



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

**FINANCIAL AUDIT
For the Year Ended June 30, 2021**

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

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

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

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

OFFICIALS

Regional Superintendent
(current and during the audit period)

Mr. Aaron Hird

Assistant Regional Superintendent
(current and during the audit period)

Ms. Courtney Dudley

Office is located at:

200 South College Street, Suite B
Danville, Illinois 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.

AUDITOR’S REPORTS

The auditor’s 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	3
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	2	-

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>
<i>Findings (Government Auditing Standards)</i>			
2021-001	11	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency
2021-002	13	Improper Application of Accounting Principle	Significant Deficiency
2021-003	15	Delay of Audit	Noncompliance
<i>Prior Audit Findings not Repeated (Government Auditing Standards)</i>			
2020-001	20	Controls Over Financial Statement Preparation	Material Weakness
2020-002	20	Inadequate Review of Bank Accounts	Significant Deficiency

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
FINANCIAL REPORT SUMMARY**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on March 16, 2022. Attending from the Regional Office of Education No. 54 were Aaron Hird, Regional Superintendent; and Jamie Johnson, Bookkeeper; and from Adelfia LLC were Maria Divina Valera, Stella Marie Santos, and Jennifer Roan, Partners. Responses to the recommendations were provided by Aaron Hird, Regional Superintendent, on March 22, 2022.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
FINANCIAL STATEMENT REPORT SUMMARY**

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

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



INDEPENDENT AUDITOR'S 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 modified cash basis 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, 2021, 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 modified cash basis 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, 2021, and the respective changes in modified cash basis financial position and, where applicable, modified cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Other Matters

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 modified cash basis 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 modified cash basis 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 modified cash basis 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 on the basis of accounting described in Note 1.

Basis of Accounting

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2022 on our consideration of 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 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

Chicago, Illinois
April 13, 2022



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

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 modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Vermilion County Regional Office of Education No. 54, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Vermilion County Regional Office of Education No. 54’s basic financial statements, and have issued our report thereon dated April 13, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 Vermilion County Regional Office of Education No. 54’s internal control. Accordingly, we do not express an opinion on the effectiveness of Vermilion County Regional Office of Education No. 54’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2021-001 and 2021-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2021-003.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

Chicago, Illinois
April 13, 2022

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITOR’S RESULTS
For the Year Ended June 30, 2021**

Financial Statements in accordance with Modified Cash Basis

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes

no

Significant deficiency(ies) identified?

yes

none reported

Noncompliance material to financial statements noted?

yes

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, 2021**

FINDING 2021-001 – Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-003)

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Office of Education No. 54 is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced.

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:

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

- Developed a formal process for identifying service providers and for either obtaining the Service Organization Controls (SOC) reports from the service providers and related subservice organization or performing alternative procedures to determine the impact of such services on its internal control environment on an annual basis.
- Documented its review of each of the SOC reports, or performed alternative procedures, to evaluate any issues relevant to the ROE's internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 54's operations.

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.

CAUSE:

Regional Office of Education No. 54 Officials indicated that they understand the importance of a formal process to monitor service providers and due to competing priorities, they were still not able to address the issues noted.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-001 – Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-003) (Concluded)

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 including services provided by subservice organizations, at least annually.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 54's operations.
- Document its review of the SOC reports or perform alternative procedures to evaluate all significant issues 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
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-002 – Improper Application of Accounting Principle

CRITERIA/SPECIFIC REQUIREMENT:

Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* defines extraordinary items as transactions or other events that are both unusual in nature and infrequent in occurrence. GASB Statement No. 62 states an event or transaction should be presumed to be ordinary and usual activity of the government, unless the evidence clearly supports its classification as a special or extraordinary item.

CONDITION:

The Regional Office of Education No. 54 (ROE) reported and disclosed revenue receipts totaling \$38,370 as an extraordinary item in its originally submitted financial statements for audit. Auditors determined the amount was actually ordinary local revenues and should not be reported and disclosed as extraordinary. The ROE submitted revised financial statements to report these amounts as local revenues and removed the note disclosure about the extraordinary item.

EFFECT:

Improper application of generally accepted accounting principles resulted in inaccurate financial statement presentation and disclosure.

CAUSE:

ROE management indicated this was an oversight. The revenue receipts were charged to an account used in the prior year for receipts related to an actual extraordinary item reported in the prior audit and was assumed to be related to the same transaction.

RECOMMENDATION:

The Regional Office of Education No. 54 should establish procedures to ensure that transactions which include special items and reporting be carefully reviewed for proper accounting and recognition in accordance with generally accepted accounting principles.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-002 – Improper Application of Accounting Principle (Concluded)

MANAGEMENT’S RESPONSE:

The Regional Office No. 54 acknowledges that revenue receipts totaling \$38,370 was originally disclosed as an extraordinary item when they were submitted for the audit. However, the revenue should have been reported as ordinary.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-003 - Delay of Audit

CRITERIA/SPECIFIC REQUIREMENT:

Regional Office of Education No. 54 (ROE) is subject to 105 ILCS 5/2-3.17a which requires the Auditor General's office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Government Auditing Standards.

