

**STATE OF ILLINOIS
IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**FINANCIAL AUDIT
For the year ended June 30, 2019**

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



**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

TABLE OF CONTENTS

	<u>Page(s)</u>
OFFICIALS	1
FINANCIAL REPORT SUMMARY	2
FINANCIAL STATEMENT REPORT SUMMARY	3
FINANCIAL SECTION:	
Independent Auditors' Report.....	4 - 6
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Independent Auditors' Report	7 - 8
Schedule of Findings and Responses:	
Section I – Summary of Auditors' Results	9
Section II – Financial Statement Findings	10 - 13
Corrective Action Plan for Current Year Audit Findings.....	14 - 15
Summary Schedule of Prior Audit Findings Not Repeated	16
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities.....	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position – Governmental Funds	20

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**TABLE OF CONTENTS
(Continued)**

	<u>Page(s)</u>
BASIC FINANCIAL STATEMENTS: (Continued)	
Fund Financial Statements: (Continued)	
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds	22
Statement of Net Position – Proprietary Funds.....	23
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	24
Statement of Cash Flows – Proprietary Funds.....	25
Statement of Fiduciary Net Position – Fiduciary Fund.....	26
Notes to Financial Statements	27 - 62
REQUIRED SUPPLEMENTARY INFORMATION:	
Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability and Related Ratios.....	63
Illinois Municipal Retirement Fund – Schedule of Employer Contributions.....	64
Teachers’ Retirement System of the State of Illinois – Schedule of Employer's Proportionate Share of the Net Pension Liability	65
Teachers’ Retirement System of the State of Illinois – Schedule of Employer Contributions.....	66
Teachers’ Health Insurance Security Fund – Schedule of Employer’s Proportionate Share of the Collective Net OPEB Liability.....	67
Teachers’ Health Insurance Security Fund – Schedule of Employer’s Contributions.....	68
Health Insurance - IMRF – Schedule of Changes in the Total OPEB Liability and Related Ratios	69

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**TABLE OF CONTENTS
(Continued)**

	<u>Page(s)</u>
SUPPLEMENTARY INFORMATION:	
General Fund:	
Combining Schedules:	
Combining Schedule of Accounts – General Fund	70
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund Accounts	71
Education Fund:	
Combining Schedules:	
Combining Schedule of Accounts – Education Fund	72 - 76
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Education Fund Accounts	77 - 81
Budgetary Comparison Schedules:	
Budgetary Comparison Schedule – Education Fund Account AdvancED Project FY 2019	82
Budgetary Comparison Schedule – Education Fund Account Arrest Grant Project FY 2017	83
Budgetary Comparison Schedule – Education Fund Account CPDC Project FY 2018	84
Budgetary Comparison Schedule – Education Fund Account CPDC Project FY 2019	85
Budgetary Comparison Schedule – Education Fund Account Substance Abuse Prevention Services Project FY 2018	86
Budgetary Comparison Schedule – Education Fund Account Substance Abuse Prevention Services Project FY 2019	87
Budgetary Comparison Schedule – Education Fund Account State Opioid Response Project FY 2019	88
Budgetary Comparison Schedule – Education Fund Account Drug Free Communities Project FY 2018	89

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**TABLE OF CONTENTS
(Continued)**

	<u>Page(s)</u>
SUPPLEMENTARY INFORMATION: (Continued)	
Education Fund: (Continued)	
Budgetary Comparison Schedules: (Continued)	
Budgetary Comparison Schedule – Education Fund Account Drug Free Communities Project FY 2019	90
Budgetary Comparison Schedule – Education Fund Account Family Violence Coordinating Council Project FY 2018	91
Budgetary Comparison Schedule – Education Fund Account Family Violence Coordinating Council Project FY 2019	92
Budgetary Comparison Schedule – Education Fund Account Justice Self-Represented Litigant Coordinator Project FY 2018	93
Budgetary Comparison Schedule – Education Fund Account Mathematics and Science Partnerships STEM Project FY 2018	94
Budgetary Comparison Schedule – Education Fund Account McKinney Education for Homeless Children Project FY 2019	95
Budgetary Comparison Schedule – Education Fund Account Partnerships for Success Project FY 2018	96
Budgetary Comparison Schedule – Education Fund Account Partnerships for Success Project FY 2019	97
Budgetary Comparison Schedule – Education Fund Account Regional Safe Schools Project FY 2018	98
Budgetary Comparison Schedule – Education Fund Account Regional Safe Schools Project FY 2019	99
Budgetary Comparison Schedule – Education Fund Account Regional Safe Schools Cooperative Education Program Project FY 2018	100
Budgetary Comparison Schedule – Education Fund Account Regional Safe Schools Cooperative Education Program Project FY 2019	101
Budgetary Comparison Schedule – Education Fund Account ROE/ISC Operations Project FY 2019	102

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**TABLE OF CONTENTS
(Continued)**

	<u>Page(s)</u>
SUPPLEMENTARY INFORMATION: (Continued)	
Education Fund: (Continued)	
Budgetary Comparison Schedules: (Continued)	
Budgetary Comparison Schedule – Education Fund Account Teen Reach Project FY 2019.....	103
Budgetary Comparison Schedule – Education Fund Account Title I – School Improvement & Accountability System of Support Project FY 2018	104
Budgetary Comparison Schedule – Education Fund Account Title II – Teacher Quality Leadership Project FY 2019.....	105
Budgetary Comparison Schedule – Education Fund Account Truants Alternative/Optional Education Project FY 2018	106
Budgetary Comparison Schedule – Education Fund Account Truants Alternative/Optional Education Project FY 2019	107
Nonmajor Special Revenue Funds:	
Combining Statements:	
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	109
Nonmajor Enterprise Funds:	
Combining Statements:	
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	110 - 113
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds.....	114 - 117
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	118 - 121

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**TABLE OF CONTENTS
(Concluded)**

	<u>Page(s)</u>
SUPPLEMENTARY INFORMATION: (Continued)	
Internal Service Funds:	
Combining Statements:	
Combining Statement of Net Position – Internal Service Funds.....	122 - 123
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds.....	124 - 125
Combining Statement of Cash Flows – Internal Service Funds.....	126 - 127
Fiduciary Funds:	
Combining Statements:	
Combining Statement of Fiduciary Net Position – All Agency Funds.....	128
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	129
Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund.....	130

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

OFFICIALS

Regional Superintendent
(Current and during the audit period) Dr. Gregg Murphy

Assistant Regional Superintendent
(Current and during the audit period) Mr. Frank Petkunas

Office is located at:

1 Stuart Drive
Kankakee, Illinois 60901

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

The auditors' reports do not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	2	1
Repeated audit findings	-	-
Prior recommendations implemented or not repeated	1	1

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2019-001	10-11	Controls over Financial Statement Preparation	Material Weakness
2019-002	12-13	Noncompliance with Subrecipient Monitoring	Noncompliance
PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)			
2018-001	16	Delay of Audit	Noncompliance

EXIT CONFERENCE

The Iroquois and Kankakee Counties Regional Office of Education No. 32 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2019. Throughout the audit, numerous meetings were held between the auditors and Regional Office officials to discuss matters contained in this audit report. Responses to the recommendations were provided by Gregg Murphy, Regional Superintendent on December 27, 2019.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Iroquois and Kankakee Counties Regional Office of Education No. 32 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Iroquois and Kankakee Counties Regional Office of Education No. 32's basic financial statements.



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

(217) 235-4747
www.westcpa.com

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education No. 32, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education No. 32's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education No. 32, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability and Related Ratios, Illinois Municipal Retirement Fund – Schedule of Employer Contributions, Teachers’ Retirement System of the State of Illinois – Schedule of Employer’s Proportionate Share of the Net Pension Liability, Teachers’ Retirement System of the State of Illinois – Schedule of Employer Contributions, Teachers’ Health Insurance Security Fund – Schedule of Employer’s Proportionate Share of the Net OPEB Liability, Teachers’ Health Insurance Security Fund – Schedule of Employer’s Contributions, and Health Insurance – IMRF – Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 63 - 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Iroquois and Kankakee Counties Regional Office of Education No. 32's basic financial statements. The combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, and Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, and Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, and Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2020, on our consideration of the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education No. 32'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 the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
April 23, 2020



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

(217) 235-4747
www.westcpa.com

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

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education No. 32, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education No. 32's basic financial statements, and have issued our report thereon dated April 23, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control. Accordingly, we do not express an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education No. 32'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 the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Responses as finding 2019-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Iroquois and Kankakee Counties Regional Office of Education No. 32's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Governmental Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as finding 2019-002.

Iroquois and Kankakee Counties Regional Office of Education No. 32's Responses to Findings

The Iroquois and Kankakee Counties Regional Office of Education No. 32's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Iroquois and Kankakee Counties Regional Office of Education No. 32'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 Iroquois and Kankakee Counties Regional Office of Education No. 32'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 Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
April 23, 2020

SCHEDULE OF FINDINGS AND RESPONSES

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITORS' RESULTS
For the year ended June 30, 2019**

Financial statements in accordance with GAAP

Type of auditors' report issued:

UNMODIFIED

Internal control over financial reporting:

- Material weakness(es) identified?

 X yes no

- Significant deficiency(ies) identified?

 yes X none reported

Noncompliance material to financial
statements noted?

 X yes no

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2019**

Finding No. 2019-001 – Controls over Financial Statement Preparation

Criteria/Specific Requirement:

The Regional Office of Education No. 32 (ROE) is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The ROE's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

Condition:

The ROE does not have sufficient internal controls over the financial reporting process. The ROE maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual and other applicable entries for financial statement purposes. While the ROE maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure errors and omissions in a timely manner.

During review of the ROE's financial information prepared by the ROE, auditors noted the ROE's financial information required a material adjusting entry in order to present its financial statements in accordance with generally accepted accounting principles.

Effect:

The ROE's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure errors and omissions in a timely manner.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2019**

Finding No. 2019-001 – Controls over Financial Statement Preparation (Continued)

Cause:

The complex requirements of GASB statements will require additional time and training before the Regional Office can fully implement the requirements on its own.

Auditors' Recommendation:

The ROE should implement comprehensive preparation and/or review procedures as a part of their internal control over the preparation of financial statements to ensure the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual(s) possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the ROE's activities and operations.

Management's Response:

The Regional Office of Education No. 32 will train I-KAN Staff to improve skills in implementing comprehensive preparation and/or review procedures as part of internal control over the preparation of financial statements.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2019**

Finding No. 2019-002 – Noncompliance with Subrecipient Monitoring

Criteria/Specific Requirement:

The *Grant Accountability and Transparency Act* (GATA), contained in 30 ILCS 708, establishes that State agencies that pass State and federal grant funding through to other entities are subject to the requirements set forth in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As an agency within the granting hierarchy, the Regional Office of Education No. 32 (ROE) is required to be in compliance with GATA, including the Uniform Guidance requirements. The Uniform Guidance (2 CFR 200.331(a)) requires the ROE to clearly identify the subaward to the subrecipient, noting specific data elements. The Uniform Guidance (2 CFR 200.415(a)) requires the ROE to provide a specific certification to funding agencies on all annual and final fiscal reports or vouchers requesting payment and, conversely, requires the ROE to obtain such certification from its subrecipients. The Uniform Guidance (2 CFR 200.331(b)) also requires the ROE to evaluate each subrecipient’s risk of noncompliance with federal statutes, regulations, and terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

Condition:

During our audit, we noted that although the ROE provides information to subrecipients regarding the Teen Reach subaward, they do not provide all of the data elements as noted in the Uniform Guidance as revised for a State grant, such as the name of the State awarding agency, the State award date, and the Catalog of State Financial Assistance (CSFA) Number. We also noted the ROE was providing the certification to the Illinois Department of Human Services, the funding agency for Teen Reach, when required. However, we noted that the certification was not obtained from the subrecipients of this program. In addition, we noted that although the ROE has procedures to monitor such subrecipients based on a high risk assessment, there is no formal documentation of the assessed level of risk of noncompliance for each subrecipient as required by the Uniform Guidance.

Effect:

By not providing all required information to subrecipients, not obtaining the required certification from subrecipients, and not performing a formal documented risk assessment of the subrecipients, the risk of expenditures being improper and not in accordance with the terms and conditions of the federal award and approved budgets is increased. However, this is partially mitigated with the ROE’s monitoring procedures, requiring back-up documentation for every expenditure reimbursed under the Teen Reach grant.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2019**

Finding No. 2019-002 – Noncompliance with Subrecipient Monitoring (Continued)

Cause:

The I-KAN Regional Office of Education was not aware the subrecipient monitoring procedures applied to the non-governmental subrecipients of the Teen REACH program.

Auditors' Recommendation:

We recommend the ROE develop policies and procedures to ensure all annual and final fiscal reports or vouchers requesting payment received from subrecipients of federal awards include the certification required by 2 CFR 200.415(a). We also recommend the ROE review the required data elements noted in the Uniform Guidance (2 CFR 200.331(a)) and ensure that all information is provided to the subrecipients. In addition, the Regional Office should formalize, in writing, its subrecipient risk assessment procedures as required and described in 2 CFR 200.331(b).

Management's Response:

Procedures have been developed and implemented to ensure all annual and final fiscal reports or vouchers requesting payment received from subrecipients of federal and state awards include the certification required by 2 CFR 200.415(a). The procedures include elements to ensure all required information is provided to subrecipients. Additionally, the procedures provide for written documentation of the required risk assessment of subrecipients.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2019**

Corrective Action Plan

Finding No. 2019-001 – Controls over Financial Statement Preparation

Condition:

The ROE does not have sufficient internal controls over the financial reporting process. The ROE maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual and other applicable entries for financial statement purposes. While the ROE maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure errors and omissions in a timely manner.

During review of the ROE's financial information prepared by the ROE, auditors noted the ROE's financial information required a material adjusting entry in order to present its financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office of Education No. 32 will train I-KAN Staff to improve skills in implementing comprehensive preparation and/or review procedures as a part of internal control over the preparation of financial statements.

Anticipated Date of Completion:

June 30, 2020

Name of Contact Person:

Dr. Gregg Murphy, Regional Superintendent

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2019**

Corrective Action Plan (Continued)

Finding No. 2019-002 – Noncompliance with Subrecipient Monitoring

Condition:

During our audit, we noted that although the ROE provides information to subrecipients regarding the Teen Reach subaward, they do not provide all of the data elements as noted in the Uniform Guidance as revised for a State grant, such as the name of the State awarding agency, the State award date, and the Catalog of State Financial Assistance (CSFA) Number. We also noted the ROE was providing the certification to the Illinois Department of Human Services, the funding agency for Teen Reach, when required. However, we noted that the certification was not obtained from the subrecipients of this program. In addition, we noted that although the ROE has procedures to monitor such subrecipients based on a high risk assessment, there is no formal documentation of the assessed level of risk of noncompliance for each subrecipient as required by the Uniform Guidance.

Plan:

Procedures have been developed and implemented to ensure all annual and final fiscal reports or vouchers requesting payment received from subrecipients of federal and state awards include the certification required by 2 CFR 200.415(a). The procedures include elements to ensure all required information is provided to subrecipients. Additionally, the procedures provide for written documentation of the required risk assessment of subrecipients.

