S.B.E. FEDERAL DEPARTMENT OF AGRICULTURE FUND (410)						
Refunds	\$ -	\$ 21,547	\$ -	\$ 21,547	\$ -	\$ -
S.B.E. FEDERAL DEPARTMENT OF EDUCATION FUND (561)						
Refunds	-	894,907	-	894,907	-	-
U.S. DEPARTMENT OF EDUCATION JOBS PROGRAM FUND (857)						
ARRA - Awards and Grants	-	6,330,976	-	6,330,976	-	-
Total - All Nonappropriated Funds	-	7,247,430	-	7,247,430	-	-
Grand Total - All Funds	\$ 9,696,348,959	\$ 8,248,833,805	\$ 495,966,977	\$ 8,744,800,782	\$ 92,285,147	\$ 866,510,460

Note: The data was taken directly from Agency records which have been reconciled to those of the State Comptroller. Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

*The Agency provides administrative support to the State Charter School Commission (Commission). The School Code (105 ILCS 5/27A-7.5(g-5)) states that funds or spending authority for the operation and administrative costs of the Commission shall be appropriated to the Agency in a separate line item. During Fiscal Year 2013, the Agency received a separate appropriation for the State Charter School Commission Fund (Fund 674) to be used for all costs associated with the Commission. Fund 674 is not included in the Agency's financial statements due to this fund being solely used for the Commission and is not part of the financial activity of the Agency.

**The Agency provides staff assistance to the Community and Residential Services Authority (Authority). The School Code (105 ILCS 5/14-15.01(c)(5)) states that funds for the ordinary and contingent expenses of the Authority shall be appropriated to the Agency in a separate line item. During Fiscal Year 2013, the Agency received a separate lump sum appropriation for the Authority under the General Revenue Fund (001) to be used for all costs associated with the Authority.

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED / LAPSED BALANCES

FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

	2014 <u>P.A. 98-0033</u> <i>(a)</i>	2013 <u>P.A. 97-0728</u> <i>(b)</i>	2012 <u>P.A. 97-0059</u> <i>(c)</i>
APPROPRIATED FUNDS			
GENERAL REVENUE FUND (001)			
Appropriations (Net After Transfers)	\$ 2,245,182,126	\$ 2,263,046,535	\$ 2,611,913,516
Expenditures			
Personal Services	-	16,006,212	15,999,399
Employee Retirement Contribution			
Paid by the State	-	206,157	199,328
Social Security	-	462,291	482,942
Contractual Services	-	5,648,621	3,765,879
Travel	-	200,506	171,821
Commodities	-	53,144	53,500
Printing	-	11,483	7,546
Equipment	-	116,212	202,277
Telecommunications	-	270,515	329,620
Operation of Automotive Equipment	-	23,553	18,423
Awards and Grants	2,186,113,800	2,199,545,271	2,560,381,901
Lump Sum and Other Purposes	50,552,105	29,168,915	22,221,354
Lump Sum and Other Purposes - CRSA**	534,163	499,153	478,330
Interfund Transfers	1,500,000	-	-
Total Expenditures	<u>2,238,700,068</u>	<u>2,252,212,033</u>	<u>2,604,312,320</u>
Lapsed Balances	<u>6,482,058</u>	<u>10,834,502</u>	<u>7,601,196</u>
EDUCATION ASSISTANCE FUND (007)			
Appropriations (Net After Transfers)	<u>404,000,000</u>	<u>390,661,700</u>	<u>309,631,376</u>
Expenditures			
Awards and Grants	<u>404,000,000</u>	<u>390,661,700</u>	<u>309,631,376</u>
TEACHER CERTIFICATE FEE REVOLVING FUND (016)			
Appropriations (Net After Transfers)	<u>5,000,000</u>	<u>5,000,000</u>	<u>3,700,000</u>
Expenditures			
Lump Sum and Other Purposes	<u>2,603,808</u>	<u>1,397,154</u>	<u>711,080</u>
Lapsed Balances	<u>2,396,192</u>	<u>3,602,846</u>	<u>2,988,920</u>

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED / LAPSED BALANCES, Continued

FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

	2014	2013	2012
	P.A. 98-0033	P.A. 97-0728	P.A. 97-0059
	(a)	(b)	(c)
DRIVERS EDUCATION FUND (031)			
Appropriations (Net After Transfers)	\$ 15,000,000	\$ 17,500,000	\$ 18,267,800
Expenditures			
Personal Services	-	-	2,483
State Employees'/Teachers' Retirement	-	-	14
Social Security	-	-	34
Group Insurance	-	-	783
Awards and Grants	14,999,979	17,499,971	18,172,177
Total Expenditures	14,999,979	17,499,971	18,175,491
Lapsed Balances	21	29	92,309
SCHOOL DISTRICT EMERGENCY FINANCIAL ASSISTANCE FUND (130)			
Appropriations (Net After Transfers)	16,140,000	1,000,000	1,000,000
Expenditures			
Awards and Grants	1,434,190	67,084	-
Lapsed Balances	14,705,810	932,916	1,000,000
CAPITAL DEVELOPMENT FUND (141)			
Appropriations (Net After Transfers)	25,000,000	25,000,000	25,000,000
Balances Reappropriated	25,000,000	25,000,000	25,000,000
SCHOOL CONSTRUCTION FUND (143)			
Appropriations (Net After Transfers)	67,285,147	83,716,205	100,000,000
Expenditures			
Construction Grants	46,783,983	16,378,767	16,283,795
Balances Reappropriated	20,356,631	67,285,147	83,716,205
Lapsed Balances	144,533	52,291	-

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED / LAPSED BALANCES, Continued

FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

	2014	2013	2012
	P.A. 98-0033	P.A. 97-0728	P.A. 97-0059
	(a)	(b)	(c)
<i>S.B.E. SPECIAL PURPOSE TRUST FUND (144)</i>			
Appropriations (Net After Transfers)	\$ 15,500,000	\$ 15,500,000	\$ 15,500,000
Expenditures			
Lump Sum and Other Purposes	3,311,284	3,091,591	3,416,801
Lapsed Balances	12,188,716	12,408,409	12,083,199
<i>S.B.E. TEACHER CERTIFICATION INSTITUTION FUND (159)</i>			
Appropriations (Net After Transfers)	2,208,900	2,208,900	2,208,900
Expenditures			
Lump Sum and Other Purposes	-	-	3,028
Lapsed Balances	2,208,900	2,208,900	2,205,872
<i>S.B.E. FEDERAL DEPARTMENT OF AGRICULTURE FUND (410)</i>			
Appropriations (Net After Transfers)	737,015,200	736,725,200	736,784,400
Expenditures			
Personal Services	2,709,209	2,861,182	3,264,963
Employee Retirement Contribution			
Paid by the State	5,486	5,543	9,900
State Employees'/Teachers' Retirement	1,000,580	872,832	888,925
Social Security	71,034	73,689	82,775
Group Insurance	811,521	955,885	830,040
Contractual Services	1,979,282	1,507,194	1,590,756
Travel	270,323	255,933	225,869
Commodities	15,085	37,026	17,640
Printing	13,325	23,784	9,309
Equipment	4,236	109,540	209,369
Awards and Grants	713,220,689	688,200,746	642,411,963
Total Expenditures	720,100,770	694,903,354	649,541,509
Lapsed Balances	16,914,430	41,821,846	87,242,891

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED / LAPSED BALANCES, Continued
FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

	2014 <u>P.A. 98-0033</u> <i>(a)</i>	2013 <u>P.A. 97-0728</u> <i>(b)</i>	2012 <u>P.A. 97-0059</u> <i>(c)</i>
COMMON SCHOOL FUND (412)			
Appropriations (Net After Transfers)	\$ 4,038,198,260	\$ 3,896,090,800	\$ 3,828,841,763
Expenditures			
Awards and Grants	4,038,198,255	3,896,090,800	3,828,841,763
Lapsed Balances	5	-	-
AFTER-SCHOOL RESCUE FUND (512)			
Appropriations (Net After Transfers)	200,000	200,000	-
Lapsed Balances	200,000	200,000	-
DOWNSTATE TRANSIT IMPROVEMENT FUND (559)			
Appropriations (Net After Transfers)	550,000	-	-
Expenditures			
Awards and Grants	550,000	-	-
S.B.E. FEDERAL AGENCY SERVICES FUND (560)			
Appropriations (Net After Transfers)	1,210,600	1,702,600	3,645,700
Expenditures			
Personal Services	24,776	20,508	65,865
State Employees'/Teachers' Retirement	9,310	5,871	16,789
Social Security	856	293	906
Group Insurance	9,891	7,540	13,972
Contractual Services	3,616	135,952	138,048
Travel	4,374	2,149	10,876
Commodities	-	653	16,389
Awards and Grants	-	175,220	249,871
Total Expenditures	52,823	348,186	512,716
Lapsed Balances	1,157,777	1,354,414	3,132,984

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED / LAPSED BALANCES, Continued

FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

	2014	2013	2012
	P.A. 98-0033	P.A. 97-0728	P.A. 97-0059
	(a)	(b)	(c)
S.B.E. FEDERAL DEPARTMENT OF EDUCATION FUND (561)			
Appropriations (Net After Transfers)	\$ 2,269,184,700	\$ 2,238,242,400	\$ 2,840,404,300
Expenditures			
Personal Services	7,837,971	8,140,172	9,012,048
Employee Retirement Contribution			
Paid by the State	35,547	30,944	40,470
State Employees'/Teachers' Retirement	2,855,670	2,412,328	2,406,775
Social Security	172,441	180,293	205,348
Group Insurance	2,435,598	2,780,078	2,331,650
Contractual Services	9,525,290	7,551,758	8,655,148
Travel	499,571	565,025	547,268
Commodities	28,633	52,550	15,643
Printing	2,640	22,431	10,660
Equipment	19,901	57,382	269,791
Awards and Grants	1,437,645,012	1,365,136,317	1,263,939,340
ARRA - Awards and Grants	34,676,572	51,429,649	86,513,699
Lump Sum and Other Purposes	19,641,190	13,715,449	16,389,457
Total Expenditures	1,515,376,036	1,452,074,376	1,390,337,297
Lapsed Balances	753,808,664	786,168,024	1,450,067,003
CHARTER SCHOOLS REVOLVING LOAN FUND (567)			
Appropriations (Net After Transfers)	20,000	20,000	20,000
Lapsed Balances	20,000	20,000	20,000
SCHOOL INFRASTRUCTURE FUND (568)			
Appropriations (Net After Transfers)	600,000	600,000	726,800
Expenditures			
Personal Services	-	-	63,909
State Employees'/Teachers' Retirement	-	-	263
Social Security	-	-	1,195
Group Insurance	-	-	6,795
Lump Sum and Other Purposes	212,364	118,596	371,686
Total Expenditures	212,364	118,596	443,848
Lapsed Balances	387,636	481,404	282,952