In accordance with 105 ILCS 5/2-3.17a, the Auditor General has promulgated administrative rules and regulations to govern this process. Those rules, 74 Ill. Adm. Code 420.320 (c) (2), state that for audit purposes, each regional office of education and educational service center shall make available to the Auditor General or his designee all books and records deemed necessary to make and complete the required audits. The records shall be in auditable form by August 15 of the succeeding fiscal year. Financial reports are to be available no later than August 31 in order for the annual audit to be completed by an independent auditor selected by the Auditor General. Additionally, effective June 25, 2021, Public Act 102-0025 allowed a Regional Office of Education or Educational Service Center to utilize a cash basis, modified cash basis, or GAAP basis of accounting to prepare financial statements for audit. The ROE has chosen to change to the modified cash basis of accounting for financial statement reporting.

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

CONDITION:

The Regional Office of Education No. 54 did not provide completed financial statements in an auditable form by the August 31st due date. The financial statements were provided on September 24, 2021.

EFFECT:

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-003 - Delay of Audit (Concluded)

CAUSE:

The ROE indicated additional time was needed both by the contracted accountant and the ROE Bookkeeper to convert the financial statements to modified cash basis.

RECOMMENDATION:

The Regional Office of Education No. 54 should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). These financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31 deadline.

MANAGEMENT'S RESPONSE:

The Regional Office No. 54 acknowledges that the completed financial statements were not in an auditable form by the August 31st due date. Unfortunately, there were some unforeseeable challenges that created the delay, but the office acknowledges that it is our responsibility to ensure that the financial statements are prepared and ready prior to the August 31st due date.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2021**

Corrective Action Plan

FINDING 2021-001 – Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-003)

CONDITION:

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

- Developed a formal process for identifying service providers and for either obtaining the Service Organization Controls (SOC) reports from the service providers and related subservice organization or performing alternative procedures to determine the impact of such services on its internal control environment on an annual basis.
- Documented its review of each of the SOC reports, or performed alternative procedures, to evaluate any issues relevant to the ROE’s internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 54’s operations.

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:

June 30, 2022

CONTACT PERSON:

Mr. Aaron Hird, Regional Superintendent of Schools

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2021**

Corrective Action Plan

FINDING 2021-002 – Improper Application of Accounting Principle

CONDITION:

The Regional Office of Education No. 54 (ROE) reported and disclosed revenue receipts totaling \$38,370 as an extraordinary item in its originally submitted financial statements for audit. Auditors determined the amount was actually ordinary local revenues and should not be reported and disclosed as extraordinary. The ROE submitted revised financial statements to report these amounts as local revenues and removed the note disclosure about the extraordinary item.

PLAN:

The Regional Office No. 54 will, and already has, taken steps to rectify this finding. A new line within the general ledger has been created specifically for this revenue. It is anticipated that this revenue will be collected in each fiscal year, it will no longer be reported as extraordinary in nature.

ANTICIPATED DATE OF COMPLETION:

June 30, 2022

CONTACT PERSON:

Mr. Aaron Hird, Regional Superintendent of Schools

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2021**

Corrective Action Plan

FINDING 2021-003 - Delay of Audit

CONDITION:

The Regional Office of Education No. 54 did not provide completed financial statements in an auditable form by the August 31st due date. The financial statements were provided on September 24, 2021.

PLAN:

The Regional Office No. 54 will, and already has, arranged to have the financial statements prepared earlier in the calendar year than was done in FY21. This will ensure that the financial statements are prepared and completed prior to August 31st.

ANTICIPATED DATE OF COMPLETION:

June 30, 2022

CONTACT PERSON:

Mr. Aaron Hird, Regional Superintendent of Schools

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2021**

2020-001	Controls Over Financial Statement Preparation	Not Repeated
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During the current audit, audit results indicated the Regional Office of Education No. 54 implemented corrective action and recorded transactions appropriately.

2020-002	Inadequate Review of Bank Accounts	Not Repeated
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During the current audit, audit results indicated the Regional Office of Education No. 54 implemented corrective action and documented review of bank reconciliations.