Anticipated Date of Completion:

June 30, 2020

Name of Contact Person:

Dr. Gregg Murphy, Regional Superintendent

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the year ended June 30, 2019**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2018-001	Delay of Audit The Regional Office of Education worked with the CPA firm and Actuarial firm to prepare financial reports to comply with report preparation by August 31, 2019.	Not Repeated

BASIC FINANCIAL STATEMENTS

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**STATEMENT OF NET POSITION
June 30, 2019**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 3,265,178	\$ 1,476,518	\$ 4,741,696
Accounts receivable	1,750	50	1,800
Internal balances	(164)	164	-
Due from other governments	415,105	10,497	425,602
Prepaid expenses	-	19,231	19,231
Prepaid rent, current portion	-	23,772	23,772
Total current assets	<u>3,681,869</u>	<u>1,530,232</u>	<u>5,212,101</u>
Noncurrent assets			
Capital assets, net of depreciation	19,033	24,931	43,964
Prepaid rent, net of current portion	-	399,167	399,167
Total noncurrent assets	<u>19,033</u>	<u>424,098</u>	<u>443,131</u>
Total assets	<u>3,700,902</u>	<u>1,954,330</u>	<u>5,655,232</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	1,161,747	62,290	1,224,037
Deferred outflows related to OPEB	182,015	4,833	186,848
Total deferred outflows of resources	<u>1,343,762</u>	<u>67,123</u>	<u>1,410,885</u>
Liabilities:			
Current liabilities:			
Accounts payable	19,967	421	20,388
Due to other governments	15	-	15
Unearned revenue	6,635	50,832	57,467
Total current liabilities	<u>26,617</u>	<u>51,253</u>	<u>77,870</u>
Noncurrent liabilities:			
Net pension liability	677,227	51,977	729,204
OPEB liabilities	672,683	17,105	689,788
Total noncurrent liabilities	<u>1,349,910</u>	<u>69,082</u>	<u>1,418,992</u>
Total liabilities	<u>1,376,527</u>	<u>120,335</u>	<u>1,496,862</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	1,194,482	49,865	1,244,347
Deferred inflows related to OPEB	95,840	2,560	98,400
Total deferred inflows of resources	<u>1,290,322</u>	<u>52,425</u>	<u>1,342,747</u>
Net position:			
Net investment in capital assets	19,033	24,931	43,964
Restricted for educational purposes	353,305	-	353,305
Unrestricted	2,005,477	1,823,762	3,829,239
Total net position	<u>\$ 2,377,815</u>	<u>\$ 1,848,693</u>	<u>\$ 4,226,508</u>

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

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019**

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
			Primary Government		Total	
	Expenses	Charges for Services	Operating Grants	Governmental Activities		Business-Type Activities
Primary government						
Governmental activities:						
Instructional services:						
Salaries	\$ 1,451,970	\$ -	\$ 1,317,068	\$ (134,902)	\$ -	\$ (134,902)
Employee benefits	153,484	-	256,434	102,950	-	102,950
Purchased services	321,734	-	421,223	99,489	-	99,489
Supplies and materials	111,613	-	66,803	(44,810)	-	(44,810)
Other	6,449	-	6,103	(346)	-	(346)
Depreciation	8,541	-	-	(8,541)	-	(8,541)
Pension expense (benefit)	(189,272)	-	-	189,272	-	189,272
OPEB expense	55,042	-	-	(55,042)	-	(55,042)
Intergovernmental:						
Payments to other governmental units	133,905	-	126,715	(7,190)	-	(7,190)
Administrative:						
On-behalf payments - State	753,527	-	-	(753,527)	-	(753,527)
Total governmental activities	2,806,993	-	2,194,346	(612,647)	-	(612,647)
Business-type activities:						
Professional development	331,551	294,965	-	-	(36,586)	(36,586)
Total business-type activities	331,551	294,965	-	-	(36,586)	(36,586)
Total primary government	\$ 3,138,544	\$ 294,965	\$ 2,194,346	(612,647)	(36,586)	(649,233)
General revenues:						
Local sources				417,876	-	417,876
On-behalf payments - State				753,527	-	753,527
Interest				14,785	4,973	19,758
Transfers				27,280	(27,280)	-
Total general revenues and transfers				1,213,468	(22,307)	1,191,161
Change in net position				600,821	(58,893)	541,928
Net position - beginning of year				1,776,994	1,907,586	3,684,580
Net position - end of year				\$ 2,377,815	\$ 1,848,693	\$ 4,226,508

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

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019**

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 2,887,019	\$ 42,717	\$ 317,182	\$ 3,246,918
Accounts receivable	1,750	-	-	1,750
Due from other funds	259,556	-	-	259,556
Due from other governments	138,476	276,629	-	415,105
Total assets	\$ 3,286,801	\$ 319,346	\$ 317,182	\$ 3,923,329
Liabilities:				
Accounts payable	\$ 1,851	\$ 17,231	\$ 12	\$ 19,094
Due to other funds	-	259,345	-	259,345
Due to other governments	15	-	-	15
Unearned revenue	-	2,854	3,781	6,635
Total liabilities	1,866	279,430	3,793	285,089
Deferred inflows of resources:				
Unavailable revenue	22,887	59,759	-	82,646
Fund balances (deficits):				
Restricted	-	39,918	313,389	353,307
Unassigned	3,262,048	(59,761)	-	3,202,287
Total fund balances (deficits)	3,262,048	(19,843)	313,389	3,555,594
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 3,286,801	\$ 319,346	\$ 317,182	\$ 3,923,329

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

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2019**

Total fund balances - governmental funds		\$ 3,555,594
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.</p>		82,646
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Capital assets, net	19,033	
Less internal service fund capital assets included in internal service fund net position below	(19,033)	-
<p>Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore are not reported in the governmental funds as follows:</p>		
Deferred outflows of resources	1,343,762	
Deferred inflows of resources	(1,290,322)	
Less internal service fund deferred outflows of resources included in internal service fund net position below	(33,393)	
Less internal service fund deferred inflows of resources included in internal service fund net position below	17,925	37,972
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Net pension liability	(677,227)	
Net OPEB liability	(672,683)	
Less internal service fund net pension liability included in internal service fund net position below	33,828	(1,316,082)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.</p>		
Internal service fund net position is:		17,685
Net position of governmental activities		\$ 2,377,815

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

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2019

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 363,842	\$ -	\$ 55,776	\$ 419,618
State sources	844,751	666,620	1,529	1,512,900
Federal sources	-	772,772	-	772,772
On-behalf payments	293,724	-	-	293,724
Interest	10,174	168	4,395	14,737
Total revenues	<u>1,512,491</u>	<u>1,439,560</u>	<u>61,700</u>	<u>3,013,751</u>
Expenditures:				
Instructional services:				
Salaries	543,637	784,233	63,933	1,391,803
Employee benefits	50,739	90,704	6,318	147,761
Pension expense	43,837	70,256	4,598	118,691
OPEB expense	4,533	-	-	4,533
Purchased services	204,668	230,372	10,081	445,121
Supplies and materials	22,486	46,404	1,704	70,594
Other	1,622	835	3,992	6,449
On-behalf payments	293,724	-	-	293,724
Intergovernmental:				
Payments to other governmental units	-	133,905	-	133,905
Total expenditures	<u>1,165,246</u>	<u>1,356,709</u>	<u>90,626</u>	<u>2,612,581</u>
Excess (deficiency) of revenues over (under) expenditures	347,245	82,851	(28,926)	401,170
Other financing sources:				
Transfers in	-	-	27,280	27,280
Net change in fund balances	347,245	82,851	(1,646)	428,450
Fund balances (deficits), beginning of year	<u>2,914,803</u>	<u>(102,694)</u>	<u>315,035</u>	<u>3,127,144</u>
Fund balances (deficits), end of year	<u>\$ 3,262,048</u>	<u>\$ (19,843)</u>	<u>\$ 313,389</u>	<u>\$ 3,555,594</u>

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

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019**

Net change in fund balances		\$ 428,450
<p>Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.</p>		
Current year unavailable revenue - local sources	\$ 22,887	
Current year unavailable revenue - operating grants	59,759	
Prior year unavailable revenue - local sources	(24,629)	
Prior year unavailable revenue - operating grants	<u>(151,085)</u>	(93,068)
<p>Certain expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Pension expense	307,963	
OPEB expense	(50,509)	
Plus internal service fund pension expense included in internal service fund net revenue below	<u>(2,201)</u>	255,253
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.</p>		
		<u>10,186</u>
Change in net position of governmental activities		<u><u>\$ 600,821</u></u>

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

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019**

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Safe Schools Local	Truant Local	Professional Development	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets:						
Current assets:						
Cash and cash equivalents	\$1,033,951	\$ 106,654	\$ 53,327	\$ 282,586	\$1,476,518	\$ 18,260
Accounts receivable	-	-	50	-	50	-
Due from other funds	-	-	-	164	164	-
Due from other governments	-	-	10,497	-	10,497	-
Prepaid expenses	-	-	19,231	-	19,231	-
Prepaid rent, current portion	23,772	-	-	-	23,772	-
Total current assets	1,057,723	106,654	83,105	282,750	1,530,232	18,260
Noncurrent assets:						
Capital assets, net of depreciation	24,931	-	-	-	24,931	19,033
Prepaid rent, net of current portion	399,167	-	-	-	399,167	-
Total noncurrent assets	424,098	-	-	-	424,098	19,033
Total assets	1,481,821	106,654	83,105	282,750	1,954,330	37,293
Deferred outflows of resources:						
Deferred outflows related to pensions	-	45,196	16,458	636	62,290	33,393
Deferred outflows related to OPEB	-	-	4,833	-	4,833	-
Total deferred outflows	-	45,196	21,291	636	67,123	33,393
Liabilities:						
Current liabilities:						
Accounts payable	-	-	146	275	421	873
Due to other funds	-	-	-	-	-	375
Unearned revenue	22,400	-	8,539	19,893	50,832	-
Total current liabilities	22,400	-	8,685	20,168	51,253	1,248
Noncurrent liabilities:						
Net pension liability	-	48,469	2,834	674	51,977	33,828
OPEB liabilities	-	-	17,105	-	17,105	-
Total noncurrent liabilities	-	48,469	19,939	674	69,082	33,828
Total liabilities	22,400	48,469	28,624	20,842	120,335	35,076
Deferred inflows of resources:						
Deferred inflows related to pensions	-	25,683	23,825	357	49,865	17,925
Deferred inflows related to OPEB	-	-	2,560	-	2,560	-
Total deferred inflows	-	25,683	26,385	357	52,425	17,925
Net position:						
Net investment in capital assets	24,931	-	-	-	24,931	19,033
Unrestricted	1,434,490	77,698	49,387	262,187	1,823,762	(1,348)
Total net position	\$ 1,459,421	\$ 77,698	\$ 49,387	\$ 262,187	\$ 1,848,693	\$ 17,685

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

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2019**

	Business-Type Activities - Enterprise Funds					Governmental
	Safe	Truant	Professional	Nonmajor	Total	Internal
	Schools Local	Local	Development	Enterprise Funds		Service Funds
Operating revenues:						
Charges for services	\$ 109,312	\$ 55,807	\$ 76,055	\$ 53,791	\$ 294,965	\$ 168,493
Operating expenses:						
Salaries	-	73,297	31,964	4,329	109,590	60,167
Employee benefits	-	13,928	2,679	404	17,011	5,723
Pension expense (benefit)	(2,271)	16,569	10,543	(937)	23,904	(2,201)
OPEB expense (benefit)	-	-	14,832	-	14,832	-
Purchased services	68,121	6,241	30,332	35,288	139,982	45,106
Supplies and materials	1,652	11,844	4,074	5,561	23,131	41,019
Depreciation expense	1,392	-	-	-	1,392	8,541
Other	-	-	1,709	-	1,709	-
Total operating expenses	68,894	121,879	96,133	44,645	331,551	158,355
Operating income (loss)	40,418	(66,072)	(20,078)	9,146	(36,586)	10,138
Nonoperating revenues:						
Interest	3,408	430	14	1,121	4,973	48
Total nonoperating revenues	3,408	430	14	1,121	4,973	48
Income (loss) before transfers	43,826	(65,642)	(20,064)	10,267	(31,613)	10,186
Transfers in	-	-	69,451	-	69,451	-
Transfers out	(12,529)	(14,751)	-	(69,451)	(96,731)	-
Total transfers	(12,529)	(14,751)	69,451	(69,451)	(27,280)	-
Change in net position	31,297	(80,393)	49,387	(59,184)	(58,893)	10,186
Net position - beginning of year	1,428,124	158,091	-	321,371	1,907,586	7,499
Net position - end of year	\$ 1,459,421	\$ 77,698	\$ 49,387	\$ 262,187	\$ 1,848,693	\$ 17,685

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

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2019**

	Business-Type Activities - Enterprise Funds					Governmental
	Safe	Truant	Professional	Nonmajor	Total	Internal
	Schools			Enterprise		Service Funds
	Local	Local	Development	Funds		
Cash flows from operating activities:						
Receipts from customers	\$ 93,612	\$ 55,807	\$ 74,047	\$ 55,848	\$ 279,314	\$ -
Receipts from interfund services provided	-	-	-	-	-	168,819
Payments to suppliers and providers of goods and services	(57,596)	(18,085)	(55,200)	(44,693)	(175,574)	(85,608)
Payments to employees	-	(96,796)	(34,985)	(4,866)	(136,647)	(72,784)
Net cash provided by (used for) operating activities	<u>36,016</u>	<u>(59,074)</u>	<u>(16,138)</u>	<u>6,289</u>	<u>(32,907)</u>	<u>10,427</u>
Cash flows from noncapital financing activities:						
Transfers from (to) other funds	(12,529)	(14,751)	69,451	(69,451)	(27,280)	-
Net cash provided by (used for) noncapital financing activities	<u>(12,529)</u>	<u>(14,751)</u>	<u>69,451</u>	<u>(69,451)</u>	<u>(27,280)</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Purchases of capital assets	-	-	-	-	-	-
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:						
Interest received	3,408	430	14	1,121	4,973	48
Net cash provided by investing activities	<u>3,408</u>	<u>430</u>	<u>14</u>	<u>1,121</u>	<u>4,973</u>	<u>48</u>
Net increase (decrease) in cash	26,895	(73,395)	53,327	(62,041)	(55,214)	10,475
Cash and cash equivalents - beginning of year	<u>1,007,056</u>	<u>180,049</u>	<u>-</u>	<u>344,627</u>	<u>1,531,732</u>	<u>7,785</u>
Cash and cash equivalents - end of year	<u>\$ 1,033,951</u>	<u>\$ 106,654</u>	<u>\$ 53,327</u>	<u>\$ 282,586</u>	<u>\$ 1,476,518</u>	<u>\$ 18,260</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 40,418	\$ (66,072)	\$ (20,078)	\$ 9,146	\$ (36,586)	\$ 10,138
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	1,392	-	-	-	1,392	8,541
Pension expense (benefit) reconciliation	(2,271)	6,998	10,201	(1,070)	13,858	(9,095)
OPEB expense (benefit) reconciliation	-	-	14,832	-	14,832	-
Change in assets and liabilities:						
(Increase) decrease in due from other funds	-	-	-	(164)	(164)	-
(Increase) decrease in due from other governments	-	-	(10,497)	6,678	(3,819)	-
(Increase) decrease in accounts receivable	-	-	(50)	50	-	326
(Increase) decrease in prepaid rents/other prepaids	23,772	-	(19,231)	-	4,541	-
Increase (decrease) in accounts payable	(11,595)	-	146	(3,844)	(15,293)	142
Increase in due to other funds	-	-	-	-	-	375
Increase (decrease) in unearned revenue	(15,700)	-	8,539	(4,507)	(11,668)	-
Net cash provided by (used for) operating activities	<u>\$ 36,016</u>	<u>\$ (59,074)</u>	<u>\$ (16,138)</u>	<u>\$ 6,289</u>	<u>\$ (32,907)</u>	<u>\$ 10,427</u>

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

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2019**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 860
Due from other governments	<u>144,161</u>
Total assets	<u>\$ 145,021</u>
Liabilities:	
Due to other governments	\$ 145,021
Due to others	<u>-</u>
Total liabilities	<u>\$ 145,021</u>

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

NOTES TO FINANCIAL STATEMENTS

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education No. 32's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

Reporting Entity

The Regional Office of Education No. 32 was created by Illinois Public Act 76-735, as amended, effective August 7, 1995. The Regional Office operates under the School Code (105 ILCS 5/3 and 5/3A). The region encompasses Iroquois and Kankakee counties.

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 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. 32 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. 32 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. 32's financial statements. In addition, the Regional Office of Education No. 32 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 32 being considered a component unit of the entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. An exception to this general rule relates to interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. 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.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

The Statement of Net Position includes all of the Regional Office of Education No. 32's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 transfers in/out on the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 32 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid expenses and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 32's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service 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. 32'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. 32 reports the following major governmental funds:

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

General Operations – This fund accounts for monies received for, and payment of expenditures in connection with general administration activities.

Evidence-Based Funding (previously General State Aid) – This fund accounts for Evidence-Based Funding grant monies received from the Illinois State Board of Education and the related payment of expenditures for the regional learning academy supplements.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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:

AdvancED – This fund accounts for grant monies to participate in the AdvancED Accreditation to provide technical assistance and support to schools identified with students at risk of academic failure in order to improve student achievement and assist with school improvement efforts.

Arrest Grant – This fund accounts for federal grant monies passed through the Illinois Violence Prevention Authority (IVPA) under the Grants to Encourage Arrest Policies and Enforcement program. The purpose of this grant is to encourage the treatment of sexual assault, domestic violence, dating violence and stalking as serious violations of criminal law requiring the coordinated involvement of the entire criminal justice system. It challenges the entire community to listen, communicate, identify problems, and share ideas that will result in new responses to ensure victim safety and offender accountability.

Child Nutrition – This fund accounts for Child Nutrition monies used to provide breakfast and lunch through the National School Breakfast Program, National School Lunch Program, and State Free Lunch and Breakfast Program to students enrolled in the Regional Alternative Attendance Center (RAAC), and Students All Learning Together (SALT) Program.

Child Protection Data Courts (CPDC) Project – These funds, received from the Administrative Office of the Illinois Courts (AOIC), are used to perform data collection and provide monies for on-site visits, local CPDC meetings, CPDC project networking meetings, data-related activity, and technical assistance.

Substance Abuse Prevention Services – These funds, received from the Department of Human Services/Division of Alcoholism and Substance Abuse, are used to reduce the rate of alcohol use among youth and to reduce the non-medical use of prescription drugs among youth and adults.

