

**STATE OF ILLINOIS
LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35**

FINANCIAL AUDIT

FOR THE YEAR ENDED JUNE 30, 2020

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

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35**

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**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35**

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**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35**

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**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
OFFICIALS**

Regional Superintendent
(current and during the audit period)

Mr. Christopher B. Dvorak

Assistant Regional Superintendent
(current and during the audit period)

Mr. Matthew Winchester

Office is located at:

119 West Madison Street, Room 102
Ottawa, Illinois 61350

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
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	1	0
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	0	1

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

SUMMARY OF FINDINGS AND RESPONSES

Item No.	Page	Description	Finding Type
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)			
2020-001	11	Failure to Fully Insure and Collateralize Cash Balances	Significant Deficiency
PRIOR AUDIT FINDINGS NOT REPEATED (<i>GOVERNMENT AUDITING STANDARDS</i>)			
	14	None	N/A

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
FINANCIAL REPORT SUMMARY - CONTINUED**

EXIT CONFERENCE

The LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35 waived holding an exit conference to discuss the results of the financial audit for the year ended June 30, 2020 in a communication dated January 28, 2021.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35 was performed by MCK CPAs & Advisors.

Based on their audit, the auditors expressed unmodified opinions on the LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35's basic financial statements.



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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 LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35'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 LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates 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 supplementary information as listed in the table of contents is 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 January 28, 2021 on our consideration of the LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35'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 LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35'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 LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Bloomington, Illinois
January 28, 2021



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35's basic financial statements, and have issued our report thereon dated January 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35's internal control. Accordingly, we do not express an opinion on the effectiveness of LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2020-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Regional Office of Education No. 35's Response to Finding

LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35'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 LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Bloomington, Illinois
January 28, 2021

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2020**

Section I: Summary of Auditors' Results

Financial Statements in accordance with GAAP

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes ✓ No
- Significant deficiency(ies) identified? ✓ Yes None reported

Noncompliance material to financial statements noted? Yes ✓ No

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2020**

Section II: Financial Statement Findings

Finding No. 2020-001

Failure to Fully Insure and Collateralize Cash Balances

Criteria/Specific Requirement:

The Public Funds Deposit Act (30 ILCS 225/1) gives the LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35 (ROE) the authorization to request financial institutions to pledge collateral for deposits in excess of the federally insured limit. In addition, prudent business practice requires that all cash and investments held by financial institutions for the ROE be adequately covered by depository insurance or collateral.

Condition:

As of June 30, 2020, the ROE had four cash and investment accounts with bank balances totaling \$1,351,444 at one financial institution. The Federal Deposit Insurance Corporation (FDIC) covers up to a maximum of \$250,000. The ROE had pledged securities for an additional \$1,024,126. The ROE did not have depository insurance or collateral for the remaining \$77,318.

Effect:

Failure to fully insure and collateralize the full amount of cash and investment balances may result in monetary losses to the ROE in the event of a bank failure.

Cause:

Regional Office officials indicated the financial institution determines the amount of pledged securities that will be needed at month end for each entity during the third week of that month. In addition, the ROE failed to monitor the sufficiency of the pledged securities.

Auditor's Recommendation:

The LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35 should monitor the bank balances on all accounts and work with the financial institution to either provide adequate collateral or move to an insured cash sweep account to ensure adequate coverage.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2020**

Section II: Financial Statement Findings - Continued

Finding No. 2020-001

Failure to Fully Insure and Collateralize Cash Balances - Continued

Management's Response:

The LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35 plans to keep in contact with the financial institution regarding the amount of collateralization and pledged securities. In addition to the collateralization system and procedures set in place in 2018, the Regional Office of Education No. 35 has implemented a sweep account. The bank will perform a daily analysis and sweep balances over \$250,000 into the sweep account. This will ensure that collateralization will always be at the appropriate levels.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

Corrective Action Plan

Finding No. 2020-001

Condition: As of June 30, 2020, the ROE had four cash and investment accounts with bank balances totaling \$1,351,444 at one financial institution. The Federal Deposit Insurance Corporation (FDIC) covers up to a maximum of \$250,000. The ROE had pledged securities for an additional \$1,024,126. The ROE did not have depository insurance or collateral for the remaining \$77,318.

Plan: The LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35 plans to keep in contact with the financial institution regarding the amount of collateralization and pledged securities. In addition to the collateralization system and procedures set in place in 2018, the Regional Office of Education No. 35 has implemented a sweep account. The bank will perform a daily analysis and sweep balances over \$250,000 into the sweep account. This will ensure that collateralization will always be at the appropriate levels.

Completion Date: As soon as possible.

Contact Person: Christopher B. Dvorak, Regional Superintendent

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
FOR THE YEAR ENDED JUNE 30, 2020**

There were no audit findings reported in the prior year.

MANAGEMENT'S DISCUSSION & ANALYSIS

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

The LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35 (ROE) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2020 with comparative information for the year ended June 30, 2019. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements that follow.

2020 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased slightly from the previous year, increasing by \$11,233 (2%) from \$629,455 in FY 2019 to \$640,688 in FY 2020. This was primarily as a result of an increase in General State Aid received. The General Fund's expenditures increased by \$33,198 (7%) from \$474,217 in FY 2019 to \$507,415 in FY 2020. The expenditure increase is due to the increase in teaching staff, reflected in the increase in salaries expense paid for RSSP Student.
- Within the Governmental Funds, the Special Revenue Funds' revenues increased by \$13,204 (1%) from \$1,162,432 in FY 2019 to \$1,175,636 in FY 2020. Grant funding remained stable from FY 2019 to FY 2020. The Special Revenue Funds' expenditures decreased by \$36,540 (3%) from \$1,193,844 in FY 2019 to \$1,157,304 in FY 2020.
- The Enterprise Funds' revenues increased by \$2,037 (1%) from \$178,051 in FY 2019 to \$180,088 in FY 2020. The Enterprise Funds' expenditures increased by \$15,902 (15%) from \$109,015 in FY 2019 to \$124,917 in FY 2020. The increase relates to the GASB 68 IMRF adjusting entries in the Purchasing Coop fund.

Using This Report

This report consists of a series of financial statements and other information, as follows:

- *Management's Discussion and Analysis* introduces financial statements and provides an analytical overview of the ROE's financial activities.
- The *Government-wide financial statements* consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the ROE as a whole and present an overall view of the ROE's finances.
- *Fund financial statements* report the ROE's operations in more detail than the government-wide statements by providing information about the most significant funds.
- *Notes to the financial statements* provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- *Required supplementary information and supplementary information* further explains and supports the financial statements and provides detailed information about the non-major funds.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Reporting the Regional Office of Education No. 35 as a Whole

The Statement of Net Position and the Statement of Activities

Government-wide Financial Statements

The Government-wide financial statements report information about the ROE as a whole. The Statement of Net Position includes all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *Net Position*. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid using Generally Accepted Accounting Principles.

The Government-wide financial statements report the ROE's net position and how it has changed. Net Position - the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources – is one way to measure the ROE's financial condition.

- Over time, increases or decreases in the net position can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the ROE's overall financial condition, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

Fund Financial Statements

The fund financial statements provide detailed information about the ROE's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The ROE established other funds to control and manage money for particular purposes.

The ROE has three kinds of funds:

- (1) **Governmental funds** account for those funds through which most governmental functions of the ROE are financed. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at the year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the ROE's programs. The ROE's Governmental Funds include: the General Fund and the Special Revenue Funds. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

- (2) **Proprietary funds** account for resources from fees charged directly to those entities or individuals that use its services. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements but with more detail for major and non-major enterprise funds. The proprietary funds required financial statements include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.
- (3) **Fiduciary funds** are used to account for assets held by the ROE in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Position.

Government-Wide Financial Analysis

As noted earlier, net position, when examined over time, may serve as an indicator of the financial health of the ROE. The net position at the end of FY 2019 and 2020 totaled \$607,116 and \$707,965 respectively. The increase in the net position is related to the GASB 68 and 75 pronouncements. The liabilities related to these pronouncements decreased in FY 2020. The analysis that follows provides a summary of the ROE's net position as of June 30, 2020 and 2019.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

CONDENSED STATEMENT OF NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
ASSETS						
Current assets	\$ 1,552,189	\$ 1,409,197	\$ 369,844	\$ 298,375	\$ 1,922,033	\$ 1,707,572
Capital assets, net	--	--	5,377	8,336	5,377	8,336
Net pension asset	--	--	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	1,552,189	1,409,197	375,221	306,711	1,927,410	1,715,908
DEFERRED OUTFLOWS OF RESOURCES	447,580	891,676	6,258	43,535	453,838	935,211
Current liabilities	39,372	34,450	7,065	7,639	46,437	42,089
Net pension liability	80,014	111,369	1,371	16,648	81,385	128,017
OPEB liabilities	429,216	513,374	--	--	429,216	513,374
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	548,602	659,193	8,436	24,287	557,038	683,480
DEFERRED INFLOWS OF RESOURCES	1,112,881	1,348,433	3,364	12,090	1,116,245	1,360,523
NET POSITION						
Net investment in capital assets	--	--	5,377	8,336	5,377	8,336
Restricted - other	239,151	234,354	--	--	239,151	234,354
Unrestricted	99,135	58,893	364,302	305,533	463,437	364,426
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 338,286</u>	<u>\$ 293,247</u>	<u>\$ 369,679</u>	<u>\$ 313,869</u>	<u>\$ 707,965</u>	<u>\$ 607,116</u>

The ROE's net position increased by \$100,849 during FY 2020. An increase of \$45,039 occurred in the Governmental Activities and an increase of \$55,810 occurred in the Business-Type Activities. The increase in Governmental Activities is mostly due to GASB 68 and 75 and decreases in liabilities associated with those pronouncements. The increase in Business-Type Activities is primarily attributed to this as well.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

CHANGES IN NET POSITION

The following analysis shows the changes in Net Position for the years ended June 30, 2020 and 2019.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 320,154	\$ 344,689	\$ 180,088	\$ 178,051	\$ 500,242	\$ 522,740
Operating grants and contributions	908,748	881,521	--	--	908,748	881,521
General revenues:						
Fees for services	4,800	4,800	--	--	4,800	4,800
Interest income	8,201	7,136	639	481	8,840	7,617
On-behalf payments	1,138,158	669,453	--	--	1,138,158	669,453
Total revenues	<u>2,380,061</u>	<u>1,907,599</u>	<u>180,727</u>	<u>178,532</u>	<u>2,560,788</u>	<u>2,086,131</u>
Expenses:						
Salaries	779,805	744,640	35,025	31,800	814,830	776,440
Benefits	80,638	62,350	2,706	2,517	83,344	64,867
Pension expense	90,141	18,047	15,249	(338)	105,390	17,709
OPEB expense	21,757	35,395	--	--	21,757	35,395
Purchased services	141,330	193,338	43,583	62,445	184,913	255,783
Supplies and materials	38,985	38,488	4,607	8,056	43,592	46,544
Capital outlay	1,627	11,065	18,858	--	20,485	11,065
Miscellaneous	2,620	2,580	1,930	1,577	4,550	4,157
Depreciation	--	--	2,959	2,958	2,959	2,958
On-behalf payments	1,138,158	669,453	--	--	1,138,158	669,453
Intergovernmental:						
Payments to other governmental units	39,961	35,518	--	--	39,961	35,518
Total expenses	<u>2,335,022</u>	<u>1,810,874</u>	<u>124,917</u>	<u>109,015</u>	<u>2,459,939</u>	<u>1,919,889</u>
Income before transfers	45,039	96,725	55,810	69,517	100,849	166,242
Transfers	--	--	--	--	--	--
Change in Net Position	45,039	96,725	55,810	69,517	100,849	166,242
Net Position, beginning	<u>293,247</u>	<u>196,522</u>	<u>313,869</u>	<u>244,352</u>	<u>607,116</u>	<u>440,874</u>
Net Position, ending	<u>\$ 338,286</u>	<u>\$ 293,247</u>	<u>\$ 369,679</u>	<u>\$ 313,869</u>	<u>\$ 707,965</u>	<u>\$ 607,116</u>

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Governmental Activities

Revenues for governmental activities were \$2,380,061 and expenses were \$2,335,022. Total governmental activities revenues increased by \$472,462. This was mostly a result of On-Behalf payments for FY 2020. Expenses for governmental activities increased by \$524,148. This was also a result of On-Behalf payments.

