

Illinois State Board of Education

School District Financial Reporting Workshop Illinois State Board of Education

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Overview

- **CARES, CRRSA, ARP Schedule (FY21 AFR), Slides 3-16**
- **Accounting Rule Revisions (FY21 AFR), Slide 17**
 - GASB Statement 84 Rule, Activity Funds, Slides 18-23
 - Tort Fund Expenditures, Fund 80, Slides 24-29
- **Auditor's Questionnaire, Slides 30-31**
- **Operating Expense Per Pupil/Per Capita Tuition Charge, Slides 32-34**
- **Contracts for Indirect Cost Calculation, Slides 35-41**
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CARES Act, CRRSA Act, and ARP Act Schedule



CARES Act, CRRSA Act, and ARP Act Schedule

- USDE reporting guidelines now require states to submit revenues and expenditures for the federal stimulus funding for the CARES Act, CRRSA Act, and ARP Act.
- A new schedule has been added to the FY21 AFR which will be used in conjunction with the school district/joint agreement worksheet.
- **All documents below are necessary for completion of the schedule:**
 - CARES, CRRSA, ARP Schedule –located in the FY21 AFR (for auditors to complete after school district/joint agreement has completed below worksheet)
 - CARES, CRRSA, ARP Worksheet –stand alone worksheet (for school districts/joint agreements to complete for auditors)
 - CARES, CRRSA, ARP Instructions (link on worksheet and schedule and website)
 - CARES Act –Nutrition Excel File –used for entry on Revenue Section B of schedule and worksheet



CARES Act, CRRSA Act, and ARP Act Schedule

Important Links:

- [Main page \(all documents can be found under the drop down “Form”\)](#)
- [CARES, CRRSA, ARP Worksheet \(school district/joint agreement use only\)](#)
- [CARES, CRRSA, ARP Schedule Instructions \(used for both school districts and auditors\)](#)
- [CARES Act –Nutrition Funding Excel File \(needed for Revenue Section B\)](#)



CARES Act, CRRSA Act, and ARP Act Schedule

Federal Stimulus Funds included on the FY21 AFR:

- ESSER I (CARES Act) (FY20 & FY21)
- CARES Act - Nutrition Funding (FY20 & FY21) –use Excel file for Revenue amount in Revenue Section B
- ESSER II (CRRSA Act) (FY21)
- GEER I (CARES Act) (FY21)
- Other CARES, CRRSA, ARP Federal Stimulus Fund Revenues in Revenue Acct 4998

CARES Act, CRRSA Act, and ARP Act Schedule

- Revenue – Part 1
- This schedule will break out the revenue into 2 different sections.
 - **Part 1: Revenue Section A** is for revenue recognized in FY21 reported on the FY21 AFR for FY20 EXPENDITURES claimed on July 1, 2020 through June 30, 2021 FRIS grant expenditure reports and for expenditures reported in the prior year FY20 AFR.
 - **Part 1: Revenue Section B** is for revenue recognized in FY21 reported on the FY21 AFR and for FY21 EXPENDITURES claimed on July 1, 2020 through June 30, 2021 FRIS grant expenditure reports and for expenditures reported in the FY21 AFR.

CARES Act, CRRSA Act, and ARP Act Schedule

- Revenue Section A

6	Part 1: CARES, CRRSA, and ARP REVENUE											
7	Revenue Section A		Section A is for revenue recognized in FY21 reported on the FY21 AFR for FY20 EXPENDITURES claimed on July 1, 2020 through June 30, 2021 FRIS grant expenditure reports for expenditures reported in the prior year FY20 AFR.									
8			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)	Total
9	Description (Enter Whole Dollars) *See instructions for detailed descriptions of revenue		Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
10												
11	ESSER I (only) (CARES Act) (FRIS SUB PROGRAM CODES: ER, DE, EE, PL)		4998									0
12	ESSER II (only) (CRRSA Act) (FRIS SUB PROGRAM CODES: E2)		4998									0
13	GEER I (only) (CARES Act) (FRIS SUB PROGRAM CODE: DG, EC)		4998									0
14	Other CARES, CRRSA, ARP Federal Stimulus Fund Revenues in Revenue Acct 4998 - not accounted for above (Describe on Itemization tab)		4998									0
15	Total Revenue Section A		0	0		0	0	0			0	0



CARES Act, CRRSA Act, and ARP Act Schedule

- Revenue Section B -The CARES Act –Nutrition Funding amount will come from a link found within the schedule (A22).

