

**STATE OF ILLINOIS
LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47 FINANCIAL AUDIT
(In Accordance with the Uniform Guidance)
For the Year Ended June 30, 2020**

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



**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47**

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**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47**

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**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
OFFICIALS**

Regional Superintendent
(Current, Effective July 1, 2021)

Honorable Chris Tennyson

Regional Superintendent
(During the Audit Period through June 30, 2021)

Honorable Robert Sondgeroth

Assistant Regional Superintendent
(Current, Effective July 1, 2021)

Mr. Josh Knuth

Assistant Regional Superintendent
(During the Audit Period through June 30, 2021)

Mr. Chris Tennyson

Office is located at:

1001 St. Mary's Street
Sterling, Illinois 61081

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
COMPLIANCE REPORT SUMMARY**

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

AUDITORS' REPORTS

The auditors' reports on compliance and on internal controls do not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	4	5
Repeated audit findings	4	4
Prior recommendations implemented or not repeated	0	0

Details of audit findings are presented in a separate report section.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>Findings (Government Auditing Standards)</i>			
2020-001	14a	Salaries and Benefits Not Supported by Proper Time and Effort Documentation	Material Weakness and Noncompliance
2020-002	14c	Delay of Audit	Noncompliance
<i>Findings and Questioned Costs (Federal Compliance)</i>			
2020-001	15a	Salaries and Benefits Not Supported by Proper Time and Effort Documentation	Material Weakness and Noncompliance
2020-003	15b	Lack of Written Policies for Federal Grants	Material Weakness and Noncompliance
2020-004	15d	Subrecipient Monitoring	Significant Deficiency and Noncompliance

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
COMPLIANCE REPORT SUMMARY – (CONCLUDED)**

SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>Prior Audit Findings not Repeated (Government Auditing Standards)</i>			
2019-003	17	Controls Over Financial Statement Preparation	Material Weakness

Prior Audit Findings not Repeated (Federal Compliance)

None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel. Attending were the Honorable Chris Tennyson, Regional Superintendent; Josh Knuth, Assistant Regional Superintendent; Sherrie Pistole, Bookkeeper; Sarah Kent, Illinois Multi-Tiered System of Supports (MTSS) Network Statewide Project Assistant; and Hilda Renteria, Partner, Prado & Renteria Certified Public Accountants. Responses to the findings and recommendations were provided by the Honorable Chris Tennyson, Regional Superintendent on March 29, 2023.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Lee, Ogle, and Whiteside Counties Regional Office of Education #47 was performed by Prado & Renteria Certified Public Accountants.

Based on their audit, the auditors expressed an unmodified opinion on the Lee, Ogle, and Whiteside Counties Regional Office of Education #47's basic financial statements.



INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lee, Ogle, and Whiteside Counties Regional Office of Education #47 ("ROE #47"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Lee, Ogle, and Whiteside Counties Regional Office of Education #47's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the ROE #47's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ROE #47's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lee, Ogle, and Whiteside Counties Regional Office of Education #47, as of June 30, 2020, and the respective changes in cash basis financial position; and, where applicable, cash flows thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

Emphasis of Matter

As discussed in Note 13 to the financial statements, beginning with fiscal year 2020, Lee, Ogle, and Whiteside Counties Regional Office of Education #47's has presented its financial statements in accordance with the cash basis of accounting described in Note 1. Previous financial statements were presented in accordance with generally accepted accounting principles (GAAP). Our opinions are not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lee, Ogle, and Whiteside Counties Regional Office of Education #47's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance, are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2023 on our consideration of the Lee, Ogle, and Whiteside Counties Regional Office of Education #47's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lee, Ogle, and Whiteside Counties Regional Office of Education #47's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lee, Ogle, and Whiteside Counties Regional Office of Education #47's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
June 16, 2023

**INDEPENDENT AUDITORS' 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

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 business-type activities, each major fund, and the aggregate remaining fund information of Lee, Ogle, and Whiteside Counties Regional Office of Education #47 ("ROE #47"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Lee, Ogle, and Whiteside Counties Regional Office of Education #47's, basic financial statements, and have issued our report thereon dated June 16, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the ROE #47's internal control over financial reporting (internal control) as a basis for designing 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 Lee, Ogle, and Whiteside Counties Regional Office of Education #47's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lee, Ogle, and Whiteside Counties Regional Office of Education #47'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lee, Ogle, and Whiteside Counties Regional Office of Education #47'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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002.

Regional Office of Education #47's Responses to Findings

Lee, Ogle, and Whiteside Counties Regional Office of Education #47's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Lee, Ogle, and Whiteside Counties Regional Office of Education #47's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Lee, Ogle, and Whiteside Counties Regional Office of Education #47'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 Lee, Ogle, and Whiteside Counties Regional Office of Education #47's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
June 16, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

As Special Assistant Auditors for the Auditor General, we have audited Lee, Ogle, and Whiteside Counties Regional Office of Education #47 ("ROE #47") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the ROE #47's major federal programs for the year ended June 30, 2020. The Lee, Ogle, and Whiteside Counties Regional Office of Education #47's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Lee, Ogle, and Whiteside Counties Regional Office of Education #47's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lee, Ogle, and Whiteside Counties Regional Office of Education #47's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Lee, Ogle, and Whiteside Counties Regional Office of Education #47's compliance.

Opinion on Each Major Federal Program

In our opinion, the Lee, Ogle, and Whiteside Counties Regional Office of Education #47 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001, 2020-003, and 2020-004. Our opinion on each major federal program is not modified with respect to these matters.

Lee, Ogle, and Whiteside Counties Regional Office of Education #47 responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Lee, Ogle, and Whiteside Counties Regional Office of Education #47's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the Lee, Ogle, and Whiteside Counties Regional Office of Education #47 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Lee, Ogle, and Whiteside Counties Regional Office of Education #47 internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lee, Ogle, and Whiteside Counties Regional Office of Education #47 internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 a type of compliance requirement of a federal program 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-003 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2020-004 to be a significant deficiency.

Lee, Ogle, and Whiteside Counties Regional Office of Education #47's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Lee, Ogle, and Whiteside Counties Regional Office of Education #47's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
June 16, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION I – SUMMARY OF AUDITORS’ RESULTS
FOR THE YEAR ENDED JUNE 30, 2020**

Financial Statements in accordance with the Cash Basis

Type of auditor’s report issued:

Unmodified

1) Internal control over financial reporting:

- | | | | | |
|---|-----------------|-----|-----------------|---------------|
| • Material weakness(es) identified? | <u>X</u> | Yes | <u> </u> | No |
| • Significant deficiency(ies) identified? | <u> </u> | Yes | <u>X</u> | None reported |
| • Noncompliance material to financial statements noted? | <u>X</u> | Yes | <u> </u> | No |

Federal Awards

1) Internal control over major federal programs:

- | | | | | |
|---|----------|-----|-----------------|---------------|
| • Material weakness(es) identified? | <u>X</u> | Yes | <u> </u> | No |
| • Significant deficiency(ies) identified? | <u>X</u> | Yes | <u> </u> | None reported |

2) Type of auditors’ report issued: on compliance for major federal programs:

Unmodified

3) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

	<u>X</u>	Yes	<u> </u>	No
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Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
84.323A	Special Education – State Personnel Development IDEA – Improvement Grants – Part D

Dollar threshold used to distinguish between type A and type B Programs: \$750,000

Auditee qualified as low risk auditee? Yes X No

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING 2020-001 – Salaries and Benefits Not Supported by Proper Time and Effort Documentation (Repeated from Prior Year Findings 19-001, 18-001, and 17-001)

Federal Program: Individuals with Disabilities Education Act (IDEA) Improvement Grant – Part D
Project No: 20-4631-RN
CFDA No: 84.323A
Passed Through: Illinois State Board of Education
Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

Employees of the Regional Office of Education #47 are required to document their time and effort working on federal and State programs. Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires charges for salaries and benefits to be supported by a system of internal control which provides reasonable assurance that charges are accurate, allowable, and properly allocated. It also requires that records are used to support the distribution of employees' salary and benefits among specific activities if the employee only works part of the time on a federal award program. It further states that budget estimates alone do not qualify as support for salary and benefit charges to a federal award.

The Illinois State Board of Education (ISBE) *State and Federal Grant Administration Policy, Fiscal Requirements and Procedures*, requires that auditable time and effort reports should be written, after the fact documentation of how the time was spent. Budget estimates can be used for charging purposes, but a confirmation process or reconciliation must take place at some point after the charges are incurred to record the true effort and not merely use an estimate. Time and effort reports should be prepared by any staff with salary charged (1) directly to a federal award, (2) directly to multiple federal awards, or (3) directly to any combination of a federal award or other federal, state or local funds. Additionally, all time and effort sheets and other supporting documentation must be retained at the local level and be available for review or audit any time within three years after termination of the project or until the local entity is notified in writing from ISBE that the records are no longer needed for audit or review. The Regional Office of Education #47 is responsible for establishing and maintaining a system of internal controls over payroll to prevent errors and fraud. This includes review of time and effort documentation.

Condition:

The Regional Office of Education #47 allocated salary and benefit costs to various federal and State grants based on time and effort documentation; however, instances were noted in which the time and effort documentation was not approved by a supervisor to ensure charges are accurate, allowable, and properly allocated.

Questioned costs:

Undeterminable

Context:

We tested six payroll transactions for proper time and effort documentation. None of the six transactions tested had been approved by a supervisor.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING 2020-001 – Salaries and Benefits Not Supported by Proper Time and Effort Documentation (Repeated from Prior Year Findings 19-001, 18-001, and 17-001) (Concluded)

Effect:

Since time and effort documentation being used for the allocations is not being approved by a supervisor in all instances, there is an increased risk that the salary and benefit costs charged to certain federal and state grant programs does not reflect the actual time worked on the programs.

