

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

**COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

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, 2016**

Table of Contents	<u>Schedule</u>	<u>Page(s)</u>
Agency Officials		1-2
Management Assertion Letter		3
Compliance Report:		
Summary		4-6
Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes		7-10
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>		11-12
Independent Accountant’s Report on Agreed-Upon Procedures		13-15
Schedule of Findings		
Current Findings - State Compliance		16-26
Prior Findings Not Repeated		27
Financial Statement Report:		
<p>The Illinois State Board of Education’s financial statement report for the year ended June 30, 2016, 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		28
Fiscal Schedules and Analysis		
Schedule of Appropriations, Expenditures and Reappropriated/Lapsed Balances - Fiscal Year 2016	1	29-36
Schedule of Appropriations, Expenditures and Reappropriated/Lapsed Balances - Fiscal Year 2015	2	37-44
Comparative Schedule of Net Appropriations, Expenditures and Reappropriated/Lapsed Balances	3	45-55
Schedule of Changes in State Property	4	56
Comparative Schedule of Cash Receipts	5	57-58

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

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	59-62
Analysis of Significant Variations in Expenditures	7	63-66
Analysis of Significant Variations in Receipts	8	67
Analysis of Significant Lapse Period Spending	9	68-69
Analysis of Significant Account Balances	10	70-75
Analysis of Accounts Receivable	11	76
Analysis of Operations (Unaudited)		
Agency Functions and Planning Program (Unaudited)		77-78
State Charter School Commission (Unaudited)		79
Budget Impasse Disclosures (Unaudited)		80
Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Unaudited)		81-82
Interest Costs on Fiscal Year 2016 Invoices (Unaudited)		83
Average Number of Employees (Unaudited)		84
Annual Cost Statistics (Unaudited)		85-88
Memorandums of Understanding (Unaudited)		89
Service Efforts and Accomplishments (Unaudited)		90-92
Schedule of Indirect Cost Reimbursements (Unaudited)		93

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

Agency Officials

Board Members of the Illinois State Board of Education:

James T. Meeks, Board Chair, effective January 20, 2015
Eligio Pimentel, Vice-Chair effective February 22, 2017
Cesilie Price, Secretary, effective February 22, 2017
Lula Ford, effective February 2, 2015
Craig Lindvahl, effective February 2, 2015
Collin Hitt, effective December 5, 2016
Jason Barclay, effective January 16, 2017
Ruth Cross, effective January 25, 2017
Kevin Settle, effective February 6, 2017

Gery J. Chico, Chairperson, through January 19, 2015
Steven R. Gilford, Vice-Chair through January 15, 2017
Melinda A. LaBarre, Secretary, through February 5, 2017
Dr. Vinni M. Hall, Secretary, through January 14, 2015
Dr. Andrea S. Brown, through January 14, 2015
Dr. David L. Fields, through January 14, 2015
Roberta Parks, effective February 2, 2015 through
March 2, 2015
James W. Baumann, through April 14, 2015
John Sanders, effective March 2, 2015 through
November 18, 2016
Curt Bradshaw, through February 24, 2017

State Superintendent of Education
Dr. Tony Smith, Ph.D, effective May 1, 2015

Dr. Christopher A. Koch, Ed.D, through May 1, 2015

Cabinet members:

General Counsel

Through April 3, 2015

Through April 4, 2015 to June 30, 2015

Effective July 1, 2015

Chief Internal Auditor

First Deputy Superintendent

Chief Financial Officer

Deputy Superintendent Teaching and Learning

Chief Education Officer

Through June 30, 2015

Through April 2, 2017

Effective April 3, 2017

Chief Operating Officer and Director of Human
Resources and Labor Relations

Through September 4, 2015

Chief Operating Officer

Effective October 16, 2015 through May 13, 2016

Director of Human Resources and Labor Relations

Effective September 7, 2015 through

January 15, 2016

Executive Director, Professional Capital

Effective June 15, 2016

Director of Public Information

Through September 4, 2015

Effective October 16, 2015 through June 30, 2016

Nicole Bazer

Marcilene Dutton (Acting)

Stephanie Donovan

Melissa Oller

Karen Corken

Robert Wolfe

Jason Helfer

Susan Morrison

Vacant

Libia Gil

Donald W. Evans

Janel Forde

Anwar Johnson (Acting)

Sarah Hatfield

Matthew Vanover

Laine Evans

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

Agency Officials, Continued

Chief Communications and Partnerships Officer Effective January 4, 2016	Jacklyn Rodgers
Division Administrator Information Technology	Brent Engelman
Assistant Superintendents:	
Innovation and Improvement Through November 9, 2015	Amy Jo Clemens
Effective November 10, 2015	Vacant
Specialized Instruction Nutrition and Wellness Through March 5, 2015	Elizabeth Hanselman
Effective August 1, 2016	Kathleen Anderson Foley
Center for Language and Early Child Development Through September 30, 2016	Reyna Hernandez
Effective October 1, 2016	Vacant

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
www.isbe.net

James T. Meeks
Chairman

Tony Smith, Ph.D.
State Superintendent of Education

April 26, 2017

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, 2016. Based on this evaluation, we assert that during the years ended June 30, 2016 and June 30, 2015, 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

SIGNED ORIGINAL ON FILE

Tony Smith, Ph.D.
State Superintendent of Education

SIGNED ORIGINAL ON FILE

Robert Wolfe
Chief Financial Officer

SIGNED ORIGINAL ON FILE

Stephanie Donovan
General Counsel

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

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	7	6
Repeated findings	1	3
Prior recommendations implemented or not repeated	5	7

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDING (<i>GOVERNMENT AUDITING STANDARDS</i>)			
No matters were reported.			
FINDINGS (STATE COMPLIANCE)			
2016-001	16	Noncompliance with the School Code on Bullying Prevention	Significant Deficiency/ Noncompliance
2016-002	18	Insufficient Controls over School Construction Projects	Significant Deficiency/ Noncompliance
2016-003	20	Noncompliance with the School Code Requirement on Establishment of Multiple Measure Index and Annual Measurable Objectives	Significant Deficiency/ Noncompliance
2016-004	22	Noncompliance with the School Code on Salary and Benefits Survey Reporting	Significant Deficiency/ Noncompliance
2016-005	23	Noncompliance with the Education Purchasing Program	Significant Deficiency/ Noncompliance
2016-006	24	Noncompliance with the Critical Health Problems and Comprehensive Health Education Act	Significant Deficiency/ Noncompliance
2016-007	25	Reporting Requirements	Significant Deficiency/ Noncompliance

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

SCHEDULE OF FINDINGS, Continued

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED		
A	27	Noncompliance with Obsolete Mandated Duties
B	27	Noncompliance with the School Code on Board Membership
C	27	Failure to Establish a School Security and Standards Task Force
D	27	Noncompliance with the P-20 Longitudinal Education Data Systems Act
E	27	Required Information Not Included in the Annual Report

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on March 14, 2017. Attending were:

Representing Illinois State Board of Education

Stephanie Donovan, General Counsel
Karen Corken, First Deputy Superintendent
Melissa Oller, Chief Internal Auditor
Jeff Aranowski, Deputy of Regulatory Support
Kate Foley, Assistant Superintendent
Sarah Hatfield, Executive Director, Professional Capital
Sue Connolly, Human Resources Director
Patrick Payne, Director of Strategy and Analytics
Deborah Vespa, School Business Services Division Administrator
Brent Engelman, IT Division Administrator
Mark Haller, Nutrition and Wellness Division Administrator
Cindy Zumwalt, Early Childhood Division Administrator
Michelle Carmichael, Nutrition and Wellness Supervisor
Anne Brooks, Division Supervisor
Craig Foxall, Procurement Services Supervisor
Jeremy Mehochko, IT Division Supervisor
Alex Wheeler, Senior Internal Auditor
Lauren Russell, Senior Internal Auditor
Melina Wright, Federal Liaison Admin

**STATE OF ILLINOIS
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EXIT CONFERENCE, Continued

Representing E.C. Ortiz & Co., LLP

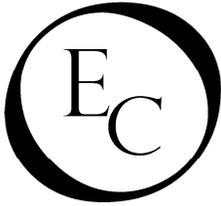
Gilda B. Priebe, Partner

Netzyl Jeanne S. Miraflores, Manager

Representing the Office of the Auditor General

Lisa Warden, Senior Audit Manager

Responses to the recommendations were provided by Melissa Oller in letters dated March 17, 2017 and April 25, 2017.



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

Honorable Frank J. Mautino
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, 2016. 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, 2016. 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 2016-001 through 2016-007.

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 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 2016-001 through 2016-007 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, 2016, and have issued our report thereon dated December 16, 2016, 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 16, 2016. The accompanying supplementary information for the year ended June 30, 2016 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, 2016 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, 2016 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, 2016.

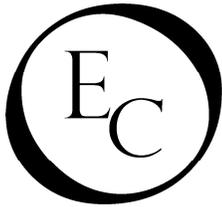
We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Illinois State Board of Education's basic financial statements as of and for the years ended June 30, 2015 and June 30, 2014 (not presented herein), and have issued our reports thereon dated December 22, 2015 and December 10, 2014, 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, 2015 in Schedules 2 through 11 and for the year ended June 30, 2014 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, 2015 and June 30, 2014 financial statements. The accompanying supplementary information for the year ended June 30, 2015 in Schedules 2 through 11 and for the year ended June 30, 2014 in Schedules 3 through 8 and 10 has been subjected to the auditing procedures applied in the audits of the June 30, 2015 and June 30, 2014 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, 2015 in Schedules 2 through 11 and for the year ended June 30, 2014 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.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
April 26, 2017



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 Frank J. Mautino
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, 2016, 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 16, 2016.

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

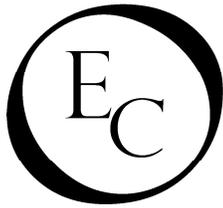
As part of obtaining reasonable assurance about whether the Illinois State Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
December 16, 2016



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Frank J. Mautino
Auditor General
State of Illinois

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, 2016, 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. This agreed-upon procedures engagement was conducted 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. We obtained and inspected the Fiscal Year 2015 Annual Report for the State Board of Education and verified the Annual Report complied with each of the following statutory requirements of the School Code:
 - a. Using the most recently available data, the Illinois State Board of Education prepared and submitted to the General Assembly and the Governor on or before January 14, 2016 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. The Annual Report contained the following information for the preceding year ended June 30, 2015: 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, the name of such district, the date or dates on which the State Board of Education 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 State Board of Education.

- d. The report included the statewide high school dropout rate by grade level, sex and race and the annual student dropout rate of and the number of students who graduate from, transfer from or otherwise leave bilingual programs. High school dropout data included aged-out.

We found no exceptions as a result of the procedures performed.

2. We obtained the list of school districts and agreed submission of student data in Student Information System (SIS) for a sample of 40 school districts. We found no exceptions as a result of the procedures performed.
3. We obtained the supporting file for the “2014-2015 High School Dropout Rates, by Grade Level, Gender, and Race/Ethnicity” prepared by the Agency. We agreed 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 found no exceptions as a result of the procedures performed.
4. We compared dropout data totals per the Agency’s supporting file of dropout data for the school year 2014-2015 to those on the 2015 Annual Report filed with the General Assembly and we agreed all dropout totals, by grade level, gender, and race/ethnicity on the supporting file to the report.

All dropout totals agreed to the supporting file except 391 of the total 14,198 reported dropouts, which have the exit code “aged out.” These students attended school, received certificates of attendance, and should not have been included in drop out totals.

5. We obtained the supporting file for the “2014-2015 English Learner Students by Transition Status and School Year Outcome” prepared by the Agency. We compared bilingual education data for 20 selected students from the Agency’s supporting file of bilingual education data to SIS and 20 selected students from SIS to the Agency’s supporting file of bilingual education data. We found no exceptions as a result of the procedures performed.
6. We compared bilingual education data totals per the Agency’s supporting file of bilingual education data for school year 2014-2015 to those on the 2015 Annual Report filed with the General Assembly. We agreed all bilingual education data totals, by transition status, on the supporting file to the report. We found no exceptions as a result of the procedures performed.
7. We obtained the schedule of bilingual education data generated from the Statistical Analysis System (SAS). We compared bilingual education data totals per the SAS schedule to those on the 2015 Annual Report filed with the General Assembly. We agreed all bilingual education data totals, by transition status, on the SAS schedule to the report. We found no exceptions as a result of the procedures performed.

For the purposes of this report, we were not engaged to and did not conduct an examination of the subject of this report, 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 and Agency management, and is not intended to be and should not be used by anyone other than these specified parties.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
April 26, 2017

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

CURRENT FINDINGS - STATE COMPLIANCE

2016-001. **FINDING** (Noncompliance with the School Code on Bullying Prevention)

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

During our testing, we noted:

- Forty-four of 62 charter schools (71%), and 248 of 300 non-public, non-sectarian schools (83%) did not file with the Agency their policy on bullying.
- Five of six (83%) bullying prevention policies we reviewed lacked the provisions required to be included in the policy.
- Four of the 853 (0.5%) school districts did not submit their revised policy.

Agency officials responded to the prior finding that responsibility for collecting the bullying policies, which had resided in different divisions over the past few years, had been specifically assigned to ensure successful monitoring and oversight of the program. During the current examination period, we noted two divisions were responsible for the monitoring of bullying prevention policies - one for school districts and charter schools, and the other for non-public, non-sectarian elementary or secondary schools.

The School Code (105 ILCS 5/27-23.7(d)) requires each school district, charter school, and non-public, non-sectarian elementary or secondary school to create, maintain, and implement a policy on bullying which must be filed with the Agency. It also requires the bullying prevention policy include the bullying definition as provided by the Code, procedures for promptly reporting bullying, procedures for promptly informing parents or guardians of all students involved in the alleged incident of bullying, procedures for promptly investigating and addressing reports of bullying as well as a policy evaluation process to assess the outcomes and effectiveness of the policy. Further, the same section requires the policy or implementing procedure include a process to investigate whether a reported act of bullying is within the permissible scope of the district's or school's jurisdiction and requires the district or school provide the victim with information regarding services available within the district and community, such as counseling, support services, and other programs. The State Board of Education shall monitor and provide technical support for the implementation of policies created under this subsection.

Agency personnel stated despite strides in moving the oversight of the policy forward, the lack of Agency resources and personnel available to assist prevented adequate monitoring.

Failure to adequately monitor the revision and implementation of bullying prevention policies by each school potentially defeats its purpose to educate students, parents and schools about behaviors and negative outcomes associated with bullying. (Finding Code No. 2016-001, 2014-003)

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

RECOMMENDATION

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

AGENCY RESPONSE

The Agency agrees with the finding. ISBE understands that bullying prevention is critical and Agency management will make compliance with this mandate a priority. ISBE will continue to strengthen policies and procedures, and re-evaluate the organizational structure to ensure all current bullying policies, as well as revisions, are maintained at ISBE in accordance with the School Code. ISBE has previously issued guidance related to the components required in a school's bullying policy, and will continue to reinforce this direction as well as strengthen ISBE's monitoring function.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

2016-002. **FINDING** (Insufficient Controls over School Construction Projects)

The State Board of Education (Agency) failed to process applications to determine and entitle eligible districts for school construction project grants.

The school construction program process calls for applications from districts with populations not exceeding 500,000 to be submitted to the Agency. Then the Agency will review the received applications to determine eligibility, calculate grant indexes, issue entitlements, and when there is limited availability of funds, submit a priority ranking of entitled districts to the Capital Development Board (CDB). CDB issues school construction grants to those school districts entitled by the Agency when funds are appropriated by the General Assembly from the School Infrastructure Fund.

We noted the Agency had not reviewed the 280 applications it received from school districts since Fiscal Year 2003 to determine whether the district was eligible and should have been entitled to receive a school construction grant.