	Revenue Section B	Section B is for revenue recognized in FY21 reported on the FY21 AFR and for FY21 EXPENDITURES claimed on July 1, 2020 through June 30, 2021 FRIS grant expenditure reports and reported in the FY21 AFR.										
16			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)	Total
17	Description (Enter Whole Dollars) *See instructions for detailed descriptions of revenue											
18		Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety	
19												
20	ESSER I (only) (CARES Act) (FRIS SUB PROGRAM CODES: ER, DE, EE, PL)	4998										0
21	CARES Act -Nutrition Funding (insert FY21 recognized revenue from link below)	link in cell A22										0
22	https://www.isbe.net/_layouts/Download.aspx?SourceUrl=/Documents/CARES-Disbursements-FY21.xlsx											
23	ESSER II (only) (CRRSA Act) (FRIS SUB PROGRAM CODES: E2)	4998										0
24	GEER I (only) (CARES Act) (FRIS SUB PROGRAM CODE: DG, EC)	4998										0
25	Other CARES, CRRSA, ARP Federal Stimulus Fund Revenues in Revenue Acct 4998 - not accounted for above (Describe on Itemization tab)	4998										0
26	(Remaining) Other Federal Revenues in Revenue Acct 4998 - not accounted for elsewhere in Revenue Section A or Revenue Section B	4998										0
27	Total Revenue Section B		0	0		0	0	0			0	0



CARES Act, CRRSA Act, and ARP Act Schedule

- Revenue Section C -The total revenue for Section A and B should equal the revenue account 4998 on the Revenues Tab in the FY21 AFR. There is an error message that will inform the auditor if the revenues do not equal. Please reconcile the difference before submitting the AFR. This section is not applicable to the school district/joint agreement worksheet since that worksheet is not located within the AFR.

28	Revenue Section C: Reconciliation for Revenue Account 4998 - Total Revenue										
29	Total Other Federal Revenue (Section A plus Section B)	4998	0	0		0	0	0		0	0
30	Total Other Federal Revenue from Revenue Tab	4998	0	0		0	0	0		0	0
31	Difference (must equal 0)		0	0		0	0	0		0	0
32	Error must be corrected before submitting to ISBE		OK	OK		OK	OK	OK		OK	OK
33											

CARES Act, CRRSA Act, and ARP Act Schedule

Part 2: Expenditures

- Expenditure Section A - ESSER I (CARES)
- Expenditure Section B -CARES Act - Nutrition funding
- Expenditure Section C – ESSER II (CRRSA)
- Expenditure Section D – GEER I (CARES)
- Expenditure Section E - Other CARES, CRRSA, ARP Federal Stimulus Fund Revenues in Revenue Acct 4998
- Expenditure Section F - Total Expenditures
- Expenditure Section G - Total Technology

CARES Act, CRRSA Act, and ARP Act Schedule

Part 2: Expenditures

- Expenditure Sections A, C, D, and E will be reported using FRIS expenditure reports and/or the school district accounting records.
- For Expenditure Section B – CARES Act - Nutrition Funding, the district will not be able to use FRIS expenditure reports to determine the expenditures and will need to determine the expenditures for the CARES Act -Nutrition Funding revenue recognized in FY21 from their accounting records. For this portion, the amount of FY21 revenue listed in Revenue Section B (CARES Act -Nutrition Funding) will equal the amount of FY21 expenditures listed in this section (CARES Act -Nutrition Funding EXPENDITURES).
- Expenditure Section F - Total Expenditures and Expenditure Section G - Total Technology are totaled from the cells above. The school district/auditor does not have complete anything in these sections.

CARES Act, CRRSA Act, and ARP Act Schedule

Part 2: Expenditures continued

- The auditor may review the July 1, 2020 through June 30, 2021 FRIS expenditures reports to help them determine the expenditures. These are FY21 expenditures as reported in the FY21 AFR (Expenditure tab).
- The expenditures are divided into sections for each federal stimulus fund. Under each federal stimulus fund section, there are three sub-sections. The sub-sections are independent of each other.
 - The first section (1) the auditor will list the total expenditures for the Functions 1000 and 2000 paid through the federal stimulus funding for FY2021.
 - The second section (2) the auditor will list the specific expenditures in Functions 2530, 2540, & 2560 paid through the federal stimulus funding for FY2021. These expenditures are also included in Function 2000 in the first section.
 - The third section (3) the auditor will list the technology (supplies, purchase services, and equipment) expenditures in Functions 1000 & 2000 paid through the federal stimulus funding for FY2021. These expenditures are also included in Functions 1000 & 2000 in the first section.