Cause:

Regional Office of Education #47 management indicated this was an oversight.

Recommendation:

The Regional Office of Education #47 should implement written policies and procedures over time and effort reporting to ensure proper documentation is being obtained and/or maintained in all instances to properly distribute salary and benefit costs for employees who work in whole or in part on grant program activity in accordance with the Uniform Guidance and the ISBE *State and Federal Grant Administration Policy, Fiscal Requirements and Procedures*. This would include having the documentation reviewed and formally approved by a supervisor.

Management's Response:

Effective April 2021, the Regional Office has developed written policies and procedures related to time and effort documentation. This process will be reviewed by the Grant Coordinator and the Regional Superintendent.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING NO. 2020-002 – Delay of Audit (Repeated from Prior Year Findings 19-002 and 18-002)

Criteria/Specific Requirement:

Regional Office of Education #47 is subject to 105 ILCS 5/2-3.17a which requires the Auditor General's office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds, and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Government Auditing Standards. The Regional Office of Education or Education Service Center may utilize a cash basis, modified cash basis or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for audit.

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

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

Condition:

The Regional Office of Education #47 did not provide completed financial statements in an auditable form by the August 31, 2020 deadline. Completed financial statements were received on December 8, 2021.

Effect:

When financial statements and records are not provided in a timely manner, delays in the audit occur and the usefulness of the financial statements and related findings resulting from the audit is impacted. Additionally, untimely financial statements could result in repercussions from granting agencies including a loss of funding.

Cause:

Regional Office of Education #47 management indicated they did not provide their books to their outside accountant in time to fully adjust and prepare their financial statements in an auditable form.

Recommendation:

The Regional Office of Education #47 should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). Regional Office management should establish policies and procedures which set forth closing schedules, deadlines, and accountability for the timely generation of financial statements. These financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31 deadline.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

**FINDING NO. 2020-002 – Delay of Audit (Repeated from Prior Year Findings 19-002 and 18-002)
(Concluded)**

Management's Response:

Management agrees with the finding.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

INSTANCES OF NONCOMPLIANCE:

FINDING 2020-001 – Salaries and Benefits Not Supported by Proper Time and Effort Documentation
(Page 14a)

SIGNIFICANT DEFICIENCIES:

None

MATERIAL WEAKNESSES:

FINDING 2020-001 – Salaries and Benefits Not Supported by Proper Time and Effort Documentation
(Page 14a)

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING 2020-003 – Lack of Written Policies for Federal Grants (Repeated from Prior Year Findings 19-004, 18-003 and 17-002)

Federal Program: Individuals with Disabilities Education Act (IDEA) Improvement Grant - Part D
Project No: 20-4631-RN
CFDA No: 84.323A
Passed Through: Illinois State Board of Education
Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), contained in 2 CFR Part 200, became effective for all federal award programs administered by the Regional Office of Education #47 that were issued on or after December 26, 2014. Specifically, the Uniform Guidance (2 CFR 200.302(b)(7)) requires the Regional Office to have written procedures related to cash management and for determining the allowability of costs in accordance with Subpart E – Cost Principles of the Uniform Guidance and the terms and conditions of the federal award.

Condition:

The Regional Office does not have written procedures concerning cash management, the determination of allowability of costs in accordance with Subpart E – Cost Principles of the Uniform Guidance and the terms and conditions of the federal award. In lieu of written procedures, the Regional Office utilized informal procedures in which each purchase made or cost allocated to the IDEA – Improvement Grant - Part D was reviewed for allowability by an individual with knowledge of the budget, allowable costs and activities, and the cash management requirements. The allowability determinations were based on the amounts included in the budgets for the IDEA – Improvement Grant - Part D approved by, and the grant periods set by, the Illinois State Board of Education.

Questioned Costs:

None

Context:

The Regional Office of Education #47 expended \$2,073,537 of federal awards in total during fiscal year 2020, including \$ 1,692,521 for the IDEA – Improvement Grant - Part D.

Effect:

Not having written procedures concerning cash management and cost principles increases the risk that grant payments will not be requested on the reimbursement basis and unallowable costs will be allocated to federal award programs.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING 2020-003 – Lack of Written Policies for Federal Grants (Repeated from Prior Year Findings 19-004, 18-003 and 17-002) (Concluded)

Cause:

Regional Office management indicated they were unable to dedicate the time needed to fully implement the Uniform Guidance due to competing priorities.

Recommendation:

We recommend the Regional Office prepare written procedures to implement the requirements related to cash management for determining the allowability of costs in accordance with Subpart E – Cost Principles of the Uniform Guidance and the terms and conditions of the federal award.

Management's Response:

Effective April 2021, the Regional Office has developed written policies and procedures related to the Uniform Guidance. This process will be reviewed by the Grant Coordinator and the Regional Superintendent.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING 2020-004 - Subrecipient Monitoring (Partially Repeated from Prior Year Findings 19-005, 18-004, and 17-003)

Federal Program: Individuals with Disabilities Education Act (IDEA) Improvement Grant - Part D
Project No: 20-4631-RN
CFDA No: 84.323A
Passed Through: Illinois State Board of Education
Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

- A. The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require the Regional Office to ensure any subrecipient monitoring using federal funds be consistent with the standards set forth in the Uniform Guidance at 2 CFR 200.332.
- B. The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 *Internal Controls* states the following: “The non-Federal entity must:
 - a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.”

Condition:

The ROE does not have effective internal controls over subrecipient monitoring. Furthermore, ROE #47 was not properly monitoring subrecipients in accordance with the Uniform Guidance standards. During audit testing procedures it was determined that ROE #47:

	Number of Subrecipients
a. Did not identify the subaward and applicable requirements in the agreements.	1 of 3
b. Did not evaluate the risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward.	1 of 3
c. Did not conduct subrecipient monitoring procedures.	3 of 3
d. Did not determine whether the subrecipient met the 2 CFR 200 Subpart F Audit requirements criteria for a single audit.	3 of 3

Questioned Costs:

None

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FINDING 2020-004 - Subrecipient Monitoring (Partially Repeated from Prior Year Findings 19-005, 18-004, and 17-003) (Concluded)

Context:

The Regional Office of Education #47 expended a total of \$2,073,537 of federal awards in fiscal year 2020, of which, \$1,006,373 in IDEA –Improvement Grant –Part D were passed-through to subrecipients.

Effect:

The Regional Office of Education #47 is not in compliance with Title 2 of the *Code of Federal Regulations* (CFR) Part 200.332 as it relates to subrecipient monitoring requirements. Additionally, the effect of noncompliance can result in questioned costs.

Cause:

The Regional Office of Education #47 experienced staff turnover and did not formally document policies and procedures that provide controls and structures to ensure all of its subrecipient monitoring accountabilities are conducted and complied with.

Recommendation:

We recommend that the Regional Office of Education #47 establish and maintain effective internal control over federal awards to ensure subrecipients are properly monitored as required by 2 CFR 200.332. This includes:

- a. Identifying the subaward and applicable requirements in the agreements;
- b. Evaluating the risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward;
- c. Conducting subrecipient monitoring procedures; and
- d. Determining whether the subrecipient met the requirement criteria of 2 CFR 200 Subpart F Audit requirements for a single audit.

Management's Response:

Management agrees with this finding.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2020**

Corrective Action Plan

**FINDING 2020-001 – Salaries and Benefits Not Supported by Proper Time and Effort Documentation
(Repeated from Prior Year Findings 19-001, 18-001, and 17-001)**

CONDITION:

The Regional Office of Education #47 allocated salary and benefit costs to various federal and State grants based on time and effort documentation; however, instances were noted in which the time and effort documentation was not approved by a supervisor to ensure charges are accurate, allowable, and properly allocated.

PLAN:

The Regional Office will require supervisors to review and approve time and effort documentation. This is the same finding as FY19 which was done at a later date and we have made this correction as of FY21.

ANTICIPATED DATE OF COMPLETION:

Fiscal Year 2023

CONTACT PERSON:

Mr. Chris Tennyson, Regional Superintendent for Lee, Ogle, and Whiteside Counties.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2020**

Corrective Action Plan (Continued)

FINDING 2020-002 – Delay of Audit (Repeated from Prior Year Finding 19-002 and 18-002)

CONDITION:

The Regional Office of Education #47 did not provide completed financial statements in an auditable form by the August 31, 2020 deadline. Completed financial statements were received on December 8, 2021.

PLAN:

The Regional Office will work with its auditors to respond timely to requests in an effort to get the Regional Office's audits up-to-date. The Regional Office will also coordinate the timing of future audit fieldwork with the outside accounting firm assisting in adjusting the financial statements to an auditable form in order to provide the financial statements to its auditors timely.

ANTICIPATED DATE OF COMPLETION:

Fiscal Year 2023

CONTACT PERSON:

Mr. Chris Tennyson, Regional Superintendent for Lee, Ogle, and Whiteside Counties.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2020**

Corrective Action Plan (Continued)

FINDING 2020-003 – Lack of Written Policies for Federal Grants (Repeated from Prior Year Findings 19-004, 18-003, and 17-002)

CONDITION:

The Regional Office does not have written procedures concerning cash management, the determination of allowability of costs in accordance with Subpart E – Cost Principles of the Uniform Guidance and the terms and conditions of the federal award. In lieu of written procedures, the Regional Office utilized informal procedures in which each purchase made or cost allocated to the IDEA – Improvement Grant – Part D was reviewed for allowability by an individual with knowledge of the budget, allowable costs and activities, and the cash management requirements. The allowability determinations were based on the amounts included in the budgets for the IDEA – Improvement Grant – Part D approved by, and the grant periods set by, the Illinois State Board of Education.

PLAN:

The Regional Office has developed written policies and procedures related to the Uniform Guidance.