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED / LAPSED BALANCES, Continued

FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

	2014	2013	2012
	P.A. 98-0033	P.A. 97-0728	P.A. 97-0059
	(a)	(b)	(c)
SCHOOL TECHNOLOGY REVOLVING LOAN FUND (569)			
Appropriations (Net After Transfers)	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Expenditures			
Awards and Grants	3,514,625	1,181,600	603,000
Lapsed Balances	1,485,375	3,818,400	4,397,000
TEMPORARY RELOCATION EXPENSES REVOLVING GRANT FUND (605)			
Appropriations (Net After Transfers)	1,400,000	1,400,000	1,400,000
Expenditures			
Awards and Grants	398,783	-	148,187
Lapsed Balances	1,001,217	1,400,000	1,251,813
STATE CHARTER SCHOOL COMMISSION FUND (674)*			
Appropriations (Net After Transfers)	600,000	300,000	-
Expenditures			
Lump Sum and Other Purposes	550,114	81,236	-
Lapsed Balances	49,886	218,764	-
PERSONAL PROPERTY TAX REPLACEMENT FUND (802)			
Appropriations (Net After Transfers)	14,695,000	12,025,000	13,031,450
Expenditures			
Awards and Grants	13,565,742	11,037,285	11,512,619
Lump Sum and Other Purposes	70,000	-	-
Total Expenditures	13,635,742	11,037,285	11,512,619
Lapsed Balances	1,059,258	987,715	1,518,831

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED / LAPSED BALANCES, Continued

FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

	2014	2013	2012
	P.A. 98-0033	P.A. 97-0728	P.A. 97-0059
	(a)	(b)	(c)
BUILD ILLINOIS BOND FUND (971)			
Appropriations (Net After Transfers)	\$ -	\$ 409,619	\$ 1,459,964
Expenditures			
Construction Grants	-	409,619	1,050,345
Balances Reappropriated	-	-	409,619
TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (Net After Transfers)	9,863,989,933	9,696,348,959	10,518,535,969
Expenditures	9,004,422,824	8,737,553,352	8,835,525,175
Balances Reappropriated	45,356,631	92,285,147	109,125,824
Lapsed Balances	814,210,478	866,510,460	1,573,884,970
NONAPPROPRIATED FUNDS			
S.B.E. FEDERAL DEPARTMENT OF AGRICULTURE FUND (410)			
Expenditures			
Refunds	201,951	21,547	126,547
S.B.E. FEDERAL AGENCY SERVICES FUND (560)			
Expenditures			
Refunds	-	-	1,571
S.B.E. FEDERAL DEPARTMENT OF EDUCATION FUND (561)			
Expenditures			
Refunds	588,107	894,907	4,469,068

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED / LAPSED BALANCES, Continued

FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

	2014 <u>P.A. 98-0033</u> (a)	2013 <u>P.A. 97-0728</u> (b)	2012 <u>P.A. 97-0059</u> (c)
U.S. DEPARTMENT OF EDUCATION JOBS PROGRAM FUND (857)			
Expenditures			
ARRA - Awards and Grants	\$ -	\$ 6,330,976	\$ 130,132,489
TOTAL - ALL NONAPPROPRIATED FUNDS			
Expenditures	<u>790,058</u>	<u>7,247,430</u>	<u>134,729,675</u>
TOTAL - ALL FUNDS			
Appropriations (Net After Transfers)	<u>\$ 9,863,989,933</u>	<u>\$ 9,696,348,959</u>	<u>\$ 10,518,535,969</u>
Expenditures	<u>\$ 9,005,212,882</u>	<u>\$ 8,744,800,782</u>	<u>\$ 8,970,254,850</u>
Balances Reappropriated	<u>\$ 45,356,631</u>	<u>\$ 92,285,147</u>	<u>\$ 109,125,824</u>
Lapsed Balances	<u>\$ 814,210,478</u>	<u>\$ 866,510,460</u>	<u>\$ 1,573,884,970</u>

Note: For Fiscal Year 2012, expenditures and lapsed balances do not reflect interest payments approved for payment by the Agency and submitted to the State Comptroller for payment after August.

*The Agency provides administrative support to the State Charter School Commission (Commission). The School Code (105 ILCS 5/27A-7.5(g-5)) states that funds or spending authority for the operation and administrative costs of the Commission shall be appropriated to the Agency in a separate line item. During Fiscal Years 2013 and 2014, the Agency received a separate appropriation for the State Charter School Commission Fund (Fund 674) to be used for all costs associated with the Commission. Fund 674 is not included in the Agency's financial statements due to this fund being solely used for the Commission and is not part of the financial activity of the Agency.

**The Agency provides staff assistance to the Community and Residential Services Authority (Authority). The School Code (105 ILCS 5/14-15.01(c)(5)) states that funds for the ordinary and contingent expenses of the Authority shall be appropriated to the Agency in a separate line item. During Fiscal Years 2013 and 2014, the Agency received a separate lump sum appropriation for the Authority under the General Revenue Fund (001) to be used for all costs associated with the Authority.

Additional Public Act (P.A.) numbers applicable to each fiscal year are as follows:

(a) For Fiscal Year 2014: P.A. 98-0034, 98-0642, 98-0675

(b) For Fiscal Year 2013: P.A. 98-0001, 98-0050

(c) For Fiscal Year 2012: P.A. 97-0060, 97-0620, 97-0642, 97-0685, 97-0725

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 4

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Land and land improvements	\$ 1,062,643	\$ -	\$ -	\$ 1,062,643	\$ -	\$ -	\$ 1,062,643
Building and building improvements	436,360	-	-	436,360	-	-	436,360
Equipment	10,696,028	684,421	489,864	10,890,585	374,430	957,597	10,307,418
Capital leases equipment	942,575	-	-	942,575	-	-	942,575
Total	\$ 13,137,606	\$ 684,421	\$ 489,864	\$ 13,332,163	\$ 374,430	\$ 957,597	\$ 12,748,996

Property and equipment by location:

	2013	2014
Springfield - Alzina Building, Concourse	\$ 1,584,153	\$ 1,698,192
Springfield - Alzina Building, First Floor	97,397	98,840
Springfield - Alzina Building, Second Floor	2,415,603	2,187,404
Springfield - Alzina Building, Third Floor	5,319,137	4,934,977
Springfield - Alzina Building, Fourth Floor	785,681	729,306
Lombard - Philip J. Rock Center	1,499,003	1,499,003
Chicago - James R. Thompson Center	1,631,189	1,601,274
Property and equipment, June 30	13,332,163	12,748,996
Accrual adjustments		
Property and equipment accounts payable - June 30	46,000	161,000
Property and equipment, accrual basis - June 30	\$ 13,378,163	\$ 12,909,996

Note: The data was reconciled to Agency property reports (C-15 Agency Report of State Property) submitted to the Office of the State Comptroller. This summary schedule was prepared using State property records required by the Illinois Administrative Code. The capitalization policy in the Code is different than the capitalization policy established by the Office of the State Comptroller for financial reporting in accordance with generally accepted accounting principles.

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 5

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

	2014	2013	2012
General Revenue Fund (001)			
Private business schools	\$ -	\$ -	\$ 80,075
Review and inspection school facilities	675	800	250
Prior year refunds/adjustments	2,806,222	3,005,566	8,497,001
Miscellaneous	894	1,500	5,316
Total General Revenue Fund	<u>2,807,791</u>	<u>3,007,866</u>	<u>8,582,642</u>
Education Assistance Fund (007)			
Prior year refunds/adjustments	-	13,560	278,409
Teacher Certificate Fee Revolving Fund (016)			
Teacher's certification	4,364,375	4,164,544	2,594,498
Prior year refunds/adjustments	-	1,110	-
Total Teacher Certificate Fee Revolving Fund	<u>4,364,375</u>	<u>4,165,654</u>	<u>2,594,498</u>
School District Emergency Financial Assistance Fund (130)			
General Revenue Fund	1,500,000	-	-
Loan repayments - principal	-	102,776	1,063,932
Loan repayments - interest	-	550	8,383
Total School District Emergency Financial Assistance Fund	<u>1,500,000</u>	<u>103,326</u>	<u>1,072,315</u>
School Construction Fund (143)			
Prior year refunds/adjustments	693,155	6,083	-
S.B.E. Special Purpose Trust Fund (144)			
U.S. Department of Education	1,885,499	3,187,042	2,090,988
U.S. Department of Agriculture	831,987	827,365	742,679
U.S. Department of Health and Human Services	-	-	23,750
Private organizations or individuals	105,167	299,597	419,597
Prior year refunds/adjustments	1,145	-	-
Miscellaneous	-	-	274
Total S.B.E. Special Purpose Trust Fund	<u>2,823,798</u>	<u>4,314,004</u>	<u>3,277,288</u>
S.B.E. Teacher Certification Institution Fund (159)			
Teacher's certification	429,304	515,292	667,997
S.B.E. Federal Department of Agriculture Fund (410)			
U.S. Department of Agriculture	753,784,929	660,271,888	655,773,628
Federal program income	874	1,436	134
Prior year refunds/adjustments	199,328	304,532	247,123
Miscellaneous	13,716	5,774	5,842
Total S.B.E. Federal Department of Agriculture Fund	<u>753,998,847</u>	<u>660,583,630</u>	<u>656,026,727</u>