Business-Type Activities

Revenues for business-type activities were \$180,727 and expenditures were \$124,917. Total Business-Type Activities Revenue increased by \$2,195. Expenses increased by \$15,902. The expenses increased significantly, mostly due to the Capital Outlay purchase of Chromebooks to use for remote learning.

Financial Analysis of the ROE Funds

As previously noted, the ROE uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The ROE's Governmental Funds reported combined fund balances of \$1,512,817.

Governmental Fund Highlights

- The FY 2020 grant revenues remained fairly consistent from the prior year. There were no grant revenues considered unavailable for FY 2020.
- LaSalle County support for the Regional Office of Education No. 35 increased by approximately 7%. Marshall and Putnam Counties were absorbed into Regional Office of Education No. 35 on July 1, 2015. These counties are invoiced monthly for a share of the cost of various service and personnel, such as Professional Development, truancy officers, and technology coordinators. Putnam County paid a total of \$14,075 in FY 2020. Marshall County paid a total of \$19,246 in FY 2020.

Proprietary Fund Highlights

Total proprietary fund net position increased by \$55,810 (18%). The net increase in the proprietary funds is attributed to the increased revenue in the LaSalle County Area Purchasing Coop and Criminal Background, as well as decreased expenses in many areas due to COVID-19 and remote learning.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Fiduciary Fund Highlights

There was a decrease of \$4,100,874 (65%) in distributive fiduciary funds additions for FY 2020. The significant decrease is due to LaSalle/Putnam Education Alliance for Special Education (LEASE) funding cuts. In FY 2020, there were 3 remaining units that receive their payments through the ROE. Transactions during FY 2020 represent mainly transfers in and out of funds for the Distributive Fund.

Budgetary Highlights

The ROE annually prepares budgets for several funds which serve as a guideline for activities and expenditures. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the LaSalle County Board for their approval. The Office Operations Budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the ROE and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Additionally, all ROE funds are reported to the Advisory Board.

Capital Assets

The ROE's capital assets include office equipment, computers, audio-visual equipment, and office furniture. The ROE maintains an inventory of capital assets which have been accumulated over time. For FY 2020, there were no capital purchases meeting the capitalization threshold.

The total Depreciation expense for FY 2020 was \$2,959. Accumulated Depreciation through FY 2020 amounted to \$10,843.

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, the Regional Office was aware of several existing circumstances that could affect its financial health in the future:

- The interest rate on investments remains low and will impact interest earned.
- Most grants remained level for FY 2020, and are predicted to remain level for FY 2021. Marshall and Putnam Counties have been paying a monthly invoice, amounting to a total of approximately \$33,000 annually, to the Regional Office for ROE services. These additional funds are used to help pay the costs of ROE ISC operations, such as purchased services and salaries.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

- General State Aid is calculated through an Evidence-Based Funding Model with intent to fund the ROE Safe School program at an adequate amount. A hold harmless calculation for the past two years of Evidence Based Funding calculation funded the program at \$310,965. The third year, FY 2020, saw an increase of \$35,964. With this additional funding, our Safe School is determined by ISBE to be at 55% adequacy funding. For FY 2021, Evidence Based Funding will remain the same as FY 2020.
- County Board support for Regional Office of Education No. 35 will be increased by approximately 7% for FY 2021. Funding by Putnam and Marshall Counties will remain level.

Contacting the ROE's Financial Management

This financial report is designed to provide the ROE's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Regional Office of Education No. 35 at 119 W. Madison St., Room No. 102, Ottawa, IL 61350.

BASIC FINANCIAL STATEMENTS

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
STATEMENT OF NET POSITION
JUNE 30, 2020**

EXHIBIT A

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,108,534	\$ 343,596	\$ 1,452,130
Investments	378,776	26,188	404,964
Accounts receivable	4,790	35	4,825
Prepaid expenses	15,926	-	15,926
Due from other governmental units	44,163	25	44,188
Total current assets	<u>1,552,189</u>	<u>369,844</u>	<u>1,922,033</u>
Noncurrent assets			
Capital assets, net	-	5,377	5,377
Total noncurrent assets	<u>-</u>	<u>5,377</u>	<u>5,377</u>
TOTAL ASSETS	<u>1,552,189</u>	<u>375,221</u>	<u>1,927,410</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	402,615	6,258	408,873
Deferred outflows related to OPEB	44,965	-	44,965
Total deferred outflows of resources	<u>447,580</u>	<u>6,258</u>	<u>453,838</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	39,372	-	39,372
Unearned revenues	-	7,065	7,065
Total current liabilities	<u>39,372</u>	<u>7,065</u>	<u>46,437</u>
Noncurrent liabilities			
Net pension liability	80,014	1,371	81,385
OPEB liabilities	429,216	-	429,216
Total noncurrent liabilities	<u>509,230</u>	<u>1,371</u>	<u>510,601</u>
TOTAL LIABILITIES	<u>548,602</u>	<u>8,436</u>	<u>557,038</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	930,653	3,364	934,017
Deferred inflows related to OPEB	182,228	-	182,228
Total deferred inflows of resources	<u>1,112,881</u>	<u>3,364</u>	<u>1,116,245</u>
NET POSITION			
Net investment in capital assets	-	5,377	5,377
Unrestricted	99,135	364,302	463,437
Restricted - other	239,151	-	239,151
TOTAL NET POSITION	<u>\$ 338,286</u>	<u>\$ 369,679</u>	<u>\$ 707,965</u>

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

LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT B

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government	
					Business-Type Activities	Total
Primary government						
Governmental activities:						
Instructional services						
Salaries	\$ 779,805	\$ 212,903	\$ 607,039	\$ 40,137	\$ -	\$ 40,137
Benefits	80,638	22,016	61,713	3,091	-	3,091
Pension expense	90,141	26,480	77,408	13,747	-	13,747
OPEB expense	21,757	10,572	31,577	20,392	-	20,392
Purchased services	141,330	38,251	104,285	1,206	-	1,206
Supplies and materials	38,985	8,773	23,263	(6,949)	-	(6,949)
Capital outlay	1,627	444	1,327	144	-	144
Miscellaneous	2,620	715	2,136	231	-	231
Intergovernmental						
Payments to other governmental units	39,961	-	-	(39,961)	-	(39,961)
Administrative						
On-behalf payments	1,138,158	-	-	(1,138,158)	-	(1,138,158)
Total governmental activities	2,335,022	320,154	908,748	(1,106,120)	-	(1,106,120)
Business-type activities:						
Professional development	124,917	180,088	-	-	55,171	55,171
Total business-type activities	124,917	180,088	-	-	55,171	55,171
Total primary government	\$ 2,459,939	\$ 500,242	\$ 908,748	(1,106,120)	55,171	(1,050,949)
General revenues:						
Fees for services				4,800	-	4,800
Interest income				8,201	639	8,840
On-behalf payments				1,138,158	-	1,138,158
Total general revenues				1,151,159	639	1,151,798
Change in net position				45,039	55,810	100,849
Net position - beginning				293,247	313,869	607,116
Net position - ending				\$ 338,286	\$ 369,679	\$ 707,965

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

LASALLE, MARSHALL, AND PUTNAM COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 35
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2020

EXHIBIT C

	General Fund	Education Fund	Institute Fund	Fairmount Minerals Grants	Nonmajor Special Revenue Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 982,487	\$ 3,849	\$ 18,075	\$ 62,588	\$ 41,535	\$ 1,108,534
Investments	265,906	-	74,717	-	38,153	378,776
Accounts receivable	4,750	-	-	-	40	4,790
Prepaid expenses	15,926	-	-	-	-	15,926
Due from other funds	24,951	-	-	-	-	24,951
Due from other governmental units	12,302	31,701	-	-	160	44,163
Total assets	<u>1,306,322</u>	<u>35,550</u>	<u>92,792</u>	<u>62,588</u>	<u>79,888</u>	<u>1,577,140</u>
DEFERRED OUTFLOWS OF RESOURCES						
	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
	<u>\$ 1,306,322</u>	<u>\$ 35,550</u>	<u>\$ 92,792</u>	<u>\$ 62,588</u>	<u>\$ 79,888</u>	<u>\$ 1,577,140</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 32,656	\$ 6,716	\$ -	\$ -	\$ -	\$ 39,372
Due to other funds	-	24,951	-	-	-	24,951
Total liabilities	<u>32,656</u>	<u>31,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,323</u>
DEFERRED INFLOWS OF RESOURCES						
	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	15,926	-	-	-	-	15,926
Restricted	-	3,883	92,792	62,588	79,888	239,151
Assigned	515,602	-	-	-	-	515,602
Unassigned	742,138	-	-	-	-	742,138
Total fund balances	<u>1,273,666</u>	<u>3,883</u>	<u>92,792</u>	<u>62,588</u>	<u>79,888</u>	<u>1,512,817</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
	<u>\$ 1,306,322</u>	<u>\$ 35,550</u>	<u>\$ 92,792</u>	<u>\$ 62,588</u>	<u>\$ 79,888</u>	<u>\$ 1,577,140</u>

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

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 35
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 BALANCE SHEET TO THE STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 JUNE 30, 2020**

EXHIBIT D

Total fund balances - governmental funds	\$ 1,512,817
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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:

Deferred outflows of resources	447,580	
Deferred inflows of resources	<u>(1,112,881)</u>	(665,301)

Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Net pension liability		(80,014)
OPEB liabilities		<u>(429,216)</u>

Net position of governmental activities	<u>\$ 338,286</u>
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The notes to the financial statements are an integral part of this statement.

LASALLE, MARSHALL, AND PUTNAM COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 35
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT E

	General Fund	Education Fund	Institute Fund	Fairmount Minerals Grants	Nonmajor Special Revenue Funds	Total Governmental Funds
REVENUES						
Federal sources	\$ -	\$ 119,725	\$ -	\$ -	\$ -	\$ 119,725
State sources	346,891	411,226	-	-	1,439	759,556
Local sources	288,011	-	31,465	43,000	5,480	367,956
Interest	5,786	-	1,760	-	655	8,201
On-behalf payments	-	560,886	-	-	-	560,886
Total revenues	640,688	1,091,837	33,225	43,000	7,574	1,816,324
EXPENDITURES						
Instructional services:						
Salaries	364,832	379,571	35,402	-	-	779,805
Benefits	36,668	39,010	4,960	-	-	80,638
Pension expenditures	6,092	6,713	2,065	-	-	14,870
OPEB expenditures	2,382	1,615	-	-	-	3,997
Purchased services	70,727	40,731	12,222	12,654	4,996	141,330
Supplies and materials	24,597	8,784	3,604	2,000	-	38,985
Miscellaneous	490	2,090	-	-	40	2,620
On-behalf payments	-	560,886	-	-	-	560,886
Intergovernmental:						
Payments to other governmental units	-	39,961	-	-	-	39,961
Capital outlay	1,627	-	-	-	-	1,627
Total expenditures	507,415	1,079,361	58,253	14,654	5,036	1,664,719
NET CHANGE IN FUND BALANCES	133,273	12,476	(25,028)	28,346	2,538	151,605
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	1,140,393	(8,593)	117,820	34,242	77,350	1,361,212
FUND BALANCES, END OF YEAR	\$ 1,273,666	\$ 3,883	\$ 92,792	\$ 62,588	\$ 79,888	\$ 1,512,817

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

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

EXHIBIT F

Net change in fund balances	\$ 151,605
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are not considered "available" revenues and are deferred in the governmental funds.</p>	
Prior year unavailable revenue	(13,535)
<p>Governmental funds report employer pension contributions as pension expenditures. Employer pension contributions made after the measurement date are deferred on the Statement of Activities.</p>	
	11,768
<p>Governmental funds report employer OPEB contributions as OPEB expenditures. Employer OPEB contributions made after the measurement date are deferred on the Statement of Activities.</p>	
	3,997
<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 (net of employer pension contributions not deferred)	(87,039)
OPEB expense	(21,757)
	<hr/>
Change in net position of governmental activities	<u><u>\$ 45,039</u></u>

