

**STATE OF ILLINOIS
VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**FINANCIAL AUDIT
For the Year Ended June 30, 2020**

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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REGIONAL OFFICE OF EDUCATION NO. 54**

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**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

OFFICIALS

Regional Superintendent (during the audit period) Ms. Cheryl Reifsteck
Regional Superintendent (July 1, 2020 – Current) Mr. Aaron Hird
Assistant Regional Superintendent (during the audit period) Mr. Aaron Hird
Assistant Regional Superintendent (July 1, 2020 – Current)..... Ms. Courtney Dudley

Office is located at:

200 South College Street, Suite B
Danville, IL 61832

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

FINANCIAL REPORT SUMMARY

The financial 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 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	3	1
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	-	-

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)			
2020-001	10 - 11	Controls Over Financial Statement Preparation	Material weakness
2020-002	12	Inadequate Review of Bank Accounts	Significant Deficiency
2020-003	13 - 14	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

There were no prior year findings not repeated.

EXIT CONFERENCE

The Vermilion County Regional Office of Education No. 54 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2020. Throughout the audit, numerous meetings were held between auditors and Regional Office officials to discuss matters contained in this audit report. Responses to the recommendations were provided by the Regional Office of Education on October 13, 2020.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Vermilion County Regional Office of Education No. 54 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Vermilion County Regional Office of Education No 54's basic financial statements.



613 Broadway Avenue
P.O. Box 945
Mattoon, Illinois 61938

(217) 235-4747
www.westcpa.com

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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Vermilion County Regional Office of Education No. 54, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Vermilion County Regional Office of Education No. 54'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 accounting principles generally accepted in the United States of America; this includes 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 entity'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 entity'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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Vermilion County Regional Office of Education No. 54, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vermilion County Regional Office of Education No. 54's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund 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, and the Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund 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, and the Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020 on our consideration of the Vermilion County Regional Office of Education No. 54'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 solely 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 the Vermilion County Regional Office of Education No. 54'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 Vermilion County Regional Office of Education No. 54's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
December 10, 2020



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Mattoon, Illinois 61938

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**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***

INDEPENDENT AUDITORS' REPORT

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 the Vermilion County Regional Office of Education No. 54, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Vermilion County Regional Office of Education No. 54's basic financial statements, and have issued our report thereon dated December 10, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Vermilion County Regional Office of Education No. 54's internal control over financial reporting (internal control) as a basis for designing 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 Vermilion County Regional Office of Education No. 54's internal control. Accordingly, we do not express an opinion on the effectiveness of the Vermilion County Regional Office of Education No. 54's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2020-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2020-002 and 2020-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Vermilion County Regional Office of Education No. 54'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 result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Regional Office of Education No. 54's Responses to the Findings

Vermilion County Regional Office of Education No. 54's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Vermilion County Regional Office of Education No. 54's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 Vermilion County Regional Office of Education No. 54'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 Vermilion County Regional Office of Education No. 54's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
December 10, 2020

SCHEDULE OF FINDINGS AND RESPONSES

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITORS’ RESULTS
For the year ended June 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements in accordance with GAAP

Type of auditors' report issued UNMODIFIED

Internal Control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2020**

Section II – Financial Statement Findings

Finding No. 2020-001 – Controls Over Financial Statement Preparation (Repeat from Finding 19-001, 18-001, 17-001, 16-001, 15-001, 14-002, 13-002, 12-02, 11-02, and 10-02)

Criteria/Specific Requirement:

The Regional Office of Education No. 54 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The Regional Office's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental fund balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities. In addition, the Statement requires information about the government's major and nonmajor funds in the aggregate, to be provided in the fund financial statements.

Condition:

The Regional Office of Education No. 54 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education No. 54's financial information prepared by the Regional Office of Education No. 54, auditors noted the Regional Office's financial information required a material adjusting entry in order to present its financial statements in accordance with generally accepted accounting principles.

Effect:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2020**

Section II – Financial Statement Findings (Continued)

Finding No. 2020-001 – Controls Over Financial Statement Preparation (Repeat from Finding 19-001 18-001, 17-001, 16-001, 15-001, 14-002, 13-002, 12-02, 11-02, and 10-02) (Continued)

Cause:

Management indicated that a miscoded item in a non-routine transaction caused the material error.

Auditor’s Recommendation:

As part of internal control over the preparation of financial statements, the Regional Office of Education No. 54 should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education No. 54’s activities and operations.

Management’s Response:

The Regional Office of Education No. 54 acknowledges the one error in coding a non-routine transaction which caused the material finding. A bookkeeping error was made and the ROE has been informed of the incorrect coding and recognizes how to prevent it from happening again.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2020**

Section II – Financial Statement Findings (Continued)

Finding No. 2020-002 – Inadequate Review of Bank Accounts

Criteria/Specific Requirement:

The Regional Office of Education No. 54 is responsible for establishing and maintaining a system of internal controls over cash to prevent errors and fraud. This includes timely preparation and review of bank reconciliations. Each month's bank statement should be reconciled to the related general ledger account balance and reviewed by the appropriate level of management.

Condition:

The Regional Office of Education No. 54's bank reconciliations are not being reviewed or do not show documentation of review to ensure the reconciliation is taking place and that the reconciliation is complete.

Effect:

There is the possibility that an error or fraud may occur and not be detected.

Cause:

The Regional Office of Education No. 54 has insufficient internal controls over the bank reconciliation process.

Auditor's Recommendation:

As part of its internal controls over bank reconciliations, the Regional Office of Education No. 54's management should review bank reconciliations and document their review each month after the reconciliation has been completed.

Management's Response:

The Regional Office No. 54 acknowledges that bank reconciliations were not being reviewed to ensure reconciliation was taking place and complete. Although the statements were reviewed by multiple staff members, they were not reviewed after reconciliation had been completed.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2020**

Section II – Financial Statement Findings (Continued)

FINDING 2020-003 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers

Criteria/Specific Requirement:

The Regional Office of Education No. 54 is responsible for the design, implementation, and maintenance of internal controls, including the controls that are outsourced to service providers, related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction.

Generally accepted information technology guidance endorses the review and assessment of internal controls related to information systems and operations to assure the accurate processing and security of information.