BASIC FINANCIAL STATEMENTS

EXHIBIT A

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 823,231	\$ 8,898	\$ 832,129
Total current assets	<u>823,231</u>	<u>8,898</u>	<u>832,129</u>
Noncurrent assets:			
Capital assets, net	8,713	-	8,713
Total noncurrent assets	<u>8,713</u>	<u>-</u>	<u>8,713</u>
Total assets	<u>831,944</u>	<u>8,898</u>	<u>840,842</u>
NET POSITION			
Net investment in capital assets	8,713	-	8,713
Restricted for educational purposes	376,135	-	376,135
Unrestricted	<u>447,096</u>	<u>8,898</u>	<u>455,994</u>
Total net position	<u>\$ 831,944</u>	<u>\$ 8,898</u>	<u>\$ 840,842</u>

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

EXHIBIT B

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for		Governmental Activities	Primary Government	
		Services	Operating Grants		Business-Type Activities	Total
Governmental activities:						
Instructional services:						
Purchased services	\$ 48,689	\$ -	\$ 39,928	\$ (8,761)	\$ -	\$ (8,761)
Supplies and materials	12,996	-	9,434	(3,562)	-	(3,562)
Other objects	4,306	-	4,179	(127)	-	(127)
Depreciation	3,298	-	-	(3,298)	-	(3,298)
Intergovernmental:						
Payments to other governments	765,162	-	742,670	(22,492)	-	(22,492)
Total governmental activities	834,451	-	796,211	(38,240)	-	(38,240)
Business-type activities:						
Service fees	3,447	2,670	-	-	(777)	(777)
Total business-type activities	3,447	2,670	-	-	(777)	(777)
Total primary government	\$ 837,898	\$ 2,670	\$ 796,211	(38,240)	(777)	(39,017)
General revenues:						
Local sources				71,843	-	71,843
Interest				317	4	321
Total general revenues				72,160	4	72,164
Change in net position				33,920	(773)	33,147
Net position, beginning of year, restated				798,024	9,671	807,695
Net position, end of year				\$ 831,944	\$ 8,898	\$ 840,842

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

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 BALANCE SHEET - MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 JUNE 30, 2021

	<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 447,096	\$ 201,989	\$ 117,355	\$ 56,791	\$ -	\$ 823,231
Due from other funds	9,086	-	-	-	(9,086)	-
Total assets	<u>\$ 456,182</u>	<u>\$ 201,989</u>	<u>\$ 117,355</u>	<u>\$ 56,791</u>	<u>\$ (9,086)</u>	<u>\$ 823,231</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ 9,086	\$ -	\$ (9,086)	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>9,086</u>	<u>-</u>	<u>(9,086)</u>	<u>-</u>
FUND BALANCES						
Restricted	-	201,989	117,355	56,791	-	376,135
Assigned	440,932	-	-	-	-	440,932
Unassigned	15,250	-	(9,086)	-	-	6,164
Total fund balances	<u>456,182</u>	<u>201,989</u>	<u>108,269</u>	<u>56,791</u>	<u>-</u>	<u>823,231</u>
Total liabilities and fund balances	<u>\$ 456,182</u>	<u>\$ 201,989</u>	<u>\$ 117,355</u>	<u>\$ 56,791</u>	<u>\$ (9,086)</u>	<u>\$ 823,231</u>

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

EXHIBIT D

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2021

Total fund balances - governmental funds	\$ 823,231
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>8,713</u>
Net position of governmental activities	<u><u>\$ 831,944</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 - MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues:					
Local sources	\$ 53,649	\$ 13,480	\$ -	\$ 4,714	\$ 71,843
State sources	128,212	-	283,493	1,291	412,996
Federal sources	37,010	-	346,205	-	383,215
Interest	225	86	-	6	317
Total revenues	<u>219,096</u>	<u>13,566</u>	<u>629,698</u>	<u>6,011</u>	<u>868,371</u>
Expenditures:					
Instructional services:					
Purchased services	3,263	2,866	39,846	2,714	48,689
Supplies and materials	2,836	324	9,720	116	12,996
Other objects	-	-	4,306	-	4,306
Intergovernmental:					
Payments to other governments	210,173	-	554,989	-	765,162
Capital outlay	-	-	4,105	-	4,105
Total expenditures	<u>216,272</u>	<u>3,190</u>	<u>612,966</u>	<u>2,830</u>	<u>835,258</u>
Net change in fund balances	2,824	10,376	16,732	3,181	33,113
Fund balances, beginning of year, restated	<u>453,358</u>	<u>191,613</u>	<u>91,537</u>	<u>53,610</u>	<u>790,118</u>
Fund balances, end of year	<u>\$ 456,182</u>	<u>\$ 201,989</u>	<u>\$ 108,269</u>	<u>\$ 56,791</u>	<u>\$ 823,231</u>

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

EXHIBIT F

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 - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Net changes in fund balances - governmental funds \$ 33,113

Amounts reported for governmental activities in the Statement of Activities
are different because:

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.