The Law (105 ILCS 230/5-20) requires the Agency “review and approve district facilities plans prior to issuing grant entitlements.” Additionally, the Law (105 ILCS 230/5-25(a)) states the Agency “shall approve a district's eligibility for a school construction project grant or a debt service grant pursuant to the established standards.” In addition, the Illinois Administrative Code (Code) (23 Ill. Admin. Code 151.40(a)) states the State Superintendent of Education shall award construction grant entitlements to a district which submits a complete and accurate application which demonstrated a needed school construction project or projects. The Agency’s administrative rules (23 Ill. Admin. Code 151.50) further require priority ranking of construction grant entitlements if the appropriation for any fiscal year is insufficient to fund grants for all approved grant entitlements.

Agency officials stated the Agency had not processed school construction grant applications received since Fiscal Year 2003 because the lack of an appropriation at CDB as required by 105 ILCS 230/5-10 for program grants to districts with populations under 500,000 would have resulted in an entitled district not receiving grant funds. Agency officials further stated the Agency’s entitlement of a district would have created an undue hardship as the district must annually update its application under the Law (105 ILCS 230/5-20) to remain eligible for future grants. Officials stated annual district updates would be required until such time as an appropriation was provided. However, the auditors noted the Law does not waive the Agency’s responsibility for review of applications, eligibility determinations, and notification to CDB of priority ranking of eligible school districts contingent upon CDB’s receipt of an appropriation for school construction grants.

We also noted that although appropriations had not yet been made to CDB for school construction projects in districts with a population not exceeding 500,000, the Riverboat Gambling Act (230 ILCS 10/13) was amended in July 2013 to, in part, provide a monthly

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

funding source of \$5.53 million for deposit into the School Infrastructure Fund to support school construction across the State.

Agency officials estimated the unmet need for new school construction and addition projects was approximately \$3.6 billion. By not reviewing applications for school construction projects and entitling districts for aid from CDB, the Agency failed to comply with the Law and the Illinois Administrative Code. (Finding Code No. 2016-002)

RECOMMENDATION

We recommend the Agency review applications for school construction projects to calculate grant indexes, issue entitlements, and submit a priority ranking to CDB, or seek a legislative remedy.

AGENCY RESPONSE

The Agency agrees with the finding. In consideration of limited taxpayer resources and given the statewide circumstances, ISBE determined that its actions were reasonable. Neither Statute nor Administrative Rule contemplated a lack of appropriations to entitle eligible districts during the thirteen year period of time from 2004 to 2016 for school construction grants. Updating applications for school construction grants on an annual basis would have created an undue burden as well as potentially creating an equity issue where some applicants may have failed to update the application on an annual basis during the period of time in between appropriations for school construction. ISBE will seek a legislative remedy to address the conflicting requirements of the Statute.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

2016-003. **FINDING** (Noncompliance with the School Code Requirement on Establishment of Multiple Measure Index and Annual Measurable Objectives)

The Illinois State Board of Education (Agency) did not establish a multiple measure index and correlating annual measurable objectives for each public school in the State of Illinois.

During our testing, we noted no revised annual measurable objectives were provided by the Agency to all schools beginning in 2015, which will include annual targets for progress of each school's multiple measure indexes. The existing annual measurable objectives were based on the former assessments which were deemed no longer appropriate with the new standardized tests administered since the 2014-2015 school year (SY) by the Partnership for Assessment of Readiness for College and Careers (PARCC) and the Dynamic Learning Maps Alternate Assessment (DLM-AA). All public school districts with approximately 1.4 million enrollees from 3rd Grade to 11th Grade in SY 2014-2015 and 2015-2016 participated in the new assessment.

The School Code (105 ILCS 5/2-3.25d) states the State Board of Education shall establish a multiple measure index and annual measurable objectives for each public school in the State of Illinois which address the school's overall performance in terms of both academic success and equity. Beginning in 2015, all schools shall receive annual measurable objectives which will provide annual targets for progress of each school's multiple measure index.

Agency personnel stated annual measurable objectives could not be established until a baseline was reached with the new assessments based on PARCC data released in Fall 2015. However, Agency personnel stated the Agency ceased preparation of the required multiple measure index and correlating annual measurable objectives because of the passage of the federal Every Student Succeeds Act (ESSA) on December 10, 2015 which revised the school accountability, data reporting and state plans requirements. The changes at the federal level superseded the process as outlined in the State statute. Management stated the Agency did not seek to amend State legislation during the audit period because a finalized federal plan supporting changes in accountability had not been approved.

Failure to develop the required multiple measure index and annual measurable objectives for tests administered in Fiscal Year 2015-2016 is noncompliance with the School Code and limits the full achievement of the purpose for which assessments are performed. Without the established benchmarks, the result of the assessments provided to students will have no bearing and the school's overall performance could not be measured. (Finding Code No. 2016-003)

RECOMMENDATION

We recommend the Agency comply with statutory requirements and develop the required multiple measure index and annual measurable objectives for each school in the State of Illinois or seek State legislative changes.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

AGENCY RESPONSE

The Agency agrees with the finding. ESEA legislation ended August 1, 2016. ISBE is in the final stages of developing a state plan to ensure compliance with the implementation of the new Every Student Succeeds Act (ESSA). Upon completion and approval of the state plan, the Agency will seek the necessary State legislative changes.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

2016-004. **FINDING** (Noncompliance with the School Code on Salary and Benefits Survey Reporting)

The Illinois State Board of Education (Agency) did not compile a statewide salary and benefits survey report for certificated personnel.

We noted as of the date of our testing, the school year 2015-2016 Illinois Teacher Salary Study survey was not compiled and made available by the Agency. The Agency's website showed the raw data files submitted by the school districts were available and the website included a notice the study would be coming soon.

The School Code (105 ILCS 5/2-3.103) required the Agency to conduct, in each school district, a school district salary and benefits survey covering the district's certificated personnel. Further, the Agency is required to compile, by April 30 of the school year covered by the survey, a statewide salary and benefit survey report based upon the surveys from individual school districts.

Agency personnel stated the school year 2015-2016 survey was not compiled due to staffing changes and competing organizational needs.

Failure to compile the Teacher Salary Study survey results in noncompliance with the School Code and prevents parties from obtaining information regarding statewide and school district teacher salary policies, salaries paid, and fringe benefits. (Finding Code No. 2016-004)

RECOMMENDATION

We recommend the Agency timely compile and publish the Teacher Salary Study survey.

AGENCY RESPONSE

The Agency agrees with the finding. ISBE understands the need for transparency and the importance of making information regarding statewide and school district teacher salary policies, salaries paid, and fringe benefits available. The Agency will work to publish the compiled survey for SY 2016-2017 by April 30 and will subsequently work to publish the SY 2015-2016 survey.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

2016-005. **FINDING** (Noncompliance with the Education Purchasing Program)

The Illinois State Board of Education (Agency) did not create an Education Purchasing Program or designate a State education purchasing entity as required by law.

The Illinois School Code (105 ILCS 5/28A-10) requires the Agency to create an education purchasing program (EPP). Under the program, the Agency shall designate itself or another entity to act as a State education purchasing entity to form and designate statewide education master contracts and to certify education purchasing contracts for key categories identified and defined by the Agency. The State education purchasing entity shall provide master contract and education purchasing contract information and pricing to school districts. During school year 2015-2016, the State of Illinois had 38 regional offices of education, 929 public and special education districts, 4,057 public and special education schools, and 63 charter schools with 146 campuses which would have benefited from the program.

Management stated the Agency prepared a request for sealed proposal for the establishment of the EPP. However, it was not approved by the Chief Procurement Officer due to concerns on the procurement process to be used by the selected education purchasing entity. An alternative solution for the EPP requirement was discussed by management but was not implemented.

Failure to create the education purchasing program and designate a State education purchasing entity results in noncompliance with these provisions of the School Code, the main purpose of which is to provide master contracts and education purchasing contract information and pricing to school districts. (Finding Code No. 2016-005)

RECOMMENDATION

We recommend the Agency develop a plan on how to implement the education purchasing program as well as designate a State education purchasing entity to comply with the requirements of the School Code.

AGENCY RESPONSE

The Agency agrees with the finding. ISBE is currently in the process of submitting a Request for Information (RFI) to be published in the Illinois Procurement Bulletin. This will allow potential vendors to submit their education purchasing contracts, which have been procured in a manner that fulfills the requirements of the Illinois Procurement Code, Illinois School Code and rules of the Education Purchasing Program. ISBE will then review and evaluate the potential vendor contracts and recommend to the State Superintendent which contracts may be certified and added to the Education Purchasing Program.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

2016-006. **FINDING** (Noncompliance with the Critical Health Problems and Comprehensive Health Education Act)

The Illinois State Board of Education (Agency) did not comply with the Critical Health Problems and Comprehensive Health Education Act.

During our testing, we noted the Agency did not develop instructional materials and guidelines regarding alcohol and drug use and abuse to help elementary and secondary schools of the State in developing their classroom instructions for grades 5 through 12.

The Critical Health Problems and Comprehensive Health Education Act (Act) (105 ILCS 110/3) required the Agency to develop and make available to all elementary and secondary schools in Illinois instructional materials and guidelines to assist the schools in incorporating alcohol and drug abuse instruction into their existing curricula. The instruction shall include matters relating to both the physical and legal effects and ramifications of drug and substance abuse.

Agency personnel stated the required instructional materials were not developed due to lack of qualified personnel within the Agency.

Failure to develop the required instructional materials and guidelines is noncompliance with the Act, the purpose of which is to provide students with comprehensive health education program including the effects of alcohol and drug use and abuse. (Finding Code No. 2016-006)

RECOMMENDATION

We recommend the Agency develop and make available the required instructional materials and guidelines to comply with the Act.

AGENCY RESPONSE

The Agency agrees with the finding. ISBE is in the process of developing resource and guidance materials to assist schools in incorporating alcohol and drug abuse instruction into their existing curricula.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

2016-007. **FINDING** (Reporting Requirements)

The Illinois State Board of Education (Agency) did not adhere to various reporting requirements established by Law.

During our testing, we noted the following:

- The Illinois School Code (105 ILCS 5/22-30(j)) requires the Agency to submit a report to the General Assembly and publish the report on the Agency’s internet website by October 1, 2015 and every year thereafter, identifying the frequency and circumstances of epinephrine administration during the preceding academic year. The Agency published and submitted the report entitled “The Administration of Undesignated Epinephrine Report 2014-2015” to the General Assembly 263 days after the required due date.
- The Illinois School Code (105 ILCS 5/14-8.02d) requires the Agency, in conjunction with the Annual State Report on Special Education Performance, to submit data on the performance of the due process hearing system to the members of the State Board of Education, the State Superintendent of Education, the Advisory Council on Education of Children with Disabilities, the Screening Committee, and must be made available to the public. Since its report for the 2008-2009 School Year, the Agency had not prepared and submitted an Annual State Report on Special Education Performance.
- The Agency did not ensure all required financial data for districts receiving an Early Childhood Education Block (ECEB) Grant was received by the Agency and submitted to the General Assembly. The Illinois School Code (105 ILCS 5/1C-4) requires reporting to the General Assembly of financial data of school districts which receive an ECEB Grant concerning the following: block grant allocation and expenditures by program; population and service levels by program; and administrative expenditure by program. The 2013-2014 and 2014-2015 annual reports submitted to the General Assembly did not contain information regarding population and service levels by program as well as the administrative expenditure by program.

During the prior examination period, the Agency sought to repeal the language of the mandate because the data required above was already included in the triennial and biennial reports the Agency prepares concerning Early Childhood as required by another statute. However, the amended provisions of 105 ILCS 5/1C-4 did not change the reporting requirements above.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

CURRENT FINDINGS - STATE COMPLIANCE, Continued

Agency personnel stated the delay in the reporting of administration of undesignated epinephrine was due to staffing issues in the division and schools, the proliferation of various kinds of reports from the schools, and various revisions made by the Agency to the reporting form used by schools. The Agency did not prepare the Annual State Report on Special Education Performance because of staff vacancies within the responsible division. Regarding the ECEB Grant, Agency personnel stated required population and service level data was not reported annually since this information was already included in a biennial and a triennial report prepared by the Agency related to the grant.

Failure to timely report to the General Assembly and other bodies as required lessens school accountability and governmental oversight. (Finding Code No. 2016-007)

RECOMMENDATION

We recommend the Agency implement internal controls to ensure compliance with specific reporting requirements or seek legislative remedy for statutory mandate provisions.

AGENCY RESPONSE

The Agency agrees with the finding. As required by 105 ILCS 5/22-30(j), ISBE will work to incorporate LEA data collection within an existing on-line system. The school nurse consultant will continue to work with Data Analysis and Accountability to submit the final report by October 1st of each year.

As required by 105 ILCS 5/14-8.02d, until a data coordinator is hired, the due process coordinator will prepare a data report on an annual basis to include timeliness of hearings and an analysis of the issues and disability categories, beginning with FY16 data.

As required by 105 ILCS 5/1C-4, ISBE will include population and service levels by program and administrative expenditures by program in future reports to the General Assembly.

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

PRIOR FINDINGS NOT REPEATED

A. **FINDING** (Noncompliance with Obsolete Mandated Duties)

During the prior examination period, the Board did not comply with or seek repeal of some obsolete duties mandated by State statute.

During the current examination period, we noted the obsolete sections of mandates identified in the prior audit were either repealed or amended by Public Act 99-0030, which took effect on July 1, 2015. (Finding Code No. 2014-001, 12-2, 10-2, 08-2, 07-1, 06-1, 05-2, 04-6, 03-6, 02-13, 00-9)

B. **FINDING** (Noncompliance with the School Code on Board Membership)

During the prior examination period, Board member appointments had not been made as required by the School Code.

During the current examination period, the results of our testing disclosed there was one vacancy on the Agency's board as of the end of Fiscal Year 2016. The Governor appointed a new board member in September 2016 to fill the vacancy. (Finding Code No. 2014-002, 12-6)

C. **FINDING** (Failure to Establish a School Security and Standards Task Force)

During the prior examination period, ISBE 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 the current examination period, the results of our testing indicated the statute was internally repealed effective July 2015. (Finding Code No. 2014-004)

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

During the prior examination period, the Agency did not expand the longitudinal education data system and establish a data warehouse by June 30, 2013 as mandated by State statute.

During the current examination period, we found although there were no significant new projects developed within Fiscal Year 2016, the results of our testing disclosed the longitudinal education data warehouse was functional and operational. (Finding Code No. 2014-005)

E. **FINDING** (Required Information Not Included in the Annual Report)

During the prior examination period, the Agency did not include certain required information in its 2013 Annual Report.