CARES Act, CRRSA Act, and ARP Act Schedule

- Expenditures

Part 2: CARES, CRRSA, and ARP EXPENDITURES										
Review of the July 1, 2020 through June 30, 2021 FRIS Expenditures reports may assist in determining the expenditures to use below.										
Expenditure Section A:		DISBURSEMENTS								
ESSER I EXPENDITURES		(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total Expenditures
FUNCTION										
1. List the total expenditures for the Functions 1000 and 2000 below										
INSTRUCTION Total Expenditures	1000									0
SUPPORT SERVICES Total Expenditures	2000									0
2. List the specific expenditures in Functions: 2530, 2540, & 2560 below (these expenditures are also included in Function 2000 above)										
Facilities Acquisition and Construction Services (Total)	2530									0
OPERATION & MAINTENANCE OF PLANT SERVICES (Total)	2540									0
FOOD SERVICES (Total)	2560									0
3. List the technology expenses in Functions: 1000 & 2000 below (these expenditures are also included in Functions 1000 & 2000 above).										
TECHNOLOGY-RELATED SUPPLIES, PURCHASE SERVICES, EQUIPMENT (Included in Function 1000)	1000									0
TECHNOLOGY-RELATED SUPPLIES, PURCHASE SERVICES, EQUIPMENT (Included in Function 2000)	2000									0
TOTAL TECHNOLOGY-RELATED SUPPLIES, PURCHASE SERVICES, EQUIPMENT (Total TECHNOLOGY included in all Expenditure Functions)	Total Technology			0	0	0		0		0



CARES Act, CRRSA Act, and ARP Act Schedule

- School Districts/Joint Agreements must complete the CARES, CRRSA, ARP Worksheet before the auditors complete the FY21 Annual Financial Report (AFR). Link below.
- [CARES, CRRSA, ARP Worksheet \(school district/joint agreement use only\)](https://www.isbe.net/Documents/CARES-CRRSA-ARP-Schedule-Instructions.pdf)

***CARES, CRRSA, and ARP Worksheet - FY 2021
FOR SCHOOL DISTRICT/JOINT AGREEMENT USE***
Please read worksheet instructions before completing.

SCHEDULE INSTRUCTIONS - FOLLOW LINK BELOW:

<https://www.isbe.net/Documents/CARES-CRRSA-ARP-Schedule-Instructions.pdf>

This worksheet is for school district/joint agreement use only. The school district/joint agreement will **submit this worksheet to their auditor**. The auditor will enter this data into the "CARES, CRRSA, ARP Schedule" in the FY21 AFR. **PLEASE DO NOT SUBMIT THIS WORKSHEET TO ISBE.**

PLEASE DO NOT INSERT THIS SCHEDULE INTO THE AFR. IF THE LINKS ARE BROKEN, THE AFR WILL BE SENT BACK TO THE AUDITOR FOR CORRECTION.

CARES Act, CRRSA Act, and ARP Act Schedule

Helpful Links

- <https://covid-relief-data.ed.gov/> This link provides the total ESSER and GEER funding awarded to the school district/joint agreement. This will most likely not match the funding listed on the FY21 schedule as this link is the overall funding the school district has received. It can be used as an informational piece.
- [FRIS Inquiry](#)
- [CARES Act -Nutrition Funding \(Revenue Section B, line 22\)](#)



Accounting Rule Revisions

Effective at the beginning of fiscal year 2021

Accounting Rule Revisions

GASB 84 - Fiduciary Funds Defined

- **Fiduciary Funds** – funds received from an independent, outside source in which the board is acting in an administrative capacity for funds
- The board, superintendent, or any district employee does not have any approval process in how the funds are spent, how the funds are raised, or direct financial involvement of the funds
- The district has fiduciary responsibility for these funds but does not have any control over funds (includes outside, independent scholarship funds with which the district does not have any decisions as to how the funds are attained or awarded)

Accounting Rule Revisions

GASB 84 – Fiduciary Funds Defined

- Activities for Fiduciary Funds are defined as follows:
 - Assets associated with the activity are controlled by the district
 - Assets associated with the activity are not derived from either:
 - Solely from the district's own-source revenues; or
 - Government-mandated, non-exchange transactions or voluntary non-exchange transactions
 - Assets associated with the activity have one or more of the following characteristics:
 - Assets are either administered through trust which district is not a beneficiary or dedicated to providing benefits to recipients and is legally protected from creditors of district
 - Assets are for individuals and district does not have involvement with assets; assets are not derived from district's provision of goods or services to individuals
 - Assets are for benefit of organizations or other governments not part of financial reporting entity; assets are not derived from district's provision to organizations

Accounting Rule Revisions

Amendments to GASB Statement 84 – Activity Funds

- Governmental Accounting Standards Board (GASB) Statement 84 changes standard for accounting for student activity funds
- Due to the restricted use of funds, currently Activity Funds are accounted for separately from district funds
- GASB now requires Activity funds to be reported within the district's Educational Fund cash and fund balances, revenues, and expenditures