Capital outlay	\$ 4,105	
Depreciation	<u>(3,298)</u>	<u>807</u>

Change in net position of governmental activities \$ 33,920

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

EXHIBIT G

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
JUNE 30, 2021

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
	<u>Fingerprinting Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 8,898
Total assets	<u>8,898</u>
NET POSITION	
Unrestricted	<u>8,898</u>
Total net position	<u>\$ 8,898</u>

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

EXHIBIT H

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION - MODIFIED CASH BASIS
 PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities
	Enterprise Fund
	Fingerprinting Fund
Operating revenue:	
Charges for services	\$ 2,670
Total Operating Revenues	2,670
Operating expenses:	
Purchased services	1,458
Supplies and materials	1,989
Total operating expenses	3,447
Operating loss	(777)
Nonoperating revenue:	
Interest	4
Total Nonoperating Revenue	4
Change in net position	(773)
Net position, beginning of year	9,671
Net position, end of year	\$ 8,898

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

EXHIBIT I

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
 PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities <u>Enterprise Fund</u> <u>Fingerprinting</u> <u>Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 2,670
Payments to suppliers and providers of goods and services	(3,447)
Net cash used for operating activities	<u>(777)</u>
Cash flows from investing activities:	
Interest	<u>4</u>
Net cash provided by investing activities	<u>4</u>
Net decrease in cash and cash equivalents	(773)
Cash and cash equivalents, beginning of year	<u>9,671</u>
Cash and cash equivalents, end of year	<u><u>\$ 8,898</u></u>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	<u>\$ (777)</u>
Net cash used for operating activities	<u><u>\$ (777)</u></u>

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

EXHIBIT J

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
JUNE 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 45,919</u>
Total assets	<u>45,919</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>45,919</u>
Total Net Position	<u><u>\$ 45,919</u></u>

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

EXHIBIT K

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

ADDITIONS:	<u>Custodial Funds</u>
Local Sources	
Donations	\$ 2,375
Fundraising	15,592
Program fees	15,580
Payments from Illinois State Board of Education	
State	531,295
Federal	203,360
Flow-through tuition payments from students	2,740
Investment earnings	12
Total Additions	<u>770,954</u>
DEDUCTIONS:	
Program expenses	29,908
Payments to local school districts	255,762
Flow-through tuition payments to University	522
Payments to Regional Office	478,580
Total Deductions	<u>764,772</u>
Net Increase in Fiduciary Net Position	6,182
Net Position, beginning of the year, restated	<u>39,737</u>
Net Position, end of the year	<u><u>\$ 45,919</u></u>

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the basic financial statements of the Regional Office of Education No. 54 have been prepared in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, as applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

As more fully disclosed in Notes 1 and 7, as of July 1, 2020, the Regional Office of Education No. 54 changed its basis of accounting to the modified cash basis special purpose framework from generally accepted accounting principles as applicable to governmental entities. The following is a summary of the more significant accounting policies.

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.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide statements report using the economic resources measurement focus, while the governmental fund financial statements report using the current financial resources measurement focus. Since the governmental fund financial statements are presented on a different measurement focus than the government-wide statements (due mainly to inclusion of capital assets and long-term debt activity in the government-wide presentation) a reconciliation is presented, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

Basis of accounting refers to when revenues received and expenses or expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The Regional Office of Education No. 54 maintains its accounting records for all funds on the modified cash basis of accounting. Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions. Their revenues are recognized when they are received, and expenses or expenditures are recognized when paid.

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 revenue of the Regional Office of Education No. 54's enterprise fund is charges to customers for fingerprinting fees. 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:

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Funds (Continued)

General Fund (Concluded)

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.

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:

Individuals with Disabilities Act (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.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Funds (Concluded)

Educational Funds (Concluded)

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 Federal Programs (Digital Grant) – This program accounts for proceeds of a grant from Illinois State Board of Education to be utilized to acquire updated electronic devices such as Chromebook, audio headsets, and microphones, to improve accessibility and efficiency for online learning during remote and blended instruction.

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.

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.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 Vermillion 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.

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity

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.”

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.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Restricted net position – Consists of restricted assets reduced by liabilities related to those assets.

Unrestricted net position – The net amount of the assets and liabilities 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 liabilities 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. The following Education Funds are restricted by grantor or donor restrictions: IDEA – Improvement Grants – Part D, Regional Safe Schools Program, ROE/ISC Operations, Truants Alternative Optional Education, Other Federal Programs (Digital Grant), and Other State Programs (RSSCEP).

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.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Concluded)

Governmental Fund Statements (Concluded)

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 and McKinney-Vento Homeless Children & Youth Program.

New Accounting Pronouncements

For the fiscal year ended June 30, 2021, the Regional Office implemented Governmental Accounting Standards Board (GASB) Statement No. 90 – *Majority Equity Interest – an amendment of GASB Statements No. 14 and 61*. The implementation of GASB Statement No. 90 had no significant impact on the financial statements of the Regional Office of Education No. 54. The Regional Office early implemented GASB Statement No. 84 – *Fiduciary Activities* in fiscal year 2020.

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, Other Federal Programs (Digital Grant) and Other State Programs (RSSCEP).

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis 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.

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2021, the carrying amount of the Regional Office of Education No. 54's deposits for the governmental activities, business-type activities, and fiduciary funds were \$823,231, \$8,898, and \$45,919, respectively. The bank balances for the governmental funds, business-type activities, and fiduciary funds totaled \$957,890, 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, 2021, 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 \$4,518. The bank balance invested in the Illinois Funds Money Market Fund was \$4,518. 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, 2021, the Illinois Funds Money Market Fund had a Fitch AAmmf 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.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: DEPOSITS AND INVESTMENTS (Concluded)

Interest Rate Risk

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market 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.