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

LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

EXHIBIT G

	Business Type Activities - Enterprise Funds					Total
	Workshop	LaSalle County Area Purchasing Coop.	Criminal Background Investigation	Excellence in Education	Nonmajor Proprietary Funds	
ASSETS						
Current assets						
Cash and cash equivalents	\$ 73,596	\$ 183,279	\$ 58,697	\$ 8,686	\$ 19,338	\$ 343,596
Investments	-	26,188	-	-	-	26,188
Accounts receivable/Interest receivable	35	-	-	-	-	35
Due from other governmental units	25	-	-	-	-	25
Total current assets	73,656	209,467	58,697	8,686	19,338	369,844
Noncurrent assets						
Equipment, net	2,431	-	2,946	-	-	5,377
Total noncurrent assets	2,431	-	2,946	-	-	5,377
TOTAL ASSETS	76,087	209,467	61,643	8,686	19,338	375,221
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	-	6,258	-	-	-	6,258
Total deferred outflows of resources	-	6,258	-	-	-	6,258
LIABILITIES						
Current liabilities						
Unearned revenues	-	7,065	-	-	-	7,065
Total current liabilities	-	7,065	-	-	-	7,065
Noncurrent liabilities						
Net pension liability	-	1,371	-	-	-	1,371
Total noncurrent liabilities	-	1,371	-	-	-	1,371
TOTAL LIABILITIES	-	8,436	-	-	-	8,436
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	-	3,364	-	-	-	3,364
Total deferred inflows of resources	-	3,364	-	-	-	3,364
NET POSITION						
Unrestricted	73,656	203,925	58,697	8,686	19,338	364,302
Net investment in capital assets	2,431	-	2,946	-	-	5,377
TOTAL NET POSITION	\$ 76,087	\$ 203,925	\$ 61,643	\$ 8,686	\$ 19,338	\$ 369,679

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

LASALLE, MARSHALL, AND PUTNAM COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 35
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT H

	Business Type Activities - Enterprise Funds					Total
	LaSalle County Area Purchasing Coop.	Criminal Background Investigation	Excellence in Education	Nonmajor Proprietary Funds	Workshop	
OPERATING REVENUES						
Fees for services	\$ 56,888	\$ 102,218	\$ 11,782	\$ 4,750	\$ 4,450	\$ 180,088
OPERATING EXPENSES						
Salaries	-	33,708	-	-	1,317	35,025
Benefits	-	2,687	-	-	19	2,706
Pension expense	-	15,249	-	-	-	15,249
Purchased services	32,104	6,213	1,678	3,560	28	43,583
Supplies and materials	1,085	1,323	-	1,269	930	4,607
Capital outlay	2,358	16,500	-	-	-	18,858
Miscellaneous	1,778	152	-	-	-	1,930
Depreciation	2,244	-	715	-	-	2,959
Total operating expenses	39,569	75,832	2,393	4,829	2,294	124,917
OPERATING INCOME (LOSS)	17,319	26,386	9,389	(79)	2,156	55,171
NONOPERATING REVENUES						
Interest	585	54	-	-	-	639
CHANGE IN NET POSITION	17,904	26,440	9,389	(79)	2,156	55,810
NET POSITION, BEGINNING OF YEAR	58,183	177,485	52,254	8,765	17,182	313,869
NET POSITION, END OF YEAR	\$ 76,087	\$ 203,925	\$ 61,643	\$ 8,686	\$ 19,338	\$ 369,679

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

LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT I

	Business Type Activities - Enterprise Funds					Total
	LaSalle County Area Purchasing Coop.	Criminal Background Investigation	Excellence in Education	Nonmajor Proprietary Funds		
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts for workshops and services	\$ 57,333	\$ 101,644	\$ 11,782	\$ 4,750	\$ 4,450	\$ 179,959
Payments to employees	-	(33,708)	-	-	(1,317)	(35,025)
Payments to suppliers and providers of goods and services	(37,154)	(28,850)	(1,678)	(4,829)	(977)	(73,488)
Net cash provided by (used in) operating activities	20,179	39,086	10,104	(79)	2,156	71,446
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchases of Investments	-	(54)	-	-	-	(54)
Interest	585	54	-	-	-	639
Net cash provided by investing activities	585	-	-	-	-	585
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	20,764	39,086	10,104	(79)	2,156	72,031
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	52,832	144,193	48,593	8,765	17,182	271,565
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 73,596	\$ 183,279	\$ 58,697	\$ 8,686	\$ 19,338	\$ 343,596
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 17,319	\$ 26,386	\$ 9,389	\$ (79)	\$ 2,156	\$ 55,171
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2,244	-	715	-	-	2,959
Effects of changes in assets, deferred outflows, liabilities and deferred inflows:						
Accounts receivable	(20)	-	-	-	-	(20)
Due from other governmental units	465	-	-	-	-	465
Prepaid expenses	171	-	-	-	-	171
Net Pension liability	-	(15,277)	-	-	-	(15,277)
Deferred outflows of resources	-	37,277	-	-	-	37,277
Unearned revenues	-	(574)	-	-	-	(574)
Deferred inflows of resources	-	(8,726)	-	-	-	(8,726)
Net cash provided by (used in) operating activities	\$ 20,179	\$ 39,086	\$ 10,104	\$ (79)	\$ 2,156	\$ 71,446

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

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

EXHIBIT J

ASSETS

Cash and cash equivalents	<u>\$ 1,656</u>
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LIABILITIES

Due to other governmental units	<u>\$ 1,656</u>
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The notes to the financial statements are an integral part of this statement.

LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35 (ROE) conform to accounting principles generally accepted in the United States of America for governmental entities. The following is a summary of the significant accounting policies.

A. Reporting Entity

The LaSalle, Marshall, and Putnam Counties Regional Office of Education No. 35 (ROE) operates under the School Code (105 ILCS 5/3 and 5/3A). The ROE encompasses LaSalle, Marshall, and Putnam Counties, Illinois. A Regional Superintendent of Schools serves as Chief Administrative Officer of the region and is elected to the position for a four year term pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The Regional Superintendent is responsible for the supervision and control of the school districts. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general State aid, State categorical grants, and various other sources.

The Regional Superintendent'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.

B. Scope of the Reporting Entity

The ROE's reporting entity includes all related organizations for which the ROE exercises oversight responsibility. The ROE has developed criteria to determine whether outside agencies with activities which benefit the citizens of the ROE, including joint agreements which serve pupils from numerous school districts, should be included within its financial reporting entity. The criteria include but are not limited to, whether the ROE exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The ROE has determined that no other outside agency meets any of the above criteria and, therefore, no other agency has been included as a component unit in the financial statements. In addition, the ROE is not aware of any entity which would exercise such oversight as to result in the Regional Office being considered a component unit of the entity.

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REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. New Accounting Pronouncements

During the year ended June 30, 2020, the ROE adopted Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement was issued in order to provide temporary relief in light of the COVID-19 pandemic by postponing the effective dates of certain other GASB Statements and Implementation Guides. As a result of this, the ROE did not adopt any other new accounting pronouncements during the fiscal year ended June 30, 2020.

D. 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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the ROE that are governmental in nature and those that are considered business-type activities. *Governmental activities* normally are supported by operating grants and contributions, charges for services and intergovernmental revenues. *Business-type activities* normally are supported by operating revenues which include amounts assessed or received from local sources for the ROE programs.

The Statement of Net Position presents the ROE's nonfiduciary assets and liabilities (and deferred inflows and outflows of resources, if any) with the differences reported as Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting 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*. Major individual funds are reported as separate columns in the fund financial statements.

Fund financial statements of the ROE are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. The ROE's funds are organized into three major categories: governmental, proprietary, and fiduciary funds.

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REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, the proprietary fund, and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded 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. Operating revenues of proprietary funds include amounts assessed or received from local sources for the ROE programs. Non-operating revenue includes interest earned on cash deposit accounts.

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 are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The ROE considers revenues as available if they are collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two types of these revenues. In one, monies must be expended before any amounts will be reimbursed; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time that all eligibility requirements imposed by the provider have been met unless the resources are not measurable or available as described above.

When restricted, committed, assigned and unassigned resources are available for use, it is the ROE's policy to use restricted resources first, and then committed, assigned and finally unassigned resources as they are needed.

The ROE records on-behalf payments made by the State and LaSalle County for salaries and benefits (including the Teachers' Retirement System or the Illinois Municipal Retirement Fund, as applicable) as revenues and expenditures.

F. Fund Accounting

The accounts of the ROE are organized on the basis of funds. The ROE maintains individual funds as required by the State of Illinois. The resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following summarizes the fund types used:

LASALLE, MARSHALL, AND PUTNAM COUNTIES
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Governmental Fund Types

Governmental Funds are those through which most governmental functions of the ROE are financed. The acquisition, use and balances of the ROE's expendable financial resources and the related liabilities are accounted for through governmental funds.

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

General - to account for the general operating fund. It has been used to record expenditures in connection with general administration activities.

RSSP Student - to account for monies received for assistance in funding shortfalls for student activities.

Title II - Teacher Quality (from schools) - to account for the administration of monies from various local schools to be used for the Title II – Teacher Quality programs.

Marshall and Putnam County Funding - to account for monies billed and received from Marshall and Putnam counties relating to the shared services of the technology director, truancy officers, and licensure personnel.

General State Aid - to account for grant monies received for, and payment of, expenditures for regional learning academy supplements.

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. The ROE reported the following special revenue funds as major governmental funds.

Education Fund - to account for State and Federal grant monies received for, and payment of, administering numerous grant awards which include:

McKinney Education for Homeless Children - to account for grant monies received for, and payment of, expenditures associated with a Federal program designed to provide counseling and educational support to homeless children and their families. The programs are funded by a Federal Stewart B. McKinney Education for Homeless Children and Youth Grant administered through the Illinois State Board of Education.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Regional Safe Schools - this fund is an alternative schooling program for disruptive youth, creating alternative placement for those students who are suspended and/or are deemed ineligible.

Truants Alternative Programs - to account for grant monies received for, and payment of, providing truancy prevention programming and monitoring truants.

ROE/ISC Operations - to account for grant monies received for, and payment of, assisting schools in all areas of school improvement.

Workforce Investment Act (WIA) Youth Activities - to account for grant monies received for, and payment of, a dropout recovery program to help low income youth, between the ages of 14 and 21, acquire the educational and occupational skills, training, and support needed to achieve academic and employment success and successfully transition to careers and productive adulthood.

Regional Safe School Cooperative Education Program (RSSCEP) - to account for monies from the State of Illinois for expenditures 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 the private sector.

National School Breakfast Program - to account for grant monies received for, and payment of, expenditures of the program for the National School Breakfast fund.

National School Lunch Program - to account for the grant monies received for, and payment of, expenditures of the program for the National School Lunch fund.

State Free Lunch & Breakfast Program - to account for the proceeds received and expended in the operations of the free lunch and breakfast program.

Teacher Quality-Leadership - to account for monies provided by the Federal government for preparation, certification, licensure, compensation and effectiveness of teachers across the elementary, secondary and special education spectra, concentrating in the area of improving leadership skills.

LASALLE, MARSHALL, AND PUTNAM COUNTIES
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Institute Fund - to account for the stewardship of the assets held in trust for the benefit of teachers. Fees are collected from registration of teachers' licenses of qualification. Monies are expended to conduct teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

Fairmount Minerals Grants - to account for funds received from Fairmount Minerals to promote instructional innovation and nutritional wellness in LaSalle County Schools.

Nonmajor Special Revenue Funds - The ROE reported the following special revenue funds as nonmajor governmental funds:

General Educational Development (GED) - to account for the administration of the GED Testing Program. Revenues are received from testing and diploma fees.

School Bus Driver Training - to account for the stewardship of the assets held in trust in connection with the Bus Driver Training Program.

Annexation and Sales Petition - to account for fees collected for expenditures incurred in publishing and filing petition requests.

H. Proprietary Fund Types

Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, and transfers relating to the government's business activities in which changes in net position or cost recovery are measured, are accounted for through proprietary funds (enterprise and internal service funds). Generally accepted accounting principles for proprietary funds are similar to those applicable to businesses in the private sector; the measurement focus is on determining operating income, financial position, and cash flows.

Enterprise Funds - to account for resources from fees charged directly to those entities or individuals that use its services. The ROE reported the following enterprise funds as major proprietary funds.

Workshop - to account for local revenues and disbursements related to various workshops conducted by the ROE which are not accounted for in a separate fund.