During the current examination period, the results of our testing disclosed the Agency included required information in its Annual Report. (Finding Code No. 2014-006, 2013-002, 12-5)

**STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

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 2016
 - Schedule of Appropriations, Expenditures and Reappropriated / Lapsed Balances - Fiscal Year 2015
 - 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)
 - Budget Impasse Disclosures (Unaudited)
 - Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Unaudited)
 - Interest Costs on Fiscal Year 2016 Invoices (Unaudited)
 - Average Number of Employees (Unaudited)
 - Annual Cost Statistics (Unaudited)
 - Memorandums of Understanding (Unaudited)
 - Service Efforts and Accomplishments (Unaudited)
 - Schedule of Indirect Cost Reimbursements (Unaudited)

The accountants' 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 auditors' 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 accountants' report also states that 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

FISCAL SCHEDULES AND ANALYSIS

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES
EXPENDITURE AUTHORITY FOR FISCAL YEAR 2016
FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2016

Public Acts 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures FISCAL YEAR 2016	Expenditure Authority (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
APPROPRIATED FUNDS						
GENERAL REVENUE FUND (001)						
Awards and Grants	\$ 2,479,582,038	\$ 2,410,136,811	\$ 68,991,494	\$ 2,479,128,305	\$ -	\$ 453,733
Lump Sum and Other Purposes	15,178,001	15,146,720	29,115	15,175,835	-	2,166
Lump Sum and Other Purposes - Community and Residential Services Authority (CRSA) (Note 7)	475,000	455,950	-	455,950	-	19,050
Total General Revenue Fund	<u>2,495,235,039</u>	<u>2,425,739,481</u>	<u>69,020,609</u>	<u>2,494,760,090</u>	<u>-</u>	<u>474,949</u>
EDUCATION ASSISTANCE FUND (007)						
Awards and Grants	<u>401,223,700</u>	<u>401,223,700</u>	<u>-</u>	<u>401,223,700</u>	<u>-</u>	<u>-</u>
TEACHER CERTIFICATE FEE REVOLVING FUND (016)						
Awards and Grants	2,000,000	842,943	21,812	864,755	-	1,135,245
Lump Sum and Other Purposes	5,000,000	2,362,217	1,553,499	3,915,716	-	1,084,284
Total Teacher Certificate Fee Revolving Fund	<u>7,000,000</u>	<u>3,205,160</u>	<u>1,575,311</u>	<u>4,780,471</u>	<u>-</u>	<u>2,219,529</u>
DRIVERS EDUCATION FUND (031)						
Awards and Grants	<u>18,500,000</u>	<u>18,499,968</u>	<u>-</u>	<u>18,499,968</u>	<u>-</u>	<u>32</u>
SCHOOL DISTRICT EMERGENCY FINANCIAL ASSISTANCE FUND (130)						
Awards and Grants	<u>1,166,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,166,800</u>

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued
EXPENDITURE AUTHORITY FOR FISCAL YEAR 2016
FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2016

Public Acts 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures FISCAL YEAR 2016	Expenditure Authority (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
SCHOOL CONSTRUCTION FUND (143)						
Construction Grants	\$ 20,356,631	\$ 15,965,494	\$ -	\$ 15,965,494	\$ 4,391,137	\$ -
S.B.E. SPECIAL PURPOSE TRUST FUND (144)						
Lump Sum and Other Purposes	15,500,000	1,717,168	2,089,154	3,806,322	-	11,693,678
S.B.E. TEACHER CERTIFICATION INSTITUTE 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	2,431,796	838	2,432,634	-	1,398,366
Employee Retirement Contribution						
Paid by the State	16,800	3,681	-	3,681	-	13,119
State Employees'/Teachers' Retirement	1,606,800	943,923	(2,847)	941,076	-	665,724
Social Security	191,200	66,206	12	66,218	-	124,982
Group Insurance	1,157,600	785,535	-	785,535	-	372,065
Contractual Services	11,932,000	5,079,005	1,001,235	6,080,240	-	5,851,760
Travel	400,000	202,922	18,490	221,412	-	178,588
Commodities	253,000	151,344	-	151,344	-	101,656
Printing	156,300	31,937	-	31,937	-	124,363
Equipment	310,000	53,927	-	53,927	-	256,073
Telecommunications	50,000	-	21,630	21,630	-	28,370
Awards and Grants	850,000,000	772,503,334	36,015,142	808,518,476	-	41,481,524
Total S.B.E. Federal Department of Agriculture Fund	869,904,700	782,253,610	37,054,500	819,308,110	-	50,596,590

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued
EXPENDITURE AUTHORITY FOR FISCAL YEAR 2016
FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2016

Public Acts 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures FISCAL YEAR 2016	Expenditure Authority (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
COMMON SCHOOL FUND (412)						
Awards and Grants	\$ 3,611,012,300	\$ 3,611,012,300	\$ -	\$ 3,611,012,300	\$ -	\$ -
AFTER-SCHOOL RESCUE FUND (512)						
Lump Sum and Other Purposes	200,000	-	-	-	-	200,000
S.B.E. FEDERAL AGENCY SERVICES FUND (560)						
Personal Services	106,800	89,971	-	89,971	-	16,829
State Employees'/Teachers' Retirement	56,700	34,432	-	34,432	-	22,268
Social Security	5,400	2,150	-	2,150	-	3,250
Group Insurance	30,000	29,848	-	29,848	-	152
Contractual Services	941,000	82,840	62,835	145,675	-	795,325
Travel	30,000	8,743	709	9,452	-	20,548
Commodities	20,000	1,483	-	1,483	-	18,517
Printing	700	274	-	274	-	426
Equipment	11,000	-	-	-	-	11,000
Telecommunications	9,000	-	1,173	1,173	-	7,827
Awards and Grants	3,800,000	403,660	182,237	585,897	-	3,214,103
Total S.B.E. Federal Agency Services Fund	5,010,600	653,401	246,954	900,355	-	4,110,245

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued
EXPENDITURE AUTHORITY FOR FISCAL YEAR 2016
FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2016

Public Acts 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures FISCAL YEAR 2016	Expenditure Authority (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
S.B.E. FEDERAL DEPARTMENT OF EDUCATION						
FUND (561)						
Personal Services	\$ 13,959,200	\$ 6,600,179	\$ -	\$ 6,600,179	\$ -	\$ 7,359,021
Employee Retirement Contribution						
Paid by the State	98,100	32,697	-	32,697	-	65,403
State Employees'/Teachers' Retirement	6,069,200	2,513,117	-	2,513,117	-	3,556,083
Social Security	1,062,700	146,737	-	146,737	-	915,963
Group Insurance	4,020,200	2,229,349	-	2,229,349	-	1,790,851
Contractual Services	21,370,000	7,820,100	1,724,751	9,544,851	-	11,825,149
Travel	1,600,000	300,379	18,895	319,274	-	1,280,726
Commodities	305,000	4,732	-	4,732	-	300,268
Printing	341,000	598	-	598	-	340,402
Equipment	679,000	28,624	-	28,624	-	650,376
Telecommunications	400,000	-	100,601	100,601	-	299,399
Awards and Grants	2,130,500,000	1,182,270,718	281,641,129	1,463,911,847	-	666,588,153
ARRA - Awards and Grants	35,000,000	272,095	-	272,095	-	34,727,905
Lump Sum and Other Purposes	58,780,300	26,955,904	5,891,507	32,847,411	-	25,932,889
Total S.B.E. Department of Education Fund	2,274,184,700	1,229,175,229	289,376,883	1,518,552,112	-	755,632,588
CHARTER SCHOOLS REVOLVING LOAN						
FUND (567)						
Awards and Grants	20,000	-	-	-	-	20,000

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued
EXPENDITURE AUTHORITY FOR FISCAL YEAR 2016
FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2016

Public Acts 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures FISCAL YEAR 2016	Expenditure Authority (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
SCHOOL INFRASTRUCTURE FUND (568)						
Awards and Grants	\$ 40,000,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000,000
Lump Sum and Other Purposes	600,000	136,393	17,586	153,979	-	446,021
Total School Infrastructure Fund	40,600,000	136,393	17,586	153,979	-	40,446,021
SCHOOL TECHNOLOGY REVOLVING LOAN FUND (569)						
Awards and Grants	2,000,000	1,893,650	106,350	2,000,000	-	-
TEMPORARY RELOCATION EXPENSES REVOLVING GRANT FUND (605)						
Awards and Grants	1,400,000	-	60,500	60,500	-	1,339,500
FUND FOR ADVANCEMENT OF EDUCATION (640)						
Awards and Grants	446,000,000	445,999,994	-	445,999,994	-	6
STATE CHARTER SCHOOL COMMISSION FUND (674) (Note 6)						
Lump Sum and Other Purposes	600,000	319,468	257,182	576,650	-	23,350
PERSONAL PROPERTY TAX REPLACEMENT FUND (802)						
Lump Sum and Other Purposes	70,000	-	70,000	70,000	-	-
Awards and Grants	15,650,000	9,326,708	5,129,497	14,456,205	-	1,193,795
Total Personal Property Tax Replacement Fund	15,720,000	9,326,708	5,199,497	14,526,205	-	1,193,795
Total - All Appropriated Funds	10,227,843,370	8,947,121,724	405,004,526	9,352,126,250	4,391,137	871,325,983

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued
EXPENDITURE AUTHORITY FOR FISCAL YEAR 2016
FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2016

Public Acts 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures FISCAL YEAR 2016	Expenditure Authority (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
NONAPPROPRIATED FUNDS						
TEACHER CERTIFICATE FEE REVOLVING FUND (016)						
Refunds		\$ -	\$ 9,561	\$ 9,561		
S.B.E. FEDERAL DEPARTMENT OF AGRICULTURE FUND (410)						
Refunds		226,618	-	226,618		
S.B.E. FEDERAL DEPARTMENT OF EDUCATION FUND (561)						
Awards and Grants		947	-	947		
Refunds		718,239	-	718,239		
Total S.B.E. Department of Education Fund		719,186	-	719,186		
Total - All Nonappropriated Funds		945,804	9,561	955,365		
Grand Total - All Funds	\$ 10,227,843,370	\$ 8,948,067,528	\$ 405,014,087	\$ 9,353,081,615	\$ 4,391,137	\$ 871,325,983

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued
EXPENDITURE AUTHORITY FOR FISCAL YEAR 2016
FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2016

Public Acts 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures FISCAL YEAR 2016	Expenditure Authority (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
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Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to Agency records.

Note 2: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

Note 3: The Circuit Court of St. Clair County in AFSCME Council 31 v. Munger (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the Agency never received enacted personal services appropriations for Fund 001, the Agency was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during Fiscal Year 2016.

Note 4: During Fiscal Year 2016, the Agency operated without enacted appropriations for operations until Public Acts 99-0005, 99-0409 and 99-0524 were signed into law on July 1, 2015, August 20, 2015, and June 30, 2016, respectively. During the impasse, the Circuit Court of St. Clair County in AFSCME Council 31 v. Munger (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Agency's court-ordered payroll payments were merged into the enacted appropriations for Funds 410, 560 and 561. Further, the Agency incurred non-payroll obligations within Funds 001, 016, 144, 568, 674, and 802, which the Agency was unable to pay until the passage of Public Acts 99-0409 and 99-0524.

Note 5: Public Act 99-0524 authorizes the Agency to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 80 includes information from Agency management about the number of invoices and the total dollar amount of invoices held by the Agency to be submitted against its Fiscal Year 2017 appropriation.

Note 6: 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 2016, 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 was not included in the Agency's prior year financial statements as the Commission was considered a separate reporting entity by the State Comptroller's Office. Beginning Fiscal Year 2016, the State Comptroller's Office elected to consolidate the Agency and the Commission for financial reporting purposes.

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued
EXPENDITURE AUTHORITY FOR FISCAL YEAR 2016
FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2016

Public Acts 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures FISCAL YEAR 2016	Expenditure Authority (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
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Note 7: 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 2016, the Agency did not receive a separate lump sum appropriation for the Authority under the General Revenue Fund (001) to be used for all costs associated with the Authority until the passage of Public Act 99-0524. Thus, the payroll expenditures of the Authority were covered by the court order as described in Note 4 above and the other non-payroll expenditures were paid based on Public Act 99-0524 as described in Note 5 above.

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES

APPROPRIATIONS FOR FISCAL YEAR 2015

FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
Public Acts 98-0675, 98-0677, 99-0001 FISCAL YEAR 2015						
APPROPRIATED FUNDS						
GENERAL REVENUE FUND (001)						
Personal Services	\$ 15,213,100	\$ 15,174,023	\$ 37,597	\$ 15,211,620	\$ -	\$ 1,480
Employee Retirement Contribution						
Paid by the State	283,000	277,344	-	277,344	-	5,656
Social Security	410,500	388,442	380	388,822	-	21,678
Contractual Services	5,363,000	3,543,222	1,710,304	5,253,526	-	109,474
Travel	152,900	130,309	21,654	151,963	-	937
Commodities	69,300	65,663	2,916	68,579	-	721
Printing	25,800	2,626	23,080	25,706	-	94
Equipment	309,800	72,977	236,798	309,775	-	25
Telecommunications	813,900	357,160	455,926	813,086	-	814
Operation of Automotive Equipment	18,100	17,241	802	18,043	-	57
Awards and Grants	2,262,695,809	2,185,435,573	73,303,042	2,258,738,615	-	3,957,194
Lump Sum and Other Purposes	43,776,400	35,966,912	1,709,015	37,675,927	-	6,100,473
Lump Sum and Other Purposes - Community and Residential Services Authority (CRSA) (Note 3)	579,000	471,217	6,684	477,901	-	101,099
Total General Revenue Fund	2,329,710,609	2,241,902,709	77,508,198	2,319,410,907	-	10,299,702

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

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

APPROPRIATIONS FOR FISCAL YEAR 2015

FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2015

Public Acts 98-0675, 98-0677, 99-0001 FISCAL YEAR 2015	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
EDUCATION ASSISTANCE FUND (007)						
Awards and Grants	\$ 235,629,600	\$ 235,629,600	\$ -	\$ 235,629,600	\$ -	\$ -
TEACHER CERTIFICATE FEE REVOLVING FUND (016)						
Lump Sum and Other Purposes	5,000,000	3,392,129	(750,921)	2,641,208	-	2,358,792
DRIVERS EDUCATION FUND (031)						
Awards and Grants	17,900,000	17,899,977	-	17,899,977	-	23
SCHOOL DISTRICT EMERGENCY FINANCIAL ASSISTANCE FUND (130)						
Awards and Grants	1,500,000	368,500	-	368,500	-	1,131,500
CAPITAL DEVELOPMENT FUND (141)						
Construction Grants	25,000,000	-	-	-	-	25,000,000
SCHOOL CONSTRUCTION FUND (143)						
Construction Grants	20,356,631	-	-	-	20,356,631	-

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

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

APPROPRIATIONS FOR FISCAL YEAR 2015

FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2015

Public Acts 98-0675, 98-0677, 99-0001 FISCAL YEAR 2015	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
S.B.E. SPECIAL PURPOSE TRUST FUND (144)						
Lump Sum and Other Purposes	\$ 15,500,000	\$ 2,336,841	\$ (290,557)	\$ 2,046,284	\$ -	\$ 13,453,716
S.B.E. TEACHER CERTIFICATION INSTITUTE 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	2,444,162	-	2,444,162	-	1,386,838
Employee Retirement Contribution						
Paid by the State	16,800	4,160	-	4,160	-	12,640
State Employees'/Teachers' Retirement	1,606,800	870,391	-	870,391	-	736,409
Social Security	191,200	66,594	-	66,594	-	124,606
Group Insurance	1,157,600	733,390	-	733,390	-	424,210
Contractual Services	6,310,500	3,204,452	779,933	3,984,385	-	2,326,115
Travel	400,000	231,981	18,934	250,915	-	149,085
Commodities	85,000	16,643	1,072	17,715	-	67,285
Printing	156,300	17,172	33,336	50,508	-	105,792
Equipment	310,000	24,966	12,120	37,086	-	272,914
Telecommunications	50,000	-	-	-	-	50,000
Awards and Grants	725,000,000	718,794,352	6,204,917	724,999,269	-	731
Total S.B.E. Federal Department of Agriculture Fund	739,115,200	726,408,263	7,050,312	733,458,575	-	5,656,625

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued
 APPROPRIATIONS FOR FISCAL YEAR 2015
 FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2015

Public Acts 98-0675, 98-0677, 99-0001 FISCAL YEAR 2015	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
COMMON SCHOOL FUND (412)						
Awards and Grants	\$ 3,989,644,000	\$ 3,989,644,000	\$ -	\$ 3,989,644,000	\$ -	\$ -
AFTER-SCHOOL RESCUE FUND (512)						
Lump Sum and Other Purposes	200,000	-	-	-	-	200,000
S.B.E. FEDERAL AGENCY SERVICES FUND (560)						
Personal Services	106,800	69,259	-	69,259	-	37,541
State Employees'/Teachers' Retirement	56,700	24,076	-	24,076	-	32,624
Social Security	5,400	1,464	-	1,464	-	3,936
Group Insurance	26,000	23,469	-	23,469	-	2,531
Contractual Services	945,000	57,446	47,804	105,250	-	839,750
Travel	30,000	3,370	1,154	4,524	-	25,476
Commodities	20,000	5,622	-	5,622	-	14,378
Printing	1,500	-	1,471	1,471	-	29
Equipment	11,000	134	-	134	-	10,866
Telecommunications	8,200	-	-	-	-	8,200
Total S.B.E. Federal Agency Services Fund	1,210,600	184,840	50,429	235,269	-	975,331