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 – RISK MANAGEMENT – CLAIMS AND JUDGEMENTS

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; workers' compensation; and natural disasters. The Regional Office of Education No. 54 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

NOTE 4 – 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, 2021

NOTE 5 - 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, 2021:

	Balance 7/1/2020	Additions	Disposals	Balance 6/30/2021
Governmental Activities				
Capital assets being depreciated:				
Office Equipment	\$ 23,660	\$ 4,105	\$ -	\$ 27,765
Total Capital Assets	23,660	4,105	-	27,765
Less: Accumulated Depreciation	(15,754)	(3,298)	-	(19,052)
Governmental Activities				
Investment in Capital Assets, Net	\$ 7,906	\$ 807	\$ -	\$ 8,713
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, 2021, of \$3,298 and \$-0- is charged to governmental activities instructional services 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 6: 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.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: CHANGE IN ACCOUNTING PRINCIPLES

As of July 1, 2020, the Regional Office of Education No. 54 adopted the modified cash basis of accounting. The financial statements had previously been prepared using the generally accepted accounting principles, using full accrual accounting for the government-wide, proprietary fund, and fiduciary fund statements and the modified accrual basis of accounting for the governmental fund type financial statements. As a result of the change in accounting principle, the beginning of year assets (except cash, interfund balances and capital assets), liabilities (except interfund balances), deferred inflows, and deferred outflows were reversed through the opening balance of net assets as follows:

	Governmental Activities - Net Position:	Fiduciary Funds - Net Position:
Net position, beginning of the year	\$ 664,257	\$ 40,564
Accounts receivable	(1,320)	(1,000)
Due from other governments	(29,127)	-
Due to other governments	134,669	173
Unearned revenue	29,545	-
Net position, beginning of the the year, as restated	<u>\$ 798,024</u>	<u>\$ 39,737</u>

	General Funds	Institute Fund	Education Funds	Other Non- Major Funds	Total Governmental Funds
Governmental Funds - Fund Balance:					
Fund Balances, beginning of the year	\$ 409,808	\$ 191,613	\$ -	\$ 54,930	\$ 656,351
Accounts receivable	-		-	(1,320)	(1,320)
Due from other governments	-		(29,127)	-	(29,127)
Due to other governments	43,550		91,119	-	134,669
Unearned revenue	-		29,545	-	29,545
Fund Balances, beginning of the the year, as restated	<u>\$ 453,358</u>	<u>\$ 191,613</u>	<u>\$ 91,537</u>	<u>\$ 53,610</u>	<u>\$ 790,118</u>

NOTE 8 – DEFICIT FUND BALANCE/NET POSITION

The following Education Fund Account carried a deficit fund balance as of June 30, 2021:

McKinney-Vento Homeless Children & Youth Program: \$ 9,086

The Regional Office anticipates additional grant funding to cover the deficit.

NOTE 9: DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through April 13, 2022, the date when the financial statements were available to be issued.

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 10 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Due to/from other fund balances at June 30, 2021, consisted of an interfund borrowing between the General fund and the Education fund in the amount of \$9,086. The balances between the governmental funds were eliminated in the government-wide Statement of Net Position.

NOTE 11 - 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, 2021, were as follows:

Office Salaries & Benefits	\$ 94,740
Contractual	7,753
Travel	1,254
Supplies	804
Maintenance	912
Other expenses	1,360
	<u>\$ 106,823</u>

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

Regional Superintendent	
Salary	\$ 117,288
Benefits (includes state-paid insurance)	39,007
Assistant Regional Superintendent	
Salary	105,564
Benefits (includes state-paid insurance)	23,507
	<u>\$ 285,366</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.

Because the Regional Office prepares their financial statements in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, the on-behalf payments are not reflected in the Regional Office's financial statements.

SUPPLEMENTAL INFORMATION

SCHEDULE 1

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 COMBINING SCHEDULE OF ACCOUNTS - MODIFIED CASH BASIS
 GENERAL FUND
 JUNE 30, 2021

	<u>Direct Services</u>	<u>Regional Safe School - General State Aid</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 6,164	\$ 440,932	\$ 447,096
Due from other funds	9,086	-	9,086
Total assets	<u>\$ 15,250</u>	<u>\$ 440,932</u>	<u>\$ 456,182</u>
FUND BALANCES			
Assigned	\$ -	\$ 440,932	\$ 440,932
Unassigned	15,250	-	15,250
Total fund balances	<u>\$ 15,250</u>	<u>\$ 440,932</u>	<u>\$ 456,182</u>

SCHEDULE 2

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - MODIFIED CASH BASIS
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2021