LASALLE, MARSHALL, AND PUTNAM COUNTIES
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

LaSalle County Area Purchasing Coop. - to account for maintenance of cooperative purchasing program for the benefit of the ROE's various school districts and other surrounding counties' school districts.

Criminal Background Investigation - to account for the assessments received from the school districts to pay for the processing of background checks of substitute teachers and expenditures incurred providing this service to the school districts.

Excellence in Education - to account for the fees and local revenues received and related disbursements while performing activities related to the Excellence in Education program.

Nonmajor Proprietary Funds - The ROE reported the following enterprise funds as nonmajor proprietary funds:

Regional Safe School Meals - to account for local revenues and disbursements for the children whose parents can afford to pay either a full or reduced cost of meals.

Evaluation and Training - to account for local revenues received for curriculum mapping and evaluation trainings.

ParaPro - to account for the fees and local revenues received and related disbursements for testing the proficiency of prospective teacher aids.

RSSP Student Activities - to account for funds received for and payment of expenditures to assist with an incentive program for RSSP students through fund raising activities.

I. Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the ROE in a trustee capacity or as an agent for individuals, private organizations, and/or other governments.

Agency Funds are custodial in nature and do not involve measurement of results of operations. The amounts due to school districts and due to other governments are equal to the assets. Agency Funds include Distributive and Payroll.

Distributive - to account for funds received and disbursed as a result of the Regional Superintendent's responsibility to receive and distribute to treasurers of school districts and other agencies, monies due to them from general State aid, State categorical grants, and various other sources.

LASALLE, MARSHALL, AND PUTNAM COUNTIES
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Payroll - to account for all payroll that is incurred. Any fund that has payroll remits the money to the Payroll Fund, the Fund then pays the employee. This is an administrating agent for the ROE's payroll.

J. Net Position

Net Position of the ROE is classified as follows:

Net Investment in Capital Assets – consists of the ROE's capital assets, net of accumulated depreciation, reduced by the outstanding debt attributable to the acquisition of those assets. There is no outstanding debt related to these assets at this time.

Restricted Net Position – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted Net Position – consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of *Restricted Net Position* or *Net Investment in Capital Assets*.

K. Governmental Fund Balances

Fund Balance is the difference between assets plus deferred outflows of resources less the liabilities and deferred inflows of resources in a Governmental Fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedules of Accounts:

Nonspendable Fund Balance - the portion of a Governmental Fund's Net Position that is not available to be spent, either short term or long term, in either form or through legal restrictions. The nonspendable fund balance reported is for prepaid expenses from General and General State Aid accounts (in the General Fund).

Restricted Fund Balance - the portion of the Governmental Fund's Net Position that is subject to external enforceable legal restrictions. The following funds' and accounts' fund balances are restricted by grant agreements, or contracts: Fairmount Minerals Grants, National School Breakfast Program, National School Lunch Program, and State Free Lunch & Breakfast Program. The following funds' fund balances are restricted by Illinois statute: Institute, General Educational Development, School Bus Driver Training, and Annexation and Sales Petition.

Committed Fund Balance - the portion of a Governmental Fund's Net Position with self-imposed constraints or limitations that has been placed at the highest level of decision making. The ROE has no committed fund balances.

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REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned Fund Balance - the portion of a Governmental Fund's Net Position denoted for an intended use of the resources. The accounts with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts' fund balances were assigned: RSSP Student, Title II – Teacher Quality (from Schools), and Marshall and Putnam County Funding.

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The accounts with unassigned fund balances are: General and General State Aid.

L. Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the ROE receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the ROE must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the ROE on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

M. Budgets and Budgetary Information

The ROE did not formally adopt a budget for the year ended June 30, 2020 and is not legally required to do so. The Illinois State Board of Education requires budgets for certain State and Federal programs. These budgets were used to prepare Budgetary Comparison Schedules for the following accounts within the Education Fund: McKinney Education for Homeless Children, Regional Safe Schools, Truants Alternative Programs, ROE/ISC Operations, RSSCEP, and Teacher Quality – Leadership.

N. Cash and Cash Equivalents

For presentation in the financial statements, investments with an original maturity of three months or less at the time they are purchased by the ROE are considered to be cash equivalents. Investments with original maturities of more than three months are reported as investments.

LASALLE, MARSHALL, AND PUTNAM COUNTIES
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JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Investments

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

P. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

Capital assets are recorded at cost at time of acquisition or fair value at the date of donation. The ROE capitalizes items costing \$5,000 or more and intangible assets costing \$25,000 or more. Depreciation is calculated on a straight-line basis over the estimated useful lives (five to seven years) of the respective assets.

Q. Deferred Outflows of Resources and Deferred Inflows 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 expense until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense or OPEB expense and contributions from the employer after the measurement date but before the end of the reporting period. Deferred inflows of resources include primarily the unamortized portion of the net difference between projected and actual earnings on pension and OPEB plan investments.

R. 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 in the financial statements. Actual results could differ from those estimates.

LASALLE, MARSHALL, AND PUTNAM COUNTIES
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Postemployment Benefits Other Than Pension (OPEB)

For purposes of measuring the ROE'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 ROE's OPEB Plan, and additions to/deductions from the ROE's fiduciary net position have been determined on the same basis as they are reported by the ROE's Plan. For this purpose, the ROE's Plans recognize benefit payments when due and payable in accordance with the benefit terms. For the ROE's Plan described in Note 7, the ROE'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.

T. Compensated Absences

Full-time employees earn up to 20 vacation days for a full year of service. Vacation days must be used by the end of the fiscal year and may not be carried over to the following year. Seasonal and part-time employees do not earn vacation days. No pay for unused vacation days will be received by an employee when they leave the Regional Office of Education No. 35 or at any time during their employment; therefore, no liability is accrued.

U. Inventories

Inventory is not recorded. The cost is recorded as an expenditure at the time individual inventory items are purchased.

NOTE 2 - DEPOSITS AND INVESTMENTS

In the accompanying financial statements, certificates of deposit are reported as investments because the original maturities of the certificates exceed 90 days. For risk disclosure purposes, those certificates of deposit are deposits. The money market accounts described below are reported as cash equivalents in the accompanying financial statements. For risk disclosure purposes, the money market accounts are investments.

Deposits

The ROE utilizes several different bank accounts for its various activities. The book balance of such accounts is \$1,858,750 at June 30, 2020, while the bank balance was \$1,886,239. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2020. Of the total bank balance as of June 30, 2020, \$701,276 was insured by Federal depository insurance, and \$1,107,645 was collateralized by securities pledged by the ROE's financial institution that were held by the financial institution's agent but not in the name of the ROE. The remaining \$77,318 was uninsured and uncollateralized at June 30, 2020.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments

As of June 30, 2020, the ROE had investments with carrying and fair values as follows:

Investment Type	Carrying Amount	Fair Value
Illinois Funds Money Market	\$ 5,923	\$ 5,923
	\$ 5,923	\$ 5,923

Credit Risk

At June 30, 2020, the Illinois Funds Money Market Fund had a Standard and Poor’s AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investments Act, 30 ILCS 235.

Interest Rate Risk

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

Fair Value Measurements

The ROE’s financial instruments consist principally of cash and cash equivalents, including the above mentioned certificates of deposit and money market accounts. The fair value of a financial instrument is the amount that would be received in an asset sale or paid to transfer a liability in an orderly transaction between unaffiliated market participants. Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the market and the degree that the inputs are observable. The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritized into three levels (with Level 3 being the lowest) defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the agency has the ability to access.

Level 2: Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

LASALLE, MARSHALL, AND PUTNAM COUNTIES
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JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The fair value of the ROE's certificates of deposit and money market accounts was determined based on "Level 1" inputs. The valuation techniques used to measure the fair value of the "Level 1" instruments were valued based on quoted market prices from observable market data. The ROE does not have any financial instruments in the "Level 2" or "Level 3" category.

There have been no changes in Level 1, Level 2, and Level 3 and no changes in valuation techniques for these assets for the year ended June 30, 2020.

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2020 is as follows:

Governmental Activities

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
Equipment	\$ 20,966	\$ -	\$ -	\$ 20,966
Less: accumulated depreciation	20,966	-	-	20,966
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Business-type Activities

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
Equipment	\$ 16,220	\$ -	\$ -	\$ 16,220
Less: accumulated depreciation	7,884	2,959	-	10,843
Capital assets, net	<u>\$ 8,336</u>	<u>\$ (2,959)</u>	<u>\$ -</u>	<u>\$ 5,377</u>

Depreciation expense in the amount of \$2,959 was charged to the Professional Development activity.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 - DUE FROM (TO) OTHER GOVERNMENTAL UNITS

The ROE's Governmental, Proprietary, and Fiduciary Funds have amounts due from/to the following governmental agencies:

DUE FROM OTHER GOVERNMENTAL UNITS	
Illinois State Board of Education	\$ 15,191
Other Regional Offices of Education/Districts	28,997
Total	\$ 44,188
DUE TO OTHER GOVERNMENTAL UNITS	
Regional Office of Education #35	\$ 1,656
Total	\$ 1,656

NOTE 5 - INTERFUND TRANSACTIONS

(a) Transfers From/To Other Funds

There were no interfund transfers for the year ended June 30, 2020.

(b) Due From/To Other Funds

The following is a summary of amounts due from/to other funds as of June 30, 2020:

Fund	Due From	Due To
General Fund - General State Aid	\$ 24,951	\$ -
Education Fund – McKinney Education for Homeless Children	-	10,172
Education Fund – Truants Alternative Programs	-	6,819
Education Fund – Teacher Quality - Leadership	-	1,622
Education Fund – WIA Youth Activities	-	6,338
Total	\$ 24,951	\$ 24,951

These interfund loans were necessitated by the State, governmental units, and/or schools not timely paying their obligations to the ROE (or other entities which in turn paid the ROE). Each of these interfund loans was repaid by the end of August 2020.

LASALLE, MARSHALL, AND PUTNAM COUNTIES
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JUNE 30, 2020

NOTE 6 - RETIREMENT PLANS

The ROE's employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by the ROE on behalf of the ROE staff employees and grant coordinators. Employees paid by LaSalle County also participate in the Illinois Municipal Retirement Fund and those contributions are paid by LaSalle County. Participation is required for all ROE employees who:

- a. Occupy a job normally requiring 1,000 hours or more per year or 600 hours or more per year for employees who worked for any IMRF employer prior to January 1, 1982;
- b. Are paid on a regular payroll from County or ROE funds;
- c. Were under age sixty when first entering employment; and
- d. Are not covered by another State created retirement system for the same service.

Employees not qualifying above are considered as "nonparticipating employees" and are covered under Social Security.

The Regional Superintendent and Assistant Regional Superintendent of the ROE are paid by the State of Illinois and participate in the Teachers' Retirement System.

Illinois Municipal Retirement Fund

IMRF Plan Description

The ROE'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 ROE's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a 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 (RSI). 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).

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 - RETIREMENT PLANS (Continued)

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

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

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

Employees Covered by Benefit Terms

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

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	18
Inactive Plan Members entitled to but not yet receiving benefits	32
Active Plan Members	9
Total	59

Contributions

As set by statute, the ROE'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 ROE's annual contribution rate for calendar year 2019 was 3.13%. For the fiscal year ended June 30, 2020, the ROE contributed \$14,326 to the plan. The ROE 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.