Accounting Rule Revisions

GASB 84 - Activity Funds Defined

- **Student Activity Funds** - funds owned, operated, and managed by an organization, club, or association within the student body under direction of one or more staff members for educational, recreational, or cultural purposes
- Includes, but not limited to, homeroom, yearbook, class year, choral or band group, class projects, student clubs, student council, or student-sponsored bookstores
- The board, superintendent, or district employees have direct involvement with the decisions of how the funds are spent or attained

Accounting Rule Revisions

GASB 84 Compliance –FY21 AFR –Activity Funds

ISBE created new account numbers to maintain integrity and consistency of reporting.

Activity Fund Revenue (1799) – Revenues Tab

	A	B	C
1	Description (Enter Whole Dollars)	Acct #	(10) Educational
2			
76	DISTRICT/SCHOOL ACTIVITY INCOME	1700	
77	Admissions - Athletic	1711	
78	Admissions - Other (Describe & Itemize)	1719	
79	Fees	1720	
80	Book Store Sales	1730	
81	Other District/School Activity Revenue (Describe & Itemize)	1790	
82	Student Activity Funds Revenues	1799	
83	Total District/School Activity Income (without Student Activity Funds)		0
84	Total District/School Activity Income (with Student Activity Funds)		0

Activity Fund Expenditures (1999) – Expenditures Tab

	A	B	H
1	Description (Enter Whole Dollars)	Funct #	(600) Other Objects
2			
3	10 - EDUCATIONAL FUND (ED)		
4	INSTRUCTION (ED)	1000	
25	Remedial/Supplemental Programs Pre-K - Private Tuition	1915	
26	Adult/Continuing Education Programs - Private Tuition	1916	
27	CTE Programs - Private Tuition	1917	
28	Interscholastic Programs - Private Tuition	1918	
29	Summer School Programs - Private Tuition	1919	
30	Gifted Programs - Private Tuition	1920	
31	Bilingual Programs - Private Tuition	1921	
32	Truants Alternative/Optional Ed Progrms - Private Tuition	1922	
33	Student Activity Fund Expenditures	1999	
34	Total Instruction ¹⁰ (without Student Activity Funds)	1000	0
35	Total Instruction ¹⁰ (with Student Activity Funds)	1000	0

Accounting Rule Revisions

GASB 84 Compliance –FY21 AFR –Activity Funds

Activity Cash Balance (126) – Asset/Liab Tab

42		
43	ASSETS /LIABILITIES for Student Activity Funds	
44	CURRENT ASSETS (100) for Student Activity Funds	
45	Student Activity Fund Cash and Investments	126
46	Total Student Activity Current Assets For Student Activity Funds	0
47	CURRENT LIABILITIES (400) For Student Activity Funds	
48	Total Current Liabilities For Student Activity Funds	
49	Reserved Student Activity Fund Balance For Student Activity Funds	715
50	Total Student Activity Liabilities and Fund Balance For Student Activity Funds	0
51		

Activity Fund Balance – Acct Summary Tab

	A	B	C
1	Description (Enter Whole Dollars)	Acct #	(10) Educational
2			
84			
85	Student Activity Fund Balance - July 1, 2020		
86	RECEIPTS/REVENUES		
87	Total Student Activity Direct Receipts/Revenues	1799	0
88	DISBURSEMENTS/EXPENDITURES		
89	Total Student Activity Disbursements/Expenditures	1999	
90	Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures ³		0
91	Student Activity Fund Balance - June 30, 2021		0

Accounting Rule Revisions

Tort Fund Amendments

- Prior to 2009, the Tort Restricted Tax Levy proceeds and expenditure were maintained within the Education Fund. A supplementary schedule at the back of the Annual Financial Report (AFR) summarized Tort revenue, disbursements, and fund balance.
- In FY 2009, the Accounting Rules were amended, and the Tort Fund was established with Tort expenditures reported in the 2300 function; Support Services – General Administration. Expenditures were itemized and district no longer were required to complete the schedule at the back of the AFR for the Tort levy.