Condition:

As part of the audit process, we requested the Regional Office of Education No. 54 provide a population of the service providers utilized. The Regional Office of Education No. 54 was able to identify service providers that provided various hosting and backup services for the Regional Office of Education No. 54.

During testing, the auditors noted the Regional Office of Education No. 54 had not:

- Developed a formal process for identifying service providers and obtaining the Service Organization Controls (SOC) reports from the service providers on an annual basis.
- Documented its review of each of the SOC reports.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 54's operations.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

Effect:

Without having obtained and reviewed a SOC report or another form of independent internal controls review, the Regional Office of Education No. 54 does not have assurance the external service provider's and its subservice organization's internal controls are adequate.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2020**

Section II – Financial Statement Findings (Continued)

FINDING 2020-003 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Continued)

Cause:

Regional Office of Education No. 54 officials indicated they understand the importance of a formal process to monitor service providers, however, they have not completed a policy to address the issues due to other priorities.

Auditor's Recommendation:

We recommend the Regional Office of Education No. 54 identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 54 should:

- Obtain SOC reports or (perform independent reviews) of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 54's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact the ROE's internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 54, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

Management's Response:

The Regional Office of Education No. 54 acknowledges the need to have System and Organizational Controls processes and policy in place to monitor service providers. Third party service providers with access to the confidential data of ROE #54 must have their internal controls reviewed prior to entering into a purchasing contract. An SOC audit is the preferred documentation of appropriate internal controls. In the event an SOC audit is not available from a third-party service provider, optional documentation covering the depth and breadth of an SOC audit may be considered. Contracts with third party service providers will be at the discretion of the Regional Superintendent.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2020**

Corrective Action Plan

Finding No. 2020-001 – Controls Over Financial Statement Preparation (Repeat from Finding 19-001, 18- 001, 17-001, 16-001, 15-001, 14-002, 13-002, 12-02, 11-02, and 10-02)

Condition:

The Regional Office of Education No. 54 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education No. 54's financial information prepared by the Regional Office of Education No. 54, auditors noted the Regional Office's financial information required a material adjusting entry in order to present its financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office of Education No. 54 administration and bookkeeper will code this type of transaction appropriately in the future should the office have this type of transaction.

Anticipated Date of Completion:

FY21 audit.

Name of Contact Person:

Mr. Aaron Hird, Regional Superintendent

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2020**

Corrective Action Plan

Finding No. 2020-002 – Inadequate Review of Bank Accounts

Condition:

The Regional Office of Education No. 54's bank reconciliations are not being reviewed or do not show documentation of review to ensure the reconciliation is taking place and that the reconciliation is complete.

Plan:

The Regional Office No. 54 will continue to have multiple staff members review statements in a timely manner. Additionally, the Assistant Regional Superintendent and/or the Regional Superintendent will review and show documentation of the reconciliations of the statements after they are completed to ensure that no error or fraud is occurring.

Anticipated Date of Completion:

FY21 audit

Name of Contact Person:

Mr. Aaron Hird, Regional Superintendent

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2020**

Corrective Action Plan

Finding No. 2020-003 – Lack of Adequate Controls over the Review of Internal Controls over External Service Providers

Condition:

As part of the audit process, we requested the Regional Office of Education No. 54 provide a population of the service providers utilized. The Regional Office of Education No. 54 was able to identify service providers that provided various hosting and backup services for the Regional Office of Education No. 54.

During testing, the auditors noted the Regional Office of Education No. 54 had not:

- Developed a formal process for identifying service providers and obtaining the Service Organization Controls (SOC) reports from the service providers on an annual basis.
- Documented its review of each of the SOC reports.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 54's operations.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

Plan:

Third party service providers with access to the confidential data of ROE #54 must have their internal controls reviewed prior to entering into a purchasing contract. An SOC audit is the preferred documentation of appropriate internal controls. In the event an SOC audit is not available from a third-party service provider, optional documentation covering the depth and breadth of an SOC audit may be considered. Contracts with third party service providers will be at the discretion of the Regional Superintendent.

Anticipated Date of Completion:

FY21 audit

Name of Contact Person:

Mr. Aaron Hird, Regional Superintendent

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the year ended June 30, 2020**

Not applicable in the current year.

BASIC FINANCIAL STATEMENTS

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 790,118	\$ 9,671	\$ 799,789
Accounts receivable	1,320	-	1,320
Due from other governments	29,127	-	29,127
Total current assets	<u>820,565</u>	<u>9,671</u>	<u>830,236</u>
Noncurrent assets:			
Capital assets, net	<u>7,906</u>	<u>-</u>	<u>7,906</u>
Total noncurrent assets	<u>7,906</u>	<u>-</u>	<u>7,906</u>
Total assets	<u>828,471</u>	<u>9,671</u>	<u>838,142</u>
LIABILITIES			
Current liabilities:			
Due to other governments	134,669	-	134,669
Unearned revenue	<u>29,545</u>	<u>-</u>	<u>29,545</u>
Total liabilities	<u>164,214</u>	<u>-</u>	<u>164,214</u>
NET POSITION			
Net investment in capital assets	7,906	-	7,906
Restricted for educational purposes	246,543	-	246,543
Unrestricted	<u>409,808</u>	<u>9,671</u>	<u>419,479</u>
Total net position	<u>\$ 664,257</u>	<u>\$ 9,671</u>	<u>\$ 673,928</u>