ANTICIPATED DATE OF COMPLETION:

Fiscal Year 2021

CONTACT PERSON:

Mr. Chris Tennyson, Regional Superintendent for Lee, Ogle, and Whiteside Counties.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2020**

Corrective Action Plan (Concluded)

FINDING 2020-004 – Subrecipients Monitoring Documentation (Partially repeated from Prior Year Findings 19-005, 18-004, and 17-003)

CONDITION:

The ROE does not have effective internal controls over subrecipient monitoring. Furthermore, ROE #47 was not properly monitoring subrecipients in accordance with the Uniform Guidance standards. During audit testing procedures it was determined that ROE #47:

	Number of Subrecipients
a. Did not identify the subaward and applicable requirements in the agreements.	1 of 3
b. Did not evaluate the risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward.	1 of 3
c. Did not conduct subrecipient monitoring procedures	3 of 3
d. Did not determine whether the subrecipient met the 2 CFR 200 Subpart F Audit Requirements criteria for a single audit.	3 of 3

PLAN:

Regional Office of Education will implement the following internal controls over Federal awards to ensure subrecipients are properly monitored as required by 2 CFR 200.332. This includes:

- a. Identifying the subaward and applicable requirements in the agreements.
- b. Evaluating the risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward;
- c. Conducting subrecipient monitoring procedures; and
- d. Determining whether the subrecipient met the requirement criteria of 2 CFR 200 Subpart F Audit requirements for a single audit.

ANTICIPATED DATE OF COMPLETION:

Fiscal Year 2021

CONTACT PERSON:

Mr. Chris Tennyson, Regional Superintendent for Lee, Ogle, and Whiteside Counties.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2020**

2019-003	Controls Over Financial Statement Preparation	Not Repeated
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During the current audit, audit testing results indicated the Regional Office implemented comprehensive preparation and/or review procedures as part of their internal control over the preparation of financial statements.

BASIC FINANCIAL STATEMENTS

LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
STATEMENT OF ACTIVITIES AND NET POSITION - CASH BASIS
As of and For the Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position Primary Government		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government						
Governmental activities:						
Instructional services:						
Salaries	\$ 1,613,151	\$ 36,871	\$ 1,130,580	\$ (445,700)	\$ -	\$ (445,700)
Employee benefits	293,023	5,672	213,893	(73,458)	-	(73,458)
Purchased services	531,225	3,545	305,562	(222,118)	-	(222,118)
Supplies and materials	67,729	1,182	45,834	(20,713)	-	(20,713)
Capital outlay	300	-	-	(300)	-	(300)
Intergovernmental:						
Payments to other governmental units	1,413,918	-	1,359,751	(54,167)	-	(54,167)
Total governmental activities	<u>3,919,346</u>	<u>47,270</u>	<u>3,055,620</u>	<u>(816,456)</u>	<u>-</u>	<u>(816,456)</u>
Business-type activities:						
Other	454,459	805,398	-	-	350,939	350,939
Total business-type activities	<u>454,459</u>	<u>805,398</u>	<u>-</u>	<u>-</u>	<u>350,939</u>	<u>350,939</u>
Total primary government	<u>\$ 4,373,805</u>	<u>\$ 852,668</u>	<u>\$ 3,055,620</u>	<u>(816,456)</u>	<u>350,939</u>	<u>(465,517)</u>
General receipts:						
Local sources				225,118	-	225,118
State sources				601,429	-	601,429
Interest				19,344	-	19,344
Total general receipts				<u>845,891</u>	<u>-</u>	<u>845,891</u>
CHANGE IN CASH BASIS NET POSITION				29,435	350,939	380,374
CASH BASIS NET POSITION, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)				<u>737,676</u>	<u>450,082</u>	<u>1,187,758</u>
CASH BASIS NET POSITION, END OF YEAR				<u>\$ 767,111</u>	<u>\$ 801,021</u>	<u>\$ 1,568,132</u>
CASH BASIS ASSETS						
Cash and cash equivalents				<u>\$ 767,111</u>	<u>\$ 801,021</u>	<u>\$ 1,568,132</u>
CASH BASIS NET POSITION						
Unrestricted				<u>\$ 485,842</u>	<u>\$ 801,021</u>	<u>\$ 1,286,863</u>
Restricted for educational purposes				<u>281,269</u>	<u>-</u>	<u>281,269</u>
TOTAL CASH BASIS NET POSITION				<u>\$ 767,111</u>	<u>\$ 801,021</u>	<u>\$ 1,568,132</u>

The notes to the financial statements are an integral part of this statement.

LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS
As of and For the Year Ended June 30, 2020

	Special Revenue				Eliminations	Total Governmental Funds
	General Fund	Education Fund	Institute	Nonmajor Special-Revenue Funds		
RECEIPTS:						
Local sources	\$ 224,448	\$ 670	\$ 42,912	\$ 4,358	\$ -	\$ 272,388
State sources	602,099	656,409	-	1,467	-	1,259,975
Federal sources	-	2,397,074	-	-	-	2,397,074
Interest	19,344	-	-	-	-	19,344
Total receipts	<u>845,891</u>	<u>3,054,153</u>	<u>42,912</u>	<u>5,825</u>	<u>-</u>	<u>3,948,781</u>
DISBURSEMENTS:						
Instructional services:						
Salaries	428,845	1,101,817	81,289	1,200	-	1,613,151
Employee benefits	70,502	210,097	12,223	201	-	293,023
Purchased services	229,540	293,585	5,190	2,910	-	531,225
Supplies and materials	27,407	37,565	2,698	59	-	67,729
Intergovernmental:						
Payments to other governmental units	97,946	1,315,972	-	-	-	1,413,918
Capital outlay	-	300	-	-	-	300
Total disbursements	<u>854,240</u>	<u>2,959,336</u>	<u>101,400</u>	<u>4,370</u>	<u>-</u>	<u>3,919,346</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(8,349)</u>	<u>94,817</u>	<u>(58,488)</u>	<u>1,455</u>	<u>-</u>	<u>29,435</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	12,872	-	-	(12,872)	-
Transfers out	(12,872)	-	-	-	12,872	-
Total other financing sources (uses)	<u>(12,872)</u>	<u>12,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN CASH BASIS FUND BALANCE (DEFICIT)	<u>(21,221)</u>	<u>107,689</u>	<u>(58,488)</u>	<u>1,455</u>	<u>-</u>	<u>29,435</u>
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)	<u>795,887</u>	<u>(341,329)</u>	<u>262,367</u>	<u>20,751</u>	<u>-</u>	<u>737,676</u>
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 774,666</u>	<u>\$ (233,640)</u>	<u>\$ 203,879</u>	<u>\$ 22,206</u>	<u>\$ -</u>	<u>\$ 767,111</u>
CASH BASIS ASSETS - END OF YEAR						
Cash and cash equivalents	<u>\$ 774,666</u>	<u>\$ (233,640)</u>	<u>\$ 203,879</u>	<u>\$ 22,206</u>	<u>\$ -</u>	<u>\$ 767,111</u>
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR						
Restricted for educational purposes	\$ -	\$ 55,184	\$ 203,879	\$ 22,206	\$ -	\$ 281,269
Unassigned	774,666	(288,824)	-	-	-	485,842
TOTAL CASH BASIS FUND BALANCE (DEFICIT)	<u>\$ 774,666</u>	<u>\$ (233,640)</u>	<u>\$ 203,879</u>	<u>\$ 22,206</u>	<u>\$ -</u>	<u>\$ 767,111</u>

The notes to the financial statements are an integral part of this statement.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
STATEMENT OF CASH BASIS ASSETS AND NET POSITION AND CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS NET POSITION - PROPRIETARY FUNDS
As of and For the Year Ended June 30, 2020**

	Business-Type Activities Enterprise Funds			Total
	Workshops	School Improvement Plan (SIP)	Nonmajor Enterprise Funds	
			Fingerprinting	
OPERATING RECEIPTS:				
Charges for services	\$ 690,528	\$ 81,700	\$ 33,170	\$ 805,398
OPERATING DISBURSEMENTS:				
Salaries	111,303	82,420	23,110	216,833
Employee benefits	14,323	3,505	2,567	20,395
Purchased services	142,919	12,047	18,800	173,766
Supplies and materials	9,252	25	768	10,045
Payments to other governments	31,603	1,817	-	33,420
Total operating disbursements	<u>309,400</u>	<u>99,814</u>	<u>45,245</u>	<u>454,459</u>
OPERATING INCOME (LOSS)	381,128	(18,114)	(12,075)	350,939
CASH BASIS NET POSITION, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)	<u>396,367</u>	<u>16,610</u>	<u>37,105</u>	<u>450,082</u>
CASH BASIS NET POSITION, END OF YEAR	<u>\$ 777,495</u>	<u>\$ (1,504)</u>	<u>\$ 25,030</u>	<u>\$ 801,021</u>
CASH BASIS ASSETS - END OF YEAR				
Cash and cash equivalents	<u>\$ 777,495</u>	<u>\$ (1,504)</u>	<u>\$ 25,030</u>	<u>\$ 801,021</u>
CASH BASIS NET POSITION - END OF YEAR				
Unrestricted	<u>\$ 777,495</u>	<u>\$ (1,504)</u>	<u>\$ 25,030</u>	<u>\$ 801,021</u>

The notes to the financial statements are an integral part of this statement.

LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
STATEMENT OF CASH BASIS ASSETS AND FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
June 30, 2020

	Agency Funds
CASH BASIS ASSETS	
Cash and cash equivalents	\$ 506,901
 CASH BASIS NET POSITION	
Restricted for other governments	\$ 506,901

The notes to the financial statements are an integral part of this statement.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Measurement Focus and Basis of Accounting section of this note, these financial statements are presented in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United State of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

The Regional Office of Education #47 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2020, the Regional Office of Education #47 implemented Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 95 extends the effective dates of certain accounting and financial reporting provisions that were first effective for reporting periods beginning after June 15, 2018. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-9 pandemic.