Accounting Rule Revisions

Tort Fund Amendments

- **Increased Administrative Cost per Pupil**
 - Prior to the establishment of Tort Fund, Tort expenditures were reported in various expenditure functions:
 - 1000 instruction (e.g. teachers, aides, in classroom instruction)
 - 2100 support services to pupils (e.g. social worker, guidance service, psychological services),
 - 2200 support services to instructional staff (e.g. improvement of instruction)
 - 2450 operation and maintenance of plant services (e.g. custodial staff)
 - Other functions as needed.
 - Coding Tort Levy expenditures to functions 2361 through 2372 resulted in increase to General Administrative costs per pupil and a lack of comparability in Illinois' data compared to other states



Accounting Rule Revisions

Tort Fund Amendments

- The Accounting Rules:
 - Require Tort Fund expenditures to follow the Local Governmental and Governmental Employees Tort Immunity Act [745 ILCS 10]
 - All entities extending taxes for Tort Levy purposes should develop a Risk Management Plan that is approved by their local legal counsel and independent auditor
 - Make available all functions and objects in the Tort Fund
 - Maintains Tort functions for 2361 (Claims paid from self-insurance) & 2365 (Risk management and claims services payments). These two functions are not defined elsewhere within the rules in either the functions or objects.
 - All other previous 2300 Tort functions have been deleted as they are defined within the object codes.

Accounting Rule Revisions

Tort Fund Amendments

- Due to the removal of the detailed itemization of the 2300 Tort Functions within the Annual Financial Report (AFR), all districts will be required to complete a schedule in the back of the Annual Financial Report (Rest Tax Levies –Tort Im Tab) that itemizes each district's specific Tort expenditures to comply with the Local Governmental and Governmental Employees Tort Immunity Act [745 ILCS 10].

SCHEDULE OF TORT IMMUNITY EXPENDITURES ^a		
Yes <input type="checkbox"/>	No <input type="checkbox"/>	Has the entity established an insurance reserve pursuant to 745 ILCS 10/9-103?
		If yes, list in the aggregate the following:
		Total Claims Payments: 0
		Total Reserve Remaining: 0
In the following categories, itemize the Tort Immunity expenditures in line 31 above. Enter total dollar amount for each category.		
Expenditures:		
Workers' Compensation Act and/or Workers' Occupational Disease Act		
Unemployment Insurance Act		
Insurance (Regular or Self-Insurance)		
Risk Management and Claims Service		
Judgments/Settlements		
Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction		
Reciprocal Insurance Payments (Insurance Code 72, 76, and 81)		
Legal Services		
Principal and Interest on Tort Bonds		
Other - Explain on Itemization 40 tab		
Total		0
C31 (Total Tort Expenditures) minus (C36 through C45) must equal 0		
ERROR. If N/A, enter 0 in G36-G45		



Accounting Rule Revisions

Tort Fund Amendments

- List of removed 2300 Functions

318	SUPPORT SERVICES - GENERAL ADMINISTRATION	2000
319	Workers' Compensation or Workers' Occupational Disease Act Payments	2362
320	Unemployment Insurance Payments	2363
321	Insurance Payments (regular or self-insurance)	2364
322	Judgment and Settlements	2366
323	Educatl, Inspectl, Supervisory Serv Related to Loss Prevention or	2367
324	Reciprocal Insurance Payments	2368
325	Legal Service	2369
326	Property Insurance (Building & Grounds)	2371
327	Vehicle Insurance (Transportation)	2372



Accounting Rule Revisions

Coding expenses previously coded to now removed Tort 2300 Functions

- **Insurance Payments (Regular or Self-Insurance)**
 - If the expenditure is paid with Tort Levy Funds for claims paid from a self-insurance fund, function 2361 should be used with an object code of 380, Insurance (other than Employee Benefits).
- **Legal Services**
 - Function 2310 Board of Education Services, Object 318 Legal Services (Service rendered in connection with providing counseling and legal services to the school board)
- **Property Insurance (Building and Grounds)**
 - Function 2540 Operation and Maintenance of Plant Services, object 380, Insurance (other than Employee Benefits)
- **Vehicle Insurance (Transportation)**
 - Function 2550 Pupil Transportation Services, object 380, Insurance (other than Employee Benefits)
- **Worker's Compensation**
 - If this is deemed an employee benefit, the expense will follow the function number for which the employees' salaries are paid with an object code of 233 for Workers' Compensation
 - For example, if the Worker's Compensation is for a Regular K-12 teacher, the expense would be charged to the Education fund, for the Regular K-12 program, with an object code for workers' compensation, 10-1100-233
 - If this is deemed that this is an overall support expenditure and not for a specific employee(s), Other Support Services account number 2900 can be used with an object code of 380, Insurance (other than Employee Benefits), 80-2900-380



Auditor's Questionnaire

Auditor's Questionnaire

Audit Findings

- **Finding 9:** One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization per Illinois School Code [105 ILCS 5/10-22.33, 20-4 and 20-5].
- **Finding 11:** One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization per Illinois School Code [105 ILCS 5/17-2A].
- **Note:** Either 9 or 11 finding may apply if the auditor finds they have zero cash for the fund and an interfund liability.
- **Don't forget to sign, date, and embed the audit questionnaire!**