Drug Free Communities – These funds are a collaborative effort between the Office of National Drug Control Policy (ONDCP) and the Substance Abuse and Mental Health Services Administration (SAMHSA). The purpose of DFC funding is to address two major goals: 1) establish and strengthen collaboration among communities, public and private non-profit agencies, and federal, State, local and tribal governments to support the efforts of community coalitions, and 2) reduce substance abuse among youth and over time, among adults.

HUD Supportive Housing Program – This fund accounts for grant monies received from the U.S. Department of Housing and Urban Development for the Supportive Housing grant. Funds are used to provide case management, information and referral, and transportation services for homeless families with children, helping the families to meet their basic needs and obtain permanent housing.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Family Violence Coordinating Council – This fund accounts for funds received from the Illinois Criminal Justice Information Authority to provide community awareness, coordination, and training to impede family violence.

Justice Self-Represented Litigant Coordinator – This grant is to be used to support the designated Self-Represented Litigant Coordinator to create or update self-help booklets; translate booklets into Spanish; record self-help videos; supervise storage, distribution, and maintenance of self-help booklets and videos; ensure Justice Corps fellows, clerk offices, and public libraries have access to materials; and publicize materials at the courthouse and on the Circuit website.

Mathematics and Science Partnerships – STEM – This fund is a professional development program designed to improve the content knowledge and pedagogical skills of 5th through 12th grade teachers in mathematics and science.

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

Partnerships for Success – This fund accounts for federal grant monies received for the Drug-Free Communities Support Program from the White House Office of National Drug Control Policy in cooperation with the Substance Abuse and Mental Health Services Administration. The goals of the program are to establish and strengthen community collaboration in support of local efforts to prevent youth substance use.

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

Regional Safe Schools Cooperative Education Program – The RSSCEP program is specifically aimed at assisting suspended or expelled youth to become reoriented and motivated through a combination of paid work experience related to existing career opportunities with potential for advancement. The program prepares the student to complete their education by participating in career-related classroom(s) and structure cooperative work experience provided by a private sector.

Regional Office of Education/ Intermediate Service Centers (ROE/ISC) Operations – This fund accounts for the funding of the Regional Office of Education No. 32 pursuant to the Illinois Administrative Code which mandates the Regional Office to provide professional development activities in the fundamental learning areas, gifted education, administrators' academy, school improvement, technology and other activities based upon the needs of local school districts and State and federal mandates.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Teen Reach – This fund accounts for grant monies received and expenditures incurred for the Teen Reach (Responsibility, Education, Achievement, Caring and Hope) program implemented by the Illinois Department of Human Services. The program focuses on improving academic performance, preventing violence and risky behaviors, encouraging parental involvement, and creating opportunities for recreation and sports activities for the youth ages 6-17.

Title I School Improvement and Accountability System of Support (SSOS) – This fund supports the improvement of basic programs operated by the Regional Office of Education No. 32 by providing professional development for data analysis, school improvement plan/development, standards-aligned curriculum/instruction, and classroom assessment to System of Support status schools on the Academic Early Warning and Watch lists.

Title II Teacher Quality – Leadership Grant – Evaluation Training – This program accounts for the proceeds of a grant passed through the Illinois State Board of Education to establish teacher and principal evaluation systems to ensure teachers and leaders receive targeted support and improvement opportunities, and to improve student learning.

Truants Alternative Program – This fund provides alternative educational program services to truant students referred from local schools to the Regional Office of Education No. 32. It offers prevention and intervention services, which include case management, home visits, school visits, student advocacy, wraparound, referrals to community agencies, and technical assistance to individual school districts and the community.

Additionally, the Regional Office of Education No. 32 reports the following nonmajor governmental funds:

Nonmajor Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted to expenditures for specified purposes. Nonmajor special revenue funds include the following:

Bus Driver Training – This fund accounts for State and local receipts and expenses as a result of training school district bus drivers.

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

Institute – This fund accounts for teacher license registration, issuance and evaluation fees for processing licenses, and expenses of meetings of a professional nature. The Regional Superintendent uses these proceeds to pay administration expenses incurred on behalf of the teachers' institute licenses, workshops, and general meetings. All funds generated remain restricted until expended only on the aforementioned activities.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Tallman's Boys' Fund – This fund is used for the needs of the boys in Kankakee County including the supervision, support, maintenance, medical or hospital care, education, general assistance, or welfare of the boys of Kankakee County who are wards of the Court, or who are dependent, delinquent, homeless, or needful of supervision, care, education, or training to assist in their development into useful and respectful citizens. The boys who may be subject of aid from the Trust are limited to those under the age of 21 years and who are of Protestant religious faith or whose parent or parents were of Protestant religious faith.

Project Care Healthy Decision – This fund accounts for revenue received and expenditures incurred in providing a suicide hotline for students.

Proprietary Funds

Enterprise Funds - Enterprise funds are proprietary funds that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to external entities or the general public on a continuing basis should be financed or recovered primarily through user charges.

The Regional Office of Education No. 32 reports the following *major enterprise funds*:

Safe Schools – Local – This fund accounts for local revenues and disbursements related to the Safe School program.

Truant – Local – This fund accounts for local revenues and disbursements related to the Truant program.

Professional Development – This fund accounts for local revenues and disbursements for Professional Development Programs.

The Regional Office of Education No. 32 reports the following *nonmajor enterprise funds*:

Administrator's Academy – Local – This fund accounts for local revenues and disbursements related to the Administrator's Academy Program.

Criminal Background Investigation – This fund accounts for the assessments received from the school districts to pay for the processing of fingerprinting the substitute teachers and expenditures incurred providing this service to the school districts.

Family Violence Coordinating Councils – This fund accounts for funds received to provide community awareness, coordination, and training to impede family violence.

Life Education – Local – This fund accounts for local revenues received and related disbursements for the Life Education program.

Local Induction Mentoring Training Fees – This fund accounts for local revenues and disbursements for Induction and Mentoring Training programs.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

ROE Workshops – This fund accounts for local revenues and disbursements related to various workshops conducted by the Regional Office of Education No. 32 which are not accounted for in a separate fund.

Services Provided HUD – This fund accounts for local revenues and disbursements in providing supplemental education for students from low-income families.

Statewide System of Support (SSOS) Foundational Services – This fund accounts for local revenues and disbursements related to the Title I – SSOS Foundational Services program.

Title I Workshops – This fund accounts for local revenues and disbursements for workshops related to the Title I School Improvement & Accountability program.

Internal Service Funds – Internal service funds are used to account for activities that provide goods or services to other funds on a cost-reimbursement basis.

The Regional Office of Education No. 32 reports the following *internal service funds*:

Copier Fees – This fund is used to categorize any revenues and expenses related to in-house copying.

Services Provided – This fund is used to categorize any revenue and expenses related to in-house payroll and tech services.

West Wing Operations – This fund is used to categorize shared revenues and expenses associated with the facility at 50 W. Industrial Park Drive, Kankakee, IL that houses our Regional Alternative Attendance Center (RAAC), Students All Learning Together (SALT), Regional Instructional Center (RIC), Life Education Programs (LEC) which consist of Substance Abuse Prevention Program (SAPP), Strategic Prevention Framework – Partnership for Success (SPF-PFS), Drug Free Communities (DFC), Teen REACH, and Local LEC.

Shared Expense A – This fund is used to categorize shared revenues and expenses associated with the facility at 50 W. Industrial Park Drive, Kankakee, Illinois that houses our Regional Alternative Attendance Center (RAAC), Students All Learning Together (SALT), Regional Instructional Center (RIC), Life Education Programs (LEC) which consist of Substance Abuse Prevention Services, Strategic Prevention Framework – Partnership for Success (SPF-PFS), Drug Free Communities (DFC), Teen REACH, and Family Violence Coordinating Council (FVCC), and Local LEC.

Shared Expense B – This fund is used to categorize shared revenues and expenses associated with the facility at 1 Stuart Drive, Kankakee, that houses the I-KAN Regional Office of Education offices.

Shared Expense C – This fund is used to categorize shared revenues and expenses associated with the entire facility at 50 W. Industrial Park Drive and 1 Stuart Drive, Kankakee, Illinois without the Kankakee Valley Theater Association.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Shared Expense D – This fund is used to categorize shared revenues and expenses associated with the entire facility at 50 W. Industrial Park Drive and 1 Stuart Drive, Kankakee, Illinois with the Kankakee Valley Theater Association.

Fiduciary Funds

Agency Funds – Agency Funds are used to account for assets held by the Regional Office of Education No. 32 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Agency funds include the following:

Distributive Fund - This fund distributes federal and State funds to school districts and other entities under the oversight of the Regional Superintendent. Interest revenue earned on the custodial funds collected is part of the overall revenue of the General Fund. This treatment is in accordance with an agreement between the Regional Office of Education No. 32 and all the school boards within the Iroquois and Kankakee Counties Regional Office of Education No. 32.

Petitions and Detachment – This fund accounts for the receipts and disbursements related to petitions filed for annexation or detachment of school district boundaries.

Impact Fees - This fund accounts for fees paid by applicants for a new dwelling that lies within specific school districts in Kankakee County. These fees are utilized by the school districts to offset costs associated with new growth in the school district.

Tenant Rental - This fund accounts for rent paid from the tenant occupying the same building as the Regional Office of Education No. 32. This rent is passed through Regional Office of Education No. 32 to Kankakee County to help cover insurance and other costs associated with the building.

Reorganization Feasibility Study – This fund was used to pay for required study of the financial and educational impacts of school district consolidation of Crescent City School District.

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

Deposits and Investments

The Regional Office of Education No. 32 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 Regional Office of Education No. 32 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.

Statutes authorize the Regional Office of Education No. 32 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.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 and proprietary fund financial statements. Capital assets, such as equipment, are defined by the government as assets with an initial, individual cost of more than \$5,000 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 and furniture	5-10
Computer equipment	3-5
Other equipment	5-20
Improvements	20

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

Postemployment Benefits Other Than Pension (OPEB)

For the purposes of measuring the Regional Office of Education No. 32’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education No. 32’s OPEB Plan and additions to/deductions from the Regional Office of Education No. 32’s fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 32’s Plan. For this purpose, the Regional Office of Education No. 32’s Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education No. 32’s OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense for the ROE’s single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources are reported in the governmental fund financial statements as unavailable revenue and represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

Deferred inflows of resources in the Governmental Funds Balance Sheet consist of grant and county receivables not collected within sixty days after the year end. Deferred inflows of resources in the Statement of Net Position consist of unrecognized items that have not yet reduced pension and OPEB expense.

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, if any, that are attributable to the acquisition, construction, or improvement of those assets.

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

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

Governmental Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in a governmental fund. The following types of fund balances may be presented on the Governmental Funds Balance Sheet, the General Fund and Education Fund Combining Schedule 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 funds 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: Bus Driver Training, General Education Development, and Institute. The following accounts are restricted by a grant agreement or contract: Child Nutrition, Teen Reach, Tallman's Boys' and Project Care Healthy Decision.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 funds presenting a committed fund balance.

Assigned Fund Balance - the portion of a governmental fund's fund balance to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. There are no funds presenting an assigned fund balance.

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: General Operations and Evidence-Based Funding. The following Education Fund accounts have unassigned fund deficits: HUD Supportive Housing Program, Family Violence Coordinating Council, McKinney Education for Homeless Children, Regional Safe Schools, Regional Safe Schools Cooperative Education Program, and Truants' Alternative Program.

Compensated Absences

All employees who work for 12 calendar months earn vacation time. Unused vacation time does not accumulate and carryover for future calendar years. Sick pay may accumulate for all full-time employees (IMRF & TRS employees) up to a maximum of 120 days. Unused sick pay for those employees may be used as service credit towards the employee's retirement when the employee retires. There are no material accumulations of sick pay or vacation pay at June 30, 2019.

New Accounting Pronouncements

In 2019, the Regional Office of Education No. 32 implemented Governmental Accounting Standards Board (GASB) Statement No. 83 – *Certain Asset Retirement Obligations* and GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The implementation of these statements had no significant impact on the financial statements of the Regional Office of Education No. 32.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

The Regional Office of Education No. 32 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 are prepared and submitted to the State Board for approval as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgets are also prepared for certain other grant funding. Budgetary Comparison Schedules have been presented for the following grants: AdvancED, Arrest Grant, CPDC Project, Substance Abuse Prevention Services, State Opioid Response, Drug Free Communities, Family Violence Coordinating Council, Justice Self-Represented Litigant Coordinator, Mathematics and Science Partnerships-STEM, McKinney Education for Homeless Children, Partnerships for Success, Regional Safe Schools, Regional Safe Schools Cooperative Education Program, ROE/ISC Operations, Teen Reach, Title I School Improvement & Accountability System of Support, Title II – Teacher Quality Leadership, and Truants' Alternative/Optional Education.

NOTE 3 - USE OF ESTIMATES

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

NOTE 4 - INTEREST ON DISTRIBUTIVE FUND ACCOUNTS

Illinois State Board of Education (ISBE) funds received by the Regional Office of Education No. 32 for the Distributive Fund accrue interest for the period of time between the receipt of funds and clearance of checks to the recipient. In accordance with an agreement dated May 24, 1988 with the school district boards served, interest earned on Distributive Fund deposits is transferred to the General Fund to offset wire service and other bank charges incurred by the Distributive Fund. Distributive Fund interest earned and related charges are recognized as revenues and expenditures in the General Fund.

NOTE 5 - DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2019, the carrying amount of the Regional Office of Education No. 32's deposits, which do not include Illinois Funds accounts, for the governmental activities and business-type activities were \$3,075,935 and \$1,476,518, respectively. The bank balances totaled \$4,613,940 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. 32's name, and were, therefore, not exposed to custodial credit risk.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Investments

At June 30, 2019, the carrying amount of the Regional Office of Education No. 32's deposits in the Illinois Funds for the governmental activities and fiduciary funds were \$189,243 and \$860, respectively. The bank balance invested in the Illinois Funds was \$190,102. 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. 32's governmental activities.

Credit Risk

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. The Illinois Funds use amortized cost, which is the share price, to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. The Illinois Funds do not place any limitations or restrictions on withdrawals. The Illinois Funds has a credit rating of AAAM from Standard & Poor's (S&P). Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The Illinois Funds invest in a high quality portfolio of debt securities, money market funds and commercial paper rated in one of the two highest rating categories by S&P with a maximum of final maturity of 270 days. All investments are fully collateralized.

Interest Rate Risk

The investment policy of The Illinois Funds states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity. These investments are legally permissible for local governments in the state. Audited financial statements for The Illinois Funds are available at www.illinoistreasurer.gov.

Concentration of Credit Risk

According to The Illinois Funds' investment policy, "the majority of The Illinois Funds' investments will be in direct obligations of the United States Treasury and United States Government Agencies and Instrumentalities and cash equivalents." Investment limitations include a maximum of 5% of its total assets in securities issued by any single commercial paper issuer, 5% of its assets in obligations of corporations or limited liability companies, and 25% of its total assets in any approved AAAM Money Market Fund.

NOTE 6 - RISK MANAGEMENT - CLAIMS AND JUDGMENTS

The Regional Office of Education No. 32 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation claims; and natural disasters. The Regional Office of Education No. 32 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - CONTINGENCIES

The Regional Office of Education No. 32 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. 32 believes that any other adjustments that may arise will be insignificant to the Regional Office of Education No. 32's operations.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
Governmental activities:				
Capital assets being depreciated:				
Equipment	\$ 49,201	\$ -	\$ -	\$ 49,201
Less accumulated depreciation for:				
Equipment	<u>(21,627)</u>	<u>(8,541)</u>	<u>-</u>	<u>(30,168)</u>
Governmental activities capital assets, net	<u>\$ 27,574</u>	<u>\$ (8,541)</u>	<u>\$ -</u>	<u>\$ 19,033</u>
Business-type activities:				
Capital assets being depreciated:				
Improvements	\$ 27,830	\$ -	\$ -	\$ 27,830
Less accumulated depreciation for:				
Improvements	<u>(1,507)</u>	<u>(1,392)</u>	<u>-</u>	<u>(2,899)</u>
Business-type activities capital assets, net	<u>\$ 26,323</u>	<u>\$ (1,392)</u>	<u>\$ -</u>	<u>\$ 24,931</u>

Depreciation expense was charged to Instructional Services (functions/programs) of the Regional Office of Education No. 32 as follows:

Governmental activities:	
Instructional services	<u>\$ 8,541</u>

Depreciation expense was charged to Professional Development (functions/programs) of the Regional Office of Education No. 32 as follows:

Business-type activities:	
Professional development	<u>\$ 1,392</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for Regional Office of Education No. 32 for the year ended June 30, 2019 was as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Governmental activities:				
Net pension liability	\$1,344,030	\$ -	\$666,803	\$ 677,227
OPEB liabilities	<u>632,722</u>	<u>39,961</u>	<u>-</u>	<u>672,683</u>
Governmental activities, long-term liabilities	<u>\$1,976,752</u>	<u>\$39,961</u>	<u>\$666,803</u>	<u>\$1,349,910</u>
Business-type activities:				
Net pension liability	\$ 17,622	\$34,355	\$ -	\$ 51,977
OPEB liabilities	<u>-</u>	<u>17,105</u>	<u>-</u>	<u>17,105</u>
Business-type activities, long-term liabilities	<u>\$ 17,622</u>	<u>\$51,460</u>	<u>\$ -</u>	<u>\$ 69,082</u>

Payments on the net pension and OPEB liabilities are made by the governmental funds and certain proprietary funds.