A. Date of Management's Review

Management has evaluated subsequent events through June 16, 2023 the date when the financial statements were available to be issued.

B. Financial Reporting Entity

Lee, Ogle, and Whiteside Counties Regional Office of Education #47 operates under the School Code (105 ILCS 5/3 and 5/3A). A Regional Superintendent of Schools serves as chief administrative officer of the Regional Office of Education #47 and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State-controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; serving as the official advisor and assistant of school officers and teachers; conducting teachers' institutes as well as aiding and encouraging the formation of other teachers' meetings and assisting in their management; evaluating the schools in the region; examining evidence of indebtedness; filing and keeping the returns of elections required to be returned to the Regional Superintendent's office; and filing and keeping the reports and statements returned by school treasurers and trustees.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Reporting Entity (Concluded)

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #47's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions; and carrying out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurers' bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts within the region are properly bonded. The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or seeing that no payments are made unless the treasurer has filed or renewed the appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2020, the Regional Office of Education #47 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #47. Such activities are reported as a single major special revenue fund (Education Fund).

C. Scope of Reporting Entity

The Regional Office of Education #47's reporting entity includes all related organizations for which it exercises oversight responsibility.

The Regional Office of Education #47 has developed criteria to determine whether outside agencies with activities that benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #47 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the criteria of exercising oversight, scope of public service, and special financing relationships, and they are therefore excluded from the accompanying financial statements because the Regional Office of Education #47 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #47 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #47 being considered a component unit of the entity.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation

The Regional Office of Education #47's government-wide financial statement (the Statement of Activities and Net Position – Cash Basis) reports information on all of the non-fiduciary activities of the Regional Office of Education #47. This statement presents a summary of governmental and business-type activities for the Regional Office of Education #47 accompanied by a total column for the primary government. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education #47 also has business-type activities that rely on fees and charges for support.

The Statement of Activities and Net Position – Cash Basis demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function. Program receipts include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general receipts.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statement. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and reported in a single column.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as other financing sources/uses on the Statement of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds and on the Statement of Cash Basis Assets and Net Position and Cash Receipts, Disbursements, and Changes in Cash Basis Net Position – Proprietary Funds. All interfund transactions between governmental funds are eliminated on the government-wide financial statement. Interfund activities between governmental funds and business-type funds remain on the government-wide financial statement.

E. Measurement Focus and Basis of Accounting

The Regional Office of Education #47 maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the Regional Office of Education are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transaction or event are not reported. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Concluded)

Under the terms of grant agreements, Regional Office of Education #47 funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net position available to finance the program. It is Regional Office of Education #47's policy to first apply cost-reimbursements grant resources to such programs, followed by categorical block grants and then by general receipts.

It is the policy of the Regional Office of Education #47 to have preference utilizing restricted funds first, then unrestricted funds as they are needed. For unrestricted fund balance, committed funds are preferred to use first, then assigned funds, then unassigned, if any.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

F. Fund Accounting

The Regional Office of Education #47 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, net position or fund balance, receipts, and disbursements. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The Regional Office of Education #47 uses governmental, proprietary, and fiduciary funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are reported. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Fund Accounting (Continued)

Governmental Funds (Continued)

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds.

The Regional Office of Education #47 reports the following major governmental funds:

General Fund - The General Fund is used to account for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted and reported for in another fund. The General Fund is always considered a major fund. The following accounts are included in the General Fund:

Local Fund – to account for monies received for, and payment of, disbursements for various educational workshops and interest income related to various grants.

E-Rate – to account for monies received through the E-Rate program that are used to help ensure that schools and libraries can obtain telecommunications and internet access at affordable rates.

Alternative Learning Opportunity Program – General State Aid (ALOP-GSA) – to account for state aid funds received for, and payment of, disbursements relating to the operation of an Alternative Learning Opportunity Program.

Major Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific receipt sources that are restricted or committed to disbursements for specified purposes other than debt service or capital projects. Major special revenue funds include the following:

Education – This fund is used to account for and report the proceeds of specific revenue sources that are restricted by grant agreements or contracts to disbursements for specified purposes supporting education enhancement programs as follows:

Early Childhood Block Grant – to account for grant monies received for, and payment of, disbursements relating to the Early Childhood Block Grant Prevention Initiative program.

Parents as Teachers – this program supports the Early Childhood Block program.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Fund Accounting (Continued)

Governmental Funds (Continued)

Adult Education and Family Literacy Grant – to account for grant monies received for education and literacy programs for adults.

Education Outreach Program – this program is associated with workforce investment activities that are designed to increase educational and occupational skill attainment by participants.

Foundation Level Services – to account for grant monies received for, and payment of, disbursements relating to the Title I School Improvement and Accountability Part A – Statewide System of Support program. This fund supports the improvement of basic programs operated by the Regional Office of Education #47 by providing professional development for data analysis, school improvement plan/development, standards-aligned curriculum/instruction, and classroom assessment to System of Support status schools on the Academic Early Warning and Watch lists.

IDEA Improvement Grant, Part D – to account for grant monies passed through the Illinois State Board of Education (ISBE) received for, and payment of disbursements relating to the Individuals with Disabilities Education Act (IDEA) – Response to Intervention program, which provides a statewide network for technical assistance and professional development.

Math & Science Partnership – Math Area Partner – to account for grant funds for math professional development from the Illinois Math and Science Partnerships.

Math & Science Partnership – Science Area Partner – to account for grant funds for science professional development from the Illinois Math and Science Partnerships.

McKinney Education for Homeless Children – to account for grant monies associated with a federal program designed to provide counseling and education support to homeless children and their families. This program is funded by the Stewart B. McKinney Education for Homeless Children and Youth grant and passed through the ISBE.

National School Lunch – to account for federal grant monies passed through the ISBE under the National School Lunch Program to provide lunch to students enrolled in the Regional Office of Education #47's alternative education programs.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Fund Accounting (Continued)

Governmental Funds (Continued)

School Breakfast Program – to account for federal grant monies passed through the ISBE under the School Breakfast Program to provide breakfast to students enrolled in the Regional Office of Education #47's alternative education programs.

State Free Lunch and Breakfast – to account for monies used to provide breakfast and lunch to students who qualify for free lunch and breakfast and are enrolled in the Regional Office of Education #47's alternative education programs.

Regional Safe Schools Program – This program works with students in grades 6-12 who have been suspended multiple times or expelled from school, allowing them to continue their education. It provides instruction services and materials for the alternative school program for at-risk youth, creating alternative placement for those students into a safe school program.

ROE Operations – to account for the funding of the Regional Office of Education #47 pursuant to the Illinois Administrative Code which mandates the Regional Office to provide professional development activities in the fundamental learning areas, gifted education, administrators' academy, school improvement, technology and other activities based upon the needs of local school districts and State and federal mandates.

Rural Education Achievement Program – to account for the grant monies received for, and payment of, disbursements relating to the federal Small, Rural School Achievement Program.

Title II Teacher Quality Leadership – to account for grant funds to provide leadership workshops and resources for hiring, retaining, and recruiting highly qualified teachers and for training teachers and paraprofessionals. Funds are focused on districts/schools which were in status.

Sterling Truants Alternative Program – to account for funds received to assist in prevention of truancy within the Alternative School in the Sterling area.

Truants Alternative Education – This fund provides alternative educational program services to truant students referred from local schools to the Regional Office of Education #47. It offers prevention and intervention services, which include case management, home visits, school visits, student advocacy, wraparound, referrals to community agencies, and technical assistance to individual school districts and the community.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Fund Accounting (Continued)

Governmental Funds (Concluded)

Institute – This major fund is used to account for the stewardship of the assets held in trust for the benefit of the teachers. Fees are collected from registration of teachers' licenses. These funds are to be used to defray disbursements connected with improving the technology necessary for the efficient processing of licenses as well as any expenses incidental to teachers' institutes, conferences and workshops or meetings of a professional nature that are designed to promote growth of teachers. All funds generated remain restricted until expended only on the aforementioned activities.

Nonmajor Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific receipt sources that are restricted to disbursements for specified purposes. Nonmajor special revenue funds include the following:

Bus Driver Training – to account for State and local resources accumulated for, and payment of, disbursements of issuing school bus driver permits and administering school bus driver training.

General Education Development – to account for proceeds earned from students who participate in the high school equivalence program. These proceeds are used to pay the administrative expenses incurred to administer the GED program.

Proprietary Funds

Proprietary funds account for receipts and disbursements related to services provided to organizations within the region on a cost-reimbursement basis. Enterprise funds are proprietary funds that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to external entities or the general public on a continuing basis should be financed or recovered primarily through user charges. The Regional Office of Education #47 reports the following enterprise funds:

Major Proprietary Fund – The Regional Office of Education #47 reports the following proprietary fund as a major fund:

Workshops – to account for workshops associated with various grant programs.

School Improvement Plan (SIP) – to account for monies received from school districts held for disbursements relating to their school improvement plans.

Nonmajor Proprietary Funds – The Regional Office of Education #47 reports the following nonmajor proprietary funds:

Fingerprinting – to account for resources accumulated for, and payment of, disbursements for providing criminal background checks.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Fund Accounting (Concluded)

Fiduciary Funds

Agency Funds are used to account for assets held by the Regional Office of Education #47 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds include the following:

Impact Fees – to account for monies received from owners/builders for the issuance of a zoning certificate. The Regional Superintendent, as agent, remits the fees collected to the appropriate school district.

Petitions Fund – to account for the receipts and disbursements related to petitions filed for annexation or detachment of school district boundaries. The Regional Superintendent, as agent, remits the fees collected to the appropriate agencies.

Distributive Fund – to account for the distribution of monies received from the State out to the school districts and other entities.