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 5

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF CASH RECEIPTS, Continued
FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

	2014	2013	2012
<i>S.B.E. Federal Agency Services Fund (560)</i>			
National Community Service	\$ -	\$ 266,799	\$ 267,755
U.S. Department of Health and Human Services (DHHS)			
Training School Health Personnel	92,375	176,928	254,363
U.S. DHHS refugee services	-	-	5,847
Total S.B.E. Federal Agency Services Fund	<u>92,375</u>	<u>443,727</u>	<u>527,965</u>
<i>S.B.E. Federal Department of Education Fund (561)</i>			
U.S. Department of Education	1,546,488,720	1,371,176,159	1,278,137,572
Federal stimulus package	37,941,979	49,181,310	209,690,411
Grantee interest income	1,576	2,763	92,708
Grantee interest income - ARRA	208	511	57,732
Prior year refunds/adjustments	543,375	1,188,115	5,909,706
Miscellaneous	88,149	73,125	475
Total S.B.E. Federal Department of Education Fund	<u>1,585,064,007</u>	<u>1,421,621,983</u>	<u>1,493,888,604</u>
<i>Charter Schools Revolving Loan Fund (567)</i>			
Loan repayments - principal	<u>3,600</u>	<u>7,100</u>	<u>4,300</u>
<i>School Technology Revolving Loan Fund (569)</i>			
Loan repayments - principal	1,293,320	997,957	1,172,901
Loan repayments - interest	46,949	21,141	33,434
Total School Technology Revolving Loan Fund	<u>1,340,269</u>	<u>1,019,098</u>	<u>1,206,335</u>
<i>Temporary Relocation Expenses Revolving Grant Fund (605)</i>			
Loan repayments - principal	51,922	90,456	113,927
Prior year refunds/adjustments	24,821	-	-
Total Temporary Relocation Expenses Revolving Grant Fund	<u>76,743</u>	<u>90,456</u>	<u>113,927</u>
<i>Personal Property Tax Replacement Fund (802)</i>			
Prior year refunds/adjustments	<u>10,715</u>	<u>-</u>	<u>-</u>
<i>U.S. Department of Education Jobs Program Fund (857)</i>			
Federal stimulus package	<u>-</u>	<u>21,606,748</u>	<u>114,856,717</u>
Total Cash Receipts	<u>\$2,353,204,979</u>	<u>\$2,117,498,527</u>	<u>\$2,283,097,724</u>

Note: This schedule represents cash receipts per Office of the State Comptroller's records.

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 6

FISCAL SCHEDULES AND ANALYSIS, Continued

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE YEAR ENDED JUNE 30, 2014

	General Revenue Fund (001)	Teacher Certificate Fee Revolving Fund (016)	School District Emergency Financial Assistance Fund (130)	School Construction Fund (143)	S.B.E. Special Purpose Trust Fund (144)	S.B.E. Teacher Certification Institution Fund (159)	S.B.E. Federal Department of Agriculture Fund (410)
Cash receipts per Agency	\$ 1,736	\$ 4,206,904	\$ 1,500,000	\$ -	\$ 2,822,653	\$ 416,207	\$ 753,802,703
Adjustments:							
Deposits in transit at June 30, 2013	8	219,471	-	-	-	24,672	-
Deposits in transit at June 30, 2014	(175)	(62,000)	-	-	-	(11,575)	(3,184)
Prior year refunds/adjustments	2,806,222	-	-	693,155	1,145	-	199,328
Totals	2,807,791	4,364,375	1,500,000	693,155	2,823,798	429,304	753,998,847
Receipts per State Comptroller (SB04)	2,807,791	4,364,375	1,500,000	693,155	2,823,798	429,304	753,998,847
Agency/Comptroller variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 6

FISCAL SCHEDULES AND ANALYSIS, Continued

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER, Continued
FOR THE YEAR ENDED JUNE 30, 2014

	S.B.E. Federal Agency Services Fund (560)	S.B.E. Federal Department of Education Fund (561)	Charter Schools Revolving Loan Fund (567)	School Technology Revolving Loan Fund (569)	Temporary Relocation Expenses Revolving Grant Fund (605)	Personal Property Tax Replacement Fund (802)	Total
Cash receipts per Agency	\$ 92,375	\$ 1,584,532,204	\$ 3,600	\$ 1,417,467	\$ 51,922	\$ -	\$ 2,348,847,771
Adjustments:							
Deposits in transit at June 30, 2013	-	-	-	-	-	-	244,151
Deposits in transit at June 30, 2014	-	(11,572)	-	(77,198)	-	-	(165,704)
Prior year refunds/adjustments	-	543,375	-	-	24,821	10,715	4,278,761
Totals	92,375	1,585,064,007	3,600	1,340,269	76,743	10,715	2,353,204,979
Receipts per State Comptroller (SB04)	92,375	1,585,064,007	3,600	1,340,269	76,743	10,715	2,353,204,979
Agency/Comptroller variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

Schedule 6

FISCAL SCHEDULES AND ANALYSIS, Continued

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE YEAR ENDED JUNE 30, 2013

	General Revenue Fund (001)	Education Assistance Fund (007)	Teacher Certificate Fee Revolving Fund (016)	School District Emergency Financial Assistance Fund (130)	School Construction Fund (143)	S.B.E. Special Purpose Trust Fund (144)	S.B.E. Teacher Certification Institution Fund (159)	S.B.E. Federal Department of Agriculture Fund (410)
Cash receipts per Agency	\$ 2,308	\$ -	\$ 4,280,214	\$ -	\$ -	\$ 4,314,004	\$ 515,738	\$ 660,279,098
Adjustments:								
Deposits in transit at June 30, 2012	-	-	103,801	103,326	-	-	24,226	-
Deposits in transit at June 30, 2013	(8)	-	(219,471)	-	-	-	(24,672)	-
Prior year refunds/adjustments	3,005,566	13,560	1,110	-	6,083	-	-	304,532
Totals	3,007,866	13,560	4,165,654	103,326	6,083	4,314,004	515,292	660,583,630
Receipts per State Comptroller (SB04)	3,007,866	13,560	4,165,654	103,326	6,083	4,314,004	515,292	660,583,630
Agency/Comptroller variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER, Continued
FOR THE YEAR ENDED JUNE 30, 2013

	S.B.E. Federal Agency Services Fund (560)	S.B.E. Federal Department of Education Fund (561)	Charter Schools Revolving Loan Fund (567)	School Technology Revolving Loan Fund (569)	Temporary Relocation Expenses Revolving Grant Fund (605)	U.S. Department of Education Jobs Program Fund (857)	Total
Cash receipts per Agency	\$ 443,727	\$ 1,420,433,868	\$ 6,600	\$ 1,019,098	\$ 90,456	\$ 21,606,748	\$ 2,112,991,859
Adjustments:							
Deposits in transit at June 30, 2012	-	-	500	-	-	-	231,853
Deposits in transit at June 30, 2013	-	-	-	-	-	-	(244,151)
Prior year refunds/adjustments	-	1,188,115	-	-	-	-	4,518,966
Totals	443,727	1,421,621,983	7,100	1,019,098	90,456	21,606,748	2,117,498,527
Receipts per State Comptroller (SB04)	443,727	1,421,621,983	7,100	1,019,098	90,456	21,606,748	2,117,498,527
Agency/Comptroller variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

The expenditures for the Agency's operating divisions are financed by appropriations from various funds. The Comparative Schedule of Net Appropriations, Expenditures and Reappropriated/Lapsed Balances compares expenditures by appropriated line item, fund and program for the fiscal years ended June 30, 2014, 2013 and 2012. The Agency's explanations for significant fluctuations in expenditures (changes of \$1,000,000 and 10% or greater) are detailed below:

Fiscal Year 2013 to 2014

Appropriated Funds

General Revenue Fund (001)

Personal Services - Decrease of \$16.0 million (100%) was primarily due to appropriation for Personal Services received in Fiscal Year 2013, which was paid from a Lump Sum appropriation in Fiscal Year 2014.

Contractual Services - Decrease of \$5.6 million (100%) was primarily due to appropriation for Contractual Services received in Fiscal Year 2013, which was paid from a Lump Sum appropriation in Fiscal Year 2014.

Lump Sum and Other Purposes - Increase of \$21.4 million (72%) was primarily due to operational line items being lump sum appropriated in Fiscal Year 2014.

Interfund Cash Transfers - Increase of \$1.5 million (100%) was primarily due to an appropriation funded in Fiscal Year 2014 for the purpose of transferring funds to the School District Emergency Financial Assistance Fund (Fund 130).

Teacher Certificate Fee Revolving Fund (016)

Lump Sum and Other Purposes - Increase of \$1.2 million (86%) was primarily due to increased personal service expenditures associated with a shift in funding from the General Revenue Fund.

Drivers Education Fund (031)

Awards and Grants - Decrease of \$2.5 million (14%) was primarily due to reduction in appropriation when the anticipated increase in traffic supervision fee did not materialize in prior fiscal years.

School District Emergency Financial Assistance Fund (130)

Awards and Grants - Increase of \$1.4 million (2038%) was primarily due to cash transfer received from the General Revenue Fund which was used to pay the settlement agreement of one school district.

School Construction Fund (143)

Construction Grants - Increase of \$30.4 million (186%) was primarily due to the School Maintenance Grants authorized for disbursement in Fiscal Year 2014.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES, Continued
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Fiscal Year 2013 to 2014, Continued

Appropriated Funds, Continued

S.B.E. Federal Department of Education Fund (561)

Contractual Services - Increase of \$2.0 million (26%) was primarily due to expenditures incurred for the implementation of projects related to Title I School Improvement and Title II Teacher Quality Improvement programs.

ARRA-Awards and Grants - Decrease of \$16.7 million (33%) was primarily due to the reduced funding in Fiscal Year 2014 of Title I ARRA related grants.

Lump Sum and Other Purposes - Increase of \$5.9 million (43%) was primarily due to expenditures from the Early Learning Challenge Program.