NOTE 10 - RETIREMENT FUND COMMITMENTS

Teachers' Retirement System of the State of Illinois

Plan Description

The Regional Office of Education No. 32 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2018>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Teachers' Retirement System of the State of Illinois (Continued)

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023 enacted in 2017, creates an optional Tier 3 hybrid retirement plan; but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the State of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2018, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 32.

On behalf contributions to TRS – The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 32. For the year ended June 30, 2019, State of Illinois contributions recognized by the Regional Office of Education No. 32 were based on the State's proportionate share of the collective net pension liability associated with the Regional Office of Education No. 32, and the Regional Office of Education No. 32 recognized revenue and expenditures of \$413,979 in pension contributions from the State of Illinois.

2.2 formula contributions – Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019, were \$2,207 and are deferred because they were paid after the June 30, 2018 measurement date.

Federal and special trust fund contributions – When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 32, there is a statutory requirement for the Regional Office of Education No. 32 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Public Act 100-0340 set the employer contribution rate on salaries paid from federal funds to be the employer normal cost rate effective for fiscal year 2018. Previously, the employer contribution rate on salaries paid from federal funds was equal to the State's contribution rate and were much higher. Since these contributions are normal cost contributions, which are considered employer specific liability

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Teachers' Retirement System of the State of Illinois (Continued)

contributions under GASB 68, the “federal funds” contributions are no longer includable for purposes of allocating collective pensions amounts. Any change in proportionate share resulting from this statutory change for individual employers will be recognized and amortized over the remaining service lives of all members beginning in fiscal year 2018.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$21,613 were paid from federal and special trust funds that required employer contributions of \$2,129.

Employer retirement cost contributions – Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 32 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the Regional Office of Education No. 32 made no payments to TRS for employer contributions due on excess salary increases or for sick leave days granted in excess of the normal annual allotment.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Regional Office of Education No. 32 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 64,346
State's proportionate share of the net pension liability associated with the employer	<u>4,407,946</u>
Total	<u>\$4,472,292</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. The Regional Office of Education No. 32's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2018, the Regional Office of Education No. 32's proportion was 0.0000825528 percent, which was a decrease of 0.0014209309 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Regional Office of Education No. 32 recognized pension expense of \$413,979 and revenue of \$413,979 for support provided by the State. For the year ended June 30, 2019, the Regional Office of Education No. 32 recognized a pension benefit of \$356,313. At June 30, 2019, the

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Teachers' Retirement System of the State of Illinois (Continued)

Regional Office of Education No. 32 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pension</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense In Future Periods</i>		
Differences between expected and actual experience	\$ 1,293	\$ 14
Net difference between projected and actual earnings on pension plan investments	-	197
Changes of assumptions	2,822	1,824
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>580,019</u>	<u>890,009</u>
Total deferred amounts to be recognized in pension expense in future periods	584,134	892,044
<i>Employer contributions made subsequent to the measurement date</i>	<u>2,207</u>	<u>-</u>
<i>Total deferred amounts related to pensions</i>	<u>\$586,341</u>	<u>\$892,044</u>

\$2,207 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

<u>Year Ending June 30,</u>	<u>Net Deferred (Inflows)/Outflows of Resources</u>
2020	\$ (48,622)
2021	(2,255)
2022	(6,495)
2023	(163,605)
2024	<u>(86,933)</u>
Total	<u>\$(307,910)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	varies by amount of service credit
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

In the June 30, 2018 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2017 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Teachers' Retirement System of the State of Illinois (Continued)

The long-term (20 year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	15.0%	6.7%
U.S. equities small/mid cap	2.0%	7.9%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.4%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.4%
International debt developed	2.2%	1.3%
Emerging international debt	2.6%	4.5%
Real estate	16.0%	5.4%
Real return	4.0%	1.8%
Absolute return	14.0%	3.9%
Private equity	<u>15.0%</u>	10.2%
Total	<u>100.0%</u>	

TRS Discount Rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2017 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2018 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Teachers' Retirement System of the State of Illinois (Continued)

Sensitivity of the Regional Office of Education No. 32's proportionate share of the net pension liability to changes in the discount rate

The following presents the Regional Office of Education No. 32's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Regional Office of Education No. 32's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Lower <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Higher <u>(8.00%)</u>
Employer's proportionate share of the net pension liability	\$ <u>78,914</u>	\$ <u>64,346</u>	\$ <u>52,614</u>

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2018 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Illinois Municipal Retirement Fund

IMRF Plan Description

The Regional Office of Education No. 32's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 32's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

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

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

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	17
Inactive plan members entitled to but not yet receiving benefits	22
Active plan members	<u>26</u>
Total	<u>65</u>

Contributions

As set by statute, the Regional Office of Education No. 32's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 32's annual contribution rate for calendar year 2018 was 16.07%. For the fiscal year 2019, the Regional Office of Education No. 32 contributed \$131,335 to the plan. The Regional Office of Education No. 32 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Regional Office of Education No. 32's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018.

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from the period 2014-2016.
- For **Non-Disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	7.15%
International equities	18%	7.25%
Fixed income	28%	3.75%
Real estate	9%	6.25%
Alternatives	7%	
Private Equity		8.50%
Hedge Funds		5.50%
Commodities		3.20%
Cash equivalents	<u>1%</u>	2.50%
Total	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	<u>(A)</u>	<u>(B)</u>	<u>(A) – (B)</u>
Balances at December 31, 2017	\$4,230,497	\$4,017,478	\$213,019
Changes for the year:			
Service cost	96,113	-	96,113
Interest on the total pension liability	315,770	-	315,770
Changes in benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(24,241)	-	(24,241)
Changes of assumptions	131,710	-	131,710
Contributions – employer	-	156,486	(156,486)
Contributions – employees	-	59,582	(59,582)
Net investment income	-	(145,692)	145,692
Benefit payments, including refunds of employee contributions	(152,638)	(152,638)	-
Administrative expense	-	(2,756)	2,756
Other (net transfer)	-	(107)	107
Net changes	<u>366,714</u>	<u>(85,125)</u>	<u>451,839</u>
Balances at December 31, 2018	<u>\$4,597,211</u>	<u>\$3,932,353</u>	<u>\$664,858</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower	Current Discount Rate	1% Higher
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
Net pension liability (asset)	<u>\$1,263,275</u>	<u>\$664,858</u>	<u>\$179,281</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the Regional Office of Education No. 32 recognized pension expense of \$190,945. At June 30, 2019, the Regional Office of Education No. 32 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pension</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense In Future Periods</i>		
Differences between expected and actual experience	\$ 41,257	\$128,222
Changes of assumptions	116,071	66,201
Net difference between projected and actual earnings on pension plan investments	<u>426,769</u>	<u>157,880</u>
Total deferred amounts to be recognized in pension expense in future periods	584,097	352,303
<i>Employer contributions made subsequent to the measurement date</i>	<u>53,599</u>	<u>-</u>
<i>Total deferred amounts related to pensions</i>	<u>\$637,696</u>	<u>\$352,303</u>

\$53,599 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2019	\$108,226
2020	1,609
2021	27,598
2022	<u>94,361</u>
Total	<u>\$231,794</u>

Aggregate pension information:

	<u>IMRF</u>	<u>TRS</u>	<u>Total</u>
Employer fiduciary net position	\$3,932,353	\$ -	\$3,932,353
Deferred outflows of resources	637,696	586,341	1,224,037
Employer total pension liability	4,597,211	-	4,597,211
Employer net pension liability	664,858	64,346	729,204
Deferred inflows of resources	352,303	892,044	1,244,347
Pension expenses (benefit)	190,945	(356,313)	(165,368)

Social Security

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security Fund

Plan Description

The Regional Office of Education No. 32 participates in the Teachers' Health Insurance Security (THIS) Fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers' Retirement System (TRS).

Benefits Provided

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

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

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 32. For the year ended June 30, 2019, State of Illinois contributions recognized by the Regional Office of Education No. 32 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 32, and recognized revenue and expenditures of \$45,824 in OPEB contributions from the State of Illinois.

Employer contributions to the THIS Fund

The Regional Office of Education No. 32 also makes contributions to the THIS Fund. The Regional Office of Education No. 32 THIS Fund contribution was 0.92 percent during the year ended June 30, 2019, 0.88 percent during the year ended June 30, 2018, and 0.84 and 0.80 percent during the years ended June 30, 2017 and 2016, respectively. For the year ended June 30, 2019, the Regional Office of Education No. 32 paid \$3,501 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2018, 2017 and 2016, the Regional Office of Education No. 32 paid \$5,214, \$4,483 and \$4,022 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further Information on the THIS Fund

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

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Teachers' Health Insurance Security Fund (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 3.56 percent as of June 30, 2017, and 3.62 percent as of June 30, 2018.

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the discount rate

The following presents the Regional Office of Education No. 32's proportionate share of the collective net OPEB liability, as well as what the ROE's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.62 percent) or 1 percentage point higher (4.62 percent) than the current discount rate.

	1% Decrease <u>(2.62%)</u>	Current Discount Rate <u>(3.62%)</u>	1% Increase <u>(4.62%)</u>
Employer's proportionate share of the collective net OPEB liability	<u>\$790,445</u>	<u>\$657,398</u>	<u>\$552,368</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Teachers' Health Insurance Security Fund (Continued)

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates

The following table shows the Regional Office of Education No. 32's collective net OPEB liability as of June 30, 2018, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% in 2026 for non-Medicare coverage and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	<u>1% Decrease (a)</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase (b)</u>
Employer's proportionate share of the collective net OPEB liability	<u>\$533,043</u>	<u>\$657,398</u>	<u>\$824,934</u>

(a) *One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate rate of 3.86% in 2026 for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.*

(b) *One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.86% in 2026 for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.*

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Regional Office of Education No. 32 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 32. The amount recognized by the Regional Office of Education No. 32 as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Regional Office of Education No. 32 were as follows:

Employer's proportionate share of the collective net OPEB liability	\$ 657,398
State's proportionate share of the collective net OPEB liability associated with the employer	<u>882,677</u>
Total	<u>\$1,540,075</u>

The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and was rolled forward to the June 30, 2018 measurement date. The Regional Office of Education No. 32's proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 32's long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 32, actuarially determined. At June 30, 2018, the Regional Office of Education No. 32's proportion was 0.002495 percent, which was an increase of 0.000176 from its proportion measured as of June 30, 2017 (0.002319 percent). The State's support and total are for disclosure purposes only.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Teachers' Health Insurance Security Fund (Continued)

For the year ending June 30, 2019, the Regional Office of Education No. 32 recognized OPEB expense of \$45,824 and revenue of \$45,824 for support provided by the State. For the year ending June 30, 2019, the Regional Office of Education No. 32 recognized OPEB expense of \$67,210. At June 30, 2019, the Regional Office of Education No. 32 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,359
Changes of assumption	-	95,728
Net difference between projected and actual earnings on OPEB plan investment	-	20
Change in proportion and differences between employer contributions and proportionate share of contributions	182,261	293
Employer contributions subsequent to the measurement date	<u>3,501</u>	<u>-</u>
<i>Total deferred amounts related to OPEB</i>	<u>\$185,762</u>	<u>\$98,400</u>

\$3,501 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education No. 32 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education No. 32's OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2020	\$13,278
2021	15,348
2022	15,348
2023	15,350
2024	15,354
Thereafter	<u>9,183</u>
Total	<u>\$83,861</u>

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2018, is available in the separately issued THIS Financial Report.

Health Plan for IMRF employees

Plan Description

The Regional Office of Education No. 32 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statement No.'s 74 and 75 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Health Plan for IMRF employees (Continued)

Eligibility Provisions

Employees must satisfy the eligibility requirements of the Illinois Municipal Retirement Fund.

- **Regular Plan Tier 1** (Enrolled in IMRF Prior to January 1, 2011)
At least 55 years old and at least 8 years of credited service (reduced pension)
At least 60 years old and at least 8 years of credited service (full pension)
- **Regular Plan Tier 2** (First Enrolled in IMRF On or After January 1, 2011)
At least 62 years old and at least 10 years of credited service (reduced pension)
At least 67 years old and at least 10 years of credited service (full pension)

Benefits Provided

The Regional Office of Education No. 32 provides continued health insurance coverage at the blended employer rate to all eligible Regional Office of Education No. 32 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. Eligible retirees may continue coverage into retirement on the medical plan on a pay-all basis. Coverage is also available for eligible dependents on a pay-all basis. Coverage can continue upon the participant reaching Medicare eligibility. Coverage for dependents can continue upon the death of the retiree given that contributions continue.

Covered Employees

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	0
Inactive plan members entitled to but not yet receiving payments	0
Active plan members	<u>26</u>
Total plan members	<u>26</u>

Funding Policy

There is no funding policy that exists for the postretirement plan at this time as the total OPEB liabilities are currently an unfunded obligation.

Total OPEB Liability

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2017 actuarial valuation date and rolled forward to June 30, 2019 based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal (Alternative Measurement Method)
Discount Rate	2.79%
Salary Rate Increase	4.00%
Expected Rate of Return on Assets	Not applicable

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Health Plan for IMRF employees (Continued)

Actuarial Assumptions

Health Care Trend

<u>Period</u>	<u>Choice Plus HSA Option 1</u>
FY18-FY19	7.80%
FY19-FY20	7.49%
FY20-FY21	7.18%
FY21-FY22	6.87%
FY22-FY23	6.56%
FY23-FY24	6.24%
FY24-FY25	5.93%
FY25-FY26	5.62%
FY26-FY27	5.31%
FY27-FY28	5.00%
Subsequent	5.00%

The FY18-FY19 trend rate is based on the 2018 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates fall within a generally accepted range.

**Retiree Contribution Trend
Mortality**

Same as Health Care Trend

RP-2014 Combined Annuitant Mortality Table for males and females. The Mortality Table reflects recent rates developed by the Society of Actuaries.

Average Retirement Age

IMRF Tier 1: Age 60

IMRF Tier 2: Age 65

**Termination/Turnover Rates
Starting Per Capita Costs**

Table T-5 from the Pension Actuary's Handbook

	<u>Retiree</u>	<u>Spouse</u>
Choice Plus,	\$13,148	\$14,463
HSA Option 1		

Retiree Contributions

	<u>Retiree</u>	<u>Spouse</u>
Choice Plus,	\$ 6,750	\$ 7,425
HSA Option 1		

**S&P Municipal Bond 20 year
High Grade Index**

2.79%

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at June 30, 2018	\$ <u>30,849</u>
Changes for the year:	
Service cost	1,648
Interest	899
Differences between expected and actual experience	-
Changes of assumptions	373
Benefit payments	<u>(1,379)</u>
Net changes	<u>1,541</u>
Balances at June 30, 2019	\$ <u>32,390</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Health Plan for IMRF employees (Continued)

Discount Rate

The Regional Office of Education No. 32 does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB No. 75, the discount rate should be a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The discount rate was changed from 2.98% used in the fiscal year 2018 valuation to 2.79%, which is the S&P Municipal Bond 20 year high-grade rate index as of June 30, 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.79%) or 1 percentage point higher (3.79%) than the current discount rate.

	<u>1% Lower</u> <u>(1.79%)</u>	<u>Discount Rate</u> <u>(2.79%)</u>	<u>1% Higher</u> <u>(3.79%)</u>
Total OPEB liability	<u>\$ 34,125</u>	<u>\$ 32,390</u>	<u>\$ 30,702</u>

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.8% decreasing to 4.0%) or 1 percentage point higher (8.8% decreasing to 6.0%) than the current healthcare cost trend rates.