	Direct Services	Regional Safe School - General State Aid	Total
Revenues:			
Local sources	\$ 9,356	\$ 44,293	\$ 53,649
State sources	-	128,212	128,212
Federal sources	-	37,010	37,010
Interest	225	-	225
Total revenues	<u>9,581</u>	<u>209,515</u>	<u>219,096</u>
Expenditures:			
Instructional services:			
Purchased services	3,263	-	3,263
Supplies and materials	2,836	-	2,836
Intergovernmental:			
Payments to other governments	-	210,173	210,173
Total expenditures	<u>6,099</u>	<u>210,173</u>	<u>216,272</u>
Net changes in fund balances	3,482	(658)	2,824
Fund balances, beginning of year, restated	<u>11,768</u>	<u>441,590</u>	<u>453,358</u>
Fund balances, end of year	<u>\$ 15,250</u>	<u>\$ 440,932</u>	<u>\$ 456,182</u>

SCHEDULE 3

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 COMBINING SCHEDULE OF ACCOUNTS - MODIFIED CASH BASIS
 EDUCATION FUND
 JUNE 30, 2021

	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 Federal Programs (Digital Grant)	Other State Programs (RSSCEP)	Total
ASSETS									
Cash and cash equivalents	\$ 24,456	\$ -	\$ 2,732	\$ 51,708	\$ 21,718	\$ -	\$ 457	\$ 16,284	\$ 117,355
Total assets	\$ 24,456	\$ -	\$ 2,732	\$ 51,708	\$ 21,718	\$ -	\$ 457	\$ 16,284	\$ 117,355
LIABILITIES									
Due to other funds	\$ -	\$ 9,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,086
Total liabilities	\$ -	\$ 9,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,086
FUND BALANCES (DEFICITS)									
Restricted	24,456	-	2,732	51,708	21,718	-	457	16,284	117,355
Unassigned	-	(9,086)	-	-	-	-	-	-	(9,086)
Total fund balances (deficits)	24,456	(9,086)	2,732	51,708	21,718	-	457	16,284	108,269
Total liabilities and fund balances	\$ 24,456	\$ -	\$ 2,732	\$ 51,708	\$ 21,718	\$ -	\$ 457	\$ 16,284	\$ 117,355

SCHEDULE 4

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	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 Federal Programs (Digital Grant)	Other State Programs (RSSCEP)	Total
Revenues:									
State sources	\$ -	\$ -	\$ 61,149	\$ 111,160	\$ 65,509	\$ -	\$ -	\$ 45,675	\$ 283,493
Federal sources	283,306	31,816	-	-	-	738	30,345	-	346,205
Total revenues	283,306	31,816	61,149	111,160	65,509	738	30,345	45,675	629,698
Expenditures:									
Instructional services:									
Purchased services	-	38,608	-	500	-	738	-	-	39,846
Supplies and materials	-	2,294	-	7,426	-	-	-	-	9,720
Other objects	-	-	-	4,306	-	-	-	-	4,306
Intergovernmental:									
Payments to other governments	258,850	-	82,249	60,987	78,332	-	29,888	44,683	554,989
Capital outlay	-	-	-	4,105	-	-	-	-	4,105
Total expenditures	258,850	40,902	82,249	77,324	78,332	738	29,888	44,683	612,966
Net change in fund balances	24,456	(9,086)	(21,100)	33,836	(12,823)	-	457	992	16,732
Fund balances (deficits), beginning of year, restated	-	-	23,832	17,872	34,541	-	-	15,292	91,537
Fund balances (deficits), end of year	\$ 24,456	\$ (9,086)	\$ 2,732	\$ 51,708	\$ 21,718	\$ -	\$ 457	\$ 16,284	\$ 108,269

SCHEDULE 5

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 EDUCATION FUND ACCOUNT
 IDEA - IMPROVEMENT GRANTS - PART D (RTI)
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 290,668	\$ 290,668	\$ 283,306
Total revenues	<u>290,668</u>	<u>290,668</u>	<u>283,306</u>
Expenditures:			
Payments to other governments	290,668	290,668	258,850
Total expenditures	<u>290,668</u>	<u>290,668</u>	<u>258,850</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	24,456
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ 24,456</u>

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.

SCHEDULE 6

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 EDUCATION FUND ACCOUNT
 MCKINNEY-VENTO HOMELESS CHILDREN AND YOUTH PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 25,312	\$ 54,347	\$ 31,816
Total revenues	25,312	54,347	31,816
Expenditures:			
Purchased services	23,663	30,500	38,608
Supplies and materials	1,649	23,847	2,294
Total expenditures	25,312	54,347	40,902
Net change in fund balance	\$ -	\$ -	(9,086)
Fund balance (deficit), beginning of the year			-
Fund balance (deficit), end of year			\$ (9,086)

Expenditures differ from budgeted amounts because the Regional Office converted from full accrual basis of accounting to modified basis of accounting at July 1, 2020, as detailed in Note 1 and 7. As a result of this change in accounting principles, amounts that were accrued as assets and liabilities in FY20 are reflected as revenues and expenditures in FY21.