School Technology Revolving Loan Fund (569)

Awards and Grants - Increase of \$2.3 million (197%) was primarily due to increased participation in the technology loan program by local education agencies throughout the State.

Personal Property Tax Replacement Fund (802)

Awards and Grants - Increase of \$2.5 million (23%) was primarily due to increased funding for expenses related to Regional Office of Education Superintendents.

Nonappropriated Funds

U.S. Department of Education Jobs Program Fund (857)

ARRA-Awards and Grants - Decrease of \$6.3 million (100%) was primarily due to the phasing out through Fiscal Year 2013 of the Ed Jobs funding from the U.S. Department of Education.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES, Continued
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Fiscal Year 2012 to 2013

Appropriated Funds

General Revenue Fund (001)

Contractual Services - Increase of \$1.9 million (50%) was primarily due to appropriation for Contractual Services received in Fiscal Year 2013, which was paid from a Lump Sum appropriation in Fiscal Year 2012.

Awards and Grants - Decrease of \$360.8 million (14%) was primarily due to the shifting of General State Aid funding out of the General Revenue Fund in Fiscal Year 2013.

Lump Sum and Other Purposes - Increase of \$7.0 million (31%) was primarily due to the increase in funding for American College Test (ACT) and student assessment contracts.

Education Assistance Fund (007)

Awards and Grants - Increase of \$81.0 million (26%) was primarily due to the increase in General State Aid funding from Education Assistance Fund.

S.B.E. Federal Department of Education Fund (561)

Contractual Services - Decrease of \$1.1 million (13%) was primarily due to lesser expenses incurred for the Title II Teacher Quality contracts and the non-appropriation for Contractual Services in Fiscal Year 2013 for the Safe and Drug Free related grants and McKinney-Vento Education for Homeless Children and Youth Program.

ARRA-Awards and Grants - Decrease of \$35.1 million (41%) was primarily due to reduced funding for ARRA programs, which were being phased out.

Lump Sum and Other Purposes - Decrease of \$2.7 million (16%) was primarily due to the shifting of funds for ACT and assessment contracts to the General Revenue Fund.

Nonappropriated Funds

S.B.E. Federal Department of Education Fund (561)

Refunds - Decrease of \$3.6 million (80%) was primarily due to reduction of unused grant funds returned to ISBE in Fiscal Year 2013 by local education agencies.

U.S. Department of Education Jobs Program Fund (857)

ARRA-Awards and Grants - Decrease of \$123.8 million (95%) was primarily due to the phasing out through Fiscal Year 2013 of the Ed Jobs funding from the U.S. Department of Education.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

To analyze cash receipts, the Comparative Schedule of Cash Receipts was utilized to identify significant fluctuations in Agency cash receipts by fund and by source for the fiscal years ended June 30, 2014, 2013 and 2012. The following are explanations obtained from Agency officials for the identified fluctuations (change of \$1,000,000 and 10% or greater):

Fiscal Year 2013 to 2014

School District Emergency Financial Assistance Fund (130)

General Revenue Fund - Increase of \$1.5 million (100%) was primarily due to transfer made from the General Revenue Fund pursuant to Section 1B-8 of the Illinois School Code which have not been made in the previous years.

S.B.E. Special Purpose Trust Fund (144)

U.S. Department of Education - Decrease of \$1.3 million (41%) was primarily due to reduced need to draw indirect cost recovery funds.

S.B.E. Federal Department of Agriculture Fund (410)

U.S. Department of Agriculture - Increase of \$93.5 million (14%) was primarily due to increased funding for National School Lunch program by approximately \$70.0 million, and School Breakfast program by approximately \$13.0 million.

S.B.E. Federal Department of Education Fund (561)

U.S. Department of Education - Increase of \$175.3 million (13%) was primarily due to increased funding for Title I Low Income grant by approximately \$112.0 million, Title II Teacher Quality grant by approximately \$28.5 million, and Federal Special Education IDEA Flow Through grant by approximately \$26.6 million.

Federal Stimulus Package - Decrease of \$11.2 million (23%) was primarily due to the phasing out of funds available to the Agency through the ARRA grants.

U.S. Department of Education Jobs Program Fund (857)

Federal Stimulus Package - Decrease of \$21.6 million (100%) was primarily due to the phasing out of funds available to the Agency through the U.S. Department of Education's Jobs stimulus program.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS, Continued
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Fiscal Year 2012 to 2013

General Revenue Fund (001)

Prior Year Refunds/Adjustments - Decrease of \$5.5 million (65%) was primarily due to a reduction in unexpended funds returned to the Agency by local education agencies, mostly from the Early Childhood Education and Early Childhood Block grants.

Teacher Certificate Fee Revolving Fund (016)

Teacher's Certification - Increase of \$1.6 million (61%) was primarily due to an increase in fees charged for teachers' certifications.

S.B.E. Special Purpose Trust Fund (144)

U.S. Department of Education - Increase of \$1.1 million (52%) was primarily due to indirect cost recovery associated with the U.S. Department of Education programs.

S.B.E. Federal Department of Education Fund (561)

Federal Stimulus Package - Decrease of \$160.5 million (77%) was primarily due to the phasing out of funds available to the Agency through the ARRA grants particularly the Special Education IDEA Flow Through-ARRA and the Title I Low Income-ARRA programs.

Prior Year Refunds/Adjustments - Decrease of \$4.7 million (80%) was primarily due to a reduction of unexpended funds returned to the Agency by local education agencies, mostly from the Title I Low Income and Title I Low Income-ARRA grants.

U.S. Department of Education Jobs Program Fund (857)

Federal Stimulus Package - Decrease of \$93.2 million (81%) was primarily due to the phasing out of funds through Fiscal Year 2013 of the U.S. Department of Education's Jobs stimulus program.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Fiscal Year 2014

General Revenue Fund (001)

Lump Sum and Other Purposes - The significant lapse period expenditures amounting to \$7.2 million mostly pertain to payments of student assessment contracts for services performed prior to June 30, 2014 paid by the Agency during the lapse period.

S.B.E. Federal Department of Education Fund (561)

Contractual Services - The significant lapse period expenditures amounting to \$2.8 million pertain to payments of various contracts for services performed prior to June 30, 2014 paid by the Agency during the lapse period.

Awards and Grants - The significant lapse period expenditures amounting to \$253.8 million pertain to reimbursements to Local Education Agencies (LEAs) processed during the lapse period which are mostly for the Title I Low Income Program, the Federal Special Ed-IDEA Flow Through Program, and the Title II Improving Teacher Quality Program.

ARRA-Awards and Grants - The significant lapse period expenditures amounting to \$6.3 million pertain to reimbursements to LEAs processed during the lapse period which are mostly for the Title I School Improvement (1003G)-ARRA Program.

Lump Sum and Other Purposes - The significant lapse period expenditures amounting to \$3.0 million pertain to payments, predominately to the Illinois Department of Human Services, for the Early Challenge Grants and Special Education Grants as well as payments of student assessment contracts for services performed prior to June 30, 2014 paid by the Agency during the lapse period.

Fiscal Year 2013

General Revenue Fund (001)

Contractual Services - The significant lapse period expenditures amounting to \$1.1 million pertain to payments of various contracts for services performed prior to June 30, 2013 paid by the Agency during the lapse period.

S.B.E. Federal Department of Agriculture Fund (410)

Awards and Grants - The significant lapse period expenditures amounting to \$68.2 million pertain to reimbursements to LEAs processed during the lapse period which are mostly for the National School Lunch Program, the School Breakfast Program, and the Child and Adult Care Food Program.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING, Continued
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Fiscal Year 2013, Continued

S.B.E. Federal Department of Education Fund (561)

Contractual Services - The significant lapse period expenditures amounting to \$1.1 million pertain to payments of various contracts for services performed prior to June 30, 2013 paid by the Agency during the lapse period.

Awards and Grants - The significant lapse period expenditures amounting to \$324.1 million pertain to reimbursements to LEAs processed during the lapse period which are mostly for the Federal Special Ed-IDEA Flow Through Program, the Title I Low Income Program, and the Title II Improving Teacher Quality Program.

ARRA-Awards and Grants - The significant lapse period expenditures amounting to \$10.0 million pertain to reimbursements to LEAs processed during the lapse period which are mostly for the Title I School Improvement (1003G)-ARRA Program, and the Title I Teach and Learn-ARRA Program.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

The following explanations were obtained from Agency officials for the identified accounts:

Fiscal Year 2014

Major Fund/General Fund

Unexpended appropriations - Account represents the amount of lapse period warrants and any change in liabilities for reappropriated accounts in the current year. Account decreased by \$369.5 million (81%) in Fiscal Year 2014, from \$458.1 million in Fiscal Year 2013 to \$88.6 million in Fiscal Year 2014. Decrease was mainly due to a reduction of IOC held warrants by approximately \$364.0 million and a decrease in lapse period vouchers and other liabilities by approximately \$5.5 million.

Accounts payable and accrued liabilities - Account represents liabilities of the Agency at June 30 to vendors. Account increased by \$4.9 million (83%) in Fiscal Year 2014, from \$5.9 million in Fiscal Year 2013 to \$10.8 million in Fiscal Year 2014. Increase was mainly due to lapse period expenditures.

Due to local governments - Account represents liabilities of the Agency at June 30 to LEAs, including mandated categorical programs payable from subsequent year appropriations. Account decreased by \$352.2 million (17%) in Fiscal Year 2014, from \$2,059.5 million in Fiscal Year 2013 to \$1,707.3 million in Fiscal Year 2014. Decrease was mainly due to a reduction of IOC held warrants by approximately \$363.0 million and a decrease in lapse period vouchers by approximately \$10.0 million. The decrease was offset by an increase of approximately \$21.0 million in mandated categorical program liabilities payable from subsequent year appropriations.