	<u>1% Lower</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1% Higher</u>
Total OPEB liability	<u>\$ 29,840</u>	<u>\$ 32,390</u>	<u>\$ 35,250</u>

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the Regional Office of Education No. 32 recognized OPEB expense of \$2,664. At June 30, 2019, the Regional Office of Education No. 32 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumption	<u>1,086</u>	<u>-</u>
<i>Total deferred amounts related to OPEB</i>	<u>\$ 1,086</u>	<u>\$ -</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Health Plan for IMRF employees (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2020	\$ 117
2021	117
2022	117
2023	117
2024	117
Thereafter	<u>501</u>
	<u>\$1,086</u>

Aggregate OPEB Information:

	<u>THIS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources	\$185,762	\$ 1,086	\$186,848
Employer total OPEB liability	657,398	32,390	689,788
Employer net OPEB liability	657,398	32,390	689,788
Deferred inflows of resources	98,400	-	98,400
OPEB expenses	67,210	2,664	69,874

NOTE 12 - BOND

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 32 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education No. 32 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2019, interfund receivables and payables were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$259,556	\$ -
Education Fund	-	259,345
Nonmajor Enterprise Funds	164	-
Internal Service Funds	-	<u>375</u>
Totals	<u>\$259,720</u>	<u>\$259,720</u>

All of the interfund balances due to the General Fund and Nonmajor Enterprise Funds from the Education Fund and Internal Service Funds consisted of loans between individual funds. The loans were used to cover cash shortages in these individual funds.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 14 - DUE TO/DUE FROM OTHER GOVERNMENTS

The Regional Office of Education No. 32's General Fund, Education Fund, Enterprise Funds, and Agency Fund had funds due from/to various other governmental units which consisted of the following at June 30, 2019:

Due from other governments:	
<i>General Fund:</i>	
Local governments	\$ <u>138,476</u>
<i>Education Fund:</i>	
Administrative Office of the Illinois courts	77
Illinois Department of Human Services	184,593
Illinois Criminal Justice Information Authority	14,255
Illinois State Board of Education	51,451
Regional Office of Education No. 11	12,146
US Department of Health and Human Services	10,318
US Department of Housing and Urban Development	<u>3,789</u>
	<u>276,629</u>
<i>Professional Development Fund:</i>	
Local governments	<u>10,497</u>
Total – Statement of Net Position	<u>\$425,602</u>
 <i>Agency Fund:</i>	
Illinois State Board of Education	\$ <u>144,161</u>
 Due to other governments:	
<i>General Fund:</i>	
Local governments	\$ <u>15</u>
Total – Statement of Net Position	<u>\$ 15</u>
 <i>Agency Fund:</i>	
Local governments	\$ <u>145,021</u>

NOTE 15 - ON-BEHALF PAYMENTS

The Regional Office of Education No. 32 received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

Regional Superintendent-salary	\$117,600
Regional Superintendent-benefits (includes State paid insurance)	35,517
Assistant Regional Superintendent-salary	105,840
Assistant Regional Superintendent-benefits (includes State paid insurance)	<u>34,767</u>
	<u>\$293,724</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education (ISBE). The on-behalf payments are reflected as revenues and expenditures of the General Fund.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 15 - ON-BEHALF PAYMENTS (Continued)

The Regional Office of Education No. 32 recorded \$413,979 (based on figures for the fiscal year ended June 30, 2018) in revenue and expenses as on-behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. The Regional Office of Education No. 32 also recorded \$45,824 (based on figures for the fiscal year ended June 30, 2018) in revenue and expenses as on-behalf payments from the State for the Regional Office's share of the State's Teachers Health Insurance Security (THIS) OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 32 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$293,724
On-behalf payments for the Regional Office of Education No. 32's share of TRS pension expense	413,979
On-behalf payments for the Regional Office of Education No. 32's share of THIS OPEB expense	<u>45,824</u>
Total	<u>\$753,527</u>

NOTE 16 - OPERATING LEASE/PREPAID RENT

On December 23, 2016, the Regional Office of Education No. 32 entered into an Intergovernmental Agreement with the Kankakee County Public Building Commission and the Kankakee County Board. This agreement provided that the Regional Office of Education No. 32 was to pay the purchase price for property located at 1 Stuart Drive and 50 Industrial Drive, Kankakee, IL 60901. Title to the property would be held by the Kankakee County Public Building Commission until the full purchase price was paid by the Regional Office of Education No. 32, at which time title would pass to the Kankakee County Board. The Kankakee County Board is responsible for ongoing support and maintenance costs for the building. The building is to be used by the Regional Office of Education No. 32's programs as well as provide office space. The portion of the building not utilized by the Regional Office of Education No. 32 is to be leased to a third party to assist the Kankakee County Board with maintenance costs. The agreement is for a period of 20 years and will automatically renew for an additional 20 years unless specifically canceled. The agreement may be terminated, modified, or changed at any time by agreement of all parties in writing.

Since the benefit provided to the Regional Office of Education No. 32 is the use of the building, the payments for the building will be reported as prepaid rent. The prepaid rental activity associated with this operating lease for the year ended June 30, 2019, was as follows:

	Balance <u>July 1, 2018</u>	Increases	Decreases	Balance <u>June 30, 2019</u>	Expense Within <u>One Year</u>
Safe Schools Local	<u>\$446,711</u>	\$ <u> </u> -	<u>\$ 23,772</u>	<u>\$422,939</u>	<u>\$ 23,772</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

NOTES TO FINANCIAL STATEMENTS

NOTE 17 - DEFICIT FUND BALANCES/NET POSITION

The following individual funds had negative fund balances/net position as of June 30, 2019:

Deficit Fund Balance:	
HUD Supportive Housing Program	\$ 2
Family Violence Coordinating Council	10,266
McKinney Education for Homeless Children	13,288
Regional Safe Schools	7,627
Regional Safe Schools Cooperative Education Program	3,419
Truants' Alternative Program	25,159
Deficit Net Position:	
West Wing Operations	\$7,329
Shared Expense A	5,339
Shared Expense C	6,067

The deficit fund balances for these funds will generally be eliminated during the fiscal year ending June 30, 2020 when unavailable revenue is recognized as revenue. The deficit net position generally resulted from recording net pension liability and related deferred inflows and outflows. These will be eliminated through interfund charges during the fiscal year ending June 30, 2020.

NOTE 18 – INTERFUND TRANSFERS

During the year ended June 30, 2019, the Regional Office of Education No. 32 transferred \$10,827 from the Administrator's Academy Local Fund and \$58,624 from the Local Induction Mentoring Training Fees Fund to the Professional Development Fund to assist in financing expenses related to professional development activities. The Regional Office of Education No. 32 also transferred \$12,529 from the Safe Schools Fund and \$14,751 from the Truant Local Fund to the Tallman's Boys' Fund to better reflect the source of the grants received.

REQUIRED SUPPLEMENTARY INFORMATION

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
(UNAUDITED)**

For the years ended June 30, 2019, 2018, 2017, 2016 and 2015

(Amounts presented are for the calendar years ended December 31, 2018, 2017, 2016, 2015 and 2014)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 96,113	\$ 99,470	\$ 102,934	\$ 106,905	\$ 123,024
Interest on the total pension liability	315,770	317,434	300,490	274,668	232,703
Change in benefit terms	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	(24,241)	(166,755)	(39,915)	85,063	171,506
Changes of assumptions	131,710	(117,815)	-	-	136,503
Benefit payments, including refunds of employee contributions	<u>(152,638)</u>	<u>(159,472)</u>	<u>(118,654)</u>	<u>(122,059)</u>	<u>(71,842)</u>
Net change in total pension liability	366,714	(27,138)	244,855	344,577	591,894
Total pension liability – beginning	<u>4,230,497</u>	<u>4,257,635</u>	<u>4,012,780</u>	<u>3,668,203</u>	<u>3,076,309</u>
Total pension liability – ending (A)	<u>4,597,211</u>	<u>4,230,497</u>	<u>4,257,635</u>	<u>4,012,780</u>	<u>3,668,203</u>
Plan Fiduciary Net Position					
Contributions – employer	156,486	161,567	148,572	120,097	124,380
Contributions – employees	59,582	52,375	48,736	46,251	46,257
Net investment income	(145,692)	520,236	220,125	(64,599)	168,323
Benefit payments, including refunds of employee contributions	(152,638)	(159,472)	(118,654)	(122,059)	(71,842)
Administrative expense	(2,756)	-	-	-	-
Other (net transfer)	<u>(107)</u>	<u>(2,875)</u>	<u>(3,371)</u>	<u>9,089</u>	<u>(2,222)</u>
Net change in plan fiduciary net position	(85,125)	571,831	295,408	(11,221)	264,896
Plan fiduciary net position – beginning	<u>4,017,478</u>	<u>3,445,647</u>	<u>3,150,239</u>	<u>3,161,460</u>	<u>2,896,564</u>
Plan fiduciary net position – ending (B)	<u>3,932,353</u>	<u>4,017,478</u>	<u>3,445,647</u>	<u>3,150,239</u>	<u>3,161,460</u>
Net pension liability – ending (A)-(B)	<u>\$ 664,858</u>	<u>\$ 213,019</u>	<u>\$ 811,988</u>	<u>\$ 862,541</u>	<u>\$ 506,743</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.54%	94.96%	80.93%	78.51%	86.19%
Covered Payroll	\$ 973,782	\$ 950,401	\$ 947,518	\$ 959,244	\$1,027,931
Net Pension Liability as a Percentage of Covered Payroll	68.28%	22.41%	85.70%	89.92%	49.30%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)**

For the years ended June 30, 2019, 2018, 2017, 2016 and 2015

(Amounts presented are for the calendar years ended December 31, 2018, 2017, 2016, 2015 and 2014)

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2018	\$156,487	\$156,486	\$ 1	\$973,782	16.07%
2017	161,568	161,567	1	950,401	17.00%
2016	148,571	148,572	(1)	947,518	15.68%
2015	120,097	120,097	-	959,244	12.52%
2014	118,006	124,380	(6,374)	1,027,931	12.10%

Notes to Schedule of Contributions:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate*

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method	Aggregate entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	25-year closed period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes

There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation. Note two year lag between valuation and rate setting.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY
(UNAUDITED)**

**For the years ended June 30, 2019, 2018, 2017, 2016 and 2015
(Amounts presented are for the years ended June 30, 2018, 2017, 2016, 2015 and 2014)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	0.0000825528%	0.0015034837%	0.0001526829%	0.0001262456%	0.0001371620%
Employer's proportionate share of the net pension liability	\$ 64,346	\$1,148,633	\$ 120,522	\$ 82,704	\$ 83,474
State's proportionate share of the net the net pension liability associated with the employer	<u>4,407,946</u>	<u>3,951,303</u>	<u>3,016,085</u>	<u>3,262,638</u>	<u>3,133,782</u>
Total	<u>\$4,472,292</u>	<u>\$5,099,936</u>	<u>\$3,136,607</u>	<u>\$3,345,342</u>	<u>\$3,217,256</u>
Employer's covered payroll	\$ 592,486	\$ 533,666	\$ 379,964	\$ 503,880	\$ 507,980
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.86%	215.23%	31.72%	16.41%	16.43%
Plan fiduciary net position as a percentage of the total pension liability	40.0%	39.3%	36.4%	41.5%	43.0%

Notes to Schedule:

Changes of Assumptions

For the 2018, 2017 and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)**

For the years ended June 30, 2019, 2018, 2017, 2016, 2015 and 2014

Fiscal Year Ended <u>June 30.</u>	Statutorily Required <u>Contribution</u>	Contributions In Relation to the Statutorily- Required <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Employer's Covered <u>Payroll</u>	Contributions as a Percentage <u>of Covered Payroll</u>
2019	\$4,336	\$4,336	\$ -	\$380,535	1.14%
2018	25,593	25,593	-	592,486	4.32%
2017	61,993	61,993	-	533,666	11.62%
2016	5,913	5,913	-	379,964	1.56%
2015	4,424	4,424	-	503,880	0.88%
2014	4,894	4,894	-	507,980	0.96%

The information on both TRS schedules will accumulate until a full 10 year trend is presented as required by GASB Statement No. 68.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**TEACHERS' HEALTH INSURANCE SECURITY FUND
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE NET
OPEB LIABILITY
(UNAUDITED)**

**For the years ended June 30, 2019, 2018 and 2017
(Amounts presented are for the years ended June 30, 2018, 2017 and 2016)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's proportion of the collective net OPEB liability	0.002495%	0.002319%	0.001631%
Employer's proportionate share of the collective net OPEB liability	\$ 657,398	\$ 601,873	\$ 445,947
State's proportionate share of the collective net OPEB liability associated with the employer	<u>882,677</u>	<u>790,415</u>	<u>618,396</u>
Total	<u>\$1,540,075</u>	<u>\$1,392,288</u>	<u>\$1,064,343</u>
Employer's covered payroll	\$ 592,486	\$ 533,666	\$ 379,964
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	110.96%	112.78%	117.37%
Plan fiduciary net position as a percentage of the total OPEB liability	(0.07%)	(0.17%)	(0.22%)

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**TEACHERS' HEALTH INSURANCE SECURITY FUND
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
(UNAUDITED)**

For the years ended June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily-required contribution	\$ 3,501	\$ 5,214	\$ 4,483	\$ 3,040
Contributions in relation to the statutorily-required contribution	<u>3,501</u>	<u>5,214</u>	<u>4,483</u>	<u>3,040</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$380,535	\$592,486	\$533,666	\$379,964
Contributions as a percentage of covered payroll	0.92%	0.88%	0.84%	0.80%

The information on both THIS schedules will accumulate until a full 10 year trend is presented as required by GASB Statement No. 75.

Notes to Schedules:

Changes of Benefit Term

For the 2018 measurement year, there were no changes of benefit terms from the prior period.

Changes of Assumptions

For the purpose of developing changes in OPEB liability for GASB 75 reporting, other than the change in the discount rate from 3.56% to 3.62%, there were no changes in assumptions from the 2017 measurement year to the 2018 measurement year.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**HEALTH INSURANCE-IMRF
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
(UNAUDITED)
For the years ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 1,648	\$ 1,481
Interest	899	946
Change in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	373	911
Benefit payments	<u>(1,379)</u>	<u>(1,280)</u>
Net change in total OPEB liability	1,541	2,058
Total OPEB liability – beginning	<u>30,849</u>	<u>28,791</u>
Total OPEB liability – ending	<u>\$ 32,390</u>	<u>\$ 30,849</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%
Covered Payroll	\$1,004,667	\$1,004,667
Employer’s Total OPEB Liability as a Percentage of Covered Payroll	3.22%	3.07%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Changes of Benefit Term

For the 2019 measurement year, there have been no changes in benefit terms from the prior period.

Changes in Assumptions

For the purpose of developing changes in OPEB liability for GASB 75 reporting, other than the change in the discount rate from 2.98% to 2.79%, there have been no changes in assumptions from the 2018 measurement year to the 2019 measurement year.

SUPPLEMENTARY INFORMATION

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2019**

	General Operations	Evidence- Based Funding	Eliminations	Total
Assets:				
Cash and cash equivalents	\$ 63,318	\$2,823,701	\$ -	\$ 2,887,019
Accounts receivable	1,750	-	-	1,750
Due from other funds	-	329,186	(69,630)	259,556
Due from other governments	138,476	-	-	138,476
Total assets	\$ 203,544	\$3,152,887	\$ (69,630)	\$ 3,286,801
Liabilities:				
Accounts payable	\$ 1,851	\$ -	\$ -	\$ 1,851
Due to other funds	69,630	-	(69,630)	-
Due to other governments	-	15	-	15
Unearned revenue	-	-	-	-
Total liabilities	71,481	15	(69,630)	1,866
Deferred inflows of resources:				
Unavailable revenue	22,887	-	-	22,887
Fund balances:				
Unassigned	109,176	3,152,872	-	3,262,048
Total fund balances	109,176	3,152,872	-	3,262,048
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 203,544	\$3,152,887	\$ (69,630)	\$ 3,286,801

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2019**

	General Operations	Evidence- Based Funding	Total
Revenues:			
Local sources	\$ 363,842	\$ -	\$ 363,842
State sources	-	844,751	844,751
On-behalf payments	293,724	-	293,724
Interest	266	9,908	10,174
Total revenues	<u>657,832</u>	<u>854,659</u>	<u>1,512,491</u>
Expenditures:			
Salaries	225,062	318,575	543,637
Employee benefits	27,543	23,196	50,739
Pension expense	29,378	14,459	43,837
OPEB expense	-	4,533	4,533
Purchased services	80,603	124,065	204,668
Supplies and materials	6,474	16,012	22,486
Other	1,622	-	1,622
On-behalf payments	293,724	-	293,724
Total expenditures	<u>664,406</u>	<u>500,840</u>	<u>1,165,246</u>
Net change in fund balances	(6,574)	353,819	347,245
Fund balances - beginning of year	<u>115,750</u>	<u>2,799,053</u>	<u>2,914,803</u>
Fund balances - end of year	<u>\$ 109,176</u>	<u>\$ 3,152,872</u>	<u>\$ 3,262,048</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2019**

	AdvancED	Arrest Grant	Child Nutrition	CPDC Project
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 39,863	\$ -
Due from other governments	626	-	54	77
Total assets	\$ 626	\$ -	\$ 39,917	\$ 77
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	626	-	-	77
Unearned revenue	-	-	-	-
Total liabilities	626	-	-	77
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Fund balances (deficits):				
Restricted	-	-	39,917	-
Unassigned	-	-	-	-
Total fund balances (deficits)	-	-	39,917	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 626	\$ -	\$ 39,917	\$ 77

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2019**

	Substance Abuse Prevention Services	Drug Free Communities	HUD Supportive Housing Program	Family Violence Coordinating Council
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	97,669	10,318	3,789	14,255
Total assets	\$ 97,669	\$ 10,318	\$ 3,789	\$ 14,255
Liabilities:				
Accounts payable	\$ -	\$ 1,000	\$ -	\$ 32
Due to other funds	97,669	9,318	3,791	14,223
Unearned revenue	-	-	-	-
Total liabilities	97,669	10,318	3,791	14,255
Deferred inflows of resources:				
Unavailable revenue	-	-	-	10,266
Fund balances (deficits):				
Restricted	-	-	-	-
Unassigned	-	-	(2)	(10,266)
Total fund balances (deficits)	-	-	(2)	(10,266)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 97,669	\$ 10,318	\$ 3,789	\$ 14,255