Operating Expense per Pupil/Per Capita Tuition Charge 9-Month ADA

Operating Expense per Pupil/Per Capita Tuition Charge 9-Month ADA

- Districts' 9-Month Average Daily Attendance (ADA) is now calculated within the Student Information System (SIS)
- When completing the Operating Expense per Pupil (OEPP)/Per Capita Tuition Charge (PCTC) in the AFR, districts will need to access SIS to obtain the 9-month ADA for auditors.
- Since the districts can edit their attendance after the fiscal year has ended, the 9-month ADA may change after the AFR is completed.
- ISBE obtains the final 9-month ADA from SIS prior to final calculation of districts' OEPP/PCTC. **ISBE will calculate the final OEPP/PCTC utilizing the final 9-month ADA.**
- **Districts verify their final OEPP/PCTC in a IWAS system called "District Financial Report." Districts need to:**
 - Verify the coding of their accounts is correct. If not, ISBE will need a corrected AFR.
 - Verify the Special Education and English Learner EBF payments are correct on the AFR (details on next slide). If they are not correct on the AFR, ISBE asks the school district to verify the IWAS report and EBF Excel file match. If the AFR has incorrect payments, ISBE does not need an updated AFR.
 - Verify the 9-month ADA. The IWAS report and SIS need to match. If the AFR has an incorrect 9-month ADA, ISBE does not need an updated AFR.



Operating Expense per Pupil/Per Capita Tuition Charge 9-Month ADA

The OEPP/PCTC tab has two revenue lines that need to be obtained from the ISBE website.

- These revenues are for:
 - **Special Education EBF Contributions (PCTC-OEPP tab -Line 192)**
 - **English Learner EBF Contributions (PCTC-OEPP tab - Line 193)**
- Go to the link: [FY 2021 Student Population Funding Allocation – Summary](#).
 - Under Calculations, select FY 2021 Student Population Funding Allocation Summary. Open Excel file and use the amount in column D for the Special Education Contribution and column E for the English Learner Contribution for the selected school district.

Contracts for Indirect Cost Rate Calculations

Contracts for Indirect Cost Rate Calculations

- When calculating the districts' indirect cost rates, USDE requires ISBE to deduct the excess of \$25,000 from each subaward and subcontract for purchase services per year when calculating districts' indirect cost rates. USDE states districts incur less indirect cost for contractual arrangements than for district operated services.
- The contracts should be only for purchase services and not for salary contracts. Do not include contracts for Capital Outlay (500) or Non-Capitalized Equipment (700) on this schedule. They are excluded from the Indirect Cost Rate calculation.

Contracts for Indirect Cost Rate Calculations

There are 3 embedded documents on the Contracts tab in the Annual Financial Report (AFR) to assist you with which contracts should be included on this schedule.

- Fund-Function-Object Chart
- ISBE's Indirect Cost Plan (Page 12 & 13 –Sub-agreement for services)
- Subaward & Subcontract Guidance from USDE

Contracts for Indirect Cost Rate Calculations

To determine the applicable contracts for this schedule, they must meet ALL three qualifications below:

1. The contract must be coded to one of the combinations listed on the embedded document called "Fund-Function-Object Chart"
2. The contract must meet the qualifications on the embedded documents:
 - "Indirect Cost Plan" (Page 12 & 13 - Sub-agreement for Services)
 - "Subaward & Subcontract Guidance"
3. Only list contracts that were paid over \$25,000 for the fiscal year.

Contracts for Indirect Cost Rate Calculations

Example:

When distinguishing between a sub-agreement and a routine purchase from a vendor, the substance of the transaction is more important than the form.

- For example, a contract with a vendor to provide home-to-school transportation to the LEA's students would be a sub-agreement, but a contract with the same vendor to rent buses for the LEA to transport its own students would be a routine purchase from a vendor.
- The form of the written agreements might be identical in that they might both be contracts with a transportation vendor, yet the substance of the transactions is different. The home-to-school transportation contract is providing a service. The rental of buses is providing equipment and not a "service."

Contracts for Indirect Cost Rate Calculations

Contract Schedule within the AFR

Illinois State Board of Education
School Business Services Department

Current Year Payment on Contracts For Indirect Cost Rate Computation

Please do not remove and reinsert this tab from the workbook or paste into this tab. The AFR will be returned to the auditor if this tab is completed incorrectly.

This schedule is to calculate the amount allowed on contracts obligated by the school district for the Indirect Cost Rate calculation. The contracts should be only for purchase services and not for salary contracts. Do not include contracts for Capital Outlay (500) or Non-Capitalized Equipment (700) on this schedule. They are excluded from the Indirect Cost Rate calculation.