School Facility Occupation Tax – to account for the distribution of School Facility Occupation Tax monies received from the Illinois Department of Revenue to the applicable school districts and other entities.

G. Governmental Fund Balances

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Nonspendable Fund Balance – The portion of a governmental fund’s net position that is not available to be spent, either short term or long term, in either form or through legal restrictions. There are no accounts presenting a nonspendable fund balance.

Restricted Fund Balance – The portion of a governmental fund’s net position that is subject to external enforceable legal restrictions. The following funds are restricted by Illinois Statute: Bus Driver Training, General Education Development, and Institute. The following Education Fund accounts have a restricted fund balance: Parents as Teachers, Adult Education and Family Literacy Grant, Foundation Level Services, Math & Science Partnership – Math Area (FY17), Math & Science Partnership – Science Area (FY15), School Breakfast Program, State Free Lunch and Breakfast, Rural Education Achievement Program, and Sterling Truants Alternative Program.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Governmental Fund Balances (Concluded)

Committed Fund Balance – The portion of a governmental fund’s net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #47 has no committed fund balances.

Assigned Fund Balance – The portion of a governmental fund’s net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. There are no accounts that have an assigned fund balance.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balance (deficit): Local Fund, E-Rate, and Alternative Learning Opportunity Program – General State Aid (ALOP-GSA). The following Education Fund accounts have an unassigned fund deficit: Early Childhood Block Grant (FY20), Education Outreach Program, IDEA Improvement Grants, Part D, McKinney Education for Homeless Children, National School Lunch, Regional Safe Schools Program and Truants Alternative Education.

H. Net Position

Equity is classified as net position and displayed in two components:

Restricted net position – Results when constraints placed on the use of cash balances are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – Consists of cash balances not meeting the definition of the preceding category. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

I. Cash and Cash Equivalents

Cash and cash equivalents consists of cash on deposit. The Regional Office of Education #47 considers all liquid investments, including certificates of deposit, to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

J. Compensated Absences

Full-time employees can earn from 10 to 15 vacation days for a full year of service. Employee vacation pay is recorded when paid. Upon termination, employees can receive accrued vacation pay. However, vacation time cannot be carried forward into the next calendar year.

An employee working 20 hours or more per week is entitled to ten sick days annually. Employee sick leave is recorded when paid. Unused sick days may be allowed to accumulate to a maximum amount allowable by TRS or IMRF without penalty. Upon termination, employees do not receive any accumulated sick leave pay.

An employee working 20 hours or more per week is entitled to two personal leave days per year. Personal leave days do not accumulate from year to year, but unused leave days will be allowed to accumulate toward the sick leave accumulation maximum.

K. Budget Information

The Regional Office of Education #47 acts as the administrative agent for certain grant programs that are accounted for within the Education Fund. These programs have separate budgets and are required to be reported to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results for the following programs are presented as supplementary information: Early Childhood Block Grant (FY19), Early Childhood Block Grant (FY20), Education Outreach Program, IDEA Improvement Grants, Part D, McKinney Education for Homeless Children, Regional Safe Schools, ROE Operations, Title II Teacher Quality Leadership, and Truants Alternative Education.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS

The Regional Office of Education #47's established investment policy follows the State of Illinois Public Funds Investment Act which authorizes the Regional Office of Education #47 to purchase certain obligations of the U.S. Treasury, federal agencies and instrumentalities; certificates of deposit and time deposits covered by Federal Depository Insurance; commercial paper of U.S. corporations with assets exceeding \$500,000,000, if such paper is rated at the highest classification established by at least two standard rating services; money market funds and the Illinois Funds.

A. Cash Deposits

At June 30, 2020, the carrying amount of the Regional Office of Education #47's government-wide and fiduciary fund deposits were \$1,568,132 and \$506,901, respectively, and the bank balances were \$1,668,870 and \$506,901, respectively. The bank balances include \$1,053,835 held on deposit with the Bloom Township School Treasurer. At June 30, 2020, all of the Regional Office of Education #47's cash deposits were insured by the Federal Deposit Insurance Corporation. Risk category was not determinable for the amount pooled and held on deposit with a separate legal governmental agency (Bloom Township School Treasurer).

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Regional Office of Education's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #47's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education #47.

B. Investments

The Regional Office of Education #47's investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2020, the Regional Office of Education #47 had investments with carrying and fair values of \$7,789 invested in the Illinois Funds Money Market Fund, which is reported as cash and cash equivalents in the financial statements.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2020, the Illinois Funds Money Market Fund had a Standard and Poor's AAA rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS (CONCLUDED)

Interest Rate Risk

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Funds states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

Concentration of Credit Risk

Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio with the exception of cash equivalents and U.S. Treasury securities. Further certificates of deposit cannot exceed 10% of any single financial institution's total deposits.

NOTE 3: ILLINOIS MUNICIPAL RETIREMENT SYSTEM

IMRF Plan Description

The Regional Office of Education #47's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #47's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 3 ILLINOIS MUNICIPAL RETIREMENT SYSTEM (CONCLUDED)

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	23
Inactive Plan Members entitled to but not yet receiving benefits	40
Active Plan Members	25
Total	88

Contributions

As set by statute, the Regional Office of Education #47's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education #47's annual contribution rate for calendar year 2019 was 5.96%. For the fiscal year ended June 30, 2020, the Regional Office of Education #47 contributed \$40,350 to the plan. The Regional Office of Education #47 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #47 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2019>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (CONCLUDED)

Contributions

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, was 9.00 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education #47.

On behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #47.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020 were \$4,363.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #47, there is a statutory requirement for the Regional Office of Education #47 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the State contribution rate to TRS and were much higher.

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$225,835 were paid from federal and special trust funds that required employer contributions of \$24,074.

Employer retirement cost contributions. The Regional Office of Education #47 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the Regional Office of Education #47 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent, no payments for salary increases in excess of 3 percent and no payments for sick leave days granted in excess of the normal allotment.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 5 TEACHERS' HEALTH INSURANCE SECURITY FUND

The Regional Office of Education #47 participates in the Teachers' Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (CMS) as of July 1, 2013. The CMS administers the plan with the cooperation of the Teachers' Retirement System (TRS).

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) outlines the eligibility and benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the CMS with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

A percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On behalf contributions to the THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #47.

Employer contributions to THIS Fund. The Regional Office of Education #47 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2020, and 0.92 and 0.88 percent during the years ended June 30, 2019 and 2018, respectively. For the year ended June 30, 2020, the Regional Office of Education #47 paid \$6,921 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2019 and 2018, the Regional Office of Education #47 paid \$6,706 and \$7,473 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further information on THIS Fund. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 6 TRANSFERS

Interfund transfers in / out to other funds at June 30, 2020 consist of the following individual transfers in / out to other funds in the fund statements. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities. The purpose of interfund transfers was to cover permanent shortfalls in cash flow within grant programs and funds.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Local Fund	\$ -	\$ 12,872
Education Fund		
Early Childhood Block Grant (FY19)	190	-
IDEA Improvement Grants, Part D	2,254	-
McKinney Education for Homeless Children	9,672	-
Regional Safe Schools Program	14	-
ROE Operations	693	-
Traunts Alternative Education	49	-
	<u>\$ 12,872</u>	<u>\$ 12,872</u>

NOTE 7: DISTRIBUTIVE FUND INTEREST

The school district boards within Lee, Ogle, and Whiteside Counties Regional Office of Education #47 have signed formal agreements that allow Lee, Ogle, and Whiteside Counties Regional Office of Education #47 to retain any interest earned during the year.

NOTE 8: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which over expend appropriations during the year are required to be disclosed. The following funds/fund accounts had deficit fund balances at June 30, 2020:

General Fund	
E-Rate	\$ (50,702)
Education Fund	
Early Childhood Block Grant (FY20)	(2,296)
Education Outreach Program	(14,247)
IDEA Improvement Grants, Part D	(232,065)
McKinney Education for Homeless Children	(16,176)
National School Lunch	(9,622)
Regional Safe Schools Program	(9,411)
Truants Alternative Education	(5,007)
Enterprise Fund	
School Improvement Plan (SIP)	(1,504)

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 8 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONCLUDED)

The Regional Office of Education #47 will monitor expenses within these programs during the course of the subsequent fiscal year.

NOTE 9 ON-BEHALF PAYMENTS

The salaries of the Regional Superintendent and the Assistant Regional Superintendent are paid directly by the State of Illinois. Lee, Ogle, and Whiteside Counties also make direct contributions on-behalf of the Regional Office of Education #47. The break out is as follows:

Regional Superintendent Salary	\$	119,832
Regional Superintendent Fringe Benefits*		27,108
Assistant Regional Superintendent Salary		107,844
Assistant Regional Superintendent Fringe Benefits*		26,377
Counties - Salary and Fringe Benefits		192,969
Total on-behalf payments	<u>\$</u>	<u>474,129</u>

*Includes State paid insurance

Salary and benefit data for the Regional Superintendents and Assistant Regional Superintendents was calculated based on data provided by the Illinois State Board of Education.

NOTE 10 LEASE COMMITMENTS

The Regional Office of Education #47 has entered into a lease agreement as lessee for financing the acquisition of a copier. These lease agreement requires monthly payments of \$393 for the copier and \$112 for maintenance services. The lease began June 8, 2018 and ends June 8, 2023.

On July 1, 2019, the Regional Office of Education #47 entered into an agreement for the lease of a school building. The lease agreement is for the period of July 1, 2019 through June 30, 2023. Rent is \$2,200 per month for the period July 1, 2019 through June 30, 2023. Lease expense for the building in fiscal year 2020 was \$26,400. The Regional Office of Education #47 also has leases on month-to-month agreements. Rent expense under these agreements totaled \$58,800 during fiscal year 2020.