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2019**

	Justice Self-Represented Litigant Coordinator	Mathematics and Science Partnerships STEM	McKinney Education for Homeless Children	Partnerships for Success
Assets:				
Cash and cash equivalents	\$ 2,854	\$ -	\$ -	\$ -
Due from other governments	-	-	25,435	23,977
Total assets	\$ 2,854	\$ -	\$ 25,435	\$ 23,977
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	25,435	23,977
Unearned revenue	2,854	-	-	-
Total liabilities	2,854	-	25,435	23,977
Deferred inflows of resources:				
Unavailable revenue	-	-	13,288	-
Fund balances (deficits):				
Restricted	-	-	-	-
Unassigned	-	-	(13,288)	-
Total fund balances (deficits)	-	-	(13,288)	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 2,854	\$ -	\$ 25,435	\$ 23,977

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2019**

	Regional Safe Schools	Regional Safe Schools Cooperative Education Program	ROE/ISC Operations	Teen Reach
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	7,627	3,419	-	62,947
Total assets	\$ 7,627	\$ 3,419	\$ -	\$ 62,947
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 16,199
Due to other funds	7,627	3,419	-	46,747
Unearned revenue	-	-	-	-
Total liabilities	7,627	3,419	-	62,946
Deferred inflows of resources:				
Unavailable revenue	7,627	3,419	-	-
Fund balances (deficits):				
Restricted	-	-	-	1
Unassigned	(7,627)	(3,419)	-	-
Total fund balances (deficits)	(7,627)	(3,419)	-	1
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 7,627	\$ 3,419	\$ -	\$ 62,947

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING SCHEDULE OF ACCOUNTS (Concluded)
EDUCATION FUND
June 30, 2019**

	Title I School Improvement & Accountability System of Support	Title II Teacher Quality Leadership - Evaluation Training	Truants' Alternative Program	Total
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 42,717
Due from other governments	-	1,277	25,159	276,629
Total assets	\$ -	\$ 1,277	\$ 25,159	\$ 319,346
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 17,231
Due to other funds	-	1,277	25,159	259,345
Unearned revenue	-	-	-	2,854
Total liabilities	-	1,277	25,159	279,430
Deferred inflows of resources:				
Unavailable revenue	-	-	25,159	59,759
Fund balances (deficits):				
Restricted	-	-	-	39,918
Unassigned	-	-	(25,159)	(59,761)
Total fund balances (deficits)	-	-	(25,159)	(19,843)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ -	\$ 1,277	\$ 25,159	\$ 319,346

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	<u>AdvancED</u>	<u>Arrest Grant</u>	<u>Child Nutrition</u>	<u>CPDC Project</u>
Revenues:				
State sources	\$ -	\$ -	\$ 603	\$ -
Federal sources	7,500	-	30,685	1,088
Interest	-	-	146	-
Total revenues	<u>7,500</u>	<u>-</u>	<u>31,434</u>	<u>1,088</u>
Expenditures:				
Instructional services:				
Salaries	553	-	4,621	-
Employee benefits	13	-	814	-
Pension expense	57	-	451	-
Purchased services	6,877	3	33,596	1,084
Supplies and materials	-	-	268	-
Other	-	-	-	-
Intergovernmental:				
Payments to other governmental units	-	-	-	-
Total expenditures	<u>7,500</u>	<u>3</u>	<u>39,750</u>	<u>1,084</u>
Net change in fund balances	-	(3)	(8,316)	4
Fund balances (deficits) - beginning of year	<u>-</u>	<u>3</u>	<u>48,233</u>	<u>(4)</u>
Fund balances (deficits) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,917</u>	<u>\$ -</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	Substance Abuse Prevention Services	Drug Free Communities	HUD Supportive Housing Program	Family Violence Coordinating Council
Revenues:				
State sources	\$ 52,133	\$ -	\$ -	\$ 30,442
Federal sources	230,271	89,724	51,626	-
Interest	-	-	-	-
Total revenues	<u>282,404</u>	<u>89,724</u>	<u>51,626</u>	<u>30,442</u>
Expenditures:				
Instructional services:				
Salaries	168,726	49,712	34,901	17,578
Employee benefits	20,885	5,820	2,411	1,345
Pension expense	20,547	5,331	4,274	181
Purchased services	15,649	24,001	7,798	12,172
Supplies and materials	13,868	4,185	2,244	1,274
Other	200	-	-	-
Intergovernmental:				
Payments to other governmental units	-	-	-	-
Total expenditures	<u>239,875</u>	<u>89,049</u>	<u>51,628</u>	<u>32,550</u>
Net change in fund balances	42,529	675	(2)	(2,108)
Fund balances (deficits) - beginning of year	<u>(42,529)</u>	<u>(675)</u>	<u>-</u>	<u>(8,158)</u>
Fund balances (deficits) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ (10,266)</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	Justice Self-Represented Litigant Coordinator	Mathematics and Science Partnerships STEM	McKinney Education for Homeless Children	Partnerships for Success
Revenues:				
State sources	\$ 973	\$ -	\$ -	\$ -
Federal sources	-	54,476	42,173	145,313
Interest	9	-	-	-
Total revenues	<u>982</u>	<u>54,476</u>	<u>42,173</u>	<u>145,313</u>
Expenditures:				
Instructional services:				
Salaries	-	21,401	19,369	79,485
Employee benefits	-	1,555	3,197	6,077
Pension expense	-	1,440	2,475	10,747
Purchased services	110	16,471	14,830	25,445
Supplies and materials	872	13,609	2,302	4,196
Other	-	-	-	200
Intergovernmental:				
Payments to other governmental units	-	-	-	-
Total expenditures	<u>982</u>	<u>54,476</u>	<u>42,173</u>	<u>126,150</u>
Net change in fund balances	-	-	-	19,163
Fund balances (deficits) - beginning of year	<u>-</u>	<u>-</u>	<u>(13,288)</u>	<u>(19,163)</u>
Fund balances (deficits) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,288)</u>	<u>\$ -</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	Regional Safe Schools	Regional Safe Schools Cooperative Education Program	ROE/ISC Operations	Teen Reach
Revenues:				
State sources	\$ 86,344	\$ 40,011	\$ 128,041	\$ 126,640
Federal sources	-	-	-	-
Interest	-	-	-	13
Total revenues	<u>86,344</u>	<u>40,011</u>	<u>128,041</u>	<u>126,653</u>
Expenditures:				
Instructional services:				
Salaries	78,968	31,202	99,552	10,600
Employee benefits	5,609	5,518	12,655	811
Pension expense	458	177	9,431	332
Purchased services	644	2,857	5,931	3,102
Supplies and materials	616	89	464	511
Other	-	-	-	435
Intergovernmental:				
Payments to other governmental units	-	-	-	110,862
Total expenditures	<u>86,295</u>	<u>39,843</u>	<u>128,033</u>	<u>126,653</u>
Net change in fund balances	49	168	8	-
Fund balances (deficits) - beginning of year	<u>(7,676)</u>	<u>(3,587)</u>	<u>(8)</u>	<u>1</u>
Fund balances (deficits) - end of year	<u>\$ (7,627)</u>	<u>\$ (3,419)</u>	<u>\$ -</u>	<u>\$ 1</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Concluded)
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	Title I School Improvement & Accountability System of Support	Title II Teacher Quality Leadership - Evaluation Training	Truants' Alternative Program	Total
Revenues:				
State sources	\$ -	\$ -	\$ 201,433	\$ 666,620
Federal sources	117,939	1,977	-	772,772
Interest	-	-	-	168
Total revenues	<u>117,939</u>	<u>1,977</u>	<u>201,433</u>	<u>1,439,560</u>
Expenditures:				
Instructional services:				
Salaries	6,547	-	161,018	784,233
Employee benefits	433	-	23,561	90,704
Pension expense	539	-	13,816	70,256
Purchased services	45,959	1,977	11,866	230,372
Supplies and materials	446	-	1,460	46,404
Other	-	-	-	835
Intergovernmental:				
Payments to other governmental units	23,043	-	-	133,905
Total expenditures	<u>76,967</u>	<u>1,977</u>	<u>211,721</u>	<u>1,356,709</u>
Net change in fund balances	40,972	-	(10,288)	82,851
Fund balances (deficits) - beginning of year	<u>(40,972)</u>	<u>-</u>	<u>(14,871)</u>	<u>(102,694)</u>
Fund balances (deficits) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,159)</u>	<u>\$ (19,843)</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
ADVANCED-PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 7,500	\$ 7,500	\$ 7,500
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
Expenditures:			
Salaries	880	880	553
Employee benefits	115	115	13
Pension expense	-	-	57
Purchased services	<u>6,505</u>	<u>6,505</u>	<u>6,877</u>
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of grant year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
ARREST GRANT PROJECT FY 2017
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 8,260	\$ 35,758	\$ -
Total revenues	<u>8,260</u>	<u>35,758</u>	<u>-</u>
Expenditures:			
Salaries	6,149	25,947	-
Purchased services	2,000	8,811	3
Supplies and materials	<u>111</u>	<u>1,000</u>	<u>-</u>
Total expenditures	<u>8,260</u>	<u>35,758</u>	<u>3</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	(3)
Fund balance (deficit), beginning of year			<u>3</u>
Fund balance, end of grant year			<u><u>\$ -</u></u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
CPDC PROJECT FY 2018
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 8,189	\$ 8,189	\$ 665
Total revenues	<u>8,189</u>	<u>8,189</u>	<u>665</u>
Expenditures:			
Purchased services	7,889	7,889	661
Supplies and materials	<u>300</u>	<u>300</u>	<u>-</u>
Total expenditures	<u>8,189</u>	<u>8,189</u>	<u>661</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	4
Fund balance (deficit), beginning of year			<u>(4)</u>
Fund balance, end of grant year			<u>\$ -</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
CPDC PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 6,750	\$ 6,750	\$ 423
Total revenues	<u>6,750</u>	<u>6,750</u>	<u>423</u>
Expenditures:			
Purchased services	6,445	6,445	423
Supplies and materials	<u>305</u>	<u>305</u>	<u>-</u>
Total expenditures	<u>6,750</u>	<u>6,750</u>	<u>423</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>
Fund balance (deficit), beginning of grant year			<u>-</u>
Fund balance, end of year			<u><u>\$ -</u></u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
SUBSTANCE ABUSE PREVENTION SERVICES PROJECT FY 2018
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 223,000	\$ 223,000	\$ 42,529
Total revenues	223,000	223,000	42,529
Expenditures:			
Salaries	159,832	159,832	-
Employee benefits	49,102	44,188	-
Purchased services	10,451	10,463	-
Supplies and materials	2,673	8,517	-
Capital outlay	942	-	-
Total expenditures	223,000	223,000	-
Net change in fund balance	\$ -	\$ -	42,529
Fund balance (deficit), beginning of year			(42,529)
Fund balance, end of grant year			\$ -

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
SUBSTANCE ABUSE PREVENTION SERVICES PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 52,133	\$ 52,133	\$ 52,133
Federal sources	170,867	170,867	170,867
Total revenues	<u>223,000</u>	<u>223,000</u>	<u>223,000</u>
Expenditures:			
Salaries	163,217	163,217	162,847
Employee benefits	43,388	41,908	20,612
Pension expense	-	-	20,013
Purchased services	10,631	11,433	13,039
Supplies and materials	5,564	6,242	6,289
Other	200	200	200
Total expenditures	<u>223,000</u>	<u>223,000</u>	<u>223,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of grant year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

Note: The Substance Abuse Prevention Services Education Fund Account also includes the State Opioid Response Grant as reported on the following page.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
STATE OPIOID RESPONSE PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 18,585	\$ 18,585	\$ 16,875
Total revenues	<u>18,585</u>	<u>18,585</u>	<u>16,875</u>
Expenditures:			
Salaries	8,131	8,131	5,879
Employee benefits	1,181	1,181	273
Pension expense	-	-	534
Purchased services	2,624	2,624	2,610
Supplies and materials	<u>6,649</u>	<u>6,649</u>	<u>7,579</u>
Total expenditures	<u>18,585</u>	<u>18,585</u>	<u>16,875</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of grant year			<u>-</u>
Fund balance, end of grant year			<u>\$ -</u>

Note: This grant is reported in the Substance Abuse Prevention Services Education Fund Account.

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
DRUG FREE COMMUNITIES PROJECT FY 2018
For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
Federal sources	\$ 125,000	\$ 125,000	\$ 27,105
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>27,105</u>
Expenditures:			
Salaries	51,700	51,700	11,943
Employee benefits	20,704	20,704	914
Pension expense	-	-	1,610
Purchased services	41,559	41,559	8,963
Supplies and materials	<u>11,037</u>	<u>11,037</u>	<u>3,000</u>
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>26,430</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	675
Fund balance (deficit), beginning of year			<u>(675)</u>
Fund balance, end of grant year			<u>\$ -</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
DRUG FREE COMMUNITIES PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 125,000	\$ 125,000	\$ 62,619
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>62,619</u>
Expenditures:			
Salaries	56,148	56,148	37,769
Employee benefits	14,488	14,488	4,906
Pension expense	-	-	3,721
Purchased services	38,176	38,176	15,038
Supplies and materials	9,741	9,741	1,185
Other	<u>6,447</u>	<u>6,447</u>	<u>-</u>
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>62,619</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of grant year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
FAMILY VIOLENCE COORDINATING COUNCIL PROJECT FY 2018
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 31,000	\$ 31,000	\$ 8,158
Total revenues	31,000	31,000	8,158
Expenditures:			
Salaries	12,012	12,012	-
Employee benefits	1,162	1,162	-
Purchased services	14,777	13,889	-
Supplies and materials	3,049	3,937	-
Total expenditures	31,000	31,000	-
Net change in fund balance	\$ -	\$ -	8,158
Fund balance (deficit), beginning of year			(8,158)
Fund balance, end of grant year			\$ -

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
FAMILY VIOLENCE COORDINATING COUNCIL PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 32,550	\$ 32,550	\$ 22,284
Total revenues	32,550	32,550	22,284
Expenditures:			
Salaries	17,564	17,564	17,578
Employee benefits	1,859	1,859	1,345
Pension expense	-	-	181
Purchased services	11,892	11,892	12,172
Supplies and materials	1,235	1,235	1,274
Total expenditures	32,550	32,550	32,550
Net change in fund balance	\$ -	\$ -	(10,266)
Fund balance, beginning of grant year			-
Fund balance (deficit), end of year			\$ (10,266)

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
JUSTICE SELF-REPRESENTED LITIGANT COORDINATOR PROJECT FY 2018
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 4,843	\$ 4,843	\$ 973
Interest	-	-	9
Total revenues	<u>4,843</u>	<u>4,843</u>	<u>982</u>
Expenditures:			
Purchased services	250	250	110
Supplies and materials	<u>4,593</u>	<u>4,593</u>	<u>872</u>
Total expenditures	<u>4,843</u>	<u>4,843</u>	<u>982</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u><u>\$ -</u></u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
MATHEMATICS & SCIENCE PARTNERSHIPS STEM PROJECT FY 2018
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 54,476
Interest	-	-	-
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>54,476</u>
Expenditures:			
Salaries	171,397	169,797	21,401
Employee benefits	22,075	22,075	1,555
Pension expense	-	-	1,440
Purchased services	50,593	44,501	16,471
Supplies and materials	5,935	13,627	13,609
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>54,476</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of grant year			<u><u>\$ -</u></u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
MCKINNEY EDUCATION FOR HOMELESS CHILDREN PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 41,491	\$ 50,505	\$ 42,173
Total revenues	<u>41,491</u>	<u>50,505</u>	<u>42,173</u>
Expenditures:			
Salaries	18,524	23,283	19,369
Employee benefits	5,607	6,081	3,197
Pension expense	-	-	2,475
Purchased services	11,188	16,061	14,830
Supplies and materials	<u>6,172</u>	<u>5,080</u>	<u>2,302</u>
Total expenditures	<u>41,491</u>	<u>50,505</u>	<u>42,173</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance (deficit), beginning of year			<u>(13,288)</u>
Fund balance (deficit), end of year			<u>\$ (13,288)</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
PARTNERSHIPS FOR SUCCESS PROJECT FY 2018
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 306,801	\$ 266,063	\$ 19,163
Total revenues	306,801	266,063	19,163
Expenditures:			
Salaries	102,170	97,123	-
Employee benefits	27,965	21,950	-
Purchased services	133,936	115,348	-
Supplies and materials	37,400	27,416	-
Other	400	400	-
Capital outlay	4,930	3,826	-
Total expenditures	306,801	266,063	-
Net change in fund balance	\$ -	\$ -	19,163
Fund balance (deficit), beginning of year			(19,163)
Fund balance, end of grant year			\$ -