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued
 APPROPRIATIONS FOR FISCAL YEAR 2015
 FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2015

Public Acts 98-0675, 98-0677, 99-0001 FISCAL YEAR 2015	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
S.B.E. FEDERAL DEPARTMENT OF EDUCATION						
FUND (561)						
Personal Services	\$ 13,959,200	\$ 7,086,069	\$ -	\$ 7,086,069	\$ -	\$ 6,873,131
Employee Retirement Contribution						
Paid by the State	98,100	30,621	-	30,621	-	67,479
State Employees'/Teachers' Retirement	6,069,200	2,467,260	-	2,467,260	-	3,601,940
Social Security	1,062,700	157,537	-	157,537	-	905,163
Group Insurance	4,020,200	2,073,778	1,347	2,075,125	-	1,945,075
Contractual Services	21,370,000	7,952,820	1,608,205	9,561,025	-	11,808,975
Travel	1,600,000	343,053	25,204	368,257	-	1,231,743
Commodities	305,000	51,463	-	51,463	-	253,537
Printing	341,000	710	-	710	-	340,290
Equipment	679,000	46,344	-	46,344	-	632,656
Telecommunications	400,000	-	-	-	-	400,000
Awards and Grants	2,087,500,000	1,091,029,548	265,609,335	1,356,638,883	-	730,861,117
ARRA - Awards and Grants	40,000,000	5,000,525	413,648	5,414,173	-	34,585,827
Lump Sums and Other Purposes	58,780,300	16,302,910	3,058,658	19,361,568	-	39,418,732
Total S.B.E. Department of Educaion Fund	<u>2,236,184,700</u>	<u>1,132,542,638</u>	<u>270,716,397</u>	<u>1,403,259,035</u>	<u>-</u>	<u>832,925,665</u>
CHARTER SCHOOLS REVOLVING LOAN						
FUND (567)						
Awards and Grants	20,000	-	-	-	-	20,000
SCHOOL INFRASTRUCTURE FUND (568)						
Awards and Grants	40,000,000	-	-	-	40,000,000	-
Lump Sums	600,000	186,653	-	186,653	-	413,347
Total School Infrastructure Fund	<u>40,600,000</u>	<u>186,653</u>	<u>-</u>	<u>186,653</u>	<u>40,000,000</u>	<u>413,347</u>
SCHOOL TECHNOLOGY REVOLVING LOAN						

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

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

APPROPRIATIONS FOR FISCAL YEAR 2015

FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2015

Public Acts 98-0675, 98-0677, 99-0001 FISCAL YEAR 2015	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
FUND (569)						
Awards and Grants	5,000,000	1,775,225	-	1,775,225	-	3,224,775
TEMPORARY RELOCATION EXPENSES						
REVOLVING GRANT FUND (605)						
Awards and Grants	1,400,000	-	-	-	-	1,400,000
FUND FOR ADVANCEMENT OF EDUCATION (640)						
Awards and Grants	200,000,000	199,999,995	-	199,999,995	-	5
STATE CHARTER SCHOOL COMMISSION						
FUND (674) (Note 2)						
Lump Sum and Other Purposes	600,000	415,432	184,543	599,975	-	25
PERSONAL PROPERTY TAX REPLACEMENT						
FUND (802)						
Award and Grants	17,600,000	16,426,646	(32,745)	16,393,901	-	1,206,099
Lump Sums	70,000	70,000	-	70,000	-	-
Total Personal Property Replacement Tax Fund	17,670,000	16,496,646	(32,745)	16,463,901	-	1,206,099
Total - All Appropriated Funds	9,884,450,240	8,569,183,448	354,435,656	8,923,619,104	60,356,631	900,474,505

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND REAPPROPRIATED / LAPSED BALANCES, Continued
 APPROPRIATIONS FOR FISCAL YEAR 2015
 FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2015

Public Acts 98-0675, 98-0677, 99-0001 FISCAL YEAR 2015	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
NONAPPROPRIATED FUNDS						
S.B.E. FEDERAL DEPARTMENT OF AGRICULTURE FUND (410)						
Refunds		\$ 10,240	\$ -	\$ 10,240	\$ -	
S.B.E. FEDERAL AGENCY SERVICES FUND (560)						
Awards and Grants		117,025	141,296	258,321	-	
S.B.E. FEDERAL DEPARTMENT OF EDUCATION FUND (561)						
Awards and Grants		508,124	947,127	1,455,251	-	
Refunds		1,242	295,305	296,547	-	
Total S.B.E. Department of Eductaion Fund		509,366	1,242,432	1,751,798	-	
Total - All Nonappropriated Funds		636,631	1,383,728	2,020,359	-	
Grand Total - All Funds	\$ 9,884,450,240	\$ 8,569,820,079	\$ 355,819,384	\$ 8,925,639,463	\$ 60,356,631	\$ 900,474,505

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

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

APPROPRIATIONS FOR FISCAL YEAR 2015

FOR THE FOURTEEN MONTHS ENDED AUGUST 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Reappropriated July 1	Lapsed Balances August 31
Public Acts 98-0675, 98-0677, 99-0001 FISCAL YEAR 2015						

Note 1: 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 processed by the State Comptroller for payment to the vendor.

Note 2: 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 2015, 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 was not included in the Agency's financial statements as the Commission was considered a separate reporting entity by the State Comptroller's Office.

Note 3: 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 2015, 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

FISCAL SCHEDULES AND ANALYSIS, Continued

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

FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	2016 P.A. 99-0005, 99- 0409, 99-0524, and Court-Ordered Expenditures	2015 P.A. 98-0675, 98-0677, 99-0001	2014 P.A. 98-0033, 98-0034, 98-0642, 98- 0675
APPROPRIATED FUNDS			
GENERAL REVENUE FUND (001)			
Appropriations (Net After Transfers)	\$ 2,495,235,039	\$ 2,329,710,609	\$ 2,245,182,126
Expenditures			
Personal Services	-	15,211,620	-
Employee Retirement Contribution			
Paid by the State	-	277,344	-
Social Security	-	388,822	-
Contractual Services	-	5,253,526	-
Travel	-	151,963	-
Commodities	-	68,579	-
Printing	-	25,706	-
Equipment	-	309,775	-
Telecommunications	-	813,086	-
Operation of Automotive Equipment	-	18,043	-
Awards and Grants	2,479,128,305	2,258,738,615	2,186,113,800
Lump Sum and Other Purposes	15,175,835	37,675,927	50,552,105
Lump Sum and Other Purposes - CRSA (Note 7)	455,950	477,901	534,163
Interfund Transfers	-	-	1,500,000
Total Expenditures	2,494,760,090	2,319,410,907	2,238,700,068
Lapsed Balances	474,949	10,299,702	6,482,058
EDUCATION ASSISTANCE FUND (007)			
Appropriations (Net After Transfers)	401,223,700	235,629,600	404,000,000
Expenditures			
Awards and Grants	401,223,700	235,629,600	404,000,000

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED/LAPSED BALANCES, Continued
FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	2016 P.A. 99-0005, 99- 0409, 99-0524, and Court-Ordered Expenditures	2015 P.A. 98-0675, 98-0677, 99-0001	2014 P.A. 98-0033, 98-0034, 98-0642, 98- 0675
TEACHER CERTIFICATE FEE REVOLVING FUND (016)			
Appropriations (Net After Transfers)	\$ 7,000,000	\$ 5,000,000	\$ 5,000,000
Expenditures			
Awards and Grants	864,755	-	-
Lump Sum and Other Purposes	3,915,716	2,641,208	2,603,808
Total Expenditures	4,780,471	2,641,208	2,603,808
Lapsed Balances	2,219,529	2,358,792	2,396,192
DRIVERS EDUCATION FUND (031)			
Appropriations (Net After Transfers)	18,500,000	17,900,000	15,000,000
Expenditures			
Awards and Grants	18,499,968	17,899,977	14,999,979
Lapsed Balances	32	23	21
SCHOOL DISTRICT EMERGENCY FINANCIAL ASSISTANCE FUND (130)			
Appropriations (Net After Transfers)	1,166,800	1,500,000	16,140,000
Expenditures			
Awards and Grants	-	368,500	1,434,190
Lapsed Balances	1,166,800	1,131,500	14,705,810

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED/LAPSED BALANCES, Continued
FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	2016	2015	2014
	P.A. 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures	P.A. 98-0675, 98-0677, 99-0001	P.A. 98-0033, 98-0034, 98-0642, 98-0675
<i>CAPITAL DEVELOPMENT FUND (141)</i>			
Appropriations (Net After Transfers)	\$ -	\$ 25,000,000	\$ 25,000,000
Balances Reappropriated	-	-	25,000,000
Lapsed Balances	-	25,000,000	-
<i>SCHOOL CONSTRUCTION FUND (143)</i>			
Appropriations (Net After Transfers)	20,356,631	20,356,631	67,285,147
Expenditures			
Construction Grants	15,965,494	-	46,783,983
Balances Reappropriated	4,391,137	20,356,631	20,356,631
Lapsed Balances	-	-	144,533
<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	3,806,322	2,046,284	3,311,284
Lapsed Balances	11,693,678	13,453,716	12,188,716
<i>S.B.E. TEACHER CERTIFICATION INSTITUTE FUND (159)</i>			
Appropriations (Net After Transfers)	2,208,900	2,208,900	2,208,900
Lapsed Balances	2,208,900	2,208,900	2,208,900

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED/LAPSED BALANCES, Continued
FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	2016 P.A. 99-0005, 99- 0409, 99-0524, and Court-Ordered Expenditures	2015 P.A. 98-0675, 98-0677, 99-0001	2014 P.A. 98-0033, 98-0034, 98-0642, 98- 0675
<i>S.B.E. FEDERAL DEPARTMENT OF AGRICULTURE FUND (410)</i>			
Appropriations (Net After Transfers)	\$ 869,904,700	\$ 739,115,200	\$ 737,015,200
Expenditures			
Personal Services	2,432,634	2,444,162	2,709,209
Employee Retirement Contribution			
Paid by the State	3,681	4,160	5,486
State Employees'/Teachers' Retirement	941,076	870,391	1,000,580
Social Security	66,218	66,594	71,034
Group Insurance	785,535	733,390	811,521
Contractual Services	6,080,240	3,984,385	1,979,282
Travel	221,412	250,915	270,323
Commodities	151,344	17,715	15,085
Printing	31,937	50,508	13,325
Equipment	53,927	37,086	4,236
Telecommunications	21,630	-	-
Awards and Grants	808,518,476	724,999,269	713,220,689
Total Expenditures	819,308,110	733,458,575	720,100,770
Lapsed Balances	50,596,590	5,656,625	16,914,430
<i>COMMON SCHOOL FUND (412)</i>			
Appropriations (Net After Transfers)	3,611,012,300	3,989,644,000	4,038,198,260
Expenditures			
Awards and Grants	3,611,012,300	3,989,644,000	4,038,198,255
Lapsed Balances	-	-	5
<i>AFTER-SCHOOL RESCUE FUND (512)</i>			
Appropriations (Net After Transfers)	200,000	200,000	200,000
Lapsed Balances	200,000	200,000	200,000

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

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

FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	2016	2015	2014
	P.A. 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures	P.A. 98-0675, 98-0677, 99-0001	P.A. 98-0033, 98-0034, 98-0642, 98-0675
<i>DOWNSTATE TRANSIT IMPROVEMENT FUND (559)</i>			
Appropriations (Net After Transfers)	\$ -	\$ -	\$ 550,000
Expenditures			
Awards and Grants	-	-	550,000
<i>S.B.E. FEDERAL AGENCY SERVICES FUND (560)</i>			
Appropriations (Net After Transfers)	5,010,600	1,210,600	1,210,600
Expenditures			
Personal Services	89,971	69,259	24,776
State Employees'/Teachers' Retirement	34,432	24,076	9,310
Social Security	2,150	1,464	856
Group Insurance	29,848	23,469	9,891
Contractual Services	145,675	105,250	3,616
Travel	9,452	4,524	4,374
Commodities	1,483	5,622	-
Printing	274	1,471	-
Equipment	-	134	-
Telecommunications	1,173	-	-
Awards and Grants	585,897	-	-
Total Expenditures	900,355	235,269	52,823
Lapsed Balances	4,110,245	975,331	1,157,777

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED/LAPSED BALANCES, Continued
FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	2016	2015	2014
	P.A. 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures	P.A. 98-0675, 98-0677, 99-0001	P.A. 98-0033, 98-0034, 98-0642, 98-0675
S.B.E. FEDERAL DEPARTMENT OF EDUCATION FUND (561)			
Appropriations (Net After Transfers)	\$ 2,274,184,700	\$ 2,236,184,700	\$ 2,269,184,700
Expenditures			
Personal Services	6,600,179	7,086,069	7,837,971
Employee Retirement Contribution			
Paid by the State	32,697	30,621	35,547
State Employees'/Teachers' Retirement	2,513,117	2,467,260	2,855,670
Social Security	146,737	157,537	172,441
Group Insurance	2,229,349	2,075,125	2,435,598
Contractual Services	9,544,851	9,561,025	9,525,290
Travel	319,274	368,257	499,571
Commodities	4,732	51,463	28,633
Printing	598	710	2,640
Equipment	28,624	46,344	19,901
Telecommunications	100,601	-	-
Awards and Grants	1,463,911,847	1,356,638,883	1,437,645,012
ARRA - Awards and Grants	272,095	5,414,173	34,676,572
Lump Sum and Other Purposes	32,847,411	19,361,568	19,641,190
Total Expenditures	1,518,552,112	1,403,259,035	1,515,376,036
Lapsed Balances	755,632,588	832,925,665	753,808,664
CHARTER SCHOOLS REVOLVING LOAN FUND (567)			
Appropriations (Net After Transfers)	20,000	20,000	20,000
Lapsed Balances	20,000	20,000	20,000

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED/LAPSED BALANCES, Continued
FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	2016	2015	2014
	P.A. 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures	P.A. 98-0675, 98-0677, 99-0001	P.A. 98-0033, 98-0034, 98-0642, 98-0675
<i>SCHOOL INFRASTRUCTURE FUND (568)</i>			
Appropriations (Net After Transfers)	\$ 40,600,000	\$ 40,600,000	\$ 600,000
Expenditures			
Lump Sum and Other Purposes	153,979	186,653	212,364
Balances Reappropriated	-	40,000,000	-
Lapsed Balances	40,446,021	413,347	387,636
<i>SCHOOL TECHNOLOGY REVOLVING LOAN FUND (569)</i>			
Appropriations (Net After Transfers)	2,000,000	5,000,000	5,000,000
Expenditures			
Awards and Grants	2,000,000	1,775,225	3,514,625
Lapsed Balances	-	3,224,775	1,485,375
<i>TEMPORARY RELOCATION EXPENSES REVOLVING GRANT FUND (605)</i>			
Appropriations (Net After Transfers)	1,400,000	1,400,000	1,400,000
Expenditures			
Awards and Grants	60,500	-	398,783
Lapsed Balances	1,339,500	1,400,000	1,001,217