Nonmajor Funds/Special Revenue Funds

Unexpended appropriations - Account represents the amount of lapse period warrants and any change in liabilities for reappropriated accounts in the current year. Account decreased by \$4.8 million (100%) in Fiscal Year 2014, from \$4.8 million in Fiscal Year 2013 to \$0 in Fiscal Year 2014. Decrease was mainly due to the payment of all IOC held warrants in Fund 031 (Drivers Education Fund) at the end of Fiscal Year 2014.

Securities lending collateral equity with State Treasurer - Account represents the share of the Agency on the securities investment managed by the State Treasurer. Account decreased by \$1.7 million (74%) in Fiscal Year 2014, from \$2.3 million in Fiscal Year 2013 to \$0.6 million in Fiscal Year 2014. Decrease was mainly due to the decline in cash balance from additional loans granted in Fund 569 (School Technology Revolving Loan Fund).

Due from federal government - Account represents amounts due primarily from the U.S. Department of Agriculture and the U.S. Department of Education for reimbursement of grant payments due to LEAs at June 30. Account decreased by \$128.8 million (24%) in Fiscal Year 2014, from \$528.0 million in Fiscal Year 2013 to \$399.2 million in Fiscal Year 2014. Decrease was mainly due to the balance adjustments of \$53.0 million for Fiscal Year 2013 as well as the timing of spending and related drawdown of funds from the federal government.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES, Continued

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Fiscal Year 2014, Continued

Nonmajor Funds/Special Revenue Funds, Continued

Inventories - Account represents food commodities donated by the U.S. Department of Agriculture. Account increased by \$1.6 million (145%) in Fiscal Year 2014, from \$1.1 million in Fiscal Year 2013 to \$2.7 million in Fiscal Year 2014. Increase was mainly due to more food commodities received in Fiscal Year 2014 in Fund 410 (S.B.E. Federal Department of Agriculture Fund).

Loans receivable - Account represents amounts due primarily from school districts that have borrowed funds under the Agency's various loan programs. Account increased by \$2.1 million (131%) in Fiscal Year 2014, from \$1.6 million in Fiscal Year 2013 to \$3.7 million in Fiscal Year 2014. Increase was mainly due to new loans of \$2.9 million granted in Fiscal Year 2014 under Fund 569 (School Technology Revolving Loan Fund). The new receivables were slightly offset by the full payment of prior year receivables amounting to \$0.8 million.

Accounts payable and accrued liabilities - Account represents liabilities of the Agency at June 30 to vendors. Account increased by \$21.6 million (432%) in Fiscal Year 2014, from \$5.0 million in Fiscal Year 2013 to \$26.6 million in Fiscal Year 2014. Increase was mainly due to an increase in lapse period expenditures by approximately \$16.9 million for Fund 410 (S.B.E. Federal Department of Agriculture Fund) and \$4.6 million for Fund 561 (S.B.E. Federal Department of Education Fund).

Obligations under securities lending with State Treasurer - Account is in correlation with the securities lending collateral equity with State Treasurer. Account decreased by \$1.7 million (74%) in Fiscal Year 2014, from \$2.3 million in Fiscal Year 2013 to \$0.6 million in Fiscal Year 2014. Decrease was mainly due to the decline in cash balance from additional loans granted in Fund 569 (School Technology Revolving Loan Fund).

Due to local governments - Account represents liabilities of the Agency at June 30 to LEAs, including mandated categorical programs payable from subsequent year appropriations. Account decreased by \$153.2 million (29%) in Fiscal Year 2014, from \$536.3 million in Fiscal Year 2013 to \$383.1 million in Fiscal Year 2014. Decrease was mainly due to a decline in lapse period expenditures by approximately \$130.0 million and estimated liabilities by approximately \$21.5 million.

Unavailable revenue-federal government and other revenues - Account represents revenues earned but not received within 60 days after the end of the fiscal year. Account decreased by \$31.4 million (23%) in Fiscal Year 2014, from \$134.7 million in Fiscal Year 2013 to \$103.3 million in Fiscal Year 2014. Decrease was mainly due to the reduction of post June 30 claims for the Title I Low Income program in Fund 561 (S.B.E. Federal Department of Education Fund).

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES, Continued

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Fiscal Year 2014, Continued

Nonmajor Funds/Special Revenue Funds, Continued

Nonspendable fund balance - Account represents reserved funds for inventories. Account increased by \$1.6 million (145%) in Fiscal Year 2014, from \$1.1 million in Fiscal Year 2013 to \$2.7 million in Fiscal Year 2014. Increase was mainly due to more food commodities received in Fiscal Year 2014 in Fund 410 (S.B.E. Federal Department of Agriculture Fund).

Committed fund balance - Account represents the portion of fund balance consisting of amounts that can only be used for specific purposes, pursuant to formal action of the government's highest level of decision-making authority. Account increased by \$1.9 million (11%) in Fiscal Year 2014, from \$16.5 million in Fiscal Year 2013 to \$18.4 million in Fiscal Year 2014. Increase was mainly due to excess funds from collected teachers' certification fee not spent.

Unassigned fund balance - Account represents the fund deficit caused by the liabilities of the Agency at June 30 for programs covered under Funds 031, 410 and 561, which are to be paid from the subsequent year appropriations. Account increased by \$30.1 million (20%) in Fiscal Year 2014, from \$149.5 million deficit in Fiscal Year 2013 to \$119.4 million deficit in Fiscal Year 2014.

Fiscal Year 2013

Major Fund/General Fund

Unexpended appropriations - Account represents the amount of lapse period warrants and any change in liabilities for reappropriated accounts in the current year. Account decreased by \$338.0 million (42%) in Fiscal Year 2013, from \$796.1 million in Fiscal Year 2012 to \$458.1 million in Fiscal Year 2013. Decrease was mainly due to a reduction of IOC held warrants at June 30, 2013.

Accounts payable and accrued liabilities - Account represents liabilities of the Agency at June 30 to vendors. Account decreased by \$12.5 million (68%) in Fiscal Year 2013, from \$18.4 million in Fiscal Year 2012 to \$5.9 million in Fiscal Year 2013. Decrease was mainly due to a reduction of \$3.0 million in IOC held warrants and a decrease in lapse period expenditures by approximately \$9.0 million, both related to accounts payable in Fiscal Year 2013.

Due to local governments - Account represents liabilities of the Agency at June 30 to LEAs, including mandated categorical programs payable from subsequent year appropriations. Account decreased by \$331.0 million (14%) in Fiscal Year 2013, from \$2,390.5 million in Fiscal Year 2012 to \$2,059.5 million in Fiscal Year 2013. Decrease was due to a reduction of \$335.0 million in IOC held warrants related to due to local governments in Fiscal Year 2013. The decrease was partially offset by a net increase in lapse period and future appropriation liabilities of \$4.0 million.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES, Continued

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Fiscal Year 2013, Continued

Nonmajor Funds/Special Revenue Funds

Unexpended appropriations - Account represents the amount of lapse period warrants and any change in liabilities for reappropriated accounts in the current year. Account decreased by \$3.3 million (41%) in Fiscal Year 2013, from \$8.1 million in Fiscal Year 2012 to \$4.8 million in Fiscal Year 2013. Decrease was mainly due to a reduction of \$1.7 million in IOC held warrants at June 30, 2013 in Fund 031 (Drivers Education Fund) and a decrease in liabilities payable from future year appropriations by \$1.6 million in Fund 143 (School Construction Fund).

Cash and cash equivalents - Account represents the deposits in custody of the State Treasurer, including cash on hand and in transit. Account increased by \$6.5 million (43%) in Fiscal Year 2013, from \$15.0 million in Fiscal Year 2012 to \$21.5 million in Fiscal Year 2013. Increase was mainly due to added \$3.0 million in Fund 016 (Teacher Certificate Fee Revolving Fund) caused by an increase in fees charged for teachers' certifications, and an addition of \$2.0 million in Fund 144 (S.B.E. Special Purpose Trust Fund) from an increase in the indirect recovery rate.

Securities lending collateral equity with State Treasurer - Account represents the share of the Agency on the securities investment managed by the State Treasurer. Account increased by \$1.2 million (109%) in Fiscal Year 2013, from \$1.1 million in Fiscal Year 2012 to \$2.3 million in Fiscal Year 2013. Increase was mainly due to the increase in cash balance from interfund borrowing repayment and changes in Treasurer's investment mix in Fund 569 (School Technology Revolving Loan Fund).

Due from federal government - Account represents amounts due primarily from the U.S. Department of Agriculture and the U.S. Department of Education for reimbursement of grant payments due to LEAs at June 30. Account increased by \$149.9 million (40%) in Fiscal Year 2013, from \$378.1 million in Fiscal Year 2012 to \$528.0 million in Fiscal Year 2013. Increase was mainly due to the rise in lapse period LEA claims and estimated liabilities by approximately \$131.0 million for various programs in Fund 561 (S.B.E. Federal Department of Education Fund) and \$34.0 million for various nutritional programs under Fund 410 (S.B.E. Federal Department of Agriculture Fund). The increase was offset by the decline of \$15.0 million in receivables due to the phasing out in Fiscal Year 2013 of the Ed Jobs funding from the U.S. Department of Education.

Due from other State funds - Account represents receivables from other State agencies and State funds. Account decreased by \$1.8 million (100%) in Fiscal Year 2013, from \$1.8 million in Fiscal Year 2012 to \$0 in Fiscal Year 2013. Decrease was mainly due to the repayment of all outstanding interfund borrowings of the General Fund owed to Fund 569 (School Technology Revolving Loan Fund).

Inventories - Account represents commodities donated by the U.S. Department of Agriculture. Account decreased by \$1.1 million (50%) in Fiscal Year 2013, from \$2.2 million in Fiscal Year 2012 to \$1.1 million in Fiscal Year 2013. Decrease was the result of a reduction in bonus commodities received in Fiscal Year 2013 in Fund 410 (S.B.E. Federal Department of Agriculture Fund).

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES, Continued

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Fiscal Year 2013, Continued

Nonmajor Funds/Special Revenue Funds, Continued

Accounts payable and accrued liabilities - Account represents liabilities of the Agency at June 30 to vendors. Account increased by \$2.1 million (78%) in Fiscal Year 2013, from \$2.8 million in Fiscal Year 2012 to \$4.9 million in Fiscal Year 2013. Increase was mainly due to an increase in lapse period billings for standard achievement test implementation in Fiscal Year 2013 for Fund 561 (S.B.E. Federal Department of Education Fund).