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
PARTNERSHIPS FOR SUCCESS PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 126,150	\$ 126,150	\$ 126,150
Total revenues	<u>126,150</u>	<u>126,150</u>	<u>126,150</u>
Expenditures:			
Salaries	80,214	80,214	79,485
Employee benefits	17,886	17,886	6,077
Pension expense	-	-	10,747
Purchased services	23,793	23,793	25,445
Supplies and materials	4,057	4,057	4,196
Other	<u>200</u>	<u>200</u>	<u>200</u>
Total expenditures	<u>126,150</u>	<u>126,150</u>	<u>126,150</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of grant year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS PROJECT FY 2018
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 86,295	\$ 86,295	\$ 7,676
Total revenues	<u>86,295</u>	<u>86,295</u>	<u>7,676</u>
Expenditures:			
Salaries	72,743	72,743	-
Employee benefits	12,455	12,455	-
Purchased services	825	825	-
Supplies and materials	<u>272</u>	<u>272</u>	<u>-</u>
Total expenditures	<u>86,295</u>	<u>86,295</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	7,676
Fund balance (deficit), beginning of year			<u>(7,676)</u>
Fund balance, end of grant year			<u>\$ -</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 86,295	\$ 86,295	\$ 78,668
Total revenues	<u>86,295</u>	<u>86,295</u>	<u>78,668</u>
Expenditures:			
Salaries	78,911	78,911	78,968
Employee benefits	6,192	6,192	5,609
Pension expense	-	-	458
Purchased services	790	790	644
Supplies and materials	<u>402</u>	<u>402</u>	<u>616</u>
Total expenditures	<u>86,295</u>	<u>86,295</u>	<u>86,295</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(7,627)
Fund balance, beginning of grant year			<u>-</u>
Fund balance (deficit), end of year			<u>\$ (7,627)</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS COOPERATIVE EDUCATION PROGRAM PROJECT FY 2018
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 40,749	\$ 40,749	\$ 3,587
Total revenues	40,749	40,749	3,587
Expenditures:			
Salaries	29,848	30,448	-
Employee benefits	4,369	4,414	-
Purchased services	5,680	3,688	-
Supplies and materials	852	2,199	-
Total expenditures	40,749	40,749	-
Net change in fund balance	\$ -	\$ -	3,587
Fund balance (deficit), beginning of year			(3,587)
Fund balance, end of grant year			\$ -

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS COOPERATIVE EDUCATION PROGRAM PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 39,843	\$ 39,843	\$ 36,424
Total revenues	39,843	39,843	36,424
Expenditures:			
Salaries	31,200	31,200	31,202
Employee benefits	4,479	5,695	5,518
Pension expense	-	-	177
Purchased services	4,164	2,846	2,857
Supplies and materials	-	102	89
Total expenditures	39,843	39,843	39,843
Net change in fund balance	\$ -	\$ -	(3,419)
Fund balance, beginning of grant year			-
Fund balance (deficit), end of year			\$ (3,419)

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
ROE/ISC OPERATIONS PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 128,041	\$ 128,041	\$ 128,041
Total revenues	<u>128,041</u>	<u>128,041</u>	<u>128,041</u>
Expenditures:			
Salaries	98,996	98,996	99,552
Employee benefits	22,193	22,193	12,655
Pension expense	-	-	9,431
Purchased services	6,283	6,283	5,931
Supplies and materials	<u>569</u>	<u>569</u>	<u>464</u>
Total expenditures	<u>128,041</u>	<u>128,041</u>	<u>128,033</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	8
Fund balance (deficit), beginning of grant year			<u>(8)</u>
Fund balance, end of year			<u>\$ -</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TEEN REACH PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 116,640	\$ 126,640	\$ 126,640
Interest	-	-	13
Total revenues	116,640	126,640	126,653
Expenditures:			
Salaries	9,461	10,595	10,600
Employee benefits	904	1,318	811
Pension expense	-	-	332
Purchased services	4,541	4,229	3,102
Supplies and materials	120	491	511
Other	510	510	435
Intergovernmental:			
Payments to other governmental units	101,104	109,497	110,862
Total expenditures	116,640	126,640	126,653
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of grant year			1
Fund balance, end of year			\$ 1

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TITLE I - SCHOOL IMPROVEMENT & ACCOUNTABILITY SYSTEM OF SUPPORT
PROJECT FY 2018
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 590,000	\$ 590,000	\$ 117,939
Total revenues	<u>590,000</u>	<u>590,000</u>	<u>117,939</u>
Expenditures:			
Salaries	128,136	115,128	6,547
Employee benefits	27,643	25,926	433
Pension expense	-	-	539
Purchased services	89,244	103,969	45,959
Supplies and materials	3,727	3,727	446
Intergovernmental:			
Payments to other governmental units	<u>341,250</u>	<u>341,250</u>	<u>23,043</u>
Total expenditures	<u>590,000</u>	<u>590,000</u>	<u>76,967</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	40,972
Fund balance (deficit), beginning of year			<u>(40,972)</u>
Fund balance, end of year			<u>\$ -</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TITLE II - TEACHER QUALITY LEADERSHIP PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 1,977	\$ 1,977	\$ 1,977
Interest	-	-	-
Total revenues	<u>1,977</u>	<u>1,977</u>	<u>1,977</u>
Expenditures:			
Purchased services	<u>1,977</u>	<u>1,977</u>	<u>1,977</u>
Total expenditures	<u>1,977</u>	<u>1,977</u>	<u>1,977</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of grant year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION PROJECT FY 2018
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 191,670	\$ 191,670	\$ 14,872
Total revenues	191,670	191,670	14,872
Expenditures:			
Salaries	143,206	143,206	-
Employee benefits	37,852	37,852	-
Purchased services	9,501	9,501	-
Supplies and materials	1,111	1,111	-
Total expenditures	191,670	191,670	-
Net change in fund balance	\$ -	\$ -	14,872
Fund balance (deficit), beginning of year			(14,871)
Fund balance, end of grant year			\$ 1

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION PROJECT FY 2019
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 211,720	\$ 211,720	\$ 186,561
Total revenues	<u>211,720</u>	<u>211,720</u>	<u>186,561</u>
Expenditures:			
Salaries	160,088	158,738	161,018
Employee benefits	38,522	38,418	23,561
Pension expense	-	-	13,816
Purchased services	11,717	13,146	11,866
Supplies and materials	<u>1,393</u>	<u>1,418</u>	<u>1,460</u>
Total expenditures	<u>211,720</u>	<u>211,720</u>	<u>211,721</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(25,160)
Fund balance, beginning of grant year			<u>1</u>
Fund balance (deficit), end of year			<u>\$ (25,159)</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2019**

	Bus Driver Training	General Education Development	Institute	Tallman's Boys' Fund	Project Care Healthy Decision	Total
Assets:						
Cash and cash equivalents	\$ 35,282	\$ 30,089	\$ 209,177	\$ 39,117	\$ 3,517	\$ 317,182
Total assets	\$ 35,282	\$ 30,089	\$ 209,177	\$ 39,117	\$ 3,517	\$ 317,182
Liabilities:						
Current liabilities:						
Accounts payable	\$ -	\$ -	\$ 12	\$ -	\$ -	\$ 12
Unearned revenue	3,781	-	-	-	-	3,781
Total liabilities	3,781	-	12	-	-	3,793
Fund Balances:						
Restricted	31,501	30,089	209,165	39,117	3,517	313,389
Total fund balance	31,501	30,089	209,165	39,117	3,517	313,389
Total liabilities and fund balances	\$ 35,282	\$ 30,089	\$ 209,177	\$ 39,117	\$ 3,517	\$ 317,182

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2019**

	Bus Driver Training	General Education Development	Institute	Tallman's Boys' Fund	Project Care Healthy Decision	Total
Revenues:						
Local sources	\$ 6,246	\$ 1,900	\$ 34,595	\$ 13,035	\$ -	\$ 55,776
State sources	1,529	-	-	-	-	1,529
Interest	111	117	4,086	69	12	4,395
Total revenues	<u>7,886</u>	<u>2,017</u>	<u>38,681</u>	<u>13,104</u>	<u>12</u>	<u>61,700</u>
Expenditures:						
Salaries	4,129	10,960	48,819	25	-	63,933
Employee benefits	315	839	5,162	2	-	6,318
Pension expense	-	1,428	3,170	-	-	4,598
Purchased services	3,340	610	5,826	305	-	10,081
Supplies and materials	-	54	715	935	-	1,704
Other	-	-	3,992	-	-	3,992
Total expenditures	<u>7,784</u>	<u>13,891</u>	<u>67,684</u>	<u>1,267</u>	<u>-</u>	<u>90,626</u>
Excess (deficiency) of revenues (under) over expenditures	<u>102</u>	<u>(11,874)</u>	<u>(29,003)</u>	<u>11,837</u>	<u>12</u>	<u>(28,926)</u>
Other financing sources:						
Transfers in	-	-	-	27,280	-	27,280
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,280</u>	<u>-</u>	<u>27,280</u>
Net change in fund balances	102	(11,874)	(29,003)	39,117	12	(1,646)
Fund balance - beginning of year	31,399	41,963	238,168	-	3,505	315,035
Fund balance - end of year	<u>\$ 31,501</u>	<u>\$ 30,089</u>	<u>\$ 209,165</u>	<u>\$ 39,117</u>	<u>\$ 3,517</u>	<u>\$ 313,389</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS**

June 30, 2019

	Administrator's Academy Local	Criminal Background Investigation	Family Violence Coordinating Councils
Assets:			
Current assets:			
Cash and cash equivalents	\$ -	\$ 24,546	\$ 139
Due from other funds	-	-	-
Total assets	-	24,546	139
Deferred outflows of resources:			
Deferred outflows related to pensions	-	-	-
Total deferred outflows	-	-	-
Liabilities:			
Current liabilities:			
Accounts payable	-	270	4
Unearned revenue	-	100	-
Total current liabilities	-	370	4
Noncurrent liabilities:			
Net pension liability	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	-	370	4
Deferred inflows of resources:			
Deferred inflows related to pensions	-	-	-
Total deferred inflows	-	-	-
Net position:			
Unrestricted	-	24,176	135
Total net position	\$ -	\$ 24,176	\$ 135

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF NET POSITION (Continued)
NONMAJOR ENTERPRISE FUNDS
June 30, 2019**

	Life Education Local	Local Induction Mentoring Training Fees	ROE Workshops
Assets:			
Current assets:			
Cash and cash equivalents	\$ 162,461	\$ -	\$ 67,864
Due from other funds	-	-	-
Total assets	<u>162,461</u>	<u>-</u>	<u>67,864</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	636	-	-
Total deferred outflows	<u>636</u>	<u>-</u>	<u>-</u>
Liabilities:			
Current liabilities:			
Accounts payable	1	-	-
Unearned revenue	19,793	-	-
Total current liabilities	<u>19,794</u>	<u>-</u>	<u>-</u>
Noncurrent liabilities:			
Net pension liability	674	-	-
Total noncurrent liabilities	<u>674</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>20,468</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	357	-	-
Total deferred inflows	<u>357</u>	<u>-</u>	<u>-</u>
Net position:			
Unrestricted	<u>142,272</u>	<u>-</u>	<u>67,864</u>
Total net position	<u><u>\$ 142,272</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 67,864</u></u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF NET POSITION (Continued)
NONMAJOR ENTERPRISE FUNDS
June 30, 2019**

	Services Provided HUD	SSOS Foundational Services
Assets:		
Current assets:		
Cash and cash equivalents	\$ 7,628	\$ 9,459
Due from other funds	164	-
Total assets	7,792	9,459
Deferred outflows of resources:		
Deferred outflows related to pensions	-	-
Total deferred outflows	-	-
Liabilities:		
Current liabilities:		
Accounts payable	-	-
Unearned revenue	-	-
Total current liabilities	-	-
Noncurrent liabilities:		
Net pension liability	-	-
Total noncurrent liabilities	-	-
Total liabilities	-	-
Deferred inflows of resources:		
Deferred inflows related to pensions	-	-
Total deferred inflows	-	-
Net position:		
Unrestricted	7,792	9,459
Total net position	\$ 7,792	\$ 9,459

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF NET POSITION (Concluded)
NONMAJOR ENTERPRISE FUNDS
June 30, 2019**

	Title I Workshops	Total
Assets:		
Current assets:		
Cash and cash equivalents	\$ 10,489	\$ 282,586
Due from other funds	-	164
Total assets	10,489	282,750
Deferred outflows of resources:		
Deferred outflows related to pensions	-	636
Total deferred outflows	-	636
Liabilities:		
Current liabilities:		
Accounts payable	-	275
Unearned revenue	-	19,893
Total current liabilities	-	20,168
Noncurrent liabilities:		
Net pension liability	-	674
Total noncurrent liabilities	-	674
Total liabilities	-	20,842
Deferred inflows of resources:		
Deferred inflows related to pensions	-	357
Total deferred inflows	-	357
Net position:		
Unrestricted	10,489	262,187
Total net position	\$ 10,489	\$ 262,187

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2019**

	Administrator's Academy Local	Criminal Background Investigation	Family Violence Coordinating Councils
Operating revenues:			
Charges for services	\$ -	\$ 12,600	\$ 682
Total operating revenues	-	12,600	682
Operating expenses:			
Salaries	-	-	-
Employee benefits	-	-	-
Pension expense (benefit)	-	-	-
OPEB expense (benefit)	-	-	-
Purchased services	-	11,312	1,786
Supplies and materials	-	144	2
Other	-	-	-
Total operating expenses	-	11,456	1,788
Operating income (loss)	-	1,144	(1,106)
Nonoperating revenues:			
Interest	32	82	1
Total nonoperating revenues	32	82	1
Income (loss) before transfers	32	1,226	(1,105)
Transfers out	(10,827)	-	-
Change in net position	(10,795)	1,226	(1,105)
Net position - beginning of year	10,795	22,950	1,240
Net position - end of year	\$ -	\$ 24,176	\$ 135

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (Continued)
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2019**

	Life Education Local	Local Induction Mentoring Training Fees	ROE Workshops
Operating revenues:			
Charges for services	\$ 37,460	\$ -	\$ 20
Total operating revenues	<u>37,460</u>	<u>-</u>	<u>20</u>
Operating expenses:			
Salaries	4,329	-	-
Employee benefits	404	-	-
Pension expense (benefit)	330	-	(699)
OPEB expense (benefit)	-	-	-
Purchased services	21,557	-	36
Supplies and materials	5,306	-	-
Other	-	-	-
Total operating expenses	<u>31,926</u>	<u>-</u>	<u>(663)</u>
Operating income (loss)	<u>5,534</u>	<u>-</u>	<u>683</u>
Nonoperating revenues:			
Interest	521	172	225
Total nonoperating revenues	<u>521</u>	<u>172</u>	<u>225</u>
Income (loss) before transfers	6,055	172	908
Transfers out	-	(58,624)	-
Change in net position	6,055	(58,452)	908
Net position - beginning of year	<u>136,217</u>	<u>58,452</u>	<u>66,956</u>
Net position - end of year	<u>\$ 142,272</u>	<u>\$ -</u>	<u>\$ 67,864</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (Continued)
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2019**

	Services Provided HUD	SSOS Foundational Services
Operating revenues:		
Charges for services	\$ 3,029	\$ -
Total operating revenues	3,029	-
Operating expenses:		
Salaries	-	-
Employee benefits	-	-
Pension expense (benefit)	-	(568)
OPEB expense (benefit)	-	-
Purchased services	597	-
Supplies and materials	109	-
Other	-	-
Total operating expenses	706	(568)
Operating income (loss)	2,323	568
Nonoperating revenues:		
Interest	22	32
Total nonoperating revenues	22	32
Income (loss) before transfers	2,345	600
Transfers out	-	-
Change in net position	2,345	600
Net position - beginning of year	5,447	8,859
Net position - end of year	\$ 7,792	\$ 9,459

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (Concluded)
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2019**

	Title I Workshops	Total
Operating revenues:		
Charges for services	\$ -	\$ 53,791
Total operating revenues	-	53,791
Operating expenses:		
Salaries	-	4,329
Employee benefits	-	404
Pension expense (benefit)	-	(937)
OPEB expense (benefit)	-	-
Purchased services	-	35,288
Supplies and materials	-	5,561
Other	-	-
Total operating expenses	-	44,645
Operating income (loss)	-	9,146
Nonoperating revenues:		
Interest	34	1,121
Total nonoperating revenues	34	1,121
Income (loss) before transfers	34	10,267
Transfers out	-	(69,451)
Change in net position	34	(59,184)
Net position - beginning of year	10,455	321,371
Net position - end of year	\$ 10,489	\$ 262,187