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED/LAPSED BALANCES, Continued
FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	2016	2015	2014
	P.A. 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures	P.A. 98-0675, 98-0677, 99-0001	P.A. 98-0033, 98-0034, 98-0642, 98-0675
FUND FOR ADVANCEMENT OF EDUCATION (640)			
Appropriations (Net After Transfers)	\$ 446,000,000	\$ 200,000,000	\$ -
Expenditures			
Awards and Grants	445,999,994	199,999,995	-
Lapsed Balances	6	5	-
STATE CHARTER SCHOOL COMMISSION FUND (674) (Note 6)			
Appropriations (Net After Transfers)	600,000	600,000	600,000
Expenditures			
Lump Sum and Other Purposes	576,650	599,975	550,114
Lapsed Balances	23,350	25	49,886
PERSONAL PROPERTY TAX REPLACEMENT FUND (802)			
Appropriations (Net After Transfers)	15,720,000	17,670,000	14,695,000
Expenditures			
Awards and Grants	14,456,205	16,393,901	13,565,742
Lump Sum and Other Purposes	70,000	70,000	70,000
Total Expenditures	14,526,205	16,463,901	13,635,742
Lapsed Balances	1,193,795	1,206,099	1,059,258

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED/LAPSED BALANCES, Continued
FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	2016 P.A. 99-0005, 99- 0409, 99-0524, and Court-Ordered Expenditures	2015 P.A. 98-0675, 98-0677, 99-0001	2014 P.A. 98-0033, 98-0034, 98-0642, 98- 0675
TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (Net After Transfers)	\$ 10,227,843,370	\$ 9,884,450,240	\$ 9,863,989,933
Expenditures	9,352,126,250	8,923,619,104	9,004,422,824
Balances Reappropriated	4,391,137	60,356,631	45,356,631
Lapsed Balances	871,325,983	900,474,505	814,210,478
NONAPPROPRIATED FUNDS			
TEACHER CERTIFICATE FEE REVOLVING FUND (016)			
Expenditures			
Refunds	9,561	-	-
S.B.E. FEDERAL DEPARTMENT OF AGRICULTURE FUND (410)			
Expenditures			
Refunds	226,618	10,240	201,951
S.B.E. FEDERAL AGENCY SERVICES FUND (560)			
Expenditures			
Refunds	-	258,321	-
S.B.E. FEDERAL DEPARTMENT OF EDUCATION FUND (561)			
Expenditures			
Awards and Grants	947	1,455,251	-
Refunds	718,239	296,547	588,107
Total Expenditures	719,186	1,751,798	588,107
TOTAL - ALL NONAPPROPRIATED FUNDS			
Expenditures	955,365	2,020,359	790,058

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND
REAPPROPRIATED/LAPSED BALANCES, Continued
FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	2016 P.A. 99-0005, 99-0409, 99-0524, and Court-Ordered Expenditures	2015 P.A. 98-0675, 98-0677, 99-0001	2014 P.A. 98-0033, 98-0034, 98-0642, 98-0675
TOTAL - ALL FUNDS			
Appropriations (Net After Transfers)	\$ 10,227,843,370	\$ 9,884,450,240	\$ 9,863,989,933
Expenditures	\$ 9,353,081,615	\$ 8,925,639,463	\$ 9,005,212,882
Balances Reappropriated	\$ 4,391,137	\$ 60,356,631	\$ 45,356,631
Lapsed Balances	\$ 871,325,983	\$ 900,474,505	\$ 814,210,478

Note 1: For Fiscal Year 2016, expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to Agency records. For Fiscal Years 2015 and 2014, the data was taken directly from Agency records which have been reconciled to those of the State Comptroller.

Note 2: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

Note 3: The Circuit Court of St. Clair County in AFSCME Council 31 v. Munger (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the Agency never received enacted personal services appropriations for Fund 001, the Agency was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during Fiscal Year 2016.

Note 4: During Fiscal Year 2016, the Agency operated without enacted appropriations for operations until Public Acts 99-0005, 99-0409 and 99-0524 were signed into law on July 1, 2015, August 20, 2015, and June 30, 2016, respectively. During the impasse, the Circuit Court of St. Clair County in AFSCME Council 31 v. Munger (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Agency's court-ordered payroll payments were merged into the enacted appropriations for Funds 410, 560 and 561. Further, the Agency incurred non-payroll obligations within Funds 001, 016, 144, 568, 674, and 802, which the Agency was unable to pay until the passage of Public Acts 99-0409 and 99-0524.

Note 5: Public Act 99-0524 authorizes the Agency to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 80 includes information from Agency management about the number of invoices and the total dollar amount of invoices held by the Agency to be submitted against its Fiscal Year 2017 appropriation.

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

FISCAL SCHEDULES AND ANALYSIS, Continued

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

FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

- Note 6: 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 2016, 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 was not included in the Agency's prior year financial statements as the Commission was considered a separate reporting entity by the State Comptroller's Office. Beginning Fiscal Year 2016, the State Comptroller's Office elected to consolidate the Agency and the Commission for financial reporting purposes.
- Note 7: 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 2016, the Agency did not receive a separate lump sum appropriation for the Authority under the General Revenue Fund (001) to be used for all costs associated with the Authority until the passage of Public Act 99-0524. Thus, the payroll expenditures of the Authority were covered by the court order as described in Note 4 above and the other non-payroll expenditures were paid based on Public Act 99-0524 as described in Note 5 above.

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Land and land improvements	\$ 1,062,643	\$ -	\$ -	\$ 1,062,643	\$ -	\$ -	\$ 1,062,643
Building and building improvements	436,360	-	-	436,360	-	-	436,360
Equipment	10,307,418	698,690	788,073	10,218,035	676,164	383,227	10,510,972
Capital leases equipment	942,575	-	942,575	-	-	-	-
Total	\$ 12,748,996	\$ 698,690	\$ 1,730,648	\$ 11,717,038	\$ 676,164	\$ 383,227	\$ 12,009,975

Property and equipment by location:

	2015	2016
Springfield - Alzina Building, Concourse	\$ 1,432,552	\$ 1,516,369
Springfield - Alzina Building, First Floor	103,330	78,308
Springfield - Alzina Building, Second Floor	2,091,887	2,110,730
Springfield - Alzina Building, Third Floor	4,523,099	4,502,289
Springfield - Alzina Building, Fourth Floor	705,016	669,104
Lombard - Philip J. Rock Center	1,499,003	1,499,003
Chicago - James R. Thompson Center	1,362,151	1,634,172
Property and equipment, June 30	<u>\$ 11,717,038</u>	<u>\$ 12,009,975</u>
Accrual adjustments		
Property and equipment accounts payable - June 30	<u>69,000</u>	<u>-</u>
Property and equipment, accrual basis - June 30	<u>\$ 11,786,038</u>	<u>\$ 12,009,975</u>

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 from 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

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	<u>2016</u>	<u>2015</u>	<u>2014</u>
GENERAL REVENUE FUND (001)			
Review and inspection of school facilities	\$ 625	\$ 425	\$ 675
Prior year refunds/adjustments	2,485,298	2,961,480	2,806,222
Miscellaneous	17,351	6,247	894
Total General Revenue Fund	<u>2,503,274</u>	<u>2,968,152</u>	<u>2,807,791</u>
TEACHER CERTIFICATE FEE REVOLVING FUND (016)			
Teacher's certification	<u>4,750,906</u>	<u>4,504,757</u>	<u>4,364,375</u>
SCHOOL DISTRICT EMERGENCY FINANCIAL ASSISTANCE FUND (130)			
General Revenue Fund	<u>-</u>	<u>-</u>	<u>1,500,000</u>
SCHOOL CONSTRUCTION FUND (143)			
Prior year refunds/adjustments	<u>1,582,933</u>	<u>1,443,534</u>	<u>693,155</u>
S.B.E. SPECIAL PURPOSE TRUST FUND (144)			
U.S. Department of Education	2,210,184	3,771,821	1,885,499
U.S. Department of Agriculture	514,796	1,081,891	831,987
Private organizations or individuals	45,000	118,460	105,167
Prior year refunds/adjustments	-	1,372	1,145
Miscellaneous	6,723	11,954	-
Total S.B.E. Special Purpose Trust Fund	<u>2,776,703</u>	<u>4,985,498</u>	<u>2,823,798</u>
S.B.E. TEACHER CERTIFICATION INSTITUTE FUND (159)			
Teacher's certification	<u>565,343</u>	<u>626,482</u>	<u>429,304</u>
S.B.E. FEDERAL DEPARTMENT OF AGRICULTURE FUND (410)			
U.S. Department of Agriculture	789,055,805	761,682,270	753,784,929
Federal program income	-	1,141	874
Prior year refunds/adjustments	183,542	346,978	199,328
Miscellaneous	9,671	28,180	13,716
Total S.B.E. Federal Department of Agriculture Fund	<u>789,249,018</u>	<u>762,058,569</u>	<u>753,998,847</u>
S.B.E. FEDERAL AGENCY SERVICES FUND (560)			
U.S. Department of Health and Human Services (DHHS)			
Training School Health Personnel	845,126	304,740	92,375
Prior year refunds/adjustments	727	-	-
Total S.B.E. Federal Agency Services Fund	<u>845,853</u>	<u>304,740</u>	<u>92,375</u>

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

FISCAL SCHEDULES AND ANALYSIS, Continued

COMPARATIVE SCHEDULE OF CASH RECEIPTS, Continued
FOR THE YEARS ENDED JUNE 30, 2016, 2015, AND 2014

	<u>2016</u>	<u>2015</u>	<u>2014</u>
S.B.E. FEDERAL DEPARTMENT OF EDUCATION FUND (561)			
U.S. Department of Education	\$ 1,497,010,836	\$ 1,387,880,613	\$ 1,546,488,720
Federal stimulus package	685,743	11,131,669	37,941,979
Grantee interest income	534	1,136	1,576
Grantee interest income - ARRA	-	-	208
Prior year refunds/adjustments	819,068	594,626	543,375
Miscellaneous	-	88,003	88,149
Total S.B.E. Federal Department of Education Fund	<u>1,498,516,181</u>	<u>1,399,696,047</u>	<u>1,585,064,007</u>
CHARTER SCHOOLS REVOLVING LOAN FUND (567)			
Loan repayments - principal	-	7,200	3,600
SCHOOL TECHNOLOGY REVOLVING LOAN FUND (569)			
Loan repayments - principal	2,216,057	1,974,566	1,293,320
Loan repayments - interest	67,587	74,075	46,949
Total School Technology Revolving Loan Fund	<u>2,283,644</u>	<u>2,048,641</u>	<u>1,340,269</u>
TEMPORARY RELOCATION EXPENSES REVOLVING GRANT FUND (605)			
Loan repayments - principal	47,688	49,313	51,922
Prior year refunds/adjustments	-	-	24,821
Total Temporary Relocation Expenses Revolving Grant Fund	<u>47,688</u>	<u>49,313</u>	<u>76,743</u>
STATE CHARTER SCHOOL COMMISSION FUND (674)*			
Charter School Authorization Fee	<u>669,935</u>	-	-
PERSONAL PROPERTY TAX REPLACEMENT FUND (802)			
Prior year refunds/adjustments	<u>27,993</u>	<u>39,725</u>	<u>10,715</u>
Total Cash Receipts	<u>\$ 2,303,819,471</u> **	<u>\$ 2,178,732,658</u>	<u>\$ 2,353,204,979</u>

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

* 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 2015 and 2016, 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 was not included in the Agency's Fiscal Years 2014 and 2015 financial statements as the Commission was considered a separate reporting entity by the State Comptroller's Office. Beginning in Fiscal Year 2016, the State Comptroller's Office elected to consolidate the Agency and the Commission for financial reporting purposes.

** This amount includes \$669,935 traced from the Monthly Status Report (SBO4) of the Office of the State Comptroller for the Commission.

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
FOR THE YEAR ENDED JUNE 30, 2016

	General Revenue Fund (001)	Teacher Certificate Fee Revolving Fund (016)	School Construction Fund (143)	S.B.E. Special Purpose Trust Fund (144)	S.B.E. Teacher Certification Institute Fund (159)	S.B.E. Federal Department of Agriculture Fund (410)	S.B.E. Federal Agency Services Fund (560)
Cash receipts per Agency	\$ 27,069	\$ 4,667,531	\$ 1,116	\$ 2,776,972	\$ 547,016	\$ 789,134,111	\$ 845,126
Adjustments:							
Deposits in transit at June 30, 2015	-	105,525	62,161	-	22,657	4,689	-
Deposits in transit at June 30, 2016	(9,093)	(22,150)	(1,116)	(269)	(4,330)	(73,324)	-
Prior year refunds/adjustments	2,485,298	-	1,520,772	-	-	183,542	727
Totals	2,503,274	4,750,906	1,582,933	2,776,703	565,343	789,249,018	845,853
Receipts per State Comptroller (SB04)	2,503,274	4,750,906	1,582,933	2,776,703	565,343	789,249,018	845,853
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, 2016

	S.B.E. Federal Department of Education Fund (561)	School Technology Revolving Loan Fund (569)	Temporary Relocation Expenses Revolving Grant Fund (605)	State Charter School Commission Fund (674)*	Personal Property Tax Replacement Fund (802)	Total
Cash receipts per Agency	\$ 1,500,178,833	\$ 2,283,644	\$ 47,688	\$ 669,935	\$ -	\$ 2,301,179,041
Adjustments:						
Deposits in transit at June 30, 2015	1,296	-	-	-	-	196,328
Deposits in transit at June 30, 2016	(2,483,016)	-	-	-	-	(2,593,298)
Prior year refunds/adjustments	819,068	-	-	-	27,993	5,037,400
Totals	1,498,516,181	2,283,644	47,688	669,935	27,993	2,303,819,471
Receipts per State Comptroller (SB04)	1,498,516,181	2,283,644	47,688	669,935	27,993	2,303,819,471 **
Agency/Comptroller variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* 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 2016, 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 was not included in the Agency's Fiscal Years 2014 and 2015 financial statements as the Commission was considered a separate reporting entity by the State Comptroller's Office. Beginning in Fiscal Year 2016, the State Comptroller's Office elected to consolidate the Agency and the Commission for financial reporting purposes.

** This amount includes \$669,935 traced from the Monthly Status Report (SBO4) of the Office of the State Comptroller for the Commission.

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, 2015

	General Revenue Fund (001)	Teacher Certificate Fee Revolving Fund (016)	School Construction Fund (143)	S.B.E. Special Purpose Trust Fund (144)	S.B.E. Teacher Certification Institute Fund (159)	S.B.E. Federal Department of Agriculture Fund (410)	S.B.E. Federal Agency Services Fund (560)
Cash receipts per Agency	\$ 6,497	\$ 4,548,282	\$ -	\$ 4,984,126	\$ 637,564	\$ 761,713,096	\$ 304,740
Adjustments:							
Deposits in transit at June 30, 2014	175	62,000	-	-	11,575	3,184	-
Deposits in transit at June 30, 2015	-	(105,525)	(62,161)	-	(22,657)	(4,689)	-
Prior year refunds/adjustments	2,961,480	-	1,505,695	1,372	-	346,978	-
Totals	2,968,152	4,504,757	1,443,534	4,985,498	626,482	762,058,569	304,740
Receipts per State Comptroller (SB04)	2,968,152	4,504,757	1,443,534	4,985,498	626,482	762,058,569	304,740
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, 2015

	S.B.E. Federal Department of Education Fund (561)	Charter Schools Revolving Loan Fund (567)	School Technology Revolving Loan Fund (569)	Relocation Expenses Revolving Grant Fund (605)	Personal Property Tax Replacement Fund (802)	Total
Cash receipts per Agency	\$ 1,399,091,145	\$ 7,200	\$ 1,971,443	\$ 49,313	\$ -	\$ 2,173,313,406
Adjustments:						
Deposits in transit at June 30, 2014	11,572	-	77,198	-	-	165,704
Deposits in transit at June 30, 2015	(1,296)	-	-	-	-	(196,328)
Prior year refunds/adjustments	594,626	-	-	-	39,726	5,449,877
Totals	1,399,696,047	7,200	2,048,641	49,313	39,726	2,178,732,659
Receipts per State Comptroller (SB04)	1,399,696,047	7,200	2,048,641	49,313	39,726	2,178,732,659
Agency/Comptroller variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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, 2016, 2015 and 2014. The Agency's explanations for significant fluctuations in expenditures (changes of \$1,000,000 and 10% or greater) are detailed below.