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

FUNCTIONS/PROGRAMS	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Instructional services:						
Purchased services	\$ 63,281	\$ -	\$ 28,825	\$ (34,456)	\$ -	\$ (34,456)
Supplies and materials	18,754	-	12,296	(6,458)	-	(6,458)
Other objects	3,146	-	2,389	(757)	-	(757)
Depreciation	2,622	-	-	(2,622)	-	(2,622)
Intergovernmental:						
Payments to other governments	705,665	-	707,960	2,295	-	2,295
Administrative:						
On-behalf payments - local	110,704	-	-	(110,704)	-	(110,704)
On-behalf payments - state	276,866	-	-	(276,866)	-	(276,866)
Total governmental activities	<u>1,181,038</u>	<u>-</u>	<u>751,470</u>	<u>(429,568)</u>	<u>-</u>	<u>(429,568)</u>
Business-type activities:						
Service fees	4,248	3,580	-	-	(668)	(668)
Total business-type activities	<u>4,248</u>	<u>3,580</u>	<u>-</u>	<u>-</u>	<u>(668)</u>	<u>(668)</u>
Total primary government	<u>\$ 1,185,286</u>	<u>\$ 3,580</u>	<u>\$ 751,470</u>	<u>(429,568)</u>	<u>(668)</u>	<u>(430,236)</u>
General revenues:						
Local sources				28,751	-	28,751
State				6,832	-	6,832
On-behalf payments - local				110,704	-	110,704
On-behalf payments - state				276,866	-	276,866
Interest				422	6	428
Extraordinary item:						
Refund from other entity				353,634	-	353,634
Total general revenues and extraordinary items				<u>777,209</u>	<u>6</u>	<u>777,215</u>
Change in net position				347,641	(662)	346,979
Net position, beginning of year				316,616	10,333	326,949
Net position, end of year				<u>\$ 664,257</u>	<u>\$ 9,671</u>	<u>\$ 673,928</u>

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 453,358	\$ 191,613	\$ 91,537	\$ 53,610	\$ 790,118
Accounts receivable	-	-	-	1,320	1,320
Due from other governments	-	-	29,127	-	29,127
Total assets	<u>\$ 453,358</u>	<u>\$ 191,613</u>	<u>\$ 120,664</u>	<u>\$ 54,930</u>	<u>\$ 820,565</u>
LIABILITIES					
Due to other governments	\$ 43,550	\$ -	\$ 91,119	\$ -	\$ 134,669
Unearned revenue	-	-	29,545	-	29,545
Total liabilities	<u>43,550</u>	<u>-</u>	<u>120,664</u>	<u>-</u>	<u>164,214</u>
FUND BALANCES					
Restricted	-	191,613	-	54,930	246,543
Assigned	398,040	-	-	-	398,040
Unassigned	11,768	-	-	-	11,768
Total fund balances	<u>409,808</u>	<u>191,613</u>	<u>-</u>	<u>54,930</u>	<u>656,351</u>
Total liabilities and fund balances	<u>\$ 453,358</u>	<u>\$ 191,613</u>	<u>\$ 120,664</u>	<u>\$ 54,930</u>	<u>\$ 820,565</u>

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2020

Total fund balances - governmental funds	\$ 656,351
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>7,906</u>
Net position of governmental activities	<u><u>\$ 664,257</u></u>

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues:					
Local sources	\$ 4,426	\$ 19,745	\$ -	\$ 4,580	\$ 28,751
State sources	128,212	-	284,666	1,257	414,135
Federal sources	-	-	344,167	-	344,167
On-behalf payments - local	110,704	-	-	-	110,704
On-behalf payments - state	276,866	-	-	-	276,866
Interest	275	140	-	7	422
Total revenues	<u>520,483</u>	<u>19,885</u>	<u>628,833</u>	<u>5,844</u>	<u>1,175,045</u>
Expenditures:					
Instructional services:					
Purchased services	-	33,533	27,475	2,273	63,281
Supplies and materials	6,003	451	12,256	44	18,754
Other objects	-	-	2,381	765	3,146
On-behalf payments - local	110,704	-	-	-	110,704
On-behalf payments - state	276,866	-	-	-	276,866
Intergovernmental:					
Payments to other governments	121,470	-	584,195	-	705,665
Capital outlay	-	-	2,526	-	2,526
Total expenditures	<u>515,043</u>	<u>33,984</u>	<u>628,833</u>	<u>3,082</u>	<u>1,180,942</u>
Excess or (deficiency) of revenue over expenditures	<u>5,440</u>	<u>(14,099)</u>	<u>-</u>	<u>2,762</u>	<u>(5,897)</u>
Extraordinary item:					
Refund from other entity	<u>353,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,634</u>
Total extraordinary item	<u>353,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,634</u>
Net change in fund balances	359,074	(14,099)	-	2,762	347,737
Fund balances, beginning of year	<u>50,734</u>	<u>205,712</u>	<u>-</u>	<u>52,168</u>	<u>308,614</u>
Fund balances, end of year	<u>\$ 409,808</u>	<u>\$ 191,613</u>	<u>\$ -</u>	<u>\$ 54,930</u>	<u>\$ 656,351</u>

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

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

Net changes in fund balances - governmental funds		\$ 347,737
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$ 2,526	
Depreciation	<u>(2,622)</u>	<u>(96)</u>
Change in net position of governmental activities		<u>\$ 347,641</u>

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

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 STATEMENT OF NET POSITION
 PROPRIETARY FUND
 JUNE 30, 2020

	Business-Type Activities
	Enterprise Fund Fingerprinting Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 9,671
Total assets	9,671
 NET POSITION	
Unrestricted	9,671
Total net position	\$ 9,671

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities
	Enterprise Fund
	Fingerprinting Fund
Operating revenue:	
Charges for services	\$ 3,580
Total Operating Revenues	3,580
Operating expenses:	
Purchased services	2,548
Supplies and materials	1,700
Total operating expenses	4,248
Operating loss	(668)
Nonoperating revenue:	
Interest	6
Total Nonoperating Revenue	6
Change in net position	(662)
Net position, beginning of year	10,333
Net position, end of year	\$ 9,671

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Business-Type Activities Enterprise Fund Fingerprinting Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 3,580
Payments to suppliers and providers of goods and services	(4,248)
Net cash used for operating activities	<u>(668)</u>
Cash flows from investing activities:	
Interest	6
Net cash provided by investing activities	<u>6</u>
Net decrease in cash and cash equivalents	(662)
Cash and cash equivalents, beginning of year	<u>10,333</u>
Cash and cash equivalents, end of year	<u><u>\$ 9,671</u></u>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	<u>\$ (668)</u>
Net cash used for operating activities	<u><u>\$ (668)</u></u>

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 39,737
Accounts receivable	1,000
Due from other governments	
Illinois State Board of Education	22,706
Total assets	63,443
LIABILITIES	
Due to other governments	
Local school districts	22,706
Eastern Illinois University	173
TOTAL LIABILITIES	22,879
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	40,564
Total Net Position	\$ 40,564

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

ADDITIONS:	<u>Custodial Funds</u>
Local Sources	
Donations	\$ 1,000
Fundraising	16,423
Program fees	18,992
Payments from Illinois State Board of Education	
State	30,209,970
Federal	7,039,538
Flow-through tuition payments from students	1,360
Investment earnings	193
Total Additions	<u>37,287,476</u>
DEDUCTIONS:	
Program expenses	27,452
Payments to local school districts	37,249,511
Flow-through tuition payments to University	1,167
Payment of interest to Regional Office	172
Total Deductions	<u>37,278,302</u>
Net Increase in Fiduciary Net Position	9,174
Net Position, beginning of the year, restated (see note 10)	<u>31,390</u>
Net Position, end of the year	<u><u>\$ 40,564</u></u>

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

NOTES TO FINANCIAL STATEMENTS

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education No. 54's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

Reporting Entity

The Regional Office of Education No. 54 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Vermilion County.