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2019**

	Administrator's Academy Local	Criminal Background Investigation	Family Violence Coordinating Councils
	<u> </u>	<u> </u>	<u> </u>
Cash flows from operating activities:			
Receipts from customers	\$ 1,600	\$ 12,600	\$ 861
Payments to suppliers and providers of goods and services	-	(11,186)	(1,784)
Payments to employees	-	-	-
Net cash provided by (used for) operating activities	<u>1,600</u>	<u>1,414</u>	<u>(923)</u>
Cash flows from noncapital financing activities:			
Transfers from (to) other funds	(10,827)	-	-
Net cash used for noncapital financing activities	<u>(10,827)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest	32	82	1
Net cash provided by investing activities	<u>32</u>	<u>82</u>	<u>1</u>
Net increase (decrease) in cash	(9,195)	1,496	(922)
Cash and cash equivalents - beginning of year	<u>9,195</u>	<u>23,050</u>	<u>1,061</u>
Cash and cash equivalents - end of year	<u>\$ -</u>	<u>\$ 24,546</u>	<u>\$ 139</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ -	\$ 1,144	\$ (1,106)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Pension expense (benefit) reconciliation	-	-	-
Change in assets and liabilities:			
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in due from other governments	1,600	-	179
(Increase) decrease in accounts receivable	-	-	-
Increase (decrease) in accounts payable	-	270	4
Increase (decrease) in unearned revenue	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 1,600</u>	<u>\$ 1,414</u>	<u>\$ (923)</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2019**

	<u>Life Education Local</u>	<u>Local Induction Mentoring Training Fees</u>	<u>ROE Workshops</u>
Cash flows from operating activities:			
Receipts from customers	\$ 32,953	\$ 600	\$ 1,790
Payments to suppliers and providers of goods and services	(29,017)	-	(2,000)
Payments to employees	(4,866)	-	-
Net cash provided by (used for) operating activities	<u>(930)</u>	<u>600</u>	<u>(210)</u>
Cash flows from noncapital financing activities:			
Transfers from (to) other funds	-	(58,624)	-
Net cash used for noncapital financing activities	<u>-</u>	<u>(58,624)</u>	<u>-</u>
Cash flows from investing activities:			
Interest	521	172	225
Net cash provided by investing activities	<u>521</u>	<u>172</u>	<u>225</u>
Net increase (decrease) in cash	(409)	(57,852)	15
Cash and cash equivalents - beginning of year	<u>162,870</u>	<u>57,852</u>	<u>67,849</u>
Cash and cash equivalents - end of year	<u><u>\$ 162,461</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 67,864</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 5,534	\$ -	\$ 683
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Pension expense (benefit) reconciliation	197	-	(699)
Change in assets and liabilities:			
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in due from other governments	-	600	1,720
(Increase) decrease in accounts receivable	-	-	50
Increase (decrease) in accounts payable	(2,154)	-	(1,964)
Increase (decrease) in unearned revenue	(4,507)	-	-
Net cash provided by (used for) operating activities	<u><u>\$ (930)</u></u>	<u><u>\$ 600</u></u>	<u><u>\$ (210)</u></u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2019**

	Services Provided HUD	SSOS Foundational Services
	<u> </u>	<u> </u>
Cash flows from operating activities:		
Receipts from customers	\$ 2,865	\$ 2,579
Payments to suppliers and providers of goods and services	(706)	-
Payments to employees	-	-
Net cash provided by (used for) operating activities	<u>2,159</u>	<u>2,579</u>
Cash flows from noncapital financing activities:		
Transfers from (to) other funds	-	-
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>
Cash flows from investing activities:		
Interest	22	32
Net cash provided by investing activities	<u>22</u>	<u>32</u>
Net increase (decrease) in cash	2,181	2,611
Cash and cash equivalents - beginning of year	<u>5,447</u>	<u>6,848</u>
Cash and cash equivalents - end of year	<u>\$ 7,628</u>	<u>\$ 9,459</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 2,323	\$ 568
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Pension expense (benefit) reconciliation	-	(568)
Change in assets and liabilities:		
(Increase) decrease in due from other funds	(164)	-
(Increase) decrease in due from other governments	-	2,579
(Increase) decrease in accounts receivable	-	-
Increase (decrease) in accounts payable	-	-
Increase (decrease) in unearned revenue	-	-
Net cash provided by (used for) operating activities	<u>\$ 2,159</u>	<u>\$ 2,579</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF CASH FLOWS (Concluded)
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2019**

	Title I Workshops	Total
	<u> </u>	<u> </u>
Cash flows from operating activities:		
Receipts from customers	\$ -	\$ 55,848
Payments to suppliers and providers of goods and services	-	(44,693)
Payments to employees	-	(4,866)
Net cash provided by (used for) operating activities	<u>-</u>	<u>6,289</u>
Cash flows from noncapital financing activities:		
Transfers from (to) other funds	-	(69,451)
Net cash used for noncapital financing activities	<u>-</u>	<u>(69,451)</u>
Cash flows from investing activities:		
Interest	34	1,121
Net cash provided by investing activities	<u>34</u>	<u>1,121</u>
Net increase (decrease) in cash	34	(62,041)
Cash and cash equivalents - beginning of year	<u>10,455</u>	<u>344,627</u>
Cash and cash equivalents - end of year	<u>\$ 10,489</u>	<u>\$ 282,586</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ -	\$ 9,146
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Pension expense (benefit) reconciliation	-	(1,070)
Change in assets and liabilities:		
(Increase) decrease in due from other funds	-	(164)
(Increase) decrease in due from other governments	-	6,678
(Increase) decrease in accounts receivable	-	50
Increase (decrease) in accounts payable	-	(3,844)
Increase (decrease) in unearned revenue	<u>-</u>	<u>(4,507)</u>
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ 6,289</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2019**

	<u>Copier Fees</u>	<u>Services Provided</u>	<u>West Wing Operations</u>	<u>Shared Expense A</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 18,185	\$ 75	\$ -	\$ -
Total current assets	<u>18,185</u>	<u>75</u>	<u>-</u>	<u>-</u>
Noncurrent assets:				
Capital assets, net of depreciation	<u>19,033</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>37,218</u>	<u>75</u>	<u>-</u>	<u>-</u>
Deferred outflows of resources:				
Deferred outflows related to pensions	<u>-</u>	<u>-</u>	<u>9,378</u>	<u>11,248</u>
Liabilities:				
Current liabilities:				
Accounts payable	873	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>375</u>	<u>-</u>
Total current liabilities	<u>873</u>	<u>-</u>	<u>375</u>	<u>-</u>
Noncurrent liabilities:				
Net pension liability	<u>-</u>	<u>-</u>	<u>10,675</u>	<u>10,842</u>
Total liabilities	<u>873</u>	<u>-</u>	<u>11,050</u>	<u>10,842</u>
Deferred inflows of resources:				
Deferred inflows related to pensions	<u>-</u>	<u>-</u>	<u>5,657</u>	<u>5,745</u>
Net position:				
Net investment in capital assets	19,033	-	-	-
Unrestricted	<u>17,312</u>	<u>75</u>	<u>(7,329)</u>	<u>(5,339)</u>
Total net position	<u>\$ 36,345</u>	<u>\$ 75</u>	<u>\$ (7,329)</u>	<u>\$ (5,339)</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF NET POSITION (Concluded)
INTERNAL SERVICE FUNDS
June 30, 2019**

	Shared Expense B	Shared Expense C	Shared Expense D	Total
Assets:				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 18,260
Total current assets	-	-	-	18,260
Noncurrent assets:				
Capital assets, net of depreciation	-	-	-	19,033
Total assets	-	-	-	37,293
Deferred outflows of resources:				
Deferred outflows related to pensions	-	12,767	-	33,393
Liabilities:				
Current liabilities:				
Accounts payable	-	-	-	873
Due to other funds	-	-	-	375
Total current liabilities	-	-	-	1,248
Noncurrent liabilities:				
Net pension liability	-	12,311	-	33,828
Total liabilities	-	12,311	-	35,076
Deferred inflows of resources:				
Deferred inflows related to pensions	-	6,523	-	17,925
Net position:				
Net investment in capital assets	-	-	-	19,033
Unrestricted	-	(6,067)	-	(1,348)
Total net position	\$ -	\$ (6,067)	\$ -	\$ 17,685

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2019**

	<u>Copier Fees</u>	<u>Services Provided</u>	<u>West Wing Operations</u>	<u>Shared Expense A</u>
Operating revenues:				
Charges for services	\$ 17,078	\$ 9,412	\$ 38,425	\$ 50,847
Total revenues	<u>17,078</u>	<u>9,412</u>	<u>38,425</u>	<u>50,847</u>
Operating expenses:				
Salaries	-	4,528	13,113	19,157
Employee benefits	-	493	1,003	1,466
Pension expense	-	(17,065)	(1,114)	7,480
Purchased services	7,065	3,700	6,708	7,611
Supplies and materials	411	495	15,493	20,472
Depreciation expense	8,541	-	-	-
Total operating expenses	<u>16,017</u>	<u>(7,849)</u>	<u>35,203</u>	<u>56,186</u>
Operating income (loss)	<u>1,061</u>	<u>17,261</u>	<u>3,222</u>	<u>(5,339)</u>
Nonoperating revenues:				
Interest	48	-	-	-
Change in net position	1,109	17,261	3,222	(5,339)
Net position - beginning of year	<u>35,236</u>	<u>(17,186)</u>	<u>(10,551)</u>	<u>-</u>
Net position - end of year	<u>\$ 36,345</u>	<u>\$ 75</u>	<u>\$ (7,329)</u>	<u>\$ (5,339)</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (Concluded)
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2019**

	Shared Expense B	Shared Expense C	Shared Expense D	Total
Operating revenues:				
Charges for services	\$ 8,229	\$ 32,949	\$ 11,553	\$ 168,493
Total revenues	8,229	32,949	11,553	168,493
Operating expenses:				
Salaries	-	23,369	-	60,167
Employee benefits	-	2,761	-	5,723
Pension expense	-	8,498	-	(2,201)
Purchased services	5,910	4,078	10,034	45,106
Supplies and materials	2,319	310	1,519	41,019
Depreciation expense	-	-	-	8,541
Total operating expenses	8,229	39,016	11,553	158,355
Operating income (loss)	-	(6,067)	-	10,138
Nonoperating revenues:				
Interest	-	-	-	48
Change in net position	-	(6,067)	-	10,186
Net position - beginning of year	-	-	-	7,499
Net position - end of year	\$ -	\$ (6,067)	\$ -	\$ 17,685

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

COMBINING STATEMENT OF CASH FLOWS

**INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2019**

	Copier Fees	Services Provided	West Wing Operations	Shared Expense A
Cash flows from operating activities:				
Receipts from internal services provided	\$ 17,078	\$ 9,412	\$ 38,751	\$ 50,847
Payments to suppliers and providers of goods and services	(6,603)	(4,195)	(22,557)	(28,083)
Payments to employees	-	(5,235)	(16,224)	(22,764)
Net cash provided by (used for) operating activities	10,475	(18)	(30)	-
Cash flows from investing activities:				
Interest	48	-	-	-
Net cash provided by investing activities	48	-	-	-
Net increase (decrease) in cash	10,523	(18)	(30)	-
Cash and cash equivalents - beginning of year	7,662	93	30	-
Cash and cash equivalents - end of year	\$ 18,185	\$ 75	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 1,061	\$ 17,261	\$ 3,222	\$ (5,339)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	8,541	-	-	-
Pension expense (benefit) reconciliation	-	(17,279)	(3,222)	5,339
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	-	-	326	-
Increase (decrease) in accounts payable	873	-	(731)	-
Increase (decrease) in due to other funds	-	-	375	-
Net cash provided by (used for) operating activities	\$ 10,475	\$ (18)	\$ (30)	\$ -

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

COMBINING STATEMENT OF CASH FLOWS (Concluded)

**INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2019**

	Shared Expense B	Shared Expense C	Shared Expense D	Total
Cash flows from operating activities:				
Receipts from internal services provided	\$ 8,229	\$ 32,949	\$ 11,553	\$ 168,819
Payments to suppliers and providers of goods and services	(8,229)	(4,388)	(11,553)	(85,608)
Payments to employees	-	(28,561)	-	(72,784)
Net cash provided by (used for) operating activities	-	-	-	10,427
Cash flows from investing activities:				
Interest	-	-	-	48
Net cash provided by investing activities	-	-	-	48
Net increase (decrease) in cash	-	-	-	10,475
Cash and cash equivalents - beginning of year	-	-	-	7,785
Cash and cash equivalents - end of year	\$ -	\$ -	\$ -	\$ 18,260
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ -	\$ (6,067)	\$ -	\$ 10,138
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	-	-	-	8,541
Pension expense (benefit) reconciliation	-	6,067	-	(9,095)
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	-	-	-	326
Increase (decrease) in accounts payable	-	-	-	142
Increase (decrease) in due to other funds	-	-	-	375
Net cash provided by (used for) operating activities	\$ -	\$ -	\$ -	\$ 10,427

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL AGENCY FUNDS
June 30, 2019**

	<u>Distributive</u>	<u>Petitions and Detachment</u>	<u>Impact Fees</u>	<u>Tenant Rental</u>	<u>Reorganization Feasibility Study</u>	<u>Totals</u>
Assets						
Cash and cash equivalents	\$ 859	\$ -	\$ -	\$ 1	\$ -	\$ 860
Due from other governments	<u>144,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,161</u>
Total assets	<u>\$ 145,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 145,021</u>
Liabilities						
Due to other governments	\$ 145,020	\$ -	\$ -	\$ 1	\$ -	\$ 145,021
Due to others	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 145,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 145,021</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2019**

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Distributive Fund</u>				
Assets				
Cash and cash equivalents	\$ 472	\$ 3,173,275	\$ 3,172,888	\$ 859
Due from other governments	240,858	144,161	240,858	144,161
Total assets	<u>\$ 241,330</u>	<u>\$ 3,317,436</u>	<u>\$ 3,413,746</u>	<u>\$ 145,020</u>
Liabilities				
Due to other governments	<u>\$ 241,330</u>	<u>\$ 3,317,436</u>	<u>\$ 3,413,746</u>	<u>\$ 145,020</u>
<u>Petitions and Detachment Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 1,001	\$ 1,001	\$ -
Liabilities				
Due to other governments	<u>\$ -</u>	<u>\$ 1,001</u>	<u>\$ 1,001</u>	<u>\$ -</u>
<u>Impact Fees</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 65,974	\$ 65,974	\$ -
Liabilities				
Due to other governments	<u>\$ -</u>	<u>\$ 65,974</u>	<u>\$ 65,974</u>	<u>\$ -</u>
<u>Tenant Rentals</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 48,001	\$ 48,000	\$ 1
Liabilities				
Due to other governments	<u>\$ -</u>	<u>\$ 48,001</u>	<u>\$ 48,000</u>	<u>\$ 1</u>
<u>Reorganization Feasibility Study</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 6,500	\$ 6,500	\$ -
Liabilities				
Due to other governments	<u>\$ -</u>	<u>\$ 6,500</u>	<u>\$ 6,500</u>	<u>\$ -</u>
<u>Total</u>				
Assets				
Cash and cash equivalents	\$ 472	\$ 3,294,751	\$ 3,294,363	\$ 860
Due from other governments	240,858	144,161	240,858	144,161
Total assets	<u>\$ 241,330</u>	<u>\$ 3,438,912</u>	<u>\$ 3,535,221</u>	<u>\$ 145,021</u>
Liabilities				
Due to other governments	<u>\$ 241,330</u>	<u>\$ 3,438,912</u>	<u>\$ 3,535,221</u>	<u>\$ 145,021</u>
Total liabilities	<u>\$ 241,330</u>	<u>\$ 3,438,912</u>	<u>\$ 3,535,221</u>	<u>\$ 145,021</u>

**IROQUOIS AND KANKAKEE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 32**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2019**

	I-KAN ROE No. 32	Iroquois Area Del #370	Kankakee Regional System #120	Kankakee Area Career Center	Total
State Funds					
Evidence Based Funding	\$ 844,751	\$ -	\$ -	\$ -	\$ 844,751
Reorganization Incentive Feasibility Study	6,500	-	-	-	6,500
Career and Technical Ed Improvement	-	144,718	921,586	-	1,066,304
State Free Lunch & Breakfast	609	-	-	-	609
Transportation - Regular and Vocational	-	-	-	31,032	31,032
ROE School Bus Driver Training	1,529	-	-	-	1,529
Truants Alternative/Optional Ed.	218,967	-	-	-	218,967
Regional Safe Schools	94,014	-	-	-	94,014
ROE/ISC Operations	128,041	-	-	-	128,041
Regional Safe Schools Cooperative Ed. Program	44,428	-	-	-	44,428
Total State Funds	1,338,839	144,718	921,586	31,032	2,436,175
Federal Funds					
National School Lunch Program	19,294	-	-	-	19,294
School Breakfast Program	11,391	-	-	-	11,391
Title I - School Improvement and Accountability	247,740	-	-	-	247,740
CTE - Perkins - Secondary	-	38,735	247,876	-	286,611
Title II - Teacher Quality - Leadership Grant	1,035	-	-	-	1,035
Mathematics and Science Partnerships STEM	170,642	-	-	-	170,642
Total Federal Funds	450,102	38,735	247,876	-	736,713
Total Disbursements	\$ 1,788,941	\$ 183,453	\$ 1,169,462	\$ 31,032	\$ 3,172,888