Obligations under securities lending with State Treasurer - Account is in correlation with the securities lending collateral equity with State Treasurer. Account increased by \$1.2 million (109%) in Fiscal Year 2013, from \$1.1 million in Fiscal Year 2012 to \$2.3 million in Fiscal Year 2013. Increase was mainly due to the increase in cash balance from interfund borrowing repayment and changes in Treasurer's investment mix in Fund 569 (School Technology Revolving Loan Fund).

Due to federal government - Account represents liabilities of the Agency at June 30 primarily to the U.S. Department of Agriculture and the U.S. Department of Education. Account decreased by \$1.0 million (76%) in Fiscal Year 2013, from \$1.3 million in Fiscal Year 2012 to \$0.3 million in Fiscal Year 2013. Decrease was mainly due to the remittance to the U.S. Department of Education of unexpended grant funds returned to the Agency by the LEAs.

Due to local governments - Account represents liabilities of the Agency at June 30 to LEAs, including mandated categorical programs payable from subsequent year appropriations. Account increased by \$143.2 million (36%) in Fiscal Year 2013, from \$393.0 million in Fiscal Year 2012 to \$536.2 million in Fiscal Year 2013. Increase was mainly due to the rise in lapse period expenditures and future year appropriations by approximately \$163.0 million for various programs funded in Fund 561 (S.B.E. Federal Department of Education Fund) and Fund 410 (S.B.E. Federal Department of Agriculture Fund). The increase was partially offset by the decline of \$15.0 million liabilities in Fund 857 (U.S. Department of Education Jobs Program Fund) due to the phasing out in Fiscal Year 2013 of the Ed Jobs program.

Due to component units of the State - Account represents liabilities of the Agency at June 30 to component units of the State of Illinois. Account decreased by \$1.9 million (53%) in Fiscal Year 2013, from \$3.6 million in Fiscal Year 2012 to \$1.7 million in Fiscal Year 2013. Decrease was mainly due to lesser lapse period vouchers processed in Fiscal Year 2013 for the University of Illinois by \$1.0 million and the Northern Illinois University by \$0.5 million.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES, Continued

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Fiscal Year 2013, Continued

Nonmajor Funds/Special Revenue Funds, Continued

Deferred revenue unavailable - Account represents revenues earned but not received within 60 days after the end of the fiscal year. Account increased by \$110.4 million (454%) in Fiscal Year 2013, from \$24.3 million in Fiscal Year 2012 to \$134.7 million in Fiscal Year 2013. Increase was mainly due to the Title I Low Income Program which rose by \$88.0 million, the Federal Special Ed-IDEA Flow Through Program which increased by \$11.0 million, and the Title II Improving Teacher Quality Program which increased by \$6.0 million.

Deferred revenue unearned - Account represents federal grants received for federal contractual payments but remained unexpended as of the end of the fiscal year. Account decreased by \$1.1 million (73%) in Fiscal Year 2013, from \$1.5 million in Fiscal Year 2012 to \$0.4 million in Fiscal Year 2013. Decrease was mainly due to the completion of the State Assessment and Related Activities Program in Fund 561 (S.B.E. Federal Department of Education Fund).

Nonspendable fund balance - Account represents reserved funds for inventories. Account decreased by \$1.1 million (50%) in Fiscal Year 2013, from \$2.2 million in Fiscal Year 2012 to \$1.1 million in Fiscal Year 2013. Decrease was the result of a reduction in bonus commodities received in Fiscal Year 2013 in Fund 410 (S.B.E. Federal Department of Agriculture Fund).

Committed fund balance - Account represents the portion of fund balance consisting of amounts that can only be used for specific purposes, pursuant to formal action of the government's highest level of decision-making authority. Account increased by \$3.4 million (26%) in Fiscal Year 2013, from \$13.1 million in Fiscal Year 2012 to \$16.5 million in Fiscal Year 2013. Increase was mainly due to a raise in teachers' certification fees collected in Fiscal Year 2013.

Assigned fund balance - Account represents the portion of fund balance consisting of amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Account increased by \$1.1 million (52%) in Fiscal Year 2013, from \$2.1 million in Fiscal Year 2012 to \$3.2 million in Fiscal Year 2013. Increase was mainly due to a raise in the indirect cost recovery rate.

Unassigned fund balance - Account represents the fund deficit caused by the liabilities of the Agency at June 30 for programs covered under Funds 031, 560, 561 and 857, which are to be paid from the subsequent year appropriations. Account decreased by \$107.4 million (255%) in Fiscal Year 2013, from \$42.1 million deficit in Fiscal Year 2012 to \$149.5 million deficit in Fiscal Year 2013.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

Schedule 11

FISCAL SCHEDULES AND ANALYSIS, Continued

**ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

Receivables of the Illinois State Board of Education consist mainly of reimbursement or formula allocation amounts due to the Agency arising from its administration of Federal and State grant awards. The principal grantors are agencies of the federal government, other State agencies or local education agencies.

The following is a schedule of receivable balances (expressed in thousands):

	<u>2014</u>	<u>2013</u>
Due from federal government	\$ 399,151	\$ 527,958
Due from local governments	749	830
Other receivables	595	616
Due from other State funds	196	155
Due from component units of the State	<u>212</u>	<u>197</u>
Total receivables	<u>\$ 400,903</u>	<u>\$ 529,756</u>
Aging of other receivables:		
Current	\$ 83	\$ 109
1 - 30 days past due	26	-
31 - 90 days past due	11	21
91 - 180 days past due	15	45
181 days - 1 year past due	-	-
Over 1 year past due	<u>460</u>	<u>441</u>
Total other receivables	<u>\$ 595</u>	<u>\$ 616</u>

Other receivables consist mainly of unexpended funds from school districts, refunds requested from subrecipients and reimbursements due to commodity losses.

Receivable amounts are recorded at year-end through the annual process of adjusting the financial statements to generally accepted accounting principles (GAAP) for reporting purposes. The Agency implements the collection procedures listed in SAMS Manual procedure 26.40.10 as well as makes frequent collection attempts via letter, telephone calls and the Comptroller offset system.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED)

AGENCY FUNCTIONS AND PLANNING PROGRAM (Unaudited)

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Agency Functions

The Illinois State Board of Education (Agency) was organized to provide leadership, assistance, resources and advocacy so that every student is prepared to succeed in careers and postsecondary education, and share accountability for doing so with districts and schools. The Agency is responsible for oversight of elementary and secondary public schools. Its powers and duties are described in detail at School Code 105 ILCS 5/1A and 105 ILCS 5/2 and Article X of the Constitution of the State of Illinois, Education.

The Agency is responsible for matters related to public schools and selected private schools, serving students from pre-school through secondary school and vocational education. In support of these responsibilities, the Board is required to analyze the present and future aims, needs and requirements of education in the State. The specific powers and duties of the State Board of Education are described in Article 1A of the School Code (105 ILCS 5/1A et seq.).

The Illinois State Board of Education consisted of nine members who are appointed by the Governor with the consent of the Senate. Board members serve four-year terms, with State Board membership limited to two consecutive terms.

The Governor, with the advice and consent of the Senate, appoints the Chair of the State Board of Education. The current Chair is James T. Meeks, who was temporarily appointed effective January 20, 2015. Until then and during the examination period, Gery J. Chico serves as Chair of the Board. The Board appoints the State Superintendent of Education. The current State Superintendent of Education, Dr. Christopher Koch, was appointed to the position on December 1, 2006.

Planning Program

The Illinois State Board of Education first developed and submitted a five-year Comprehensive Strategic Plan for Elementary and Secondary Education in 2005, pursuant to Public Act 93-1036. The Strategic Plan has evolved over the years, specifically being reassessed in 2008 after an analysis of data and emerging trends. The Agency refocused the vision of the Strategic Plan to strengthen and align its goals with the changing educational demands of preparing students for success in careers and college in the 21st century. A new mission and goals were adopted as follows:

Mission Statement:

The mission of the Illinois State Board of Education is to provide leadership, assistance, resources and advocacy so that every student is prepared to succeed in careers and postsecondary education, and share accountability for doing so with districts and schools.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

AGENCY FUNCTIONS AND PLANNING PROGRAM (Unaudited), Continued

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

This mission statement was accompanied by three broad yet clearer goals that better reflect the priorities of the Agency. The goals and objectives are intended to assist the Agency in reaching the ultimate learning outcome for every student in Illinois. The Agency strives to meet goals and objectives through monitoring the performance strategies. The Agency provides assistance to school districts in meeting the goals and related objectives listed below:

Goal No.1: Every student will demonstrate academic achievement and be prepared for success after high school.

Goal No.2: Every student will be supported by highly prepared and effective teachers and school leaders.

Goal No.3: Every school will offer a safe and healthy learning environment for all students.

The Agency's strategy focuses on four critical areas to achieve the goals for Illinois schoolchildren. These four initiatives help guide the Agency in its mission and goals.

1. *Improving internationally benchmarked student learning standards and a new and improved assessment system aligned to college and career readiness standards.*

The Agency's first initiative is the adoption and implementation of world class learning standards and assessments. The Agency adopted the Common Core State Standards as Illinois' newly revised learning standards for K-12 education in English-language arts and math and a new assessment system based on the Common Core will be in place for the 2014-2015 school year.

2. *Establishing a longitudinal data system that will allow the Agency to collect student data throughout pre-K to 20 system and ultimately, into the work force.*

The Agency's second key reform area is creating and implementing a statewide longitudinal data system. With funding provided by federal grants that the Agency secured, the Agency continue to make progress in building the infrastructure and systems that will support the Illinois Longitudinal Data System. The statewide Illinois Longitudinal Data System will provide data to help track the outcomes of students as they progress from pre-K through postsecondary education and into the work force.