NOTE 11 RISK MANAGEMENT

The Regional Office of Education #47 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #47 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 12 COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of the Regional Office of Education #47, remains uncertain. To date, the outbreak has not created a material disruption to the operations of the Regional Office of Education #47. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to the Regional Office of Education #47.

NOTE 13 RESTATEMENT

On June 25, 2021, an amendment to 105 ILCS 5/2-3.17a was passed, which allows a Regional Office of Education to utilize the cash basis, modified cash basis or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for their annual audit. The amendment was effective immediately. As such, for the fiscal year ending June 30, 2020, the Regional Office of Education #47 has presented these financial statements in accordance with the cash basis of accounting. This is a change from the fiscal year 2019 presentation, which was reported using generally accepted accounting principles (GAAP). Beginning net position and fund balances were restated to retroactively report the change.

	Governmental Activities	Business-Type Activities	Fiduciary Funds		
Net position June 30, 2019, as previously reported	\$ (1,915,158)	\$ 484,893	\$ -		
Change to cash basis of accounting	<u>2,652,834</u>	<u>(34,811)</u>	<u>548,181</u>		
Cash basis net position July 1, 2019, as restated	<u>\$ 737,676</u>	<u>\$ 450,082</u>	<u>\$ 548,181</u>		

	General Fund	Education Fund	Institute Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Fund balance (deficit) June 30, 2019, as previously reported	\$ 829,372	\$ (125,584)	\$ 262,242	\$ 20,396	\$ 986,426
Change to cash basis of accounting	<u>(33,485)</u>	<u>(215,745)</u>	<u>125</u>	<u>355</u>	<u>(248,750)</u>
Cash basis fund balance (deficit) July 1, 2019, as restated	<u>\$ 795,887</u>	<u>\$ (341,329)</u>	<u>\$ 262,367</u>	<u>\$ 20,751</u>	<u>\$ 737,676</u>

	Workshops	School Improvement Plan (SIP)	Other Nonmajor Proprietary Funds	Total Proprietary Funds
Net position June 30, 2019, as previously reported	\$ 536,033	\$ (88,728)	\$ 37,588	\$ 484,893
Change to cash basis of accounting	<u>(139,666)</u>	<u>105,338</u>	<u>(483)</u>	<u>(34,811)</u>
Cash basis net position July 1, 2019, as restated	<u>\$ 396,367</u>	<u>\$ 16,610</u>	<u>\$ 37,105</u>	<u>\$ 450,082</u>

SUPPLEMENTARY INFORMATION

LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - GENERAL FUND ACCOUNTS
As of and For the Year Ended June 30, 2020

	<u>Local Fund</u>	<u>E-Rate</u>	<u>Alternative Learning Opportunity Program - General State Aid (ALOP-GSA)</u>	<u>Total</u>
RECEIPTS:				
Local sources	\$ 124,548	\$ -	\$ 99,900	\$ 224,448
State sources	-	-	602,099	602,099
Interest	19,344	-	-	19,344
Total receipts	<u>143,892</u>	<u>-</u>	<u>701,999</u>	<u>845,891</u>
DISBURSEMENTS:				
Instructional services:				
Salaries	6,185	-	422,660	428,845
Employee benefits	5,195	-	65,307	70,502
Purchased services	162,042	18,630	48,868	229,540
Supplies and materials	17,754	-	9,653	27,407
Intergovernmental:				
Payments to other governmental units	-	-	97,946	97,946
Total disbursements	<u>191,176</u>	<u>18,630</u>	<u>644,434</u>	<u>854,240</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(47,284)	(18,630)	57,565	(8,349)
OTHER FINANCING USES:				
Transfers out	(12,872)	-	-	(12,872)
CHANGE IN CASH BASIS FUND BALANCE (DEFICIT)	(60,156)	(18,630)	57,565	(21,221)
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)	<u>511,201</u>	<u>(32,072)</u>	<u>316,758</u>	<u>795,887</u>
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 451,045</u>	<u>\$ (50,702)</u>	<u>\$ 374,323</u>	<u>\$ 774,666</u>
CASH BASIS ASSETS - END OF YEAR				
Cash and cash equivalents	<u>\$ 451,045</u>	<u>\$ (50,702)</u>	<u>\$ 374,323</u>	<u>\$ 774,666</u>
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR				
Unassigned	<u>\$ 451,045</u>	<u>\$ (50,702)</u>	<u>\$ 374,323</u>	<u>\$ 774,666</u>

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - EDUCATION FUND ACCOUNTS
As of and For the Year Ended June 30, 2020**

	<u>Early Childhood Block Grant (FY19)</u>	<u>Early Childhood Block Grant (FY20)</u>	<u>Parents as Teachers</u>	<u>Adult Education and Family Literacy Grant</u>	<u>Education Outreach Program</u>
RECEIPTS:					
Local sources	\$ -	\$ -	\$ 630	\$ -	\$ -
State sources	26,125	249,222	-	4,000	-
Federal sources	-	-	-	-	178,506
Total receipts	<u>26,125</u>	<u>249,222</u>	<u>630</u>	<u>4,000</u>	<u>178,506</u>
DISBURSEMENTS:					
Instructional services:					
Salaries	45,811	192,876	-	3,874	105,767
Employee benefits	5,822	31,896	-	56	15,758
Purchased services	9,498	19,724	53	59	37,615
Supplies and materials	7,571	7,022	257	-	3,230
Intergovernmental:					
Payments to other governmental units	-	-	-	-	-
Capital outlay	-	-	-	-	300
Total disbursements	<u>68,702</u>	<u>251,518</u>	<u>310</u>	<u>3,989</u>	<u>162,670</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(42,577)	(2,296)	320	11	15,836
OTHER FINANCING SOURCES:					
Transfers in	190	-	-	-	-
CHANGE IN CASH BASIS FUND BALANCE (DEFICIT)	(42,387)	(2,296)	320	11	15,836
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)	42,387	-	6,123	2,902	(30,083)
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ (2,296)</u>	<u>\$ 6,443</u>	<u>\$ 2,913</u>	<u>\$ (14,247)</u>
CASH BASIS ASSETS - END OF YEAR					
Cash and cash equivalents	<u>\$ -</u>	<u>\$ (2,296)</u>	<u>\$ 6,443</u>	<u>\$ 2,913</u>	<u>\$ (14,247)</u>
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR					
Restricted for educational purposes	\$ -	\$ -	\$ 6,443	\$ 2,913	\$ -
Unassigned	-	(2,296)	-	-	(14,247)
TOTAL CASH BASIS FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ (2,296)</u>	<u>\$ 6,443</u>	<u>\$ 2,913</u>	<u>\$ (14,247)</u>

LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - EDUCATION FUND ACCOUNTS
As of and For the Year Ended June 30, 2020

	<u>Foundation Level Services</u>	<u>IDEA Improvement Grants, Part D</u>	<u>Math & Science Partnership - Math Area Partner (FY17)</u>	<u>Math & Science Partnership - Science Area Partner (FY15)</u>	<u>McKinney Education for Homeless Children</u>
RECEIPTS:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 40
State sources	-	-	-	-	-
Federal sources	-	1,829,702	-	-	371,262
Total receipts	<u>-</u>	<u>1,829,702</u>	<u>-</u>	<u>-</u>	<u>371,302</u>
DISBURSEMENTS:					
Instructional services:					
Salaries	-	403,565	-	-	82,737
Employee benefits	-	100,224	-	-	13,756
Purchased services	-	191,183	-	-	9,166
Supplies and materials	-	3,528	-	-	7,415
Intergovernmental:					
Payments to other governmental units	-	1,007,100	-	-	253,222
Capital outlay	-	-	-	-	-
Total disbursements	<u>-</u>	<u>1,705,600</u>	<u>-</u>	<u>-</u>	<u>366,296</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	-	124,102	-	-	5,006
OTHER FINANCING SOURCES:					
Transfers in	-	2,254	-	-	9,672
CHANGE IN CASH BASIS FUND BALANCE (DEFICIT)	-	126,356	-	-	14,678
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)	<u>2,033</u>	<u>(358,421)</u>	<u>2,579</u>	<u>3,568</u>	<u>(30,854)</u>
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 2,033</u>	<u>\$ (232,065)</u>	<u>\$ 2,579</u>	<u>\$ 3,568</u>	<u>\$ (16,176)</u>
CASH BASIS ASSETS - END OF YEAR					
Cash and cash equivalents	<u>\$ 2,033</u>	<u>\$ (232,065)</u>	<u>\$ 2,579</u>	<u>\$ 3,568</u>	<u>\$ (16,176)</u>
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR					
Restricted for educational purposes	\$ 2,033	\$ -	\$ 2,579	\$ 3,568	\$ -
Unassigned	-	(232,065)	-	-	(16,176)
TOTAL CASH BASIS FUND BALANCE (DEFICIT)	<u>\$ 2,033</u>	<u>\$ (232,065)</u>	<u>\$ 2,579</u>	<u>\$ 3,568</u>	<u>\$ (16,176)</u>

LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - EDUCATION FUND ACCOUNTS
As of and For the Year Ended June 30, 2020