SCHEDULE 7

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 61,149	\$ 61,149	\$ 61,149
Total revenues	61,149	61,149	61,149
Expenditures:			
Payments to other governments	61,149	61,149	82,249
Total expenditures	61,149	61,149	82,249
Net change in fund balance	\$ -	\$ -	(21,100)
Fund balance, beginning of year, restated			23,832
Fund balance, end of year			\$ 2,732

Expenditures differ from budgeted amounts because the Regional Office converted from full accrual basis of accounting to modified basis of accounting at July 1, 2020, as detailed in Note 1 and 7. As a result of this change in accounting principles, amounts that were accrued as a liability in FY20 are reflected as an expenditure in FY21.

SCHEDULE 8

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 EDUCATION FUND ACCOUNT
 ROE/ISC OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 111,160	\$ 111,160	\$ 111,160
Total revenues	111,160	111,160	111,160
Expenditures:			
Purchased services	3,369	3,369	500
Supplies and materials	3,814	4,449	7,426
Capital outlay	5,491	8,491	4,105
Payments to other governments	96,156	92,521	60,987
Other objects	2,330	2,330	4,306
Total expenditures	111,160	111,160	77,324
Net change in fund balance	\$ -	\$ -	33,836
Fund balance, beginning of year, restated			17,872
Fund balance, end of year			\$ 51,708

Revenues and expenditures differ from budgeted amounts because the grant runs from July 1, 2020 to August 31, 2021; only part of the grant was received and expended in the current fiscal year.

SCHEDULE 9

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 EDUCATION FUND ACCOUNT
 TRUANTS ALTERNATIVE OPTIONAL EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 65,510	\$ 65,510	\$ 65,509
Total revenues	65,510	65,510	65,509
Expenditures:			
Salaries and benefits	58,339	58,339	-
Purchased services	2,020	2,020	-
Supplies and materials	5,151	5,151	-
Payments to other governments	-	-	78,332
Total expenditures	65,510	65,510	78,332
Net change in fund balance	\$ -	\$ -	(12,823)
Fund balance, beginning of year, restated			34,541
Fund balance, end of year			\$ 21,718

Expenditures differ from budgeted amounts because the Regional Office converted from full accrual basis of accounting to modified basis of accounting at July 1, 2020, as detailed in Note 1 and 7. As a result of this change in accounting principles, amounts that were accrued as a liability in FY20 are reflected as an expenditure in FY21.

SCHEDULE 10

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 EDUCATION FUND ACCOUNT
 TITLE II - TEACHER QUALITY
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 738	\$ 738	\$ 738
Total revenues	738	738	738
Expenditures:			
Purchased services	738	738	738
Total expenditures	738	738	738
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

SCHEDULE 11

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 EDUCATION FUND ACCOUNT
 OTHER FEDERAL PROGRAMS (DIGITAL GRANT)
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 31,303	\$ 31,303	\$ 30,345
Total revenues	31,303	31,303	30,345
Expenditures:			
Purchased services	1,505	1,505	-
Supplies and materials	22,298	22,298	-
Capital outlay	7,500	7,500	-
Payments to other governments	-	-	29,888
Total expenditures	31,303	31,303	29,888
Net change in fund balance	\$ -	\$ -	457
Fund balance, beginning of year			-
Fund balance, end of year			\$ 457

Revenues and expenditures differ from budgeted amounts because due to Covid-19 the grant period was extended to a grant period of July 1, 2020 to August 31, 2022; only part of the grant was received and expended in the current fiscal year.

SCHEDULE 12

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 EDUCATION FUND ACCOUNT
 OTHER STATE PROGRAMS (RSSCEP)
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 37,713	\$ 37,713	\$ 45,675
Total revenues	37,713	37,713	45,675
Expenditures:			
Salaries and benefits	25,330	27,587	-
Purchased services	5,226	2,969	-
Supplies and materials	7,157	7,157	-
Payments to other governments	-	-	44,683
Total expenditures	37,713	37,713	44,683
Net change in fund balance	\$ -	\$ -	992
Fund balance, beginning of year, restated			15,292
Fund balance, end of year			\$ 16,284

Expenditures differ from budgeted amounts because the Regional Office converted from full accrual basis of accounting to modified basis of accounting at July 1, 2020, as detailed in Note 1 and 7. As a result of this change in accounting principles, amounts that were accrued as assets and liabilities in FY20 are reflected as revenues and expenditures in FY21.