To determine the applicable contracts for this schedule, they must meet ALL three qualifications below:

1. The contract must be coded to one of the combinations listed on the icon below called "Fund-Function-Object Chart"
2. The contract must meet the qualifications on the icons below: the "Indirect Cost Plan" (Page 12 & 13 - Sub-agreement for Services) and the "Subaward & Subcontract Guidance"
3. Only list contracts that were paid over \$25,000 for the fiscal year.

1. Double click icon to the right for a list of Fund-Function-Objects to use below.

Fund-Function-Object Chart

Indirect Cost Plan
(double click to view)

Subaward & Subcontract Guidance

2. Double click icons to the left for the qualifications of Sub-agreement for Services.

Column A, B, C, D below must be completed for each contract. Enter Column B without hypens. Ex) 101000600
Column (E) and (F) are calculated automatically based on the information provided in Columns (A through D).
The amount in column (E) is the amount allowed on each contract in the Indirect Cost Rate calculation. The amount in column (F) is the amount that will be deducted from the base in the indirect cost rate (page 30) for Program Year 2023.

Enter Fund-Function-Object Name Where the Expenditure was Recorded (Column A)	Fund- Function-Object Number (Column B)	Enter Contracted Company Name (Column C)	Enter Current Year Amount Paid on Contract (must be less than or equal to amount reported in the AFR's "Expenditures 15-22" tab) (Column D)	Contract Amount Applied to the Indirect Cost Rate Base (Column E)	Contract Amount deducted from the Indirect Cost Rate Base (Column F)
Enter as shown here: ED-Instruction-Other	10-1000-600	Company Name	500,000	25,000	475,000
				0	0

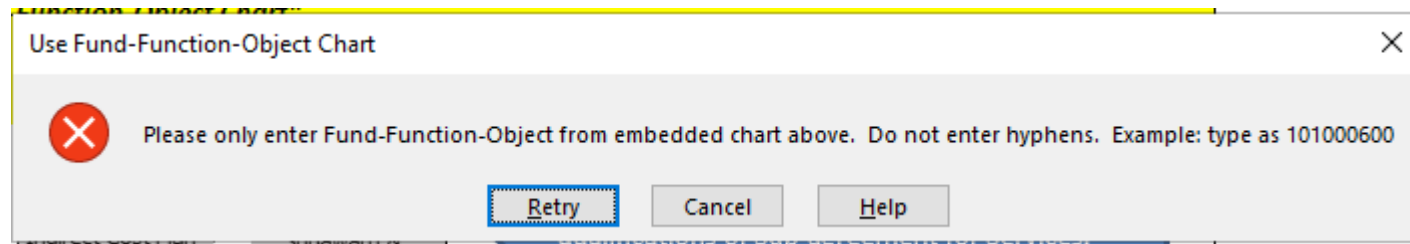


Contracts for Indirect Cost Rate Calculations

- An “**Error**” message has been created if an incorrect Fund-Function-Object is entered. Please enter the Fund-Function-Object with no hyphens. Ex) Enter 101000600 for 10-1000-600. The hyphens will show up after it is typed in if the correct Fund-Function-Object has been used.
- Please do not remove and reinsert this tab from the workbook or paste into this tab. This will cause the “error” message to not work. The AFR will be returned to the auditor if this tab is completed incorrectly.

Fund- Function-Object Number (Column B)	Enter Contracted Company Name (Column C)
10-1000-600	Company Name

Please only enter Fund-Function-Object from embedded chart above. Do not enter hyphens. Example: type as 101000600



Other Updates

- AFR Cover Page Updates
- Single Audit
- Form Due Dates
- Accounting Rules

AFR Cover Page Updates

- Single Audit Questions on Cover Page
 - Single Audit Questions were removed. **Please view the Single Audit and GATA Information Tab within the AFR for instructions on completing the Single Audit.**
- IL License Number listed on Cover Page
 - Auditor must enter their personal IL License number, not the firm's license number.

Single Audit Status:


<input type="checkbox"/>	YES	<input type="checkbox"/>	NO	Are Federal expenditures greater than \$750,000?
<input type="checkbox"/>	YES	<input type="checkbox"/>	NO	Is all Single Audit Information completed and attached?
<input type="checkbox"/>	YES	<input type="checkbox"/>	NO	Were any financial statement or federal award findings issued?