The Regional Superintendent of Schools is the chief administrative officer of the region and is elected to the position for a four-year term. The Regional Superintendent is responsible for the supervision and control of the school districts.

The Regional Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring of the safety, health and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses. 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 appropriate bond and that the district has certified publication of the annual financial report.

The Regional Office of Education No. 54 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education No. 54 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education No. 54's financial statements. In addition, the Regional Office of Education No. 54 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 54 being considered a component unit of the entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from the business-type activities, which rely to a significant extent on fees and charges for support.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Concluded)

The Statement of Net Position includes all of the Regional Office of Education No. 54's assets and liabilities, including capital assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to 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 the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

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

Certain eliminations have been made as prescribed by governmental accounting standards in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and the proprietary fund Statement of Net Position, and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and nonmajor funds aggregated.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues from exchange transactions are recognized when they are earned, and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 54 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid expenses and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues susceptible to accrual are recognized in the current fiscal period. Those revenues include local sources, State sources, federal sources, and interest. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria or when resources are received prior to the government having legal claim to them. The revenues are subsequently recognized when both recognition criteria are met or when the government has legal claim to the resources. Revenues received after the Regional Office's availability period are reported as deferred inflows of resources in the fund statements and are reported as current revenue in the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 54's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 54's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances, committed fund balances are used first, then assigned fund balances, then unassigned, if any.

Governmental Funds

The Regional Office of Education No. 54 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education No. 54 and is used to account for all financial resources except those required to be accounted for and reported in another fund. This fund is available to pay general and administrative expenditures of the Regional Office of Education No. 54. Included in this fund are:

Direct Services - The Direct Services accounts are used for various programs that benefit the school districts or the regional office, such as the computer consortium and technology hub. Interest from the Distributive Fund is transferred to this program.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental Funds (Continued)

General Fund (Concluded)

Regional Safe School - General State Aid - This program accounts for the general operations of the Regional Safe School.

Institute Fund – This special revenue fund accounts for the Regional Office of Education No. 54’s stewardship of the assets held in trust for the benefit of the Regional Office of Education No. 54’s teachers. Fees are collected from registration of teachers’ licenses. Monies are expended to conduct teachers’ institutes, conferences, and workshops.

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

IDEA - Improvement Grants - Part D - This program accounts for the IDEA Improvement Grants Part D grant monies. The program provides professional development to education personnel to improve intervention results for children with disabilities.

McKinney-Vento Homeless Children and Youth Program - This program accounts for the proceeds of the McKinney-Vento Homeless Children and Youth Program grant. This program is designed to assist in implementing homeless services. The program collaborates with all schools within the region concerning the identification of homeless youth and works with the districts to provide local and State resources to those students.

Regional Safe Schools Program - The program accounts for the Regional Safe Schools grant monies. The program concentrates on the education of students who have been expelled from the school districts served by the Vermilion County Regional Office of Education No. 54. In addition, this program includes State and federal lunch and breakfast programs.

ROE/ISC Operations - This program accounts for grant monies received for and in payment of expenditures for assisting schools in all areas of school improvement.

Truants Alternative Optional Education - This program accounts for the proceeds of a grant from the Illinois State Board of Education to provide educational opportunities for drop-outs and truants.

Title II - Teacher Quality - This program accounts for the proceeds of a grant from the Illinois State Board of Education to improve teacher effectiveness in the classroom.

Other State Programs (Regional Safe School Cooperative Education Program) – This program accounts for the Career Education program from the Illinois State Board of Education and is administered through the Vermilion Association of Special Education.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental Funds (Concluded)

Nonmajor Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed for specified purposes other than debt service or capital projects. Included among these are:

General Education Development - This fund accounts for the receipts and expenses pertaining to the GED/High School Equivalency program for high school dropouts.

Bus Driver Training - This fund accounts for State and local receipts and expenses related to initial and refresher courses of instruction for school bus drivers.

Supervisory - This fund accounts for State receipts provided to the Regional Office of Education to pay day-to-day expenses as approved by the Regional Superintendent.

Proprietary Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

The Regional Office of Education No. 54 reports the following proprietary fund:

Fingerprinting - The Vermilion County Regional Office of Education No. 54 provides fingerprinting services for background checks to schools in Vermilion County for new hires. The fee for the fingerprinting service is paid by each school district.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Vermilion County Regional Office of Education No. 54 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Custodial Funds – Custodial funds, which prior to GASB 84 were reported as agency funds, are used to report fiduciary activities that are not required to be reported as another fiduciary fund type. Custodial funds include the following:

Distributive - This fund distributes monies received from the State to the school districts and other entities.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

Fiduciary Funds (Concluded)

Custodial Funds (Concluded)

EIU Courses - This fund accounts for tuition payments received from teachers for coursework offered by Eastern Illinois University (EIU) and remitted to EIU.

Vermilion County's Drug and Alcohol Abuse Prevention Program (DAAPP) - This fund is used to account for funding generated by the Vermilion County Sheriff's department to fund their DARE program, which does drug prevention programs with the local grade schools.