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NOTE 6 - RETIREMENT PLANS (Continued)

Net Pension Liability

The ROE's net pension liability was measured as of December 31, 2019. 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, 2019:

- 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 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **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 years 2014 to 2016.
- **Mortality - 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 Healthy 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, 2019:

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NOTES TO FINANCIAL STATEMENTS
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NOTE 6 - RETIREMENT PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/19</u>	Projected Returns/Risk	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	37%	29.23%	7.05%	5.75%
International Equities	18%	23.76%	8.10%	6.50%
Fixed Income	28%	9.50%	3.70%	3.25%
Real Estate	9%	9.78%	6.35%	5.20%
Alternatives	7%			
Private Equity		N/A	11.30%	7.60%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	4.65%	3.60%
Cash Equivalents	1%	3.59%	1.85%	1.85%

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2019. 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:

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 pension plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

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NOTE 6 - RETIREMENT PLANS (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2018	<u>\$ 1,441,195</u>	<u>\$ 1,326,245</u>	<u>\$ 114,950</u>
Changes for the year:			
Service Cost	19,623	-	19,623
Interest on the Total Pension Liability	101,691	-	101,691
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	73,550	-	73,550
Changes of Assumptions	-	-	-
Contributions - Employer	-	7,316	(7,316)
Contributions - Employees	-	10,520	(10,520)
Net Investment Income	-	268,089	(268,089)
Benefit Payments, including Refunds of Employee Contributions	(96,741)	(96,741)	-
Other (Net Transfer)	-	14,104	(14,104)
Net Changes	<u>98,123</u>	<u>203,288</u>	<u>(105,165)</u>
Balances at December 31, 2019	<u>\$ 1,539,318</u>	<u>\$ 1,529,533</u>	<u>\$ 9,785</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 (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net Pension Liability/(Asset)	\$ 189,067	\$ 9,785	\$ (138,816)

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NOTE 6 - RETIREMENT PLANS (Continued)

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

For the year ended June 30, 2020, the ROE recognized pension expense of \$105,510. At June 30, 2020, the ROE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 34,332	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>24,007</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>34,332</u>	<u>24,007</u>
<i>Pension Contributions made subsequent to the Measurement Date</i>	<u>10,695</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 45,027</u>	<u>\$ 24,007</u>

\$10,695 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 ending June 30, 2021.

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:

Year Ending December 31	Net Deferred Outflows / (Inflows) of Resources
2020	\$ 56,525
2021	(18,354)
2022	7,011
2023	(34,857)
2024	-
Thereafter	<u>-</u>
Total	<u>\$ 10,325</u>

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NOTE 6 - RETIREMENT PLANS (Continued)

Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan Description

The ROE 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/fy2019>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 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 consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier 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 highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different than Tier 1.

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.

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NOTE 6 - RETIREMENT PLANS (Continued)

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 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 began in 2019 and are 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, 2019 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 employer.

- **On-behalf Contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the ROE. For the year ended June 30, 2020, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the pension expense associated with the ROE, and the ROE recognized revenue and expenditures of \$553,269 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, 2020 were \$2,520, and are deferred because they were paid after the June 30, 2019 measurement date.
- **Federal and Special Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the ROE, there is a statutory requirement for the ROE to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
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NOTE 6 - RETIREMENT PLANS (Continued)

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$0 were paid from federal and special trust funds that required employer contributions of \$0.

- **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 employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree’s final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the ROE paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 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, 2020, the ROE 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 ROE. The state’s support and total are for disclosure purposes only. The amount recognized by the ROE 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 ROE were as follows:

ROE’s proportionate share of the net pension liability	\$ 71,600
State’s proportionate share of the net pension liability associated with the ROE	<u>5,095,728</u>
Total	<u>\$ 5,167,328</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The ROE’s proportion of the net pension liability was based on the ROE’s share of contributions to TRS for the measurement year ended June 30, 2019, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2019, the ROE’s proportion was 0.0000882778 percent, which was an increase of 0.0000715138 from its proportion measured as of June 30, 2018.

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NOTE 6 - RETIREMENT PLANS (Continued)

For the year ended June 30, 2020, the ROE recognized pension expense of \$553,269 and revenue of \$553,269 for support provided by the state. For the year ended June 30, 2020, the ROE recognized pension income of \$120. At June 30, 2020, the ROE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,174	\$ -
Net difference between projected and actual earnings on pension plan investments	113	-
Changes of assumptions	1,604	1,374
Changes in proportion and differences between employer contributions and proportionate share of contributions	358,435	908,636
Employer contributions subsequent to the measurement date	2,520	-
Total	\$ 363,846	\$ 910,010

\$2,520 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, 2021. 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:

Year Ending June 30	Net Deferred Outflows / (Inflows) of Resources
2021	\$ (23,574)
2022	(181,918)
2023	(240,901)
2024	(106,585)
2025	4,294
Total	\$ (548,684)

Actuarial assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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NOTE 6 - RETIREMENT PLANS (Continued)

In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are used on a fully-generational basis using projection table MP-2017. In the June 30, 2018 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.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0%	6.3%
U.S. equities small/mid cap	2.0%	7.7%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.5%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.0%
International debt developed	2.2%	1.1%
Emerging international debt	2.6%	4.4%
Real estate	16.0%	5.2%
Real return	4.0%	1.8%
Absolute return	14.0%	4.1%
Private equity	<u>15.0%</u>	9.7%
Total	<u>100%</u>	

Discount rate

At June 30, 2019, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2018 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, 2019 was projected to be available to make all projected future benefit payments to 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.

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NOTE 6 - RETIREMENT PLANS (Continued)

Sensitivity of the ROE’s proportionate share of the net pension liability to changes in the discount rate

The following presents the ROE’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the ROE’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% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
ROE’s proportionate share of the net pension liability	\$ 87,454	\$ 71,600	\$ 58,566

TRS fiduciary net position

Detailed information about the TRS’s fiduciary net position as of June 30, 2019 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Change in Net Pension Liabilities

The following is a summary of the changes in the ROE’s net pension liabilities:

	June 30, 2019	Additions	Deletions	June 30, 2020
Net pension liability - IMRF	\$ 114,950	\$ -	\$ 105,165	\$ 9,785
Net pension liability – TRS	13,067	58,533	-	71,600
Total net pension liability	\$ 128,017	\$ 58,533	\$ 105,165	\$ 81,385

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

HEALTH INSURANCE

Plan Description

The ROE provides a single-employer defined-benefit postemployment health care 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:

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NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Eligibility Provisions

Full-Time Employees-IMRF

Tier I IMRF Full-Time Employees:

- Age 55 with at least 8 years of service (Reduced Pension)
- Age 55 with at least 30 years of service (Reduced Pension)
- Age 55 with at least 35 years of service (Full Pension)
- Age 60 with at least 8 years of service (Full Pension)

Tier II IMRF Full-Time Employees:

- Age 62 with at least 10 years of service (Reduced Pension)
- Age 62 with at least 30 years of service (Reduced Pension)
- Age 62 with at least 35 years of service (Full Pension)
- Age 67 with at least 10 years of service (Full Pension)

Benefits Provided

The ROE provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with the Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The ROE offers the Medical PPO Plan to full-time IMRF employees and retirees. The following coverage provisions apply:

Retirees-IMRF

Pre-65 Coverage: IMRF employees may continue ROE health insurance in retirement; however, they are responsible for paying the full cost of the medical premium. Eligible Spouse/Dependent coverage may continue should the Retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The Spouse/Dependent is responsible for the full cost of coverage.

Post-65 Coverage: IMRF Retirees are not allowed to remain on ROE health insurance once Medicare eligible. Retirees must seek outside coverage or purchase a Medicare supplement plan from the ROE insurance provider.

Membership

As of June 30, 2020, membership consisted of:

Inactive Employees Currently Receiving Benefit Payments	1
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	0
Active Employees	<u>13</u>
Total	<u>14</u>

Participant count is shown as of the Fiscal Year-End date. The data is assumed to be a reasonable representation of data as of the Measurement Date and may have been collected on or before the Fiscal Year-End Date.

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NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

The above total active employee counts include 2 IMRF participants who have waived medical coverage. If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan at a rate of 1/3 the rate of active employees currently with coverage. The above active census counts also include 9 TRS participants who are not eligible to participate in ROE insurance at retirement. They have been included for count purposes but are creating no liability for ROE.

Funding Policy and Contributions

There is no Formal Funding Policy that exists for the postretirement plan at this time, as the total OPEB liability is currently an unfunded obligation.

Any employer contributions and benefit payments are related to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

Any contributions from Other ROE Resources and Benefit Payments from Other ROE Resources refers to contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

Total OPEB Liability

The total OPEB liability for the current fiscal year has been developed based on the actuarial valuation date of July 1, 2020 and adjusted to the June 30, 2020 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Actuarial Assumptions

The following are the significant assumptions used:

- The **Discount Rate used for the Total OPEB Liability** was Beginning of Year 3.50% and End of Year 2.21%.
- The **Long-Term Expected Rate of Return on Plan Assets** is not applicable as the OPEB obligation is unfunded.
- The **High Quality 20 Year Tax-Exempt G.O. Bond Rate** used was Beginning of Year 3.50% and End of Year 2.21%.
- The **Salary Increase** assumption of 2.50% was based on a review of the IMRF Experience Study Report dated November 8, 2017.
- For **Annual Blended Premiums**, premiums charged for coverage of retiree and spouse under age 65 are \$7,771 and \$7,771 respectively. These premiums are the same for retirees and spouses over the age of 65.

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NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

- For **Healthcare Trend Rates**, the initial trend rate is based on the 2020 Segal Health Plan Cost Trend Survey. For fiscal years on and after 2020, the trend starts at 6.80% for both non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 5.00%.
- The **Retiree Contribution Rates** are the same as the Healthcare Trend Rates.
- **Mortality Rates:** IMRF Mortality follows the RP-2014 Study, with Blue Collar Adjustment and MP-2016 Improvement, weighted per IMRF Experience Study dated November 8, 2017; Age 85 for males, Age 88 for females.

All mortality rates are adjusted for retirement status. Spouses use the same mortality tables as retirees.

For any active participant who will not meet the service requirement necessary to retire at assumed retirement ages, it is assumed they have prior service with a different employer and therefore will be eligible to retire. In the current valuation, there is 1 participant impacted by this assumption.

The retirement rates shown above were used to estimate assumed retirement ages. Termination and disability rates were used to estimate probabilities of working to retirement age. Mortality rates shown above were used to estimate assumed ages at death.

Assumptions follow the guidance in GASB74/75 for the Alternative Measurement Method where noted.

Assumption Changes

All IMRF Rates are based on Rates from IMRF Experience Study Report dated November 8, 2017 for IMRF Employees.

The above stated assumption changes were made to better reflect the future anticipated experience of the plan.

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.50% to 2.21% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has been updated to the current Fiscal Year End based on changes in market conditions as reflected in the Index. The change was made to reflect understanding of the requirements of GASB under Statement 74 and Statement 75.

Since the ROE does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.50% to 2.21%.

LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan assets and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the ROE, then only the municipal bond rate is used in determining the total OPEB liability.

If the postretirement plan is funded, cash flow projections are used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net OPEB liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net OPEB liability associated with those payments.

Projected benefit payments are determined during the valuation process based on the assumptions. The expected contributions are based on the funding policy of the plan.

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The beginning of year rate is the 3.50% rate, and the end of year rate is 2.21%. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's AA.

The indexes represent theoretical yields rather than the actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at July 1, 2019	<u>\$ 12,276</u>
Changes for the year:	
Service Cost	462
Interest	670
Actuarial Experience	5,115
Assumption Changes	5,883
Contributions - Employer	-
Contributions - Employees	-
Contributions- Other	-
Net Investment Income	-
Benefit Payments	-
Administrative Expense	<u>-</u>
Net Changes	<u>12,130</u>
Balances at June 30, 2020	<u>\$ 24,406</u>

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

The following presents the ROE's total OPEB liability calculated using a discount rate of 2.21%, as well as what the ROE's total OPEB liability would be if it were calculated using a single discount rate that is 1% lower (1.21%) or 1% higher (3.21%) than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
ROE's total OPEB liability	\$ 28,594	\$ 24,406	\$ 19,712

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

The following presents the ROE's total OPEB liability, calculated using the healthcare cost trend rates as well as what the ROE's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or higher than the current healthcare cost trend rates. The key trend rates are 6.80% in 2020 decreasing to an ultimate trend rate of 5.00% in 2030 for both non-Medicare and post-Medicare coverage.

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
ROE's total OPEB liability	\$ 19,629	\$ 24,406	\$ 26,614

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

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

For the year ended June 30, 2020, the ROE recognized OPEB expense of \$12,635. At June 30, 2020, the ROE reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Amounts Related to OPEB	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in OPEB Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total Deferred Amounts to be recognized in OPEB expense in future periods	-	-
<i>OPEB Contributions made subsequent to the Measurement Date*</i>	-	-
Total Deferred Amounts Related to OPEB	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

*Contributions subsequent to the measurement date may be recognized as a reduction to the total OPEB liability. The amount is not known as of the date of this report. Subsequent to the measurement date, the following amounts will be recognized in OPEB expense in the upcoming years:

Year Ending <u>June 30,</u>	<u>Net Deferred Outflows / (Inflows) of Resources</u>
2021	\$ -
2022	-
2023	-
2024	-
2025	-
Thereafter	-
Total	<u><u>\$ -</u></u>

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

TEACHERS' HEALTH INSURANCE SECURITY FUND (THIS)

THIS Plan Description

The ROE 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 postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits. Annuitants not enrolled in Medicare may participate in the State-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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 the 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.