Certified Public Accountant Information

Name of Auditing Firm:		
Name of Audit Manager:		
Address:		
City:	State:	Zip Code:
Phone Number:	Fax Number:	
<u>IL License Number (9 digit):</u>	Expiration Date:	
Email Address:		



Single Audit

- The single audit will no longer be included in the AFR form.
- However, there is still a tab in the AFR to guide auditors on the correct way to complete and submit the single audit.

- The audit opinion and notes should still be embedded on the opinion and notes tab of the AFR before submitting to ISBE.
- Single Audit Questions: GATA@isbe.net or 217-782-5630



Form Due Dates

- **Annual Financial Report (AFR)**

- Due to ROE 10/15/21
- Due to ISBE 11/15/21
- If extension has been granted by ROE, due date may be extended until 12/15/21

- **Budget**

- Required to be approved by the District Board by the end of the first quarter (September 30)
- Due to ISBE 10/31/21

- **Annual Statement of Affairs**

- Due to ISBE 12/01/21
- After December 15 annually, upon 10 days prior written notice to the school district, the State Board of Education may discontinue the processing of payments to the State Comptroller's office on behalf of any school district that is not in compliance with submitting the Annual Statement of Affairs to ISBE.



Budget Form



Illinois
State Board of
Education

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Budget Form Helpful Tips

- Submit Microsoft **Excel** file through the [Attachment Manager](#). Select “School Financial Reports” as the receiver. ISBE cannot accept PDF copies.
- Helpful document: [Mechanics of a School District Budget](#)
- Make sure to:
 - Enter the district name/RCDT on form, in submission email, and in document name
 - Use the correct year form
 - On the cover page:
 - Check school district or joint agreement
 - Check accounting basis
 - Type the board member names
 - Resolve any errors on the “Balancing” tab before submitting to ISBE

Budget Form Helpful Tips

- Common Errors
 - Negative beginning cash on the CashSum tab
 - Fix: Beginning cash should come from the ending cash on the prior year's Annual Financial Report (AFR). This can be found on the Assets-Liab tab of the AFR.
 - Negative ending cash on the CashSum tab
 - Check to ensure beginning cash balances have been properly entered
 - Document an inter-fund loan or transfer as allowable
 - Reflect applicable borrowing that may be utilized
 - Increase revenue or decrease expenditure

Budget Form Helpful Tips

Requirement for a formal, amended budget

- A formal, amended budget is necessary if at least either of the following conditions are met:
 - If the total expenditures in a fund increase from the total expenditures in the originally approved budget
 - If the aggregate total of transfers between line items in a fund are greater than 10% of the total budget in the fund.

Budget Form Helpful Tips

Requirement for a formal, amended budget

- A formal, amended budget requires the same process of the original budget process:
 - Post notice of budget hearing and availability of budget for public inspection for at least 30 days prior to budget.
 - Adopt amended budget at a public meeting held after the budget hearing.
 - Post amended budget on the district website (if applicable).
 - Submit amended budget electronically to ISBE within 30 days of adoption using the ISBE Attachment Manager at: <https://sec1.isbe.net/attachmgr/default.aspx>.

Annual Statement of Affairs Form

Annual Statement of Affairs Helpful Tips

- Submit Microsoft Excel file through the [Attachment Manager](#). Select “School Financial Reports” as the receiver. ISBE cannot accept PDF copies.
- **Important things to remember:**
 - Do not remove sheets from form before submitting to ISBE
 - On the ASA1 tab,
 - List name of newspaper where ASA was published
 - Check the “Assurance” box
 - Joint Agreements **MUST** include enrollment unless one of the following is true:
 - The entity is exclusively a flow-through for grant funds.
 - The entity is a coop that **DOES NOT** provide instruction OR services such as speech, psychology, hearing, etc. to students. (Coops that provide such services **SHOULD** still provide a headcount of students served in the enrollment section.)

Annual Statement of Affairs Helpful Tips

- **Important things to remember (continued):**
 - Make sure final totals on the ASA2 tab and/or the ASA3 tab equal to final totals on AFR Assets-Liab tab and/or Acct Summary tab, respectively
 - List **Reserved/Unreserved Fund Balance** amounts on ASA2 tab
 - List **Fund Balance as of July 1st** amounts on ASA3 tab
 - Complete Contracts Over 25K tab (If no contracts, check the box. If no contracts awarded to listed specific businesses, put zeroes.)

Accounting Rules

23 Illinois Administrative Code, Part 100

Requirements for Accounting, Budgeting, Financial Reporting, and Auditing

<https://www.isbe.net/Documents/100ARK.pdf>

School Districts' accounting and reporting of expenditures is governed by Part 100 of the Illinois Administrative Code (Requirements for Accounting, Budgeting, Financial Reporting and Auditing)

Questions: finance1@isbe.net or 217-785-8779



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