Board of School Trustees - The fund accounts for the Regional Board of School Trustees' operating accounts.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

Deposits and Investments

The Regional Office of Education No. 54 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of 90 days or less to be cash and cash equivalents. State regulations require that the Regional Office of Education No. 54 deposit funds under its control into accounts insured by the federal governments, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

The Regional Office of Education No. 54 does not have a formal investment policy. Statutes authorize the Regional Office of Education No. 54 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

Capital Assets

Capital assets are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Office equipment	5-7
Computer equipment	3

In the fund financial statements, capital assets used in governmental operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

These financial statements relate information pertaining to the funds administered by the Regional Superintendent. All personnel of the Vermilion County Regional Office of Education No. 54 receive their salaries from other sources. The Superintendent and Assistant Superintendent receive their salaries directly from the Illinois State Board of Education. The other personnel are employees of Vermilion County. There are no compensated absence, pension, or retirement obligations to disclose. Obligations arising from the employment of the Regional Superintendent and Assistant Regional Superintendent are disclosed in the financial statements of the Illinois State Board of Education. Obligations arising from the employment of all other personnel are presented in the Vermilion County annual financial report.

Equity Classifications

Government-wide and Proprietary Fund Statements

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

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

Equity Classifications (Concluded)

Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Governmental Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in a governmental fund. The following types of fund balances may be presented on the Governmental Funds Balance Sheet, the General Fund and Education Fund Combining Schedules of Accounts, and the Nonmajor Special Revenue Funds Combining Balance Sheet:

Nonspendable Fund Balance – the portion of a governmental fund’s fund balance 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 fund balance that is subject to external enforceable legal restrictions. The following funds are restricted by Illinois Statute: Institute Fund, General Education Development Fund, Bus Driver Training, and Supervisory Fund.

Committed Fund Balance – the portion of a governmental fund’s fund balance with self-imposed constraints or limitations that have been placed at the highest level of decision making. There are no accounts presenting a committed fund balance.

Assigned Fund Balance – the portion of a Governmental Fund’s fund balance to denote an intended use of resources. The Regional Safe School - General State Aid account is specified for a particular purpose by the Regional Superintendent.

Unassigned Fund Balance – available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following accounts’ fund balances make up the unassigned fund balance: Direct Services.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Concluded)

New Accounting Pronouncements

For fiscal year ending June 30, 2020, the Regional Office of Education No. 54 implemented Governmental Accounting Standards Board (GASB) Statement No. 84 – *Fiduciary Activities*, and GASB Statement No. 90 – *Majority Equity Interest – an amendment of GASB Statements No. 14 and 61*. GASB Statement No. 84 provides guidance regarding: (1) properly identifying fiduciary activities; (2) determining the correct fiduciary fund type to use to report fiduciary activities; and (3) presenting the financial statements of fiduciary funds. The implementation of GASB Statement No. 84 required changes to the Regional Office’s financial statement reporting related to their fiduciary fund. The implementation of GASB Statement No. 90 had no significant impact on the financial statements of the Regional Office of Education No. 54.

Budgets and Budgetary Accounting

The Regional Office of Education No. 54 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education or other granting agencies are prepared and submitted to the granting agency as part of the grant awards process. The granting agency must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgetary Comparison Schedules have been presented for the following grants received from the Illinois State Board of Education: IDEA – Improvement Grants – Part D (RTI), McKinney-Vento Homeless Children and Youth Program, Regional Safe Schools Program, ROE/ISC Operations, Truants Alternative Optional Education, Title II – Teacher Quality, and Other State Programs (RSSCEP).

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Interest on Distributive Fund Account

The Vermilion County Regional Office of Education No. 54 has agreements with all districts in the region whereby the Vermilion County Regional Office of Education No. 54 is allowed to keep the interest on the Distributive Fund for expenditures benefiting all districts.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Extraordinary Item

During the year ended June 30, 2020, Vermillion Association for Special Education (VASE) returned \$353,634 to the Regional Office. This amounted to unspent money that the Regional Office had sent to VASE that had not been spent over the years. Dating back to 1997, the Regional Office would send unrestricted State money to VASE to help pay for educational programs for students of Vermillion County. The unspent money was returned to the Regional Office. This is neither usual nor frequent for the Regional Office.

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2020, the carrying amount of the Regional Office of Education No. 54's deposits for the governmental activities, business-type activities, and fiduciary funds were \$786,767, \$9,671, and \$39,737, respectively. The bank balances for the governmental funds, business-type activities, and fiduciary funds totaled \$862,848, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education No. 54's name, and were, therefore, not exposed to custodial credit risk.

Investments

At June 30, 2020, the carrying amount of the Regional Office of Education No. 54's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$3,351. The bank balance invested in the Illinois Funds Money Market Fund was \$3,351. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 54's governmental activities and fiduciary funds.

Credit Risk

At June 30, 2020, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM 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 provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

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 Fund 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.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

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 - DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education No. 54's General, Education and Custodial Funds have funds due from/to various other governmental units which consist of the following:

Due from other governments:

Fiduciary Funds	
Illinois State Board of Education	\$ 22,706
Governmental Funds	
Local agencies	29,127
Total	<u>\$ 51,833</u>

Due to other governments:

Fiduciary Funds	
Local school districts	\$ 22,706
Local agencies	173
Governmental Funds	
Local agencies	134,601
Illinois State Board of Education	68
Total	<u>\$ 157,548</u>

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 - CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education No. 54 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2020:

	Balance 7/1/2019	Additions	Disposals	Balance 6/30/2020
Governmental Activities				
Capital assets being depreciated:				
Office Equipment	\$ 21,134	\$ 2,526	\$ -	\$ 23,660
Total Capital Assets	21,134	2,526	-	23,660
Less: Accumulated Depreciation	(13,132)	(2,622)	-	(15,754)
Governmental Activities				
Investment in Capital Assets, Net	\$ 8,002	\$ (96)	\$ -	\$ 7,906
Business-Type Activities				
Capital assets being depreciated:				
Office Equipment	\$ 954	\$ -	\$ -	\$ 954
Total Capital Assets	954	-	-	954
Less: Accumulated Depreciation	(954)	-	-	(954)
Business-Type Activities				
Investment in Capital Assets, Net	\$ -	\$ -	\$ -	\$ -

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2020, of \$2,622 and \$-0- is charged to governmental activities instructional services new page and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

NOTE 5 - RISK MANAGEMENT

The Regional Office of Education No. 54 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 No. 54 is covered by commercial insurance purchased by Vermilion County to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - ON-BEHALF PAYMENTS

Vermilion County provides the Regional Office of Education No. 54 with staff and pays certain expenditures on behalf of the Regional Office of Education No. 54. The expenditures paid by Vermilion County for the year ended June 30, 2020, were as follows:

Office Salaries & Benefits	\$ 89,126
Contractual	11,364
Travel	5,273
Supplies	994
Maintenance	2,055
Other expenses	1,892
	<u>\$ 110,704</u>

These amounts have been recorded in the accompanying financial statements as local revenue and expenditures.