Contributions

• **On behalf contributions to the THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the ROE. For the year ended June 30, 2020, State of Illinois contributions recognized by the ROE were based on the State's proportionate share of the collective net OPEB liability associated with the ROE, and recognized revenue and expenditures of \$24,003 in OPEB contributions from the State of Illinois.

• **Employer contributions to the THIS Fund**

The ROE also makes contributions to the THIS Fund. The employer THIS Fund contribution was .92 percent during the year ended June 30, 2020 and .92 and .88 percent during the years ended June 30, 2019 and June 30, 2018, respectively. For the year ended June 30, 2020, the ROE paid \$3,997 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2019 and June 30, 2018, the ROE paid \$3,393 and \$4,048, respectively, which was 100 percent of the required contributions.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

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.”

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

At June 30, 2020, the ROE reported a liability for its proportionate share of the collective net OPEB liability (first amount shown below) that reflected a reduction for State OPEB support provided to the ROE. The state’s support and total are for disclosure purposes only. The amount recognized by the ROE 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 ROE were as follows:

ROE’s proportionate share of the collective net OPEB liability	\$ 404,810
State’s proportionate share of the collective net OPEB liability associated with the ROE	<u>548,126</u>
Total	<u>\$ 952,936</u>

The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2018 but was rolled forward to the June 30, 2019 measurement date. The ROE’s proportion of the collective net OPEB liability was based on a projection of the ROE’s long-term share of contributions to the OPEB plan relative to the projected contributions of the ROE, actuarially determined. At June 30, 2019, the ROE’s proportion was 0.001463 percent, which was a decrease of 0.000439 from its proportion measured as of June 30, 2018 (0.001902 percent).

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

For the year ended June 30, 2020, the ROE recognized OPEB expense of \$24,003 and revenue of \$24,003 for support provided by the State. For the year ended June 30, 2020 the ROE recognized OPEB expense of \$9,122. At June 30, 2020, the ROE reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,718
Net difference between projected and actual earnings on OPEB plan investments	-	13
Changes of assumptions	153	46,404
Changes in proportion and differences between employer contributions and proportionate share of contributions	40,815	129,093
Employer contributions subsequent to the measurement date	<u>3,997</u>	<u>-</u>
Total	<u>\$ 44,965</u>	<u>\$ 182,228</u>

\$3,997 reported as deferred outflows of resources related to OPEB resulting from ROE contributions subsequent to the measurement date and before the end of the fiscal year will be recognized as a reduction of the collective net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows / (Inflows) of Resources</u>
2021	\$ (19,379)
2022	(19,379)
2023	(19,379)
2024	(19,379)
2025	(19,375)
Thereafter	<u>(44,369)</u>
Total	<u>\$ (141,260)</u>

LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0 percent, net of OPEB plan investment expense, including inflation for all plan years.
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, 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 0.31% is added to non-Medicare cost 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-2014 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-2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

Single Discount Rate

Projected benefit payments were 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, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.62 percent as of June 30, 2018, and 3.13 percent as of June 30, 2019.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Sensitivity of the ROE’s proportionate share of the collective net OPEB liability to changes in the discount rate

The following presents the ROE’s proportionate share of the collective net OPEB liability calculated using the discount rate of 3.13 percent, 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 (2.13 percent) or 1 percentage point higher (4.13 percent) than the current discount rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
ROE’s proportionate share of the collective net OPEB liability	\$ 486,862	\$ 404,810	\$ 340,205

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

The following presents the ROE’s proportionate share of the collective net OPEB liability as of June 30, 2019, 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 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease ^a	Healthcare Cost Trend Rates	1% Increase ^b
ROE’s proportionate share of the collective net OPEB liability	\$ 327,143	\$ 404,810	\$ 509,970

^a One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.81% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

^b One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2019 is available in the separately issued THIS Financial Report.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Changes in OPEB Liabilities

The following is a summary of the changes in the ROE's OPEB liabilities:

	June 30, 2019	Additions	Deletions	June 30, 2020
Total OPEB liability - IMRF	\$ 12,276	\$ 12,130	\$ -	\$ 24,406
Net OPEB liability – THIS	501,098	-	96,288	404,810
Total OPEB liabilities	<u>\$ 513,374</u>	<u>\$ 12,130</u>	<u>\$ 96,288</u>	<u>\$ 429,216</u>

NOTE 8 - COMMON BANK ACCOUNT

The ROE maintains several bank accounts. The various funds of the ROE are comingled in these accounts but accounted for in separate funds.

NOTE 9 - INTEREST ON DISTRIBUTIVE FUND

The June interest earned on distributive fund receipts is transferred after the end of each fiscal year to the General Fund by the written consent of all affected school boards and other entities. The other eleven months is transferred in June of the current fiscal year. The funds are utilized by the Regional Superintendent to purchase computer equipment, develop in-service activities and other innovative programs, as well as assist with the necessary operating expenses of the ROE office.

NOTE 10 - ON-BEHALF PAYMENTS FOR SALARIES AND BENEFITS

The salaries and benefits of the Superintendent and Assistant Superintendent of the ROE are paid for by the State of Illinois. Teachers' Retirement System (TRS) contributions for the Superintendent, Assistant Superintendent, and qualifying employees of the ROE are paid by the State of Illinois, in accordance with applicable State of Illinois Law. Teachers' Health Insurance Security (THIS) contributions for qualifying employees are paid by the State of Illinois, in accordance with applicable State of Illinois Law. Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent were calculated based on data provided by the Illinois State Board of Education.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 - ON-BEHALF PAYMENTS FOR SALARIES AND BENEFITS (continued)

The breakdown of the State of Illinois on-behalf payments is as follows:

Regional Superintendent (RS) salary	\$	119,832
Regional Superintendent benefits (includes State paid insurance)		33,241
Assistant Regional Superintendent (ARS) salary		107,844
Assistant Regional Superintendent benefits (includes State paid insurance)		6,854
TRS contributions for RS & ARS & THIS contributions for ROE employees		24,270
Subtotal on-behalf payments by the State of Illinois	\$	292,041

As discussed in Note 6, the ROE also recognized \$553,269 of on-behalf payments for the ROE's share of the State's TRS pension expense. As discussed in Note 7, the ROE also recognized \$24,003 of on-behalf payments for the ROE's share of the State's THIS OPEB expense.

Subtotal on-behalf payments by the State of Illinois	\$	292,041
ROE's share of TRS pension expense		553,269
ROE's share of OPEB expense		24,003
Total on-behalf payments by the State of Illinois	\$	869,313

Salaries and benefits of five ROE employees are paid for by LaSalle County. There are two Truant Officers and three clerical personnel.

The breakdown of the LaSalle County on-behalf payments is as follows:

Truant Officer salaries	\$	84,099
Truant Officer benefits		29,567
Clerical salaries		108,168
Clerical benefits		47,011
Total on-behalf payments by LaSalle County	\$	268,845

Salary and benefit data for the Truant Officers and the clerical staff were calculated based on data provided by LaSalle County Board.

NOTE 11 - OTHER DISCLOSURES

Accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds (which are presented only in combination on the financial statements). Funds having deficit fund balances and funds which overextended appropriations during the year are required to be disclosed.

LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - OTHER DISCLOSURES (continued)

- A. There were no funds/accounts with a deficit fund balance at June 30, 2020.
- B. There were no funds that overextended appropriations during the year ended June 30, 2020.

NOTE 12 - LEASES

The ROE annually enters into a rental agreement with the LaSalle/Putnam County Educational Alliance for Special Education (LEASE) for the use of office space for its Regional Safe School Program. The lease term is from July 1, 2019 to June 30, 2020 at a rate of \$2,765 per month. The rent paid for the year ended June 30, 2020 was \$33,180.

The ROE has entered into a lease agreement for the use of a printer/copier/scanner at the Regional Safe School. The lease term is from May 2016 to April 2021 at a rate of \$193 per month. The rent paid for the year ended June 30, 2020 was \$2,315. The future minimum lease payments are \$1,929 for the fiscal year ending June 30, 2021.

NOTE 13 - RISK MANAGEMENT

The ROE purchases a commercial insurance policy and is covered for all risk. There have been no significant reductions in coverage during the fiscal year. Settlement amounts have not exceeded insurance coverage for any of the three prior years.

**REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS)**

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION #35
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) & RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
MULTIYEAR SCHEDULE**

Calendar Year Ended December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability						
Service Cost	\$ 19,623	\$ 16,075	\$ 32,732	\$ 29,065	\$ 22,546	\$ 31,000
Interest on the Total Pension Liability	101,691	99,021	94,328	102,777	93,303	82,384
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	73,550	23,925	69,856	(177,449)	59,632	26,333
Changes of Assumptions	-	36,762	(38,803)	-	-	52,106
Benefit Payments, including Refunds of Employee Contributions	(96,741)	(93,664)	(80,742)	(57,041)	(47,790)	(36,220)
Net Change in Total Pension Liability	<u>98,123</u>	<u>82,119</u>	<u>77,371</u>	<u>(102,648)</u>	<u>127,691</u>	<u>155,603</u>
Total Pension Liability - Beginning	<u>1,441,195</u>	<u>1,359,076</u>	<u>1,281,705</u>	<u>1,384,353</u>	<u>1,256,662</u>	<u>1,101,059</u>
Total Pension Liability - Ending (A)	<u>\$ 1,539,318</u>	<u>\$ 1,441,195</u>	<u>\$ 1,359,076</u>	<u>\$ 1,281,705</u>	<u>\$ 1,384,353</u>	<u>\$ 1,256,662</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 7,316	\$ 11,521	\$ 13,070	\$ 35,450	\$ 33,348	\$ 23,944
Contributions - Employees	10,520	9,849	11,268	14,923	12,239	10,807
Net Investment Income	268,089	(100,938)	221,975	(105,923)	50,562	181,588
Benefit Payments, including Refunds of Employee Contributions	(96,741)	(93,664)	(80,742)	(57,041)	(47,790)	(36,220)
Other (Net Transfer)	14,104	35,822	2,575	1,108	(7,114)	(3,187)
Net Change in Plan Fiduciary Net Position	<u>203,288</u>	<u>(137,410)</u>	<u>168,146</u>	<u>(111,483)</u>	<u>41,245</u>	<u>176,932</u>
Plan Fiduciary Net Position - Beginning	<u>1,326,245</u>	<u>1,463,655</u>	<u>1,295,509</u>	<u>1,406,992</u>	<u>1,365,747</u>	<u>1,188,815</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 1,529,533</u>	<u>\$ 1,326,245</u>	<u>\$ 1,463,655</u>	<u>\$ 1,295,509</u>	<u>\$ 1,406,992</u>	<u>\$ 1,365,747</u>
Net Pension Liability (Asset) - Ending (A) - (B)	<u>\$ 9,785</u>	<u>\$ 114,950</u>	<u>\$ (104,579)</u>	<u>\$ (13,804)</u>	<u>\$ (22,639)</u>	<u>\$ (109,085)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.36%	92.02%	107.69%	101.08%	101.64%	108.68%
Covered Payroll	\$ 233,774	\$ 213,357	\$ 250,390	\$ 331,618	\$ 271,979	\$ 240,162
Net Pension Liability (Asset) as a Percentage of Covered Payroll	4.19%	53.88%	-41.77%	-4.16%	-8.32%	-45.42%

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.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION #35
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
MULTIYEAR SCHEDULE**

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	\$ 30,406	\$ 29,432	\$ 974	\$ 278,184	10.58%
2015	29,907	29,011	896	210,478	13.78%
2016	31,305	31,305	-	316,787	9.88%
2017	25,902	25,902	-	321,980	8.04%
2018	9,937	9,937	-	187,181	5.31%
2019	10,213	10,213	-	238,654	4.28%
2020	14,326	14,326	-	240,487	5.96%

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.