	<u>National School Lunch</u>	<u>School Breakfast Program</u>	<u>State Free Lunch and Breakfast</u>	<u>Regional Safe Schools Program</u>	<u>ROE Operations</u>
RECEIPTS:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	331	86,837	128,324
Federal sources	10,743	5,361	-	-	-
Total receipts	<u>10,743</u>	<u>5,361</u>	<u>331</u>	<u>86,837</u>	<u>128,324</u>
DISBURSEMENTS:					
Instructional services:					
Salaries	-	-	-	35,000	103,978
Employee benefits	-	-	-	4,879	16,313
Purchased services	-	1,168	25	2,597	8,726
Supplies and materials	-	-	-	2,350	-
Intergovernmental:					
Payments to other governmental units	13,333	-	-	42,317	-
Capital outlay	-	-	-	-	-
Total disbursements	<u>13,333</u>	<u>1,168</u>	<u>25</u>	<u>87,143</u>	<u>129,017</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,590)	4,193	306	(306)	(693)
OTHER FINANCING SOURCES:					
Transfers in	-	-	-	14	693
CHANGE IN CASH BASIS FUND BALANCE (DEFICIT)	(2,590)	4,193	306	(292)	-
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)	<u>(7,032)</u>	<u>4,318</u>	<u>240</u>	<u>(9,119)</u>	<u>-</u>
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (9,622)</u>	<u>\$ 8,511</u>	<u>\$ 546</u>	<u>\$ (9,411)</u>	<u>\$ -</u>
CASH BASIS ASSETS - END OF YEAR					
Cash and cash equivalents	<u>(9,622)</u>	<u>8,511</u>	<u>546</u>	<u>(9,411)</u>	<u>-</u>
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR					
Restricted for educational purposes	\$ -	\$ 8,511	\$ 546	\$ -	\$ -
Unassigned	<u>(9,622)</u>	<u>-</u>	<u>-</u>	<u>(9,411)</u>	<u>-</u>
TOTAL CASH BASIS FUND BALANCE (DEFICIT)	<u>\$ (9,622)</u>	<u>\$ 8,511</u>	<u>\$ 546</u>	<u>\$ (9,411)</u>	<u>\$ -</u>

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - EDUCATION FUND ACCOUNTS
As of and For the Year Ended June 30, 2020**

	<u>Rural Education Achievement Program</u>	<u>Title II Teacher Quality Leadership</u>	<u>Sterling Truants Alternative Program</u>	<u>Truants Alternative Education</u>	<u>Total</u>
RECEIPTS:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 670
State sources	-	-	22,000	139,570	656,409
Federal sources	-	1,500	-	-	2,397,074
Total receipts	<u>-</u>	<u>1,500</u>	<u>22,000</u>	<u>139,570</u>	<u>3,054,153</u>
DISBURSEMENTS:					
Instructional services:					
Salaries	-	-	18,056	110,153	1,101,817
Employee benefits	-	-	2,915	18,478	210,097
Purchased services	-	1,500	213	12,058	293,585
Supplies and materials	-	-	-	6,192	37,565
Intergovernmental:					
Payments to other governmental units	-	-	-	-	1,315,972
Capital outlay	-	-	-	-	300
Total disbursements	<u>-</u>	<u>1,500</u>	<u>21,184</u>	<u>146,881</u>	<u>2,959,336</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	816	(7,311)	94,817
OTHER FINANCING SOURCES:					
Transfers in	-	-	-	49	12,872
CHANGE IN CASH BASIS FUND BALANCE (DEFICIT)	-	-	816	(7,262)	107,689
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)	<u>925</u>	<u>-</u>	<u>26,850</u>	<u>2,255</u>	<u>(341,329)</u>
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 925</u>	<u>\$ -</u>	<u>\$ 27,666</u>	<u>\$ (5,007)</u>	<u>\$ (233,640)</u>
CASH BASIS ASSETS - END OF YEAR					
Cash and cash equivalents	<u>\$ 925</u>	<u>\$ -</u>	<u>\$ 27,666</u>	<u>\$ (5,007)</u>	<u>\$ (233,640)</u>
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR					
Restricted for educational purposes	\$ 925	\$ -	\$ 27,666	\$ -	\$ 55,184
Unassigned	-	-	-	(5,007)	(288,824)
TOTAL CASH BASIS FUND BALANCE (DEFICIT)	<u>\$ 925</u>	<u>\$ -</u>	<u>\$ 27,666</u>	<u>\$ (5,007)</u>	<u>\$ (233,640)</u>

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
(For the Period of July 1, 2018 to August 31, 2019)
EDUCATION FUND ACCOUNTS
EARLY CHILDHOOD BLOCK GRANT (FY19)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
RECEIPTS:			
State sources	\$ 313,500	\$ 313,500	\$ 26,125
Total receipts	<u>313,500</u>	<u>313,500</u>	<u>26,125</u>
DISBURSEMENTS:			
Instructional services:			
Salaries	236,541	233,219	45,811
Employee benefits	38,370	37,737	5,822
Purchased services	33,492	32,540	9,498
Supplies and materials	5,097	10,004	7,571
Total disbursements	<u>313,500</u>	<u>313,500</u>	<u>68,702</u>
DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS	-	-	(42,577)
OTHER FINANCING SOURCES:			
Transfers in	-	-	190
CHANGE IN CASH BASIS FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(42,387)
CASH BASIS FUND BALANCE, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)			<u>42,387</u>
CASH BASIS FUND BALANCE, END OF YEAR			<u>\$ -</u>

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
(For the Period of July 1, 2019 to February 28, 2021)
EDUCATION FUND ACCOUNTS
EARLY CHILDHOOD BLOCK GRANT (FY20)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual
	Original	Final	Amounts
RECEIPTS:			
State sources	\$ 313,500	\$ 317,845	\$ 249,222
Total receipts	<u>313,500</u>	<u>317,845</u>	<u>249,222</u>
DISBURSEMENTS:			
Instructional services:			
Salaries	237,692	232,029	192,876
Employee benefits	44,473	39,395	31,896
Purchased services	29,750	31,110	19,724
Supplies and materials	1,585	15,311	7,022
Total disbursements	<u>313,500</u>	<u>317,845</u>	<u>251,518</u>
CHANGE IN CASH BASIS FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	(2,296)
CASH BASIS FUND BALANCE, BEGINNING OF YEAR			<u>-</u>
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (2,296)</u>

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
BUDGETARY COMPARISON SCHEDULE- CASH BASIS
(For the Period of July 1, 2018 to June 30, 2019)
EDUCATION FUND ACCOUNTS
EDUCATION OUTREACH PROGRAM
For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
RECEIPTS:			
Federal sources	\$ 197,967	\$ 197,967	\$ 178,506
Total receipts	<u>197,967</u>	<u>197,967</u>	<u>178,506</u>
DISBURSEMENTS:			
Instructional services:			
Salaries	121,517	121,517	105,767
Employee benefits	16,659	16,659	15,758
Purchased services	-	-	37,615
Supplies and materials	5,250	5,250	3,230
Capital outlay	-	-	300
Total disbursements	<u>143,426</u>	<u>143,426</u>	<u>162,670</u>
CHANGE IN CASH BASIS FUND BALANCE (DEFICIT)	<u>\$ 54,541</u>	<u>\$ 54,541</u>	15,836
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)			<u>(30,083)</u>
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (14,247)</u>

LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
(For the Period of July 2, 2019 to September 30, 2020)
EDUCATION FUND ACCOUNTS
IDEA IMPROVEMENT GRANTS, PART D
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
RECEIPTS:			
Federal sources	\$ 2,570,900	\$ 2,570,900	\$ 1,829,702
Total receipts	<u>2,570,900</u>	<u>2,570,900</u>	<u>1,829,702</u>
DISBURSEMENTS:			
Instructional services:			
Salaries	633,932	513,241	403,565
Employee benefits	149,483	125,659	100,224
Purchased services	497,485	308,135	191,183
Supplies and materials	16,000	6,500	3,528
Intergovernmental:			
Payments to other governmental units	1,273,000	1,617,365	1,007,100
Capital outlay	1,000	-	-
Total disbursements	<u>2,570,900</u>	<u>2,570,900</u>	<u>1,705,600</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	-	-	124,102
OTHER FINANCING SOURCES:			
Transfers in	-	-	2,254
CHANGE IN CASH BASIS FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	126,356
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)			<u>(358,421)</u>
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (232,065)</u>

LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
(For the Period of July 1, 2019 to August 31, 2020)
EDUCATION FUND ACCOUNTS
MCKINNEY EDUCATION FOR HOMELESS CHILDREN (FY20)
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
RECEIPTS:			
Local sources	\$ -	\$ -	\$ 40
Federal sources	281,664	281,664	371,262
Total receipts	<u>281,664</u>	<u>281,664</u>	<u>371,302</u>
DISBURSEMENTS:			
Instructional services:			
Salaries	55,166	73,983	82,737
Employee benefits	7,453	12,565	13,756
Purchased services	10,082	5,780	9,166
Supplies and materials	5,500	2,853	7,415
Intergovernmental:			
Payments to other governmental units	203,463	186,483	253,222
Total disbursements	<u>281,664</u>	<u>281,664</u>	<u>366,296</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	-	-	5,006
OTHER FINANCING SOURCES:			
Transfers in	-	-	9,672
CHANGE IN CASH BASIS FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	14,678
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)			<u>(30,854)</u>
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (16,176)</u>

LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
(For the Period of July 1, 2019 to June 30, 2020)
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
RECEIPTS:			
State sources	\$ 87,129	\$ 87,129	\$ 86,837
Total receipts	87,129	87,129	86,837
DISBURSEMENTS:			
Instructional services:			
Salaries	35,000	35,000	35,000
Employee benefits	5,033	5,033	4,879
Purchased services	2,624	2,624	2,597
Supplies and materials	2,155	2,155	2,350
Intergovernmental:			
Payments to other governmental units	42,317	42,317	42,317
Total disbursements	87,129	87,129	87,143
DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS	-	-	(306)
OTHER FINANCING SOURCES:			
Transfers in	-	-	14
CHANGE IN CASH BASIS FUND BALANCE (DEFICIT)	\$ -	\$ -	(292)
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(9,119)
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR			\$ (9,411)

LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
(For the Period of July 1, 2019 to June 30, 2020)
EDUCATION FUND ACCOUNTS
ROE OPERATIONS
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
RECEIPTS:			
State sources	\$ 128,324	\$ 128,324	\$ 128,324
Total receipts	<u>128,324</u>	<u>128,324</u>	<u>128,324</u>
DISBURSEMENTS:			
Instructional services:			
Salaries	104,224	104,224	103,978
Employee benefits	14,745	14,745	16,313
Purchased services	9,355	9,355	8,726
Total disbursements	<u>128,324</u>	<u>128,324</u>	<u>129,017</u>
DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS	-	-	(693)
OTHER FINANCING SOURCES:			
Transfers in	-	-	693
CHANGE IN CASH BASIS FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-
CASH BASIS FUND BALANCE, BEGINNING OF YEAR			-
CASH BASIS FUND BALANCE, END OF YEAR			<u>\$ -</u>

**LEE, OGLE, AND WHITESIDE COUNTIES
 REGIONAL OFFICE OF EDUCATION #47
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 (For the Period of July 1, 2019 to June 30, 2020)
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY LEADERSHIP
 For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual
	Original	Final	Amounts
RECEIPTS:			
Federal sources	\$ 1,770	\$ 1,770	\$ 1,500
Total receipts	<u>1,770</u>	<u>1,770</u>	<u>1,500</u>
DISBURSEMENTS:			
Instructional services:			
Purchased services	1,770	1,770	1,500
Total disbursements	<u>1,770</u>	<u>1,770</u>	<u>1,500</u>
CHANGE IN CASH BASIS FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-
CASH BASIS FUND BALANCE, BEGINNING OF YEAR			-
CASH BASIS FUND BALANCE, END OF YEAR			<u>\$ -</u>

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
(For the Period of July 1, 2019 to August 31, 2021)
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE EDUCATION
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual
	Original	Final	Amounts
RECEIPTS:			
State sources	\$ 138,692	\$ 138,692	\$ 139,570
Total receipts	<u>138,692</u>	<u>138,692</u>	<u>139,570</u>
DISBURSEMENTS:			
Instructional services:			
Salaries	103,394	103,394	110,153
Employee benefits	19,504	18,362	18,478
Purchased services	11,994	10,894	12,058
Supplies and materials	3,800	6,042	6,192
Total disbursements	<u>138,692</u>	<u>138,692</u>	<u>146,881</u>
DEFICIENCY OF RECEIPTS UNDER DISBURSEMENTS	-	-	(7,311)
OTHER FINANCING SOURCES:			
Transfers in	-	-	49
CHANGE IN CASH BASIS FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	(7,262)
CASH BASIS FUND BALANCE, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)			<u>2,255</u>
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (5,007)</u>

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
As of and For the Year Ended June 30, 2020**

	<u>Bus Driver Training</u>	<u>General Education Development</u>	<u>Total</u>
RECEIPTS:			
Local sources	\$ 3,710	\$ 648	\$ 4,358
State sources	1,467	-	1,467
Total receipts	<u>5,177</u>	<u>648</u>	<u>5,825</u>
DISBURSEMENTS:			
Instructional services:			
Salaries	1,200	-	1,200
Employee benefits	201	-	201
Purchased services	2,839	71	2,910
Supplies and materials	-	59	59
Total disbursements	<u>4,240</u>	<u>130</u>	<u>4,370</u>
CHANGE IN CASH BASIS FUND BALANCE	937	518	1,455
CASH BASIS FUND BALANCE, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)	<u>10,150</u>	<u>10,601</u>	<u>20,751</u>
CASH BASIS FUND BALANCE, END OF YEAR	<u>\$ 11,087</u>	<u>\$ 11,119</u>	<u>\$ 22,206</u>
CASH BASIS ASSETS - END OF YEAR			
Cash and cash equivalents	<u>\$ 11,087</u>	<u>\$ 11,119</u>	<u>\$ 22,206</u>
CASH BASIS FUND BALANCE - END OF YEAR			
Restricted for educational purposes	<u>\$ 11,087</u>	<u>\$ 11,119</u>	<u>\$ 22,206</u>

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
COMBINING SCHEDULE OF CASH BASIS ASSETS AND NET POSITION
AND CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS
NET POSITION - NONMAJOR PROPRIETARY FUNDS
As of and For the Year Ended June 30, 2020**

**Business-Type Activities
Nonmajor Enterprise Funds**

	<u>Fingerprinting</u>
OPERATING RECEIPTS:	
Charges for services	<u>\$ 33,170</u>
OPERATING DISBURSEMENTS:	
Salaries	23,110
Employee benefits	2,567
Purchased services	18,800
Supplies and materials	768
Payments to other governments	-
Total operating disbursements	<u>45,245</u>
OPERATING LOSS	(12,075)
CASH BASIS NET POSITION, BEGINNING OF YEAR AS RESTATED (SEE NOTE 13)	<u>37,105</u>
CASH BASIS NET POSITION, END OF YEAR	<u><u>\$ 25,030</u></u>
CASH BASIS ASSETS - END OF YEAR	
Cash and cash equivalents	<u><u>\$ 25,030</u></u>
CASH BASIS NET POSITION - END OF YEAR	
Unrestricted	<u><u>\$ 25,030</u></u>

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FIDUCIARY NET POSITION AND CASH ADDITIONS,
DEDUCTIONS, AND CHANGES IN CASH BASIS FIDUCIARY NET POSITION - FIDUCIARY FUNDS
As of and For the Year Ended June 30, 2020**

	<u>BALANCE JUNE 30, 2019</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2020</u>
<u>Impact Fees</u>				
CASH BASIS ASSETS				
Cash and cash equivalents	\$ 20	\$ 9,786	\$ 9,786	\$ 20
CASH BASIS NET POSITION				
Restricted for other governments	\$ 20	\$ 9,786	\$ 9,786	\$ 20
<u>Petitions Fund</u>				
CASH BASIS ASSETS				
Cash and cash equivalents	\$ 525	\$ -	\$ -	\$ 525
CASH BASIS NET POSITION				
Restricted for other governments	\$ 525	\$ -	\$ -	\$ 525
<u>Distributive Fund</u>				
CASH BASIS ASSETS				
Cash and cash equivalents	\$ 116	\$ 3,480,038	\$ 3,480,117	\$ 37
CASH BASIS NET POSITION				
Restricted for other governments	\$ 116	\$ 3,480,038	\$ 3,480,117	\$ 37
<u>School Facility Occupation Tax</u>				
CASH BASIS ASSETS				
Cash and cash equivalents	\$ 547,520	\$ 6,769,421	\$ 6,810,622	\$ 506,319
CASH BASIS NET POSITION				
Restricted for other governments	\$ 547,520	\$ 6,769,421	\$ 6,810,622	\$ 506,319
<u>Total</u>				
CASH BASIS ASSETS				
Cash and cash equivalents	\$ 548,181	\$ 10,259,245	\$ 10,300,525	\$ 506,901
CASH BASIS NET POSITION				
Restricted for other governments	\$ 548,181	\$ 10,259,245	\$ 10,300,525	\$ 506,901

LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SCHEDULE OF CASH DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2020

		Bi-County Special Education Coop
	\$	<u> </u>
Evidence	567,593	
State Free Lunch & Breakfast	536	
National School Lunch Program	17,101	
School Breakfast Program	9,990	
Fed. - Sp. Ed. - Pre-School Flow Through	127,333	
Fed. - Sp. Ed. - I.D.E.A. - Flow Through	2,755,064	
Other	2,500	
		<u> </u>
	\$	<u><u>3,480,117</u></u>

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education				
Pass-through Illinois State Board of Education Education for Homeless Children and Youth	84.196A	19-4920-RF		\$ 8,126
McKinney Education for Homeless Children	84.196A	20-4920-RF	104,664	199,784
McKinney Education for Homeless Children			<u>104,664</u>	<u>\$ 207,910</u>
Special Education - State Personnel Development IDEA - Improvement Grants - Part D *	84.323A	20-4631-RN	<u>1,006,373</u>	<u>\$ 1,692,521</u>
Total U.S. Department of Education				<u>\$ 1,900,431</u>
U.S Department of Labor				
Pass-through Best, Inc Education Outreach Program	17.259	PY18-001		<u>\$ 156,935</u>
Total U.S. Department of Labor				<u>\$ 156,935</u>
U.S Department of Agriculture				
Pass-through Illinois State Board of Education Child Nutrition Cluster				
National School Lunch Program	10.555	19-4210-00		\$ 2,463
National School Lunch Program	10.555	20-4210-00		8,280
				<u>\$ 10,743</u>
School Breakfast Program	10.553	19-4220-00		\$ 1,309
School Breakfast Program	10.553	20-4220-00		4,119
				<u>\$ 5,428</u>
Total Child Nutrition Cluster				<u>\$ 16,171</u>
Total U.S Department of Agriculture				<u>\$ 16,171</u>
Total Expenditures of Federal Awards			<u>\$ 1,111,037</u>	<u>\$ 2,073,537</u>

See Independent Auditors' Report and Notes to Schedule of Expenditures of Federal Awards

**LEE, OGLE, AND WHITESIDE COUNTIES
REGIONAL OFFICE OF EDUCATION #47
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the Regional Office of Education #47 under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Regional Office of Education #47, it is not intended to and does not present the financial position, changed in net assets, or cash flows of Regional Office of Education #47.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Regional Office of Education #47 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 CHANGE IN REPORTING BASIS

For the fiscal year ended June 30, 2020, the Regional Office of Education #47 has presented the Schedule in accordance with the cash basis of accounting. This is a change from the fiscal year 2020 presentation, which was reported using generally accepted accounting principles (GAAP). The following federal expenditures reported in the fiscal year 2020 cash basis financial statements are excluded in the fiscal year 2020 cash basis Schedule as they were already reported in the fiscal year 2019 Schedule on an accrual basis:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Education for Homeless Children and Youth	84.196A	\$ 148,714
Special Education - State Personnel Development	84.323A	10,825
Improving Teacher Quality State Grants	84.367A	1,500
WIOA Cluster	17.259	5,735
		<u>\$ 166,774</u>