The State of Illinois paid the following salaries on behalf of the Regional Office of Education No. 54:

Regional Superintendent	
Salary	\$ 114,648
Benefits (includes state-paid insurance)	26,798
Assistant Regional Superintendent	
Salary	103,188
Benefits (includes state-paid insurance)	32,232
	<u>\$ 276,866</u>

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

These amounts have been recorded in the accompanying financial statements as State revenue and expenditures.

NOTE 7: CONTINGENCIES

The Regional Office of Education No. 54 has received funding from federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education No. 54 believes any adjustments that may arise will be insignificant to the Regional Office of Education No. 54's operations.

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

NOTE 8: BOND

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 54 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education No. 54 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

NOTE 9: DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through December 10, 2020, the date when the financial statements were available to be issued.

NOTE 10: RESTATEMENT

The implementation of GASB 84, which provided guidance on the classifications of fiduciary funds, which required the reclassification of the Vermillion County's Drug and Alcohol Abuse Prevention Program (DAAPP) from a private-purpose trust to a custodial fund, however, did not have any impact on the beginning net position. In addition, the standard provides that a liability to the beneficiaries of the fiduciary activity be recognized when an event has occurred that compels the government to disburse the fiduciary resources. This change has required the restatement of the fiduciaries beginning net position. See below for the effect of these changes:

Fiduciary Funds:

Net position, beginning of the year	\$ 907
Reclass part of EIU Courses' prior year liability to net position	21,738
Reclass Board of School Trustees' prior year liability to net position	<u>8,745</u>
Net position, beginning of the year, restated	<u><u>\$ 31,390</u></u>

SUPPLEMENTARY INFORMATION

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2020

	Direct Services	Regional Safe School - General State Aid	Total
ASSETS			
Cash and cash equivalents	\$ 11,768	\$ 441,590	\$ 453,358
Total assets	\$ 11,768	\$ 441,590	\$ 453,358
LIABILITIES			
Due to other governments	\$ -	\$ 43,550	\$ 43,550
Total liabilities	-	43,550	43,550
FUND BALANCES			
Assigned	-	398,040	398,040
Unassigned	11,768	-	11,768
Total fund balance	11,768	398,040	409,808
Total liabilities and fund balances	\$ 11,768	\$ 441,590	\$ 453,358

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	Direct Services	Regional Safe School - General State Aid	Total
Revenues:			
Local sources	\$ 4,426	\$ -	\$ 4,426
State sources	-	128,212	128,212
On-behalf payments - local	110,704	-	110,704
On-behalf payments - state	276,866	-	276,866
Interest	275	-	275
Total revenues	<u>392,271</u>	<u>128,212</u>	<u>520,483</u>
Expenditures:			
Instructional services:			
Supplies and materials	6,003	-	6,003
On-behalf payments - local	110,704	-	110,704
On-behalf payments - state	276,866	-	276,866
Intergovernmental:			
Payments to other governments	-	121,470	121,470
Total expenditures	<u>393,573</u>	<u>121,470</u>	<u>515,043</u>
Excess or (deficiency) of revenue over expenditures	<u>(1,302)</u>	<u>6,742</u>	<u>5,440</u>
Extraordinary item			
Refund from other entity	-	353,634	353,634
Total extraordinary item	<u>-</u>	<u>353,634</u>	<u>353,634</u>
Net changes in fund balances	(1,302)	360,376	359,074
Fund balances, beginning of year	<u>13,070</u>	<u>37,664</u>	<u>50,734</u>
Fund balances, end of year	<u>\$ 11,768</u>	<u>\$ 398,040</u>	<u>\$ 409,808</u>

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2020

	IDEA - Improvement Grants - Part D	McKinney-Vento Homeless Children & Youth Program	Regional Safe Schools Program	ROE/ISC Operations	Truants Alternative Optional Education	Title II - Teacher Quality	Other State Programs (RSSCEP)	Total
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 23,832	\$ 17,872	\$ 34,541	\$ -	\$ 15,292	\$ 91,537
Due from other governments	23,456	5,671	-	-	-	-	-	29,127
Total assets	<u>\$ 23,456</u>	<u>\$ 5,671</u>	<u>\$ 23,832</u>	<u>\$ 17,872</u>	<u>\$ 34,541</u>	<u>\$ -</u>	<u>\$ 15,292</u>	<u>\$ 120,664</u>
LIABILITIES								
Due to other governments	\$ 23,456	\$ 5,671	\$ 23,144	\$ 677	\$ 29,361	\$ -	\$ 8,810	\$ 91,119
Unearned revenue	-	-	688	17,195	5,180	-	6,482	29,545
Total liabilities	<u>\$ 23,456</u>	<u>\$ 5,671</u>	<u>\$ 23,832</u>	<u>\$ 17,872</u>	<u>\$ 34,541</u>	<u>\$ -</u>	<u>\$ 15,292</u>	<u>\$ 120,664</u>

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	IDEA - Improvement Grants - Part D	McKinney-Vento Homeless Children & Youth Program	Regional Safe Schools Program	ROE/ISC Operations	Truants Alternative Optional Education	Title II - Teacher Quality	Other State Programs (RSSCEP)	Total
Revenues:								
State sources	\$ -	\$ -	\$ 61,444	\$ 123,326	\$ 60,330	\$ -	\$ 39,566	\$ 284,666
Federal sources	284,511	28,164	31,092	-	-	400	-	344,167
Total revenues	284,511	28,164	92,536	123,326	60,330	400	39,566	628,833
Expenditures:								
Instructional services:								
Purchased services	-	23,772	-	3,303	-	400	-	27,475
Supplies and materials	-	4,392	-	7,864	-	-	-	12,256
Other objects	-	-	-	2,381	-	-	-	2,381
Intergovernmental:								
Payments to other governments	284,511	-	92,536	107,252	60,330	-	39,566	584,195
Capital outlay	-	-	-	2,526	-	-	-	2,526
Total expenditures	284,511	28,164	92,536	123,326	60,330	400	39,566	628,833
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
IDEA - IMPROVEMENT GRANTS - PART D (RTI)
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 290,000	\$ 290,000	\$ 284,511
Total revenues	290,000	290,000	284,511
Expenditures:			
Payments to other governments	290,000	290,000	284,511
Total expenditures	290,000	290,000	284,511
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

Revenues and expenditures differ from budgeted amounts because the grant runs from October 1 to September 30; only part of the grant was received and expended in the current fiscal year.