Fiscal Year 2015 to 2016

Appropriated Funds

General Revenue Fund (001)

Personal Services - Decrease of \$15.2 million (100%) was primarily due to appropriation for Personal Services received in Fiscal Year 2015, which was paid from a Lump Sum appropriation in Fiscal Year 2016.

Contractual Services - Decrease of \$5.2 million (100%) was primarily due to appropriation for Contractual Services received in Fiscal Year 2015, which was paid from a Lump Sum appropriation in Fiscal Year 2016.

Awards and Grants - Increase of \$220.4 million (10%) was primarily due to an increase in appropriations for General State Aid (GSA) by approximately \$174.0 million; \$17.0 million for regular, vocational and special education transportation; and \$21.2 million for early childhood education programs.

Lump Sum and Other Purposes - Decrease of \$22.5 million (59%) was primarily due to the budget impasse in Fiscal Year 2016 resulting in some Fiscal Year 2016 expenditures charged to the Fiscal Year 2017 appropriation such as the student assessment expenditures which amounted to approximately \$20.4 million.

Education Assistance Fund (007)

Awards and Grants - Increase of \$165.6 million (70%) was primarily due to an increase in appropriations for GSA.

Teacher Certificate Fee Revolving Fund (016)

Lump Sum and Other Purposes - Increase of \$1.3 million (48%) was primarily due to the procurement of contractual services for the maintenance, support and enhancement of the Educator Licensure Information System (ELIS) in Fiscal Year 2016.

School Construction Fund (143)

Awards and Grants - Increase of \$16 million (100%) was primarily due to the School Maintenance Grants authorized for disbursement in Fiscal Year 2016.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES, Continued
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Fiscal Year 2015 to 2016, Continued

Appropriated Funds, Continued

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

Lump Sum and Other Purposes - Increase of \$1.8 million (86%) was primarily due to expenditures supporting the ISBE Data Warehouse being paid from the S.B.E. Special Purpose Trust Fund (Fund 144) in Fiscal Year 2016.

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

Contractual Services - Increase of \$2.1 million (53%) was primarily due to payments of \$1.1 million to the University of Illinois to conduct an analysis of School Lunch Programs and provide training and implementation assistance related to new U.S. Department of Agriculture (USDA) requirements. Contracts relating to child nutrition school support services program also increased by approximately \$1.0 million.

Awards and Grants - Increase of \$83.5 million (12%) was primarily due to prior year claims of approximately \$37.0 million being paid from the Fiscal Year 2016 appropriation. The increase in the amount of prior year claims was due to an appropriation shortage in Fiscal Year 2015. Expenditures for food programs (national school lunch, school breakfast, and child and adult care food programs) also increased by approximately \$45.0 million in Fiscal Year 2016.

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

Lump Sum and Other Purposes - Increase of \$13.5 million (70%) was primarily due to the increase of expenditures for state assessments during Fiscal Year 2016 by approximately \$10.0 million in response to the requirements of the Every Student Succeeds Act (ESSA). The Agency's expenditures related to the Early Learning Challenge Program also increased by approximately \$2.0 million in Fiscal Year 2016.

ARRA- Awards and Grants - Decrease of \$5.1 million (95%) was primarily due to the continued phasing out of funds available to the Agency through the American Recovery and Reinvestment Act of 2009 (ARRA).

Fund for Advancement of Education (640)

Awards and Grants - Increase of \$246 million (123%) was primarily due to the increase in GSA channeled through the Fund for Advancement of Education. This fund was established as a new fund for the State in Fiscal Year 2015.

Personal Property Tax Replacement Fund (802)

Awards and Grants - Decrease of \$1.9 million (12%) was primarily due to decreased funding for reimbursement of expenses related to Regional Office of Education (ROE) superintendent's salaries in Fiscal Year 2016.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES, Continued
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

Fiscal Year 2014 to 2015

Appropriated Funds

General Revenue Fund (001)

Personal Services - Increase of \$15.2 million (100%) was primarily due to an appropriation for Personal Services received in Fiscal Year 2015, which was paid from a Lump Sum appropriation in Fiscal Year 2014.

Contractual Services - Increase of \$5.2 million (100%) was primarily due to an appropriation for Contractual Services received in Fiscal Year 2015, which was paid from a Lump Sum appropriation in Fiscal Year 2014.

Lump Sum and other Purposes - Decrease of \$12.9 million (25%) was primarily due to operational line items being lump sum appropriated in Fiscal Year 2014.

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

Education Assistance Fund (007)

Awards and Grants - Decrease of \$168.4 million (42%) was primarily due to a decrease in appropriations for GSA.

Drivers Education Fund (031)

Awards and Grants - Increase of \$2.9 million (19%) was primarily due to an increase in funding from the General Assembly to support the Drivers Education Reimbursement Program.

School District Emergency Financial Assistance Fund (130)

Awards and Grants - Decrease of \$1.1 million (74%) was primarily due to a cash transfer received from the General Revenue Fund (001) in Fiscal Year 2014 which was used to pay the settlement agreement of one school district.

School Construction Fund (143)

Awards and Grants - Decrease of \$46.8 million (100%) was primarily due to the School Maintenance Grants authorized for disbursement in Fiscal Year 2014. While Fiscal Year 2015 had an appropriation of \$20.4 million, such was not authorized for disbursement.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES, Continued
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

Fiscal Year 2014 to 2015, Continued

Appropriated Funds, Continued

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

Lump Sum and Other Purposes - Decrease of \$1.3 million (38%) was primarily due to a decrease in awards and grants and contractual services paid from the S.B.E. Special Purpose Trust Fund (Fund 144) in Fiscal Year 2015.

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

Contractual Services - Increase of \$2.0 million (101%) was primarily due to payments made to a vendor to issue rebates to local education agencies for monthly delivery and storage fees.

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

ARRA - Awards and Grants - Decrease of \$29.3 million (84%) was primarily due to the continued phasing out of funds available to the Agency through the American Recovery and Reinvestment Act of 2009 (ARRA).

School Technology Revolving Loan Program (569)

Awards and Grants - Decrease of \$1.7 million (49%) was primarily due to decreased participation in the technology loan program by local education agencies throughout the State during Fiscal Year 2015.

Fund for Advancement of Education Program (640)

Awards and Grants - Increase of \$200 million (100%) was due to the establishment of the Fund for Advancement of Education as a new fund for the State in Fiscal Year 2015. Expenditures were mainly used for general state aid.

Personal Property Tax Replacement Fund (802)

Awards and Grants - Increase of \$2.8 million (21%) was primarily due to increased funding for reimbursement of expenses related to ROE superintendent's salaries in Fiscal Year 2015.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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, 2016, 2015 and 2014. The following are explanations obtained from Agency officials for the identified fluctuations (change of \$1,000,000 and 10% or greater):

Fiscal Year 2015 to 2016

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

U.S. Department of Education - Decrease of \$1.6 million (41%) was primarily due to a decreased need to draw indirect cost recovery funds.

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

Federal Stimulus Package - Decrease of \$10.4 million (94%) in Fiscal Year 2016 was due to the continued phasing out of funds available to the Agency through the ARRA grants.

Fiscal Year 2014 to 2015

School District Emergency Financial Assistance Fund (130)

General Revenue Fund - Decrease of \$1.5 million (100%) was primarily due to a transfer made from the General Revenue Fund in Fiscal Year 2014 pursuant to Section 1B-8 of the Illinois School Code which was not made in subsequent years.

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

U.S. Department of Education - Increase of \$1.9 million (100%) was primarily due to an increased need to draw indirect cost recovery funds.

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

U.S. Department of Education - Decrease of \$158.6 million (10%) was primarily due to an overall reduction in reimbursements for U.S. Department of Education programs such as Title I Grants to LEAs by \$115.8 million, Title II Improving Teacher Quality State Grants by \$18.9 million, and IDEA Special Education Cluster by \$18.4 million.

Federal Stimulus Package - Decrease of \$26.8 million (71%) in Fiscal Year 2015 was primarily due to the continued phasing out of funds available to the Agency through the ARRA grants.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

The Schedule of Appropriations, Expenditures, and Reappropriated / Lapsed Balances is presented on pages 29 to 44. The following are explanations obtained from Agency Officials for significant lapse period spending (\$1,000,000 and 10% or greater).

Fiscal Year 2016

Teacher Certificate Fee Revolving Fund (016)

Lump Sum and Other Purposes - The significant lapse period expenditures amounting to \$1.6 million mostly pertain to payments for services performed prior to June 30, 2016 and paid by the Agency during the lapse period. Many Fiscal Year 2016 expenditures were processed for payment during the lapse period due to the budget impasse in Fiscal Year 2016.

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

Lump Sum and Other Purposes - The significant lapse period expenditures amounting to \$2.1 million pertain to spending deferred to lapse period due to the delayed Fiscal Year 2016 budget.

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

Contractual Services - The significant lapse period expenditures amounting to \$1 million mostly pertain to payments of various contracts relating to Child Nutrition program for services performed prior to June 30, 2016 paid by the Agency during the lapse period.

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

Contractual Services - The significant lapse period expenditures amounting to \$1.7 million pertain to payments of various contracts for services performed prior to June 30, 2016 paid by the Agency during the lapse period.

Awards and Grants - The significant lapse period expenditures amounting to \$281.6 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.

Lump Sum and Other Purposes - The significant lapse period expenditures amounting to \$5.9 million pertain to payments, predominately to the Illinois Department of Human Services, for Early Challenge Grants as well as payments to student assessment contracts for services performed prior to June 30, 2016 paid by the Agency during the lapse period.

Personal Property Replacement Tax Fund (802)

Awards and Grants - The significant lapse period expenditures amounting to \$5.1 million mostly pertain to grants and awards for ROEs and educational service centers paid during the lapse period due to the delayed Fiscal Year 2016 budget.

FISCAL SCHEDULES AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING, Continued
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Fiscal Year 2015

General Revenue Fund (001)

Contractual Services - The significant lapse period expenditures amounting to \$1.7 million pertain to payments of various contracts for services related to the Agency's technology infrastructure performed prior to June 30, 2015 paid by the Agency during the lapse period.

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

Contractual Services - The significant lapse period expenditures amounting to \$1.6 million pertain to payments of various contracts for services performed prior to June 30, 2015 paid by the Agency during the lapse period.

Awards and Grants - The significant lapse period expenditures amounting to \$26.6 million pertain to reimbursements to 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.

Lump Sums and Other Purposes - The significant lapse period expenditures amounting to \$3 million pertain to payments, predominately to the Illinois Department of Human Services, for Early Challenge Grants and Special Education Grants.

FISCAL SCHEDULE AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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

Fiscal Year 2016

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 increased by \$66.9 million (13%) in Fiscal Year 2016, from \$497.1 million in Fiscal Year 2015 to \$564.0 million in Fiscal Year 2016. Increase was mainly due to the rise in IOC held warrants by approximately \$76 million and was partially offset by the decrease in lapse period vouchers and other liabilities by approximately \$8.4 million.

Accounts payable and accrued liabilities - Account represents liabilities of the Agency at June 30 to vendors. Account increased by \$25.7 million (416%) in Fiscal Year 2016, from \$6.2 million in Fiscal Year 2015 to \$31.9 million in Fiscal Year 2016. Increase was due to the budget impasse in Fiscal Year 2016 which shifted the majority of vendor payments to lapse period.

Due to other Agency funds - Account represents liabilities of the Agency at June 30 to other Agency funds. Account increased by \$1.8 million (150%) in Fiscal Year 2016, from \$1.2 million in Fiscal Year 2015 to \$3.0 million in Fiscal Year 2016. Increase was primarily due to expenditure adjustment transmittals between Fund 561 (S.B.E. Federal Department of Education Fund) and the General Fund.

Nonmajor Funds/Special Revenue Funds

Cash and Cash Equivalents - Account represents the deposits in custody of the State Treasurer including cash on hand and in transit. Account increased by \$6.1 million (39%) in Fiscal Year 2016, from \$15.5 million in Fiscal Year 2015 to \$21.6 million in Fiscal Year 2016. Increase was primarily due to the timing of disbursements. Lapse period expenditures were greater in Fiscal Year 2016 than in Fiscal Year 2015. In addition, there were no fund sweeps from the nonmajor funds to the General Fund in Fiscal Year 2016.

Taxes receivable, net - Account represents the amount of taxes owed to the Agency at June 30. Account decreased by \$51.9 million (100%) in Fiscal Year 2016, from \$51.9 million in Fiscal Year 2015 to \$0 in Fiscal Year 2016. Decrease was attributable to the reclassification of Fund 640 (Fund for Advancement of Education) from a nonshared fund to a shared fund effective Fiscal Year 2016 resulting in the taxes receivable no longer recognized by the Agency.

FISCAL SCHEDULE AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES, Continued
FOR THE TWO YEARS ENDED JUNE 30, 2016 AND 2015

Fiscal Year 2016, Continued

Nonmajor Funds/Special Revenue Funds, Continued

Other Receivables - Account represents receivables from LEAs on State or federal grants that remained unexpended at the end of the program year and due for refund to the Agency. Account increased by \$1.6 million (204%) in Fiscal Year 2016, from \$0.8 million in Fiscal Year 2015 to \$2.4 million in Fiscal Year 2016. Increase was due primarily to the increase of refunds owed by the school districts in Fiscal Year 2016 to Fund 410 (S.B.E Federal Department of Agriculture Fund).

Due from other Agency funds - Account represents receivables of the Agency at June 30 from other Agency funds. Account increased by \$1.8 million (153%) in Fiscal Year 2016, from \$1.2 million in Fiscal Year 2015 to \$3.0 million in Fiscal Year 2016. Increase was primarily due to expenditure adjustment transmittals between Fund 561 (S.B.E. Federal Department of Education Fund) and the General Fund.

Due from other State funds - Account represents receivables at June 30 from other State agencies and other State funds. Account decreased by \$20.7 million (100%) in Fiscal Year 2016, from \$20.7 million in Fiscal Year 2015 to \$0 in Fiscal Year 2016. Decrease was mainly attributable to the reclassification of Fund 640 (Fund for Advancement of Education) from a nonshared fund to a shared fund.

Accounts payable and accrued liabilities - Account represents liabilities of the Agency at June 30 to vendors. Account increased by \$3.6 million (12%) in Fiscal Year 2016, from \$30.6 million in Fiscal Year 2015 to \$34.2 million in Fiscal Year 2016. Increase was mainly due to the budget impasse which caused more payments in lapse period.

Due to other State funds - Account represents liabilities at June 30 to other State agencies and other State funds. Account increased by \$2.9 million (31%) in Fiscal Year 2016, from \$9.4 million in Fiscal Year 2015 to \$12.3 million in Fiscal Year 2016. Increase was mainly due to the increase in amounts due to the Illinois Community College Board (ICCB) and the Department of Human Services (DHS) in Fund 561 (S.B.E. Federal Department of Education Fund).

Deferred inflows of resources - unavailable revenue - income taxes - Account represents revenues earned but not received within 60 days after end of fiscal year. Account decreased by \$8.7 million (100%) in Fiscal Year 2016, from \$8.7 million in Fiscal Year 2015 to \$0 in Fiscal Year 2016. Decrease was mainly due to reclassification of Fund 640 (Fund for Advancement of Education) from a nonshared fund to a shared fund resulting in the taxes receivable no longer recognized by the Agency.

FISCAL SCHEDULE AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES, Continued
FOR THE TWO YEARS ENDED JUNE 30, 2016 AND 2015

Fiscal Year 2016, Continued

Nonmajor Funds/Special Revenue Funds, Continued

Deferred inflows of resources - unavailable revenue - federal government - Account represents revenues earned but not received within 60 days after end of fiscal year. Account decreased by \$10.9 million (13%) in Fiscal Year 2016, from \$86.3 million in Fiscal Year 2015 to \$75.4 in Fiscal Year 2016. Decrease was mainly due to the decline in the balance of Fund 561 (S.B.E. Federal Department of Education Fund) by \$10.6 million which relate to the timing between when a request for funds is made to the federal government and when the funds are received by the Agency.