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2019 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	Non-taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 24-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.50%

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION #35
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
MULTIYEAR SCHEDULE**

Notes to Schedule (Continued):

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate**

Methods and Assumptions Used to Determine 2019 Contribution Rates:

<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	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 Healthy 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.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35**

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
Employer's proportion of the net pension liability	0.00008828%	0.00001676%	0.00192485%	0.00177145%	0.00019803%	0.00002837%
Employer's proportionate share of the net pension liability	\$ 71,600	\$ 13,067	\$ 1,470,547	\$ 1,398,312	\$ 129,729	\$ 17,265
State's proportionate share of the net pension liability associated with the employer	<u>5,095,728</u>	<u>895,124</u>	<u>3,334,990</u>	<u>3,153,005</u>	<u>2,119,267</u>	<u>1,076,632</u>
Total	<u>\$ 5,167,328</u>	<u>\$ 908,191</u>	<u>\$ 4,805,537</u>	<u>\$ 4,551,317</u>	<u>\$ 2,248,996</u>	<u>\$ 1,093,897</u>
Employer's covered payroll	\$ 368,879	\$ 460,046	\$ 450,361	\$ 398,134	\$ 278,471	\$ 174,512
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	19.41%	2.84%	326.53%	351.22%	46.59%	9.9%
Plan fiduciary net position as a percentage of the total pension liability	39.60%	40.00%	39.30%	36.40%	41.50%	43.00%

*The amounts presented were determined as of the prior fiscal year-end.

The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.

Notes to Required Supplementary Information

Changes of assumptions

*For the 2019, 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.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contributions	\$ 2,520	\$ 2,343	\$ 14,594	\$ 79,288	\$ 68,596	\$ 6,392	\$ 1,012
Contributions in relation to the statutorily-required contributions	<u>2,520</u>	<u>2,342</u>	<u>14,604</u>	<u>79,288</u>	<u>68,608</u>	<u>6,392</u>	<u>1,028</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (10)</u>	<u>\$ -</u>	<u>\$ (12)</u>	<u>\$ -</u>	<u>\$ (16)</u>
Employer's covered payroll	\$ 434,471	\$ 368,879	\$ 460,046	\$ 450,361	\$ 398,134	\$ 278,471	\$ 174,512
Contributions as a percentage of covered payroll	0.58%	0.63%	3.17%	17.61%	17.23%	2.30%	0.59%

The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION #35
SCHEDULE OF CHANGES IN THE EMPLOYER'S TOTAL OPEB LIABILITY & RELATED RATIOS
POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 462	\$ 527	\$ 507
Interest	670	698	1,194
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	5,115	-	-
Changes in Assumptions	5,883	527	-
Benefit Payments	-	(15,036)	(13,986)
Net Change in Total OPEB Liability	<u>12,130</u>	<u>(13,284)</u>	<u>(12,285)</u>
Total OPEB Liability - Beginning	<u>12,276</u>	<u>25,560</u>	<u>37,845</u>
Total OPEB Liability - Ending (A)	<u><u>\$ 24,406</u></u>	<u><u>\$ 12,276</u></u>	<u><u>\$ 25,560</u></u>
Covered Payroll	\$ 579,874	\$ 429,343	\$ 384,492
Employer Total OPEB Liability as a Percentage of Covered Payroll	4.21%	2.86%	6.65%

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 Terms

In the June 30, 2019 actuarial valuation, there have been no changes of benefit terms from the prior period.

Changes of Assumptions

The assumed rate on High Quality 20-year Tax-Exempt GO Bonds was changed from 3.50% to 2.21% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year-end based on changes in market conditions as reflected in the Index. Since the ROE does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB liability was also changed from 3.50% to 2.21%.

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION #35
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE COLLECTIVE NET OPEB LIABILITY
TEACHERS' HEALTH INSURANCE SECURITY FUND
LAST FOUR FISCAL YEARS*†**

	<u>FY19*</u>	<u>FY18*</u>	<u>FY17*</u>	<u>FY16*</u>
Employer's proportion of the collective net OPEB liability	0.001463%	0.001902%	0.001958%	0.001709%
Employer's proportionate share of the collective net OPEB liability	\$ 404,810	\$ 501,098	\$ 508,073	\$ 467,253
State's proportionate share of the collective net OPEB liability associated with the employer	<u>548,126</u>	<u>672,903</u>	<u>667,144</u>	<u>647,892</u>
Total	<u>\$ 952,936</u>	<u>\$ 1,174,001</u>	<u>\$ 1,175,217</u>	<u>\$ 1,115,145</u>
Employer's covered payroll	\$ 368,879	\$ 460,046	\$ 450,361	\$ 398,134
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	109.7%	108.9%	112.8%	117.4%
Plan fiduciary net position as a percentage of the total OPEB liability	0.25%	-0.07%	-0.17%	-0.22%

*The amounts presented for each fiscal year were determined as of the prior fiscal year end.

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

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION #35
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' HEALTH INSURANCE SECURITY FUND
LAST FIVE FISCAL YEARS†**

	FY20	FY19	FY18	FY17	FY16
Statutorily-required contribution	\$ 3,997	\$ 3,393	\$ 4,048	\$ 3,783	\$ 3,185
Contributions in relation to the statutorily-required contribution	3,997	3,393	4,048	3,783	3,185
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 434,471	\$ 368,879	\$ 460,046	\$ 450,361	\$ 398,134
Contributions as a percentage of covered payroll	0.92%	0.92%	0.88%	0.84%	0.80%

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

Notes to This Required Supplementary Information

Changes of Benefit Term

In the June 30, 2020 actuarial valuation, there have been no changes of benefit terms from the prior period.

Changes of Assumptions

The following OPEB-related assumption changes were made since the last actuarial valuation as of June 30, 2017:

- 1) The discount rate was changed from 3.62% at June 30, 2018 to 3.13% at June 30, 2019.
- 2) The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2018, projected plan cost for plan year end June 30, 2019, premium changes through plan year end 2020, and expectation of future trend increases after June 30, 2019.
- 3) The Excise Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2019.
- 4) Per capita claim costs for plan year end June 30, 2019 were updated based on projected claims and enrollment experience through June 30, 2019, and updated premium rates through plan year 2020.
- 5) Healthcare plan participation rates by plan were updated based on observed experience.

SUPPLEMENTARY INFORMATION

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2020**

SCHEDULE 1

	<u>General</u>	<u>RSSP Student</u>	<u>Title II - Teacher Quality (from Schools)</u>	<u>Marshall and Putnam County Funding</u>	<u>General State Aid</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 7,271	\$ 349,678	\$ 106,727	\$ 46,895	\$ 471,916	\$ 982,487
Investments	265,906	-	-	-	-	265,906
Accounts receivable	-	-	-	-	4,750	4,750
Prepaid expenses	975	-	-	-	14,951	15,926
Due from other funds	-	-	-	-	24,951	24,951
Due from other governmental units	-	9,525	-	2,777	-	12,302
Total Assets	<u>274,152</u>	<u>359,203</u>	<u>106,727</u>	<u>49,672</u>	<u>516,568</u>	<u>1,306,322</u>
DEFERRED OUTFLOWS OF RESOURCES						
	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
	<u>\$ 274,152</u>	<u>\$ 359,203</u>	<u>\$ 106,727</u>	<u>\$ 49,672</u>	<u>\$ 516,568</u>	<u>\$ 1,306,322</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 32,656	\$ 32,656
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,656</u>	<u>32,656</u>
DEFERRED INFLOWS OF RESOURCES						
	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	975	-	-	-	14,951	15,926
Assigned	-	359,203	106,727	49,672	-	515,602
Unassigned	273,177	-	-	-	468,961	742,138
Total fund balances	<u>274,152</u>	<u>359,203</u>	<u>106,727</u>	<u>49,672</u>	<u>483,912</u>	<u>1,273,666</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
	<u>\$ 274,152</u>	<u>\$ 359,203</u>	<u>\$ 106,727</u>	<u>\$ 49,672</u>	<u>\$ 516,568</u>	<u>\$ 1,306,322</u>

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2020**

SCHEDULE 2

	<u>General</u>	<u>RSSP Student</u>	<u>Title II - Teacher Quality (from Schools)</u>	<u>Marshall and Putnam County Funding</u>	<u>General State Aid</u>	<u>Total</u>
REVENUES						
State sources	\$ -	\$ -	\$ -	\$ -	\$ 346,891	\$ 346,891
Local sources	4,800	218,428	31,462	33,321	-	288,011
Interest	5,420	-	-	-	366	5,786
	<u>10,220</u>	<u>218,428</u>	<u>31,462</u>	<u>33,321</u>	<u>347,257</u>	<u>640,688</u>
Total revenues						
EXPENDITURES						
Instructional services:						
Salaries	-	112,933	12,563	5,169	234,167	364,832
Benefits	-	14,727	961	870	20,110	36,668
Pension expenditures	-	1,272	-	458	4,362	6,092
OPEB expenditures	-	979	-	-	1,403	2,382
Purchased services	1,224	6,580	823	12,036	50,064	70,727
Supplies and materials	6,854	4,914	-	1,059	11,770	24,597
Miscellaneous	-	-	-	100	390	490
Capital outlay	-	-	-	-	1,627	1,627
	<u>8,078</u>	<u>141,405</u>	<u>14,347</u>	<u>19,692</u>	<u>323,893</u>	<u>507,415</u>
Total expenditures						
NET CHANGE IN FUND BALANCE	2,142	77,023	17,115	13,629	23,364	133,273
FUND BALANCES, BEGINNING OF YEAR	<u>272,010</u>	<u>282,180</u>	<u>89,612</u>	<u>36,043</u>	<u>460,548</u>	<u>1,140,393</u>
FUND BALANCES, END OF YEAR	<u>\$ 274,152</u>	<u>\$ 359,203</u>	<u>\$ 106,727</u>	<u>\$ 49,672</u>	<u>\$ 483,912</u>	<u>\$ 1,273,666</u>

LASALLE, MARSHALL, AND PUTNAM COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 35
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2020

	McKinney Education for Homeless Children	Regional Safe Schools	Truants Alternative Programs	ROE/ISC Operations	WIA Youth Activities
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governmental units	10,172	-	13,535	-	6,338
Total assets	10,172	-	13,535	-	6,338
DEFERRED OUTFLOWS OF RESOURCES					
	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
	\$ 10,172	\$ -	\$ 13,535	\$ -	\$ 6,338
LIABILITIES					
Accounts payable and accrued expenses	\$ -	\$ -	\$ 6,716	\$ -	\$ -
Due to other funds	10,172	-	6,819	-	6,338
Total liabilities	10,172	-	13,535	-	6,338
DEFERRED INFLOWS OF RESOURCES					
	-	-	-	-	-
FUND BALANCES					
Restricted	-	-	-	-	-
Total fund balances	-	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
	\$ 10,172	\$ -	\$ 13,535	\$ -	\$ 6,338

SCHEDULE 3
(CONTINUED)

LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2020

	RSSCEP	National School Breakfast Program	National School Lunch Program	State Free Lunch & Breakfast Program	Teacher Quality- Leadership	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ 3,417	\$ 366	\$ 66	\$ -	\$ 3,849
Due from other governmental units	-	-	-	34	1,622	31,701
Total assets	-	3,417	366	100	1,622	35,550
DEFERRED OUTFLOWS OF RESOURCES						
	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
	\$ -	\$ 3,417	\$ 366	\$ 100	\$ 1,622	\$ 35,550
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,716
Due to other funds	-	-	-	-	1,622	24,951
Total liabilities	-	-	-	-	1,622	31,667
DEFERRED INFLOWS OF RESOURCES						
	-	-	-	-	-	-
FUND BALANCES						
Restricted	-	3,417	366	100	-	3,883
Total fund balances	-	3,417	366	100	-	3,883
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
	\$ -	\$ 3,417	\$ 366	\$ 100	\$ 1,622	\$ 35,550

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 35
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2020**