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 MCKINNEY-VENTO HOMELESS CHILDREN AND YOUTH PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 29,685	\$ 29,685	\$ 28,164
Total revenues	<u>29,685</u>	<u>29,685</u>	<u>28,164</u>
Expenditures:			
Purchased services	22,979	22,979	23,772
Supplies and materials	<u>6,706</u>	<u>6,706</u>	<u>4,392</u>
Total expenditures	<u>29,685</u>	<u>29,685</u>	<u>28,164</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS PROGRAM
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 61,710	\$ 61,710	\$ 61,444
Federal sources	-	-	31,092
Total revenues	61,710	61,710	92,536
Expenditures:			
Payments to other governments	61,710	61,710	92,536
Total expenditures	61,710	61,710	92,536
 Net change in fund balance	 \$ -	 \$ -	 -
 Fund balance, beginning of year			 -
 Fund balance, end of year			 \$ -

Note: The budget amount for Regional Safe Schools reflects only the amounts pertaining to the Regional Safe Schools Grant. The actual amounts reflect grant funds as well as other federal funds which are not subject to grant budget requirements.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 111,249	\$ 111,249	\$ 123,326
Total revenues	<u>111,249</u>	<u>111,249</u>	<u>123,326</u>
Expenditures:			
Purchased services	1,000	3,369	3,303
Supplies and materials	3,814	3,814	7,864
Capital outlay	5,514	5,514	2,526
Payments to other governments	98,591	96,222	107,252
Other objects	<u>2,330</u>	<u>2,330</u>	<u>2,381</u>
Total expenditures	<u>111,249</u>	<u>111,249</u>	<u>123,326</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

Revenues and expenditures differ from budgeted amounts because the FY19 grant program period ran from July 1 to August 31; part of the FY19 grant was expended during the current fiscal year.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TRUANTS ALTERNATIVE OPTIONAL EDUCATION
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 65,510	\$ 65,510	\$ 60,330
Total revenues	<u>65,510</u>	<u>65,510</u>	<u>60,330</u>
Expenditures:			
Salaries and benefits	58,003	58,003	-
Purchased services	1,932	1,932	-
Supplies and materials	5,575	5,575	-
Payments to other governments	-	-	60,330
Total expenditures	<u>65,510</u>	<u>65,510</u>	<u>60,330</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE II - TEACHER QUALITY
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 985	\$ 985	\$ 400
Total revenues	<u>985</u>	<u>985</u>	<u>400</u>
Expenditures:			
Purchased services	<u>985</u>	<u>985</u>	<u>400</u>
Total expenditures	<u>985</u>	<u>985</u>	<u>400</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
OTHER STATE PROGRAMS (RSSCEP)
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 38,221	\$ 38,221	\$ 39,566
Total revenues	<u>38,221</u>	<u>38,221</u>	<u>39,566</u>
Expenditures:			
Salaries and benefits	24,519	24,519	-
Purchased services	6,218	6,218	-
Supplies and materials	7,484	7,484	-
Payments to other governments	-	-	39,566
Total expenditures	<u>38,221</u>	<u>38,221</u>	<u>39,566</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance (deficit), beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	General Education Development Fund	Bus Driver Training	Supervisory Fund	Total
ASSETS				
Cash and cash equivalents	\$ 33,017	\$ 18,059	\$ 2,534	\$ 53,610
Accounts receivable	-	1,320	-	1,320
Total assets	<u>\$ 33,017</u>	<u>\$ 19,379</u>	<u>\$ 2,534</u>	<u>\$ 54,930</u>
FUND BALANCES				
Restricted	<u>\$ 33,017</u>	<u>\$ 19,379</u>	<u>\$ 2,534</u>	<u>\$ 54,930</u>
Total fund balances	<u>\$ 33,017</u>	<u>\$ 19,379</u>	<u>\$ 2,534</u>	<u>\$ 54,930</u>

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Education Development Fund	Bus Driver Training	Supervisory Fund	Total
Revenues:				
Local sources	\$ 2,040	\$ 2,540	\$ -	\$ 4,580
State sources	-	1,257	-	1,257
Interest income	3	2	2	7
Total revenues	<u>2,043</u>	<u>3,799</u>	<u>2</u>	<u>5,844</u>
Expenditures:				
Purchased services	-	1,823	450	2,273
Supplies and materials	44	-	-	44
Other Objects	765	-	-	765
Total expenditures	<u>809</u>	<u>1,823</u>	<u>450</u>	<u>3,082</u>
Net change in fund balances	1,234	1,976	(448)	2,762
Fund balances, beginning of year	<u>31,783</u>	<u>17,403</u>	<u>2,982</u>	<u>52,168</u>
Fund balances, end of year	<u>\$ 33,017</u>	<u>\$ 19,379</u>	<u>\$ 2,534</u>	<u>\$ 54,930</u>

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2020

	Distributive Fund	EIU Courses Fund	DAAP	Board of School Trustees Fund	Totals
ASSETS					
Cash and cash equivalents	\$ -	\$ 22,120	\$ 8,872	\$ 8,745	\$ 39,737
Accounts receivable	-	-	1,000	-	1,000
Due from other governments					
Illinois State Board of Education	22,706	-	-	-	22,706
Total Assets	<u>22,706</u>	<u>22,120</u>	<u>9,872</u>	<u>8,745</u>	<u>63,443</u>
LIABILITIES					
Due to other governments					
Local school districts	22,706	-	-	-	22,706
Eastern Illinois University	-	173	-	-	173
Total Liabilities	<u>22,706</u>	<u>173</u>	<u>-</u>	<u>-</u>	<u>22,879</u>
NET POSITION					
Restricted for:					
Individuals, organizations, and other governments	-	21,947	9,872	8,745	40,564
Total Net Position	<u>\$ -</u>	<u>\$ 21,947</u>	<u>\$ 9,872</u>	<u>\$ 8,745</u>	<u>\$ 40,564</u>