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 decreased by \$63.2 million (84%) in Fiscal Year 2016, from \$74.9 million in Fiscal Year 2015 to \$11.7 million in Fiscal Year 2016. Decrease was mainly due to the reclassification of Fund 640 (Fund for Advancement of Education) from a nonshared fund to a shared fund which had a balance of \$61.0 million in Fiscal Year 2015.

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 decreased by \$1.0 million (18%) in Fiscal Year 2016, from \$5.6 million in Fiscal Year 2015 to \$4.6 million in Fiscal Year 2016. Decrease was mainly due to the reduction in indirect cost in Fund 144 (S.B.E. Special Purpose Trust Fund). Due to the budget impasse in Fiscal Year 2016, reimbursements for indirect costs were processed by the Agency during the lapse period.

Unassigned fund balance - Account represents the fund deficit caused by the liabilities of the Agency at June 30 for programs covered under Fund 031 (Drivers Education Fund), Fund 560 (S.B.E. Federal Agency Services Fund), and Fund 561 (S.B.E. Department of Education Fund), which are to be paid from the subsequent year appropriation. Account increased by \$11.2 million (11%) in Fiscal Year 2016, from \$104.9 million deficit in Fiscal Year 2015 to \$93.7 million deficit in Fiscal Year 2016.

FISCAL SCHEDULE AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES, Continued
FOR THE TWO YEARS ENDED JUNE 30, 2016 AND 2015

Fiscal Year 2015

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 increased by approximately \$408.4 million (461%) in Fiscal Year 2015, from \$88.6 million in Fiscal Year 2014 to \$497.1 million in Fiscal Year 2015. Increase was mainly attributable to the increase in IOC held warrants by \$414.8 million and offset by the decrease in lapse period vouchers and other liabilities by approximately \$6.7 million.

Accounts payable and accrued liabilities - Account represents liabilities of the Agency at June 30 to vendors. Account decreased by \$4.7 million (43%) in Fiscal Year 2015, from \$10.9 million in Fiscal Year 2014 to \$6.2 million in Fiscal Year 2015. Decrease was mainly due to timing of disbursements. Lesser expenditures were made during lapse period in Fiscal Year 2015 than in Fiscal Year 2014.

Due to local governments - Account represents liabilities of the Agency at June 30 to local education agencies, including mandated categorical programs, to be paid from the subsequent year appropriation. Account increased by \$422.4 million (25%) in Fiscal Year 2015, from \$1,707.3 million in Fiscal Year 2014 to \$2,129.7 million in Fiscal Year 2015. Increase was mainly due to the rise in IOC held warrants by \$414.6 million and in mandatory categorical program liabilities payable from subsequent year appropriations by \$11.4 million. The increase was offset by the decrease in lapse period vouchers by approximately \$3.6 million.

Due to other Agency funds - Account represents liabilities of the Agency at June 30 to other Agency funds. Account increased by \$1.2 million (100%) in Fiscal Year 2015, from \$0 in Fiscal Year 2014 to \$1.2 million in Fiscal Year 2015. Increase was attributable to expenditure adjustment transmittals during Fiscal Year 2015 lapse period.

Nonmajor Funds/Special Revenue Funds

Cash and Cash Equivalents - Account represents the deposits in custody of the State Treasurer including cash on hand and in transit. Account decreased by \$4.8 million (24%) in Fiscal Year 2015, from \$20.3 million in Fiscal Year 2014 to \$15.5 million in Fiscal Year 2015. Decrease was primarily due to fund sweeps which transferred funds from Fund 016 (Teacher Certificate Fee Revolving Fund) and Fund 159 (S.B.E. Teacher Certification Institution Fund) amounting to \$7.0 million and \$2.8 million, respectively, to the General Fund. Decrease was partially offset by the reduction in fund transfers of Fund 561 (S.B.E. Department of Education Fund) to the Illinois Community College Board (ICCB) by \$1.7 million and increase in indirect cost recoveries for Fund 144 (S.B.E. Special Purpose Trust Fund) by approximately \$2.1 million.

FISCAL SCHEDULE AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES, Continued
FOR THE TWO YEARS ENDED JUNE 30, 2016 AND 2015

Fiscal Year 2015, Continued

Nonmajor Funds/Special Revenue Funds, Continued

Taxes receivable, net - Account represents the amount of taxes owed to the Agency at June 30. Account increased by \$51.9 million (100%) in Fiscal Year 2015, from \$0 in Fiscal Year 2014 to \$51.9 million in Fiscal Year 2015. Increase was mainly attributable to the addition of Fund 640 (Fund for Advancement of Education) in Fiscal Year 2015.

Due from other Agency funds - Account represents receivables of the Agency at June 30 from other Agency funds. Account increased by \$1.2 million (100%) in Fiscal Year 2015, from \$0 in Fiscal Year 2014 to \$1.2 million in Fiscal Year 2015. Increase was attributable to expenditure adjustment transmittals during Fiscal Year 2015 lapse period.

Due from other State funds - Account represents receivables at June 30 from other State agencies and other State funds. Account increased by \$20.6 million (25436%) in Fiscal Year 2015, from \$0.1 million in Fiscal Year 2014 to \$20.7 million in Fiscal Year 2015. Increase was the result of interfund borrowings between the General Fund and Fund 016 (Teacher Certificate Fee Revolving Fund), Fund 159 (S.B.E. Teacher Certification Institution Fund) and Fund 640 (Fund for Advancement of Education) amounting to \$2.0 million, \$1.0 million and \$17.7 million, respectively.

Inventories - Account represents food commodities donated by the U.S. Department of Agriculture. Account decreased by \$1.4 million (52%) in Fiscal Year 2015, from \$2.7 million in Fiscal Year 2014 to \$1.3 million in Fiscal Year 2015. Decrease was the result of a reduction in food commodities received in Fund 410 (S.B.E. Federal Department of Agriculture Fund).

Accounts payable and accrued liabilities - Account represents liabilities of the Agency at June 30 to vendors. Account increased by \$4.0 million (15%) in Fiscal Year 2015, from \$26.6 million in Fiscal Year 2014 to \$30.6 million in Fiscal Year 2015. Increase was primarily due to the timing of reimbursement requests by non-local government subrecipients in Fund 561 (S.B.E. Federal Department of Education Fund) and Fund 410 (S.B.E. Federal Department of Agriculture).

Due to other State funds - Account represents liabilities at June 30 to other State agencies and other State funds. Account increased by \$1.9 million (25%) in Fiscal Year 2015, from \$7.5 million in Fiscal Year 2014 to \$9.4 million in Fiscal Year 2015. Increase was mainly due to timing of ICCB reimbursement requests in Fund 561 (S.B.E. Federal Department of Education Fund).

FISCAL SCHEDULE AND ANALYSIS, Continued

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES, Continued

FOR THE TWO YEARS ENDED JUNE 30, 2016 AND 2015

Fiscal Year 2015, Continued

Nonmajor Funds/Special Revenue Funds, Continued

Deferred inflows of resources - unavailable revenue - income taxes - Account represents revenues earned but not received within 60 days after end of fiscal year. Account increased by \$8.7 million (100%) in Fiscal Year 2015, from \$0 in Fiscal Year 2014 to \$8.7 million in Fiscal Year 2015. Increase was attributable to the addition of Fund 640 (Fund for Advancement of Education) in Fiscal Year 2015.

Deferred inflows of resources - unavailable revenue - federal government - Account represents revenues earned but not received within 60 days after end of fiscal year. Account decreased by \$17.0 million (16%) in Fiscal Year 2015, from \$103.3 in Fiscal Year 2014 to \$86.3 million in Fiscal Year 2015. Decrease was mainly due to the decline in the balance of Fund 561 (S.B.E. Federal Department of Education Fund) by \$16.7 million which relate to the timing between when a request for funds is made to the federal government and when the funds are received by the Agency.

Nonspendable fund balance - Account represents reserved funds for inventories. Account decreased by \$1.4 million (53%) in Fiscal Year 2015, from \$2.7 million in Fiscal Year 2014 to \$1.3 million in Fiscal Year 2015. Decrease was the result of a reduction in commodities received 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 \$56.5 million (307%) in Fiscal Year 2015, from \$18.4 million in Fiscal Year 2014 to \$74.9 million in Fiscal Year 2015. Increase was mainly due to the addition of Fund 640 (Fund for Advancement of Education) by approximately \$60.9 million in Fiscal Year 2015, which was offset by fund sweeps from Fund 016 (Teacher Certificate Fee Revolving Fund) and Fund 159 (S.B.E. Teacher Certification Institution Fund) by approximately \$7.0 million and \$2.8 million, respectively, to the General Fund.

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 approximately \$2.9 million (104%) in Fiscal Year 2015, from \$2.8 million in Fiscal Year 2014 to \$5.6 million in Fiscal Year 2015. Increase was mainly due to an increase in indirect cost recovery in Fund 144 (S.B.E. Special Purpose Trust Fund).

Unassigned fund balance - Account represents the deficit caused by the liabilities of the Agency at June 30 for programs covered under Funds 031 (Drivers Education Fund) and 561 (S.B.E. Federal Department of Education Fund), which are to be paid from the subsequent year appropriations. Account increased by \$14.5 million (12%) in Fiscal Year 2015, from \$119.4 million deficit in Fiscal Year 2014 to \$104.9 million deficit in Fiscal Year 2015.

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

FISCAL SCHEDULES AND ANALYSIS, Continued

**ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

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>2016</u>	<u>2015</u>
Due from federal government	\$ 387,383	\$ 384,007
Taxes receivable	-	63,050
Due from local governments	655	65
Other receivables	2,539	774
Due from other State funds	3,176	21,974
Due from component units of the State	-	140
Loans and notes receivable	<u>3,163</u>	<u>3,534</u>
 Total receivables	 <u>\$ 396,916</u>	 <u>\$ 473,544</u>
 Aging schedule of due from local governments, other receivables and loans and notes receivable		
Current	\$ 5,635	\$ 3,645
1 - 30 days past due	-	18
31 - 90 days past due	2	-
91 - 180 days past due	8	14
181 days - 1 year past due	3	27
Over 1 year past due	<u>709</u>	<u>669</u>
 Total due from local governments, other receivables and loans and notes receivable	 <u>\$ 6,357</u>	 <u>\$ 4,373</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.

Taxes receivable was reported by the Agency in Fiscal Year 2015 as the Agency had reporting responsibility for the Fund for Advancement of Education (Fund 640). In Fiscal Year 2016, the Fund was reclassified from a nonshared fund to shared fund by the Illinois Office of the Comptroller.

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

ANALYSIS OF OPERATIONS (UNAUDITED)

AGENCY FUNCTIONS AND PLANNING PROGRAM (Unaudited)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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 consists 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. Through a nine-member board, the Agency sets state education policies and guidelines for public schools - preschool through grade 12 - as well as for career and technical education. The board analyzes the goals, needs and requirements of education, and recommends legislation to the General Assembly for the benefit of more than 2 million students in Illinois schools.

The Governor, with the advice and consent of the Senate, appoints the Chair of the State Board of Education. The current chair is James Meeks. The Board appoints the State Superintendent of Education. The current State Superintendent of Education, Dr. Tony Smith, was appointed to the position on May 1, 2015.

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. Since 2005, Agency staff members revisit the plan each year to review the Agency's accomplishments and to update and refine strategies to ensure every student in the state is prepared for success. 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. In 2015 the Agency amended the Strategic Plan to improve student success in Illinois by refocusing on specific, high-reaching goals that are measurable. The Agency now has a new vision statement and mission:

Vision Statement:

Illinois is a state of whole, healthy children nested in whole, healthy systems supporting communities wherein all citizens are socially and economically secure.

**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, 2016 AND 2015

Mission Statement:

To provide leadership and resources to achieve excellence across all Illinois districts through engaging legislators, school administrators, teachers, students, parents, and other stakeholders in formulating and advocating for policies that enhance education, empower districts, and ensure equitable outcomes for all students.

The Agency has long strived to prepare every student for college and careers once they leave high school. However, the Agency recognized the need to make this goal more personalized and concrete. At the State Superintendent's request, the Board unanimously approved new agency goals. They are as follows:

Every child in each public school system in the state of Illinois deserves to attend a system wherein:

- All kindergarteners are assessed for readiness.
- 90 percent or more third-grade students are reading at or above grade level.
- 90 percent or more fifth-grade students meet or exceed expectations in mathematics.
- 90 percent or more students are on track to graduate with their cohort at the end of ninth-grade.
- 90 percent or more students graduate from high school ready for college and career.
- All students are supported by highly prepared and effective teachers and school leaders.
- Every school offers a safe and healthy learning environment for all students.

The Illinois State Board of Education also acts as the fiscal agent for Community and Residential Services Authority as authorized by 105 ILCS 5/14-15.01.

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

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

STATE CHARTER SCHOOL COMMISSION (Unaudited)

FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Effective January 25, 2013, the School Code (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 (Board) for administrative purposes and the Board 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 Board; 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). Below is the schedule of Commission receipts into Fund 674 and a reconciliation of Commission receipts to records of the Office of the State Comptroller for Fiscal Year 2015.

	<u>2015</u>	<u>2014</u>
<i>State Charter School Commission Fund (674)</i>		
Charter school authorization fee	\$ 521,516	\$ 469,534
Private organizations or individuals	-	200,000
Total cash receipts per Agency	<u>521,516</u>	<u>669,534</u>
Receipts per State Comptroller (SB04)	<u>521,516</u>	<u>669,534</u>
Agency/Comptroller variance	<u>\$ -</u>	<u>\$ -</u>

See page 60 for Schedule of Cash Receipts and Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller for Fund 674 receipts during Fiscal Year 2016.

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 Board in a separate line item. During Fiscal Years 2014, 2015 and 2016, 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. See pages 33 and 42 for the Schedule of Appropriations, Expenditures and Reappropriated/Lapsed Balances for Fund 674 expenditures against the Agency's appropriations. Fund 674 was not included in the Agency's Fiscal Years 2014 and 2015 financial statements as the Commission was considered a separate reporting entity by the State Comptroller's Office. Beginning in Fiscal Year 2016, the State Comptroller's Office elected to consolidate the Agency and the Commission for financial reporting purposes.

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

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

BUDGET IMPASSE DISCLOSURES (Unaudited)
FOR THE YEAR ENDED JUNE 30, 2016

Payment of Fiscal Year 2016 Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Illinois State Board of Education (Agency) to pay Fiscal Year 2016 costs using the Agency's Fiscal Year 2017 appropriations for non-payroll expenditures. The following chart shows the Agency's plan to expend its Fiscal Year 2017 appropriations to cover its Fiscal Year 2016 costs:

OUTSTANDING FISCAL YEAR 2016 INVOICES

Fund #	Fund Name	Number	Dollar Value
001	General Revenue	979	\$ 30,418,663
686	Budget Stabilization	<u>60</u>	<u>956,323</u>
		<u>1,039</u>	<u>\$ 31,374,986</u>

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

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND PROGRAMS
TO ADDRESS UNTIMELY PAYMENTS TO VENDORS (Unaudited)
FOR THE YEAR ENDED JUNE 30, 2016**

Transactions Involving the Illinois Finance Authority

The Agency and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2016.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

Vendor Payment Program (VPP)

In 2011, the State of Illinois (State) created the voluntary VPP in response to delays in payments for goods and services provided by the State's vendors arising from the State's cash flow deficit. The Department of Central Management Services (CMS) approved third party financing entities to act as "qualified purchasers" of accounts receivable from "participating vendors" who had submitted invoices which had not been paid by the State.