3. *Implementing program and policy changes to improve teacher and school leader effectiveness.*

The Agency's third key reform area is adopting policies and procedures to ensure every student is supported by a highly effective teacher in the classroom and a highly effective school leader in every building.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

AGENCY FUNCTIONS AND PLANNING PROGRAM (Unaudited), Continued
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

4. *Targeting statewide interventions and support to the lowest performing schools and districts.*

The Agency's fourth initiative is to prioritize resources and have the political will to intervene with drastic measures in the lowest performing schools.

The Illinois State Board of Education also acts as the fiscal agent for the Community and Residential Services Authority as authorized by 105 ILCS 5/14-15.01(c)(5), and for the State Charter School Commission pursuant to 105 ILCS 5/27A-7.5.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

**STATE CHARTER SCHOOL COMMISSION (Unaudited)
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

Effective January 25, 2013, the School Code (105 ILCS 5/27A-7.5) established the State Charter School Commission (Commission) as an independent commission consisting of nine members with statewide chartering jurisdiction and authority. The Commission is under the State Board of Education (Agency) for administrative purposes and the Agency shall provide administrative support to the Commission as needed.

The Commission is responsible for authorizing high-quality charter schools throughout the State, particularly schools designed to expand opportunities for at-risk students. In particular, the Commission is responsible for: managing any and all appeals timely filed from charter proposal denials in a variety of circumstances; authorizing and managing any charter schools either created by granting an appeal and/or charter schools transferred to the Commission by the Agency; filing a biennial report regarding charter authorizing best practices; and modeling best practices for the State of Illinois.

The Commission is authorized to raise funds to support Commission work in two ways: (1) by charging an authorizer fee to the schools it supervises (the Commission is allowed by law to charge up to 3%), and (2) by seeking charitable contributions. These revenues are deposited into the State Charter School Commission Fund (Fund 674). On behalf of the Commission, the Agency received, recorded, and reconciled receipts in Fund 674 subsequent to January 25, 2013. Following are schedules of Commission receipts into Fund 674 and a reconciliation of Commission receipts to records of the Illinois Office of the Comptroller.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>State Charter School Commission Fund (674)</i>			
Charter school authorization fee	\$ 469,534	\$ 216,995	\$ -
Private organizations or individuals	<u>200,000</u>	<u>121,000</u>	<u>100,000</u>
Total cash receipts per Agency	669,534	337,995	100,000
Receipts per State Comptroller (SB04)	<u>669,534</u>	<u>337,995</u>	<u>100,000</u>
Agency/Comptroller variance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The School Code (105 ILCS 5/27A-7.5(g)) also states that funds or spending authority for the operation and administrative costs of the Commission shall be appropriated to the Agency in a separate line item. During Fiscal Years 2013 and 2014, the Agency received a separate appropriation for the State Charter School Commission Fund (Fund 674) to be used solely for the operations of the Commission. See pages 32 and 38 for the Schedule of Appropriations, Expenditures and Reappropriated/Lapsed Balances for Fund 674 expenditures against the Agency's appropriation. In addition, the Agency processed expenditures totaling \$187,295 as a fiscal agent on behalf of the Commission against an appropriation to the Commission from Fund 674 subsequent to January 25, 2013.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

**AVERAGE NUMBER OF EMPLOYEES AND
AVERAGE SALARY PER EMPLOYEE (Unaudited)
FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012**

Average number of employees by division is presented as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
NUMBER OF EMPLOYEES AT JUNE 30:			
State Operating and Trust Funds	301	303	264
Federal Trust Funds	<u>132</u>	<u>153</u>	<u>182</u>
Total Agency employees at June 30	<u><u>433</u></u>	<u><u>456</u></u>	<u><u>446</u></u>
AVERAGE NUMBER OF EMPLOYEES:			
State Operating and Trust Funds	287	287	275
Federal Trust Funds	<u>153</u>	<u>166</u>	<u>177</u>
Total average number of employees	<u><u>440</u></u>	<u><u>453</u></u>	<u><u>452</u></u>
Total personal services expenditures	<u>\$ 30,004,233</u>	<u>\$ 29,784,376</u>	<u>\$ 31,253,071</u>
Average salary per employee	<u>\$ 68,191</u>	<u>\$ 65,749</u>	<u>\$ 69,144</u>

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

**ANNUAL SCHOOL STATISTICS (Unaudited)
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

Number of Public School Districts, 2013-2014

	<u>Operating</u>	<u>Nonoperating</u>	<u>Other</u>	<u>Total</u>
Elementary (Pre K-8)	375	-	-	375
Secondary (9-12)	100	2	-	102
Unit	388	-	-	388
State-operated	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total	<u>868</u>	<u>2</u>	<u>-</u>	<u>870</u>

Number of Public and Nonpublic Attendance Centers, 2013-2014

	<u>Public ⁽¹⁾</u>	<u>Nonpublic ⁽²⁾</u>	<u>Total</u>
Elementary	2,501	742 ^(a)	3,243
Junior High	621	N/A	621
High School/ Secondary	678	111	789
Unit	N/A	63	63
Special Education and Others	<u>431</u>	<u>5</u>	<u>436</u>
Total	<u>4,231</u>	<u>921</u>	<u>5,152</u>

⁽¹⁾ Includes Department of Corrections.

⁽²⁾ Voluntarily reported and registered with ISBE.

^(a) Includes Junior High.

School Enrollment, 2013-2014

	<u>Public</u>	<u>Nonpublic ⁽³⁾</u>	<u>Total</u>	<u>Percent</u>
Elementary (Pre K-8)	1,439,612	164,551	1,604,163	70.6%
Secondary (9-12)	<u>617,135</u>	<u>51,688</u>	<u>668,823</u>	<u>29.4%</u>
Total	<u>2,056,747</u>	<u>216,239</u>	<u>2,272,986</u>	<u>100.0%</u>
Percent	<u>90.5%</u>	<u>9.5%</u>	<u>100.0%</u>	

⁽³⁾ Nonpublic schools reported data on a voluntary basis; does not include ungraded students.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

ANNUAL SCHOOL STATISTICS (Unaudited), Continued

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Racial - Ethnic Distribution of Statewide Public School Enrollment, 2013-2014

	<u>Students</u>	<u>Percent</u>
White Non-Hispanic	1,030,865	49.7%
Black Non-Hispanic	364,832	17.6%
Hispanic	511,809	24.7%
Asian	92,711	4.5%
American Indian-Alaskan	6,084	0.3%
Hawaiian or Other Pacific Islander	2,167	0.1%
Multi Racial	<u>65,012</u>	<u>3.1%</u>
Total	<u>2,073,480</u>	<u>100.0%</u>
Total percent of minority students		<u>50.3%</u>

Public Secondary School Dropouts by Gender and Ethnicity, 2013-2014

	<u>Female</u>	<u>Male</u>	<u>Total</u>
White Non-Hispanic	1,819	2,787	4,606
Black Non-Hispanic	2,060	2,545	4,605
Hispanic	1,516	2,278	3,794
Asian	46	77	123
American Indian-Alaskan	15	22	37
Hawaiian or Other Pacific Islander	3	5	8
Multi Racial	<u>155</u>	<u>181</u>	<u>336</u>
Total	<u>5,614</u>	<u>7,895</u>	<u>13,509</u>

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

**ANNUAL SCHOOL STATISTICS (Unaudited), Continued
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

Number of Public School Districts, 2012-2013

	<u>Operating</u>	<u>Nonoperating</u>	<u>Other</u>	<u>Total</u>
Elementary (Pre K-8)	375	-	-	375
Secondary (9-12)	99	1	-	100
Unit	389	-	-	389
State-operated	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total	<u>868</u>	<u>1</u>	<u>-</u>	<u>869</u>

Number of Public and Nonpublic Attendance Centers, 2012-2013

	<u>Public ⁽¹⁾</u>	<u>Nonpublic ⁽²⁾</u>	<u>Total</u>
Elementary	2,559	1,031 ^(a)	3,590
Junior High	626	N/A	626
High School/ Secondary	684	148	832
Unit	N/A	212	212
Special Education and Others	<u>396</u>	<u>69</u>	<u>465</u>
Total	<u>4,265</u>	<u>1,460</u>	<u>5,725</u>

⁽¹⁾ Includes Department of Corrections.

⁽²⁾ Voluntarily reported and registered with ISBE.

^(a) Includes Junior High.

School Enrollment, 2012-2013

	<u>Public</u>	<u>Nonpublic ⁽³⁾</u>	<u>Total</u>	<u>Percent</u>
Elementary (Pre K-8)	1,456,671	168,127	1,624,798	70.5%
Secondary (9-12)	<u>625,060</u>	<u>53,995</u>	<u>679,055</u>	<u>29.5%</u>
Total	<u>2,081,731</u>	<u>222,122</u>	<u>2,303,853</u>	<u>100.0%</u>
Percent	<u>90.4%</u>	<u>9.6%</u>	<u>100.0%</u>	

⁽³⁾ Nonpublic schools reported data on a voluntary basis; does not include ungraded students.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

ANNUAL SCHOOL STATISTICS (Unaudited), Continued

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Racial - Ethnic Distribution of Statewide Public School Enrollment, 2012-2013

	<u>Students</u>	<u>Percent</u>
White Non-Hispanic	1,047,236	50.3%
Black Non-Hispanic	370,050	17.8%
Hispanic	502,375	24.1%
Asian	89,935	4.3%
American Indian-Alaskan	6,282	0.3%
Hawaiian or Other Pacific Islander	2,076	0.1%
Multi Racial	<u>63,777</u>	<u>3.1%</u>
Total	<u>2,081,731</u>	<u>100.0%</u>
Total percent of minority students		<u>49.7%</u>

Public Secondary School Dropouts by Gender and Ethnicity, 2012-2013

	<u>Female</u>	<u>Male</u>	<u>Total</u>
White Non-Hispanic	1,914	2,951	4,865
Black Non-Hispanic	2,466	3,110	5,576
Hispanic	1,564	2,348	3,912
Asian	69	89	158
American Indian-Alaskan	26	35	61
Hawaiian or Other Pacific Islander	5	7	12
Multi Racial	<u>138</u>	<u>215</u>	<u>353</u>
Total	<u>6,182</u>	<u>8,755</u>	<u>14,937</u>