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Distributive Fund	EIU Courses Fund	DAAPP	Board of School Trustees Fund	Totals
ADDITIONS:					
Local Sources					
Donations	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
Fundraising	-	-	16,423	-	16,423
Program fees	-	-	18,992	-	18,992
Payments from Illinois State Board of Education					
State	30,209,970	-	-	-	30,209,970
Federal	7,039,538	-	-	-	7,039,538
Flow-through tuition payments from students	-	1,360	-	-	1,360
Investment earnings	175	16	2	-	193
Total Additions	<u>37,249,683</u>	<u>1,376</u>	<u>36,417</u>	<u>-</u>	<u>37,287,476</u>
DEDUCTIONS:					
Program expenses	-	-	27,452	-	27,452
Payments to local school districts	37,249,511	-	-	-	37,249,511
Flow-through tuition payments to University	-	1,167	-	-	1,167
Payment of interest to Regional Office	172	-	-	-	172
Total Deductions	<u>37,249,683</u>	<u>1,167</u>	<u>27,452</u>	<u>-</u>	<u>37,278,302</u>
Net Increase (Decrease) in Fiduciary Net Position	-	209	8,965	-	9,174
Net Position, beginning of the year, restated (see note 10)	<u>-</u>	<u>21,738</u>	<u>907</u>	<u>8,745</u>	<u>31,390</u>
Net Position, end of the year	<u>\$ -</u>	<u>\$ 21,947</u>	<u>\$ 9,872</u>	<u>\$ 8,745</u>	<u>\$ 40,564</u>

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Community Unit School District #1 Bismarck Illinois	Community Unit School District #4 Georgetown- Ridge Farm Illinois	Community Unit School District #7 Rossville Illinois	Community Unit School District #10 Potomac Illinois	Community Unit School District #11 Hoopeston Illinois	Community Unit School District #61 Armstrong- Ellis Illinois	Community Unit School District #118 Danville Illinois	Armstrong Twp. High School District #225 Armstrong Illinois	Vermilion County ROE #54	Total
General State Aid	\$ 1,680,497	\$ 3,305,563	\$ 931,846	\$ 459,869	\$ 4,691,814	\$ 65,577	\$ 15,533,241	\$ 49,601	\$ 128,212	\$ 26,846,220
Special Education:										
Private Facility Tuition	-	12,459	65,385	8,492	205,620	-	92,667	-	-	384,623
Orphanage - Individual	6,539	9,275	32,937	-	40,872	-	28,960	-	-	118,583
Orphanage - Summer Individual	-	-	-	-	-	-	1,628	-	-	1,628
Agriculture Education	12,070	3,134	-	-	3,841	-	-	10,308	-	29,353
State Free Lunch & Breakfast	922	3,327	517	296	6,303	253	21,261	181	457	33,517
Driver Education	7,293	3,467	-	-	4,893	-	11,347	2,132	-	29,132
Transportation:										
Regular	63,375	88,834	45,906	12,333	170,785	-	470,652	18,061	-	869,946
Special Education	36,238	43,933	6,574	-	27,574	-	113,592	5,684	-	233,595
ROE School Bus Driver Training	-	-	-	-	-	-	-	-	1,257	1,257
Truants Alternative/Optional Ed.	-	-	-	-	-	-	-	-	65,510	65,510
Regional Safe Schools	-	-	-	-	-	-	-	-	61,710	61,710
Early Childhood - Block Grant	-	-	-	-	-	-	1,130,820	-	-	1,130,820
ROE/ISC Operations	-	-	-	-	-	-	-	-	111,249	111,249
Orphanage Tuition	-	-	-	-	-	-	131,891	-	-	131,891
Other State Programs (RSSCEP)	-	-	-	-	14,254	-	113,240	-	33,444	160,938
National School Lunch Program	93,014	157,045	24,932	12,489	323,152	13,962	771,763	17,775	22,572	1,436,704
Special Milk Program	-	-	-	-	942	-	-	-	-	942
School Breakfast Program	-	48,819	6,670	6,596	84,200	5,427	311,851	-	8,521	472,084
Fresh Fruits & Vegetables	-	-	-	-	-	-	4,912	-	-	4,912
Title I - Low Income	38,273	272,309	-	86,847	406,684	23,169	1,547,974	33,633	-	2,408,889
Title I - Low Income Delinquent	-	-	-	-	-	-	18,483	-	-	18,483
Title I - School Improvement	-	44,036	-	-	143,864	-	367,082	-	-	554,982
Title IVA Student Support & Academic Enrich.	4,827	-	1,000	-	-	10,000	93,469	11,000	-	120,296
Fed. - Sp. Ed. - Pre-School Flow Through	1,419	8,946	437	946	10,701	524	21,877	-	-	44,850
Fed. - Sp. Ed. - I.D.E.A. Flow Through	88,662	149,926	46,518	18,260	170,017	16,217	819,514	13,198	-	1,322,312
I.D.E.A. Room and Board	17,263	13,708	-	61	3,831	-	-	-	-	34,863
Title III Immigrant Ed	-	-	-	-	-	-	-	-	-	-
Title III Limited English	-	-	-	-	-	-	13,659	-	-	13,659
Title II - Teacher Quality	10,463	41,588	25,942	-	37,900	4,093	481,959	3,818	-	605,763
Title II - Teacher Quality Leadership	-	-	-	-	-	-	-	-	800	800
Investment Income	-	-	-	-	-	-	-	-	172	172
	<u>\$ 2,060,855</u>	<u>\$ 4,206,369</u>	<u>\$ 1,188,664</u>	<u>\$ 606,189</u>	<u>\$ 6,347,247</u>	<u>\$ 139,222</u>	<u>\$ 22,101,842</u>	<u>\$ 165,391</u>	<u>\$ 433,904</u>	<u>\$ 37,249,683</u>