A participating vendor's accounts receivable is eligible for the VPP if it is from an invoice unpaid by the State that is (1) not for medical assistance payments (2) where 90 days have passed since the proper bill date, which is (3) entitled to interest under the State Prompt Payment Act (Act) (30 ILCS 540) and (4) free of any liens or encumbrances. Under the terms of an agreement between a qualified purchaser and the participating vendor, the participating vendor receives payment for 90% of the receivable balance. The participating vendor, in turn, assigns its rights to the interest due under the Act to the qualified purchaser. When the State Comptroller ultimately pays the invoice, the participating vendor receives the remaining 10% due (less any offsets).

Notably, while CMS approved the qualified purchasers and provided information to vendors about VPP, neither CMS nor the State are parties to the assignment agreements.

During Fiscal Year 2015 and Fiscal Year 2016, none of the Agency's vendors participated in the Vendor Payment Program (VPP).

Vendor Support Initiative Program (VSI)

During Fiscal Year 2016, the State created the voluntary VSI as an alternative to the VPP for cases where the Agency lacked an enacted appropriation or other legal expenditure authority to present invoices to the State Comptroller for payment. The VSI operated similarly to the VPP, although the Agency was required to determine a participating vendor's invoice (1) would have met the requirements of the VPP and (2) provided the proper bill date of invoice prior to the qualified purchaser and participating vendor entering into an agreement where the participating vendor received payment for 90% of the receivable balance. The participating vendor, in turn, assigned its rights to the interest due under the Act to the qualified purchaser. After the State Comptroller ultimately paid/pays the invoice after the Agency receives/received appropriations or other legal expenditure authority to pay the invoice, the participating vendor receives/received the remaining 10% due (less any offsets).

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

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND PROGRAMS
TO ADDRESS UNTIMELY PAYMENTS TO VENDORS (Unaudited), Continued**
FOR THE YEAR ENDED JUNE 30, 2016

During Fiscal Year 2016, the Agency had 9 vendors participate in VSI for 124 invoices, totaling \$3,579,817. A summary of the amount of transactions by qualified purchaser follows:

TRANSACTIONS BY QUALIFIED PURCHASER

Qualified Purchaser	Dollar Value
A	\$ 3,578,014
B	<u>1,803</u>
Total	<u>\$ 3,579,817</u>

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

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

**INTEREST COSTS ON FISCAL YEAR 2016 INVOICES (Unaudited)
FOR THE YEAR ENDED JUNE 30, 2016**

Prompt Payment Interest Costs

The Illinois State Board of Education (Agency) planned to calculate prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issued a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2016. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90th day after a vendor submits an eligible proper bill to the Agency. The following chart shows the Agency's prompt payment interest incurred related to Fiscal Year 2016 invoices, calculated on the accrual basis of accounting, through June 30, 2016, by fund:

**PROMPT PAYMENT INTEREST INCURRED
Year Ended June 30, 2016**

Fund #	Fund Name	Invoices	Vendors*	Dollar Value
001	General Revenue	306	56	\$ 400,280
016	Teacher Certificate Fee Revolving	129	13	43,317
568	School Infrastructure	9	1	532
674	State Charter School Commission	12	3	3,475
686	Budget Stabilization	29	14	21,915
802	Personal Property Replacement Tax	1	1	5
	Total	<u>486</u>	<u>81</u>	<u>\$ 469,524</u>

* Information includes the same vendor being paid from more than one fund.

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

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

AVERAGE NUMBER OF EMPLOYEES (Unaudited)
FOR THE YEARS ENDED JUNE 30, 2016, 2015 AND 2014

Average number of employees by division is presented as follows:

<u>DIVISION</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Superintendent's Office	55	57	58
Human Resources	14	15	15
Public Information	7	9	7
Special Education Services	80	86	96
Educational Programs	59	62	62
Standards and Assessments	26	33	33
Educator Effectiveness	29	25	27
Fiscal Support Services	127	132	138
Total average number of employees	<u>397</u>	<u>419</u>	<u>436</u>

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

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

**ANNUAL COST STATISTICS (Unaudited)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

Number of Public School Districts, 2015-2016

	<u>Operating</u>	<u>Non-Operating</u>	<u>Other</u>	<u>Total</u>
Elementary (Pre K-8)	371	2	-	373
Secondary (9-12)	97	-	-	97
Unit	387	-	-	387
State-operated	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total	<u>860</u>	<u>2</u>	<u>-</u>	<u>862</u>

Number of Public and Nonpublic Attendance Centers, 2015-2016

	<u>Public</u> ⁽¹⁾	<u>Nonpublic</u> ⁽²⁾	<u>Total</u>
Elementary	2,465	704 ^(a)	3,169
Junior High	604	N/A	604
High School/ Secondary	668	117	785
Unit	N/A	99	99
Special Education and Others	<u>426</u>	<u>13</u>	<u>439</u>
Total	<u>4,163</u>	<u>933</u>	<u>5,096</u>

⁽¹⁾ Includes Department of Corrections

⁽²⁾ Voluntarily reported and registered with ISBE

^(a) Includes Junior High

School Enrollment, 2015-2016

	<u>Public</u>	<u>Nonpublic</u> ⁽³⁾	<u>Total</u>	<u>Percent</u>
Elementary (Pre K-8)	1,422,483	160,469	1,582,952	70.2%
Secondary (9-12)	<u>619,296</u> ^(b)	<u>54,162</u> ^(b)	<u>673,458</u>	<u>29.8%</u>
Total	<u>2,041,779</u>	<u>214,631</u>	<u>2,256,410</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.

^(b) Includes ungraded students

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

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

**ANNUAL COST STATISTICS (Unaudited), Continued
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

Racial - Ethnic Distribution of Statewide Public School Enrollment, 2015-2016

	<u>Students</u>	<u>Percent</u>
White Non-Hispanic	996,791	48.8%
Black Non-Hispanic	353,776	17.3%
Hispanic	521,516	25.6%
Asian	96,278	4.7%
American Indian-Alaskan	5,435	0.3%
Hawaiian or Other Pacific Islander	2,057	0.1%
Multi Racial	65,926	3.2%
Total	<u>2,041,779</u>	<u>100.0%</u>
Total percent of minority students		<u>51.2%</u>

Public Secondary School Dropouts by Gender and Ethnicity, 2015-2016

	<u>Female</u>	<u>Male</u>	<u>Total</u>
White Non-Hispanic	1,559	2,405	3,964
Black Non-Hispanic	1,835	2,410	4,245
Hispanic	1,490	2,233	3,723
Asian	34	76	110
American Indian-Alaskan	13	22	35
Hawaiian or Other Pacific Islander	4	9	13
Multi Racial	178	198	376
Total	<u>5,113</u>	<u>7,353</u>	<u>12,466</u>

Number of Public School Districts, 2014-2015

	<u>Operating</u>	<u>Nonoperating</u>	<u>Other</u>	<u>Total</u>
Elementary (Pre K-8)	373	2	-	375
Secondary (9-12)	99	-	-	99
Unit	387	-	-	387
State-operated	5	-	-	5
Total	<u>864</u>	<u>2</u>	<u>0</u>	<u>866</u>

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

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

**ANNUAL COST STATISTICS (Unaudited), Continued
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

Number of Public and Nonpublic Attendance Centers, 2014-2015

	<u>Public</u> ⁽¹⁾	<u>Nonpublic</u> ⁽²⁾	<u>Total</u>
Elementary	2,483	1,039 ^(a)	3,522
Junior High	614	N/A	614
High School/ Secondary Unit	673 N/A	151 203	824 203
Special Education and Others	420	69	489
Total	<u>4,190</u>	<u>1,462</u>	<u>5,652</u>

⁽¹⁾ Includes Department of Corrections

⁽²⁾ Voluntarily reported and registered with ISBE

^(a) Includes Junior High

School Enrollment, 2014-2015

	<u>Public</u>	<u>Nonpublic</u> ⁽³⁾	<u>Total</u>	<u>Percent</u>
Elementary (Pre K-8)	1,436,583	167,267	1,603,850	70.4%
Secondary (9-12)	621,275	52,877	674,152	29.6%
Total	<u>2,057,858</u>	<u>220,144</u>	<u>2,278,002</u>	<u>100%</u>
Percent	<u>90.3%</u>	<u>9.7%</u>	<u>100%</u>	

⁽³⁾ Nonpublic schools reported data on a voluntary basis; includes ungraded students.

Racial - Ethnic Distribution of Statewide Public School Enrollment, 2014-2015

	<u>Students</u>	<u>Percent</u>
White Non-Hispanic	1,014,424	49.3%
Black Non-Hispanic	360,961	17.5%
Hispanic	516,116	25.1%
Asian	94,106	4.6%
American Indian-Alaskan	6,054	0.3%
Hawaiian or Other Pacific Islander	2,171	0.1%
Multi-Racial	64,026	3.1%
Total	<u>2,057,858</u>	<u>100.0%</u>
Total percent of minority students		<u>50.7%</u>

STATE OF ILLINOIS
ILLINOIS STATE BOARD OF EDUCATION

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

ANNUAL COST STATISTICS (Unaudited), Continued
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Public Secondary School Dropouts by Gender and Ethnicity, 2014-2015

	<u>Female</u>	<u>Male</u>	<u>Total</u>
White Non-Hispanic	1,798	2,688	4,486
Black Non-Hispanic	2,281	2,983	5,264
Hispanic	1,612	2,303	3,915
Asian	50	84	134
American Indian-Alaskan	25	33	58
Hawaiian or Other Pacific Islander	4	12	16
Multi Racial	<u>135</u>	<u>190</u>	<u>325</u>
Total	<u>5,905</u>	<u>8,293</u>	<u>14,198</u>

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

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

MEMORANDUMS OF UNDERSTANDING (Unaudited)

FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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
2016	University of Kansas	This interagency agreement provides assessments aligned to the Common Core Essential Elements for students with the most significant cognitive disabilities.	01/01/2016 - 06/20/2020	\$ 1,651,538
2016	University of Illinois Cooperative Extension	This interagency agreement assists schools in implementing the new U.S. Department of Agriculture (USDA) requirements using the (Specific, Measurable, Attainable, Results-Oriented, and Time-bound) SMART goals.	09/28/2015 - 09/30/2018	1,125,000
2016	North Chicago School District #187	This interagency agreement is for the payment of ordinary and contingent expenses of the District Intervention fund.	07/01/2015 - 06/30/2016	3,400,000
2016	East St Louis Community Unit School District	This interagency agreement is for the payment of ordinary and contingent expenses of the District Intervention fund.	07/01/2015 - 06/30/2016	2,000,000
2016	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.	07/01/2015 - 06/30/2016	1,200,000
2015	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.	07/01/2014 - 12/31/2016	15,584,280
2015	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.	07/01/2016 - 6/30/2016	4,548,417

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

ANALYSIS OF OPERATIONS (UNAUDITED), Continued

**SERVICE EFFORTS AND ACCOMPLISHMENTS (Unaudited)
FOR THE YEARS ENDED JUNE 30, 2016, 2015 AND 2014**

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>2016</u>	<u>2015</u>	<u>2014</u>
Number of Operating School Districts	855	859	863
Number of Schools with Report Card Information	3,735	3,764	3,794
Low-Income Rate	49.9%	54.2%	51.5%
Limited English Proficient Rate	10.5%	10.3%	9.5%
Dropout Rate	2.0%	2.3%	2.2%
Attendance Rate	94.4%	94.2%	94.5%
Student Mobility Rate	12.2%	12.0%	12.3%
Chronic Truancy Rate	9.8%	8.7%	8.7%
Graduation Rate	85.5%	85.6%	86.0%

**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, 2016, 2015 AND 2014

Performance Indicators	Performance Measures		
<u>Student Achievement - Percent of Students Meeting or Exceeding State Performance Standards</u>	<u>2016</u>	<u>2015</u> ⁽¹⁾	<u>2014</u>
Reading			
Third Grade	35.5	35.3	55.3
Fourth Grade	36.9	39.5	56.4
Fifth Grade	35.3	38.3	58.2
Sixth Grade	34.9	35.4	57.3
Seventh Grade	37.3	39.9	59.4
Eight Grade	39.1	40.4	56.3
Eleventh Grade	34.1	34.7	56.3
Mathematics			
Third Grade	39.6	34.5	55.6
Fourth Grade	30.5	27.9	63.5
Fifth Grade	31.7	26.9	64.4
Sixth Grade	28.7	27.2	60.1
Seventh Grade	27.3	27.5	57.7
Eight Grade	31.8	32.1	59.9
Eleventh Grade	21.8	18.7	52.4
Science			
Fourth Grade	N/A	N/A	76.3
Seventh Grade	N/A	N/A	79.9
Eleventh Grade	N/A	N/A	49.6
ACT Composite Score (schools with Report Card Information)	20.6	20.5	20.4

⁽¹⁾Beginning March 2015, students took the Partnership for Assessment of Readiness for College and Careers (PARCC) test. The new PARCC test replaces the Illinois Standards Achievement Test (ISAT) and Prairie State Achievement Exam (PSAE) taken in 2014 and prior. Statistics still show the percentage of students who meet or exceed standards.

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

**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, 2016, 2015 AND 2014

Performance Indicators	Performance Measures		
<u>Teacher Information</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Number of Teachers (Full Time Equivalent)	127,152	129,668	130,066
Years of Teaching Experience (average)	13.1	N/A	N/A
Percent with Graduate Degree	61.4	61.1	58.2
Students Per Teacher (elementary)	18.7	18.5	18.6
Students Per Teacher (secondary)	18.9	18.4	18.1
Students Per Administrator	176.5	173.3	189.5
Teacher Salary (average)	\$63,450	\$62,609	\$62,435
Administrator Salary (average)	\$103,634	\$100,720	\$101,096
<u>Financial Information</u> (2014-2015; 2013-2014; 2012-2013)			
Instructional Expenditures Per Pupil	7,712	\$7,419	\$7,094
Operational Expenditures Per Pupil	12,821	\$12,521	\$12,045
<u>Percent of Expenditures by Function</u> (2014-2015; 2013-2014; 2012-2013)			
Instruction	49.4%	48.7%	48.5%
General Administration	3.2%	3.2%	3.3%
Support Services	29.3%	30.0%	30.1%
Other Expenditures	18.1%	18.1%	18.1%
<u>Percent of Expenditures by Fund</u> (2014-2015; 2013-2014; 2012-2013)			
Education	73.4%	73.4%	73.6%
Operations and Maintenance	6.4%	6.3%	6.2%
Transportation	3.7%	3.7%	3.8%
Debt Service	8.1%	8.0%	7.8%
All Others	8.4%	8.6%	8.6%

**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, 2016 AND 2015**

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, and the S.B.E. Federal Agency Services Fund, 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 2016 and 2015 and the related fund balances.

	<u>2016</u>	<u>2015</u>
Fund Balance, Beginning	\$ 5,333,575	\$ 3,371,168
Special Education - Grants to States	1,038,517	1,407,197
Child Nutrition Grants	514,797	1,081,891
Title I Grants to Local Education Agencies	680,879	1,016,007
Twenty-First Century Community Learning Centers	76,976	96,163
Special Education - Preschool Grants	57,376	94,350
Career and Technical Education - Basic		
Grants to States	59,707	84,634
Supporting Effective Instruction State Grant	127,492	118,613
Rural Education	5,581	7,637
Statewide Data Systems	-	678,485
English Language Acquisition State Grants	127,669	102,035
School Improvement Grants	-	149,215
Special Education - State Personnel Development	16,018	-
Education for the Homeless Children and Youth	14,548	16,303
Migrant Education - State Grant Program	3,012	565
Title I State Agency Program for Neglected and Delinquent Children and Youth	<u>2,408</u>	<u>616</u>
	<u>2,724,980</u>	<u>4,853,711</u>
Total Available	8,058,555	8,224,879
Less: Expenditures		
Agency Operations	<u>1,359,632</u>	<u>2,891,304</u>
Fund Balance, Ending	<u>\$ 6,698,923</u>	<u>\$ 5,333,575</u>