SCHEDULE 13

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	General Education Development Fund	Bus Driver Training	Supervisory Fund	Total
ASSETS				
Cash and cash equivalents	\$ 34,808	\$ 19,863	\$ 2,120	\$ 56,791
Total assets	<u>\$ 34,808</u>	<u>\$ 19,863</u>	<u>\$ 2,120</u>	<u>\$ 56,791</u>
FUND BALANCES				
Restricted	\$ 34,808	\$ 19,863	\$ 2,120	\$ 56,791
Total fund balances	<u>\$ 34,808</u>	<u>\$ 19,863</u>	<u>\$ 2,120</u>	<u>\$ 56,791</u>

SCHEDULE 14

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	General Education Development Fund	Bus Driver Training	Supervisory Fund	Total
Revenues:				
Local sources	\$ 1,904	\$ 2,810	\$ -	\$ 4,714
State sources	-	1,291	-	1,291
Interest income	3	2	1	6
Total revenues	<u>1,907</u>	<u>4,103</u>	<u>1</u>	<u>6,011</u>
Expenditures:				
Purchased services	-	2,299	415	2,714
Supplies and materials	116	-	-	116
Total expenditures	<u>116</u>	<u>2,299</u>	<u>415</u>	<u>2,830</u>
Net change in fund balances	1,791	1,804	(414)	3,181
Fund balances, beginning of year, restated	<u>33,017</u>	<u>18,059</u>	<u>2,534</u>	<u>53,610</u>
Fund balances, end of year	<u>\$ 34,808</u>	<u>\$ 19,863</u>	<u>\$ 2,120</u>	<u>\$ 56,791</u>

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 COMBINING STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
 CUSTODIAL FUNDS
 JUNE 30, 2021

	<u>Distributive Fund</u>	<u>EIU Courses Fund</u>	<u>DAAPP</u>	<u>Board of School Trustees Fund</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 313	\$ 24,347	\$ 12,514	\$ 8,745	\$ 45,919
Total Assets	<u>313</u>	<u>24,347</u>	<u>12,514</u>	<u>8,745</u>	<u>45,919</u>
NET POSITION					
Restricted for:					
Individuals, organizations, and other governments	313	24,347	12,514	8,745	45,919
Total Net Position	<u>\$ 313</u>	<u>\$ 24,347</u>	<u>\$ 12,514</u>	<u>\$ 8,745</u>	<u>\$ 45,919</u>

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Distributive Fund	EIU Courses Fund	DAAPP	Board of School Trustees Fund	Totals
ADDITIONS:					
Local Sources					
Donations	\$ -	\$ -	\$ 2,375	\$ -	\$ 2,375
Fundraising	-	-	15,592	-	15,592
Program fees	-	-	15,580	-	15,580
Payments from Illinois State Board of Education					
State	531,295	-	-	-	531,295
Federal	203,360	-	-	-	203,360
Flow-through tuition payments from students	-	2,740	-	-	2,740
Investment earnings	-	9	3	-	12
Total Additions	<u>734,655</u>	<u>2,749</u>	<u>33,550</u>	<u>-</u>	<u>770,954</u>
DEDUCTIONS:					
Program expenses	-	-	29,908	-	29,908
Payments to local school districts	255,762	-	-	-	255,762
Flow-through tuition payments to University	-	522	-	-	522
Payments to Regional Office	478,580	-	-	-	478,580
Total Deductions	<u>734,342</u>	<u>522</u>	<u>29,908</u>	<u>-</u>	<u>764,772</u>
Net Increase (Decrease) in Fiduciary Net Position	313	2,227	3,642	-	6,182
Net Position, beginning of the year, restated	-	22,120	8,872	8,745	39,737
Net Position, end of the year	<u>\$ 313</u>	<u>\$ 24,347</u>	<u>\$ 12,514</u>	<u>\$ 8,745</u>	<u>\$ 45,919</u>

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 54
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER
 ENTITIES - MODIFIED CASH BASIS
 DISTRIBUTIVE FUND

	Armstrong Twp. High School District #225 Armstrong Illinois	Vermilion County ROE #54	Total
General State Aid	\$ 49,603	\$ 128,212	\$ 177,815
Agriculture Education	15,670	-	15,670
State Free Lunch & Breakfast	133	-	133
Driver Education	1,286	-	1,286
Transportation:			
Regular	49,885	-	49,885
Special Education	1,407	-	1,407
ROE School Bus Driver Training	-	1,291	1,291
Truants Alternative/Optional Ed.	-	65,510	65,510
Regional Safe Schools	-	61,149	61,149
ROE/ISC Operations	-	111,160	111,160
Other State Programs (RSSCEP)	-	45,675	45,675
National School Lunch Program	6,082	2,862	8,944
School Breakfast Program	-	1,318	1,318
Summer Food Service	42,649	30,320	72,969
Title I - Low Income	25,656	-	25,656
Title IVA Student Support & Academic Enrich.	11,000	-	11,000
Fed. - Sp. Ed. - I.D.E.A. Flow Through	15,203	-	15,203
Title II - Teacher Quality	3,907	-	3,907
Title II - Teacher Quality Leadership	-	738	738
Other Federal Program	33,281	30,345	63,626
	<u>\$ 255,762</u>	<u>\$ 478,580</u>	<u>\$ 734,342</u>