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

MEMORANDUMS OF UNDERSTANDING (Unaudited)

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

The Illinois State Board of Education (Agency) enters into many memorandums of understanding (MOU) which include interagency agreements. Due to the large number of memorandums in which the Agency enters into, the details of some of the significant agreements during the examination period are provided below:

Fiscal Year	Parties of Agreement	Description	Period Covered	Amount
2014	Illinois Department of Human Services	This interagency agreement gives the Agency, being the fiscal agent for the Race to the Top Early Learning Challenge (RTT-ELC) funds, the authority to transfer funds to the Illinois Department of Human Services to comply with the terms of the State's RTT-ELC application.	02/01/2013 - 12/31/2016	\$ 6,544,912
2014	University of Wisconsin - Madison	This interagency agreement is for evaluation services designed to assess the progress of children in attaining english proficiency as required by Title I of the No Child Left Behind Act of 2001. The Agency utilizes a language test as the evaluation measure available for the Agency and Illinois' local education agencies' Title I and Title III requirements.	07/01/2013 - 06/30/2016	5,032,874
2014	Board of Education School District 189	This interagency agreement is pursuant to Public Act 98-0034, Sec. 30 which authorized the appropriation of the sum of \$3,000,000 from the General Revenue Fund to the Agency for the ordinary and contingent expenses of East St. Louis School District 189.	07/01/2013 - 06/30/2016	3,000,000
2014	Hazel Crest School District 152-5	This interagency agreement is for the payment of the settlement agreement with Innovation Modular Solutions (IMS) and the District attorney's fees.	10/07/2013 - 06/30/2014	1,200,000
2014	Peoria County Regional Office of Education	This interagency agreement is for the administration, planning and implementation of the Illinois Virtual High School (IVHS) which includes management and delivery of on-line courses for students and professional development for educators.	04/01/2009 - 06/30/2015	1,200,000

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

MEMORANDUMS OF UNDERSTANDING (Unaudited), Continued

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Fiscal Year	Parties of Agreement	Description	Period Covered	Amount
2014	Illinois State University	This interagency agreement aims to convene and facilitate the work of multi-state teams to support common core statewide implementation planning; to provide leadership and coordination of the Partnership for the Assessment Readiness for College and Career (PARCC) Educator Leader Core; to coordinate and implement activities associated with external partners; and to coordinate a statewide pilot for math and english language arts professional development based utilizing a video library of instructional strategies. The agreement also includes developing and providing print and online resources to support common core professional learning.	12/31/2012 - 06/30/2015	\$ 1,064,410
2013	Board of Education School District 189	This interagency agreement is pursuant to Public Act 98-0001 which authorized the appropriation of the sum of \$9,000,000, or so much thereof as may be necessary, from the General Revenue Fund to the Agency for the ordinary and contingent expenses of East St. Louis School District 189.	05/02/2013 - 06/30/2013	9,000,000
2013	University of Wisconsin - Madison	This interagency agreement is for the Title III Elementary and Secondary Act (ESEA) requirements which needs from the vendor an assessment on the result of the English Language Learners (ELL) test, validated through comparative studies by World-Class Instructional Design and Assessment (WIDA) Consortia.	07/01/2007 - 06/30/2013	4,839,795
2013	Peoria County Regional Office of Education	This interagency agreement is for the administration, planning and implementation of the Illinois Virtual High School (IVHS) which includes management and delivery of on-line courses for students and professional development for educators.	04/01/2009 - 06/30/2014	1,200,000
2013	Northern Illinois University	This interagency agreement is for the refinement and maintenance of the Illinois Interactive Report Card (IIRC) and the development of a consolidated School Improvement Plan / District Improvement Plan / Technology Integration Plans and the Race to the Top Phase Three.	06/29/2012 - 06/30/2014	1,194,999

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

SERVICE EFFORTS AND ACCOMPLISHMENTS (Unaudited)
FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

The general objective of Service Efforts and Accomplishments (SEA) reporting is to provide the user of the Agency's financial statements with the information necessary to evaluate the efficiency and effectiveness of the Agency's use of financial and other resources. This is especially important given the significance of the Illinois State Board of Education to the State as a whole and the ongoing public debate concerning education policy across the nation. Charter school information is included in district statistics. The following data was extracted from the School Report Card: Statewide Trend Data. School Report cards are to be made public by November 1 of each year.

Particular service efforts and accomplishments reported by the Agency are as follows:

Performance Indicators	Performance Measures		
<u>Schools/Students</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Number of Operating School Districts	863	863	866
Number of Schools with Report Card Information	3,794	3,862	3,873
Low-Income Rate	51.5%	49.9%	49.0%
Limited English Proficient Rate	9.5%	9.5%	9.4%
Dropout Rate	2.2%	2.4%	2.5%
Attendance Rate	94.5%	94.2%	94.4%
Student Mobility Rate	12.3%	12.8%	13.1%
Chronic Truancy Rate	8.7%	9.8%	8.6%
Graduation Rate	86.0%	83.2%	82.3%

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

SERVICE EFFORTS AND ACCOMPLISHMENTS (Unaudited), Continued

FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

Performance Indicators	Performance Measures		
Student Achievement - Percent of Students <u>Meeting or Exceeding State Performance Standards</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Reading			
Third Grade	55.3	58.8	76.1
Fourth Grade	56.4	59.2	76.0
Fifth Grade	58.2	58.9	77.8
Sixth Grade	57.3	58.9	81.7
Seventh Grade	59.4	58.4	78.1
Eighth Grade	56.3	59.8	86.2
Eleventh Grade	56.3	54.8	50.7
Mathematics			
Third Grade	55.6	54.9	87.7
Fourth Grade	63.5	60.2	88.1
Fifth Grade	64.4	59.4	83.6
Sixth Grade	60.1	59.6	85.0
Seventh Grade	57.7	59.0	84.6
Eighth Grade	59.9	58.9	85.0
Eleventh Grade	52.4	51.8	51.6
Science			
Fourth Grade	76.3	81.0	79.8
Seventh Grade	79.9	79.0	79.9
Eleventh Grade	49.6	49.3	51.7
ACT Composite Score (schools with Report Card Information)	20.4	20.3	20.6

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

SERVICE EFFORTS AND ACCOMPLISHMENTS (Unaudited), Continued
FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

Performance Indicators	Performance Measures		
<u>Teacher Information</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Number of Teachers (Full Time Equivalent)	130,066	127,830	127,830
Years of Teaching Experience (average)	N/A	N/A	12.9
Percent with Graduate Degree	58.2	N/A	61.7
Students Per Teacher (elementary)	18.6	18.7	18.9
Students Per Teacher (secondary)	18.1	17.9	18.8
Students Per Administrator	189.5	204.7	205.0
Teacher Salary (average)	\$ 62,435	N/A	\$ 66,614
Administrator Salary (average)	\$ 101,096	N/A	\$ 110,870
<u>Financial Information</u> <u>(2012-2013; 2011-2012; 2010-2011)</u>			
Instructional Expenditures Per Pupil	\$ 7,094	\$ 6,974	\$ 6,824
Operational Expenditures Per Pupil	\$ 12,045	\$ 11,842	\$ 11,664
<u>Percent of Expenditures by Function</u> <u>(2012-2013; 2011-2012; 2010-2011)</u>			
Instruction	48.5%	48.3%	48.3%
General Administration	3.3%	3.3%	3.3%
Support Services	30.1%	30.1%	30.7%
Other Expenditures	18.1%	18.3%	17.7%
<u>Percent of Expenditures by Fund</u> <u>(2012-2013; 2011-2012; 2010-2011)</u>			
Education	73.6%	73.4%	73.7%
Operations and Maintenance	6.2%	6.2%	5.9%
Transportation	3.8%	3.7%	3.8%
Bond and Interest	7.8%	7.6%	7.4%
All Others	8.6%	9.1%	9.2%

N/A - Information was not available for the period presented.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION**

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

**SCHEDULE OF INDIRECT COST REIMBURSEMENTS (Unaudited)
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

Indirect cost reimbursements are primarily Letter of Credit draw downs of federal funds deposited directly into the General Revenue Fund, S.B.E. Special Purpose Trust Fund, S.B.E. Federal Agency Services Fund, and the Department of Agriculture and Department of Education Funds in the State treasury. Indirect costs are based on a fixed rate negotiated annually with the cognizant federal agency, the U.S. Department of Education. "Fund Balance" represents the amount of cash available at June 30 from previously drawn indirect cost funds. "Total Available" represents the beginning year fund balance plus any indirect cost funds drawn during the current fiscal year. Following are the reimbursements deposited during fiscal years 2014 and 2013 and the related fund balances.

	<u>2014</u>	<u>2013</u>
Fund Balance, Beginning	\$ 3,781,780	\$ 2,113,742
Special Education - Grants to States	936,838	1,267,323
Child Nutrition Grants	831,986	827,365
Title I Grants to Local Education Agencies	693,352	953,753
Twenty-First Century Community Learning Centers	77,489	147,646
Special Education - Preschool Grants	58,950	62,873
Career and Technical Education - Basic Grants to States	38,216	125,980
Improving Teacher Quality State Grants	37,190	156,083
Mathematics and Science Partnerships	35,706	27,014
Rural Education	7,758	5,389
Statewide Data Systems	-	156,216
English Language Acquisition State Grants	-	132,683
School Improvement Grants	-	79,144
Special Education - State Personnel Development	-	36,572
Education for the Homeless Children and Youth	-	28,213
Migrant Education - State Grant Program	-	5,837
Title I State Agency Program for Neglected and Delinquent Children and Youth	-	2,284
Striving Readers	-	31
	<u>2,717,485</u>	<u>4,014,406</u>
Total Available	6,499,265	6,128,148
Less: Expenditures Agency Operations	<u>3,128,097</u>	<u>2,346,368</u>
Fund Balance, Ending	<u>\$ 3,371,168</u>	<u>\$ 3,781,780</u>