	McKinney Education for Homeless Children	Regional Safe Schools	Truants Alternative Programs	ROE/ISC Operations	WIA Youth Activities
REVENUES					
Federal sources	\$ 20,375	\$ -	\$ -	\$ -	\$ 71,171
State sources	-	74,955	175,966	120,318	-
On-behalf payments	-	-	113,666	447,220	-
Total revenues	<u>20,375</u>	<u>74,955</u>	<u>289,632</u>	<u>567,538</u>	<u>71,171</u>
EXPENDITURES					
Instructional services:					
Salaries	3,750	67,182	123,425	84,440	69,099
Benefits	179	1,413	20,788	12,576	1,631
Pension expenditures	117	830	4,158	1,608	-
OPEB expenditures	-	632	447	536	-
Purchased services	1,004	2,600	11,512	18,163	-
Supplies and materials	44	2,298	2,101	905	441
Miscellaneous	-	-	-	2,090	-
On-behalf payments	-	-	113,666	447,220	-
Intergovernmental:					
Payments to other governmental units	15,281	-	-	-	-
Total expenditures	<u>20,375</u>	<u>74,955</u>	<u>276,097</u>	<u>567,538</u>	<u>71,171</u>
NET CHANGE IN FUND BALANCE	-	-	13,535	-	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	-	-	(13,535)	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	RSSCEP	National School Breakfast Program	National School Lunch Program	State Free Lunch & Breakfast Program	Teacher Quality- Leadership	Total
REVENUES						
Federal sources	\$ -	\$ 10,111	\$ 16,446	\$ -	\$ 1,622	\$ 119,725
State sources	39,563	-	-	424	-	411,226
On-behalf payments	-	-	-	-	-	560,886
Total revenues	<u>39,563</u>	<u>10,111</u>	<u>16,446</u>	<u>424</u>	<u>1,622</u>	<u>1,091,837</u>
EXPENDITURES						
Instructional services:						
Salaries	31,675	-	-	-	-	379,571
Benefits	2,423	-	-	-	-	39,010
Pension expenditures	-	-	-	-	-	6,713
OPEB expenditures	-	-	-	-	-	1,615
Purchased services	2,470	810	1,525	1,025	1,622	40,731
Supplies and materials	2,995	-	-	-	-	8,784
Miscellaneous	-	-	-	-	-	2,090
On-behalf payments	-	-	-	-	-	560,886
Intergovernmental:						
Payments to other governmental units	-	7,344	17,336	-	-	39,961
Total expenditures	<u>39,563</u>	<u>8,154</u>	<u>18,861</u>	<u>1,025</u>	<u>1,622</u>	<u>1,079,361</u>
NET CHANGE IN FUND BALANCE	-	1,957	(2,415)	(601)	-	12,476
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	-	1,460	2,781	701	-	(8,593)
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 3,417</u>	<u>\$ 366</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 3,883</u>

LASALLE, MARSHALL, AND PUTNAM COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 35
 BUDGETARY COMPARISON SCHEDULES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>McKinney Education for Homeless Children</u>				<u>Regional Safe Schools</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE								
Federal sources	\$ 20,375	\$ 20,375	\$ 20,375	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	74,955	74,955	74,955	-
On-behalf payments	-	-	-	-	-	-	-	-
Total revenue	<u>20,375</u>	<u>20,375</u>	<u>20,375</u>	<u>-</u>	<u>74,955</u>	<u>74,955</u>	<u>74,955</u>	<u>-</u>
EXPENDITURES								
Salaries	3,900	3,900	3,750	150	62,000	62,000	67,182	(5,182)
Benefits	143	143	179	(36)	8,198	8,198	1,413	6,785
Pension expenditures	-	-	117	(117)	-	-	830	(830)
OPEB expenditures	-	-	-	-	-	-	632	(632)
Purchased services	1,000	1,000	1,004	(4)	1,850	1,850	2,600	(750)
Supplies and materials	51	51	44	7	2,907	2,907	2,298	609
Miscellaneous	-	-	-	-	-	-	-	-
On-behalf payments to governments	-	-	-	-	-	-	-	-
Intergovernmental:								
Payments to other governmental units	15,281	15,281	15,281	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>20,375</u>	<u>20,375</u>	<u>20,375</u>	<u>-</u>	<u>74,955</u>	<u>74,955</u>	<u>74,955</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>-</u>				<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>				<u>\$ -</u>	

LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
BUDGETARY COMPARISON SCHEDULES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	Truants Alternative Programs				ROE/ISC Operations			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE								
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	162,431	162,431	175,966	13,535	120,318	120,318	120,318	-
On-behalf payments	-	-	113,666	113,666	-	-	447,220	447,220
Total revenue	162,431	162,431	289,632	127,201	120,318	120,318	567,538	447,220
EXPENDITURES								
Salaries	119,334	119,334	123,425	(4,091)	86,200	86,200	84,440	1,760
Benefits	30,749	30,749	20,788	9,961	13,430	13,430	12,576	854
Pension expenditures	-	-	4,158	(4,158)	-	-	1,608	(1,608)
OPEB expenditures	-	-	447	(447)	-	-	536	(536)
Purchased services	10,543	10,543	11,512	(969)	16,700	16,700	18,163	(1,463)
Supplies and materials	1,805	1,805	2,101	(296)	1,588	1,588	905	683
Miscellaneous	-	-	-	-	1,400	1,400	2,090	(690)
On-behalf payments to governments	-	-	113,666	(113,666)	-	-	447,220	(447,220)
Intergovernmental:								
Payments to other governmental units	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,000	1,000	-	1,000
Total expenditures	162,431	162,431	276,097	(113,666)	120,318	120,318	567,538	(447,220)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>13,535</u>	<u>\$ 13,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(13,535)</u>				<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>				<u>\$ -</u>	

LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
BUDGETARY COMPARISON SCHEDULES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	RSSCEP				Teacher Quality - Leadership			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE								
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ 1,622	\$ 1,622	\$ 1,622	\$ -
State sources	39,563	39,563	39,563	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-	-	-
Total revenue	<u>39,563</u>	<u>39,563</u>	<u>39,563</u>	<u>-</u>	<u>1,622</u>	<u>1,622</u>	<u>1,622</u>	<u>-</u>
EXPENDITURES								
Salaries	30,000	30,000	31,675	(1,675)	22	22	-	22
Benefits	2,295	2,295	2,423	(128)	-	-	-	-
Pension expenditures	-	-	-	-	-	-	-	-
OPEB expenditures	-	-	-	-	-	-	-	-
Purchased services	4,268	4,268	2,470	1,798	1,600	1,600	1,622	(22)
Supplies and materials	3,000	3,000	2,995	5	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
On-behalf payments to governments	-	-	-	-	-	-	-	-
Intergovernmental:								
Payments to other governmental units	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>39,563</u>	<u>39,563</u>	<u>39,563</u>	<u>-</u>	<u>1,622</u>	<u>1,622</u>	<u>1,622</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>-</u>				<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>				<u>\$ -</u>	

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020**

SCHEDULE 6

	General Educational Development	School Bus Driver Training	Annexation and Sales Petition	Total
ASSETS				
Cash and cash equivalents	\$ 26,514	\$ 13,227	\$ 1,794	\$ 41,535
Investments	24,866	13,287	-	38,153
Accounts receivable	-	40	-	40
Due from other governmental units	-	160	-	160
Total assets	<u>51,380</u>	<u>26,714</u>	<u>1,794</u>	<u>79,888</u>
DEFERRED OUTFLOWS OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	<u>\$ 51,380</u>	<u>\$ 26,714</u>	<u>\$ 1,794</u>	<u>\$ 79,888</u>
LIABILITIES				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	<u>51,380</u>	<u>26,714</u>	<u>1,794</u>	<u>79,888</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	<u>\$ 51,380</u>	<u>\$ 26,714</u>	<u>\$ 1,794</u>	<u>\$ 79,888</u>

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

SCHEDULE 7

	General Educational Development	School Bus Driver Training	Annexation and Sales Petition	Total
REVENUES				
State sources	\$ -	\$ 1,439	\$ -	\$ 1,439
Local sources	1,810	3,670	-	5,480
Interest	427	228	-	655
Total revenues	<u>2,237</u>	<u>5,337</u>	<u>-</u>	<u>7,574</u>
EXPENDITURES				
Purchased services	-	4,996	-	4,996
Miscellaneous	-	40	-	40
Total expenditures	<u>-</u>	<u>5,036</u>	<u>-</u>	<u>5,036</u>
NET CHANGE IN FUND BALANCES	2,237	301	-	2,538
FUND BALANCES, BEGINNING OF YEAR	<u>49,143</u>	<u>26,413</u>	<u>1,794</u>	<u>77,350</u>
FUND BALANCES, END OF YEAR	<u>\$ 51,380</u>	<u>\$ 26,714</u>	<u>\$ 1,794</u>	<u>\$ 79,888</u>

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 35
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 JUNE 30, 2020**

SCHEDULE 8

	<u>Regional Safe School Meals</u>	<u>Evaluation and Training</u>	<u>ParaPro</u>	<u>RSSP Student Activities</u>	<u>Total</u>
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 924	\$ 883	\$ 15,033	\$ 2,498	\$ 19,338
TOTAL ASSETS	<u>924</u>	<u>883</u>	<u>15,033</u>	<u>2,498</u>	<u>19,338</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Unrestricted	924	883	15,033	2,498	19,338
Net investment in capital assets	-	-	-	-	-
TOTAL NET POSITION	<u>\$ 924</u>	<u>\$ 883</u>	<u>\$ 15,033</u>	<u>\$ 2,498</u>	<u>\$ 19,338</u>

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 35
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

SCHEDULE 9

	<u>Regional Safe School Meals</u>	<u>Evaluation and Training</u>	<u>ParaPro</u>	<u>RSSP Student Activities</u>	<u>Total</u>
OPERATING REVENUE					
Fees for services	\$ 250	\$ 2,000	\$ 2,000	\$ 200	\$ 4,450
OPERATING EXPENSES					
Salaries	-	1,317	-	-	1,317
Benefits	-	19	-	-	19
Purchased services	-	28	-	-	28
Supplies and materials	-	-	780	150	930
Total operating expenses	-	1,364	780	150	2,294
OPERATING INCOME	250	636	1,220	50	2,156
NET POSITION, BEGINNING OF YEAR	674	247	13,813	2,448	17,182
NET POSITION, END OF YEAR	<u>\$ 924</u>	<u>\$ 883</u>	<u>\$ 15,033</u>	<u>\$ 2,498</u>	<u>\$ 19,338</u>

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

SCHEDULE 10

	Regional Safe School Meals	Evaluation and Training	ParaPro	RSSP Student Activities	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts for workshops and services	\$ 250	\$ 2,000	\$ 2,000	\$ 200	\$ 4,450
Payments to employees	-	(1,317)	-	-	(1,317)
Payments to suppliers and providers of goods and services	-	(47)	(780)	(150)	(977)
Net cash provided by operating activities	250	636	1,220	50	2,156
NET INCREASE IN CASH AND CASH EQUIVALENTS	250	636	1,220	50	2,156
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	674	247	13,813	2,448	17,182
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 924</u>	<u>\$ 883</u>	<u>\$ 15,033</u>	<u>\$ 2,498</u>	<u>\$ 19,338</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 250	\$ 636	\$ 1,220	\$ 50	\$ 2,156
Adjustments to reconcile operating income to net cash provided by operating activities:					
Effects of changes in assets and liabilities:					
None	-	-	-	-	-
Net cash provided by operating activities	<u>\$ 250</u>	<u>\$ 636</u>	<u>\$ 1,220</u>	<u>\$ 50</u>	<u>\$ 2,156</u>

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 35
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2020**

SCHEDULE 11

	<u>Distributive</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,656	\$ -	\$ 1,656
LIABILITIES			
Due to other governmental units	\$ 1,656	\$ -	\$ 1,656

**LASALLE, MARSHALL, AND PUTNAM COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 35
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

SCHEDULE 12

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
DISTRIBUTIVE				
ASSETS				
Cash and cash equivalents	\$ 17	\$ 1,318,763	\$ 1,317,124	\$ 1,656
LIABILITIES				
Due to other governmental units	\$ 17	\$ 1,318,763	\$ 1,317,124	\$ 1,656
PAYROLL				
ASSETS				
Cash and cash equivalents	\$ 4	\$ 844,332	\$ 844,336	\$ -
LIABILITIES				
Due to other governmental units	\$ 4	\$ 844,332	\$ 844,336	\$ -
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 21	\$ 2,163,095	\$ 2,161,460	\$ 1,656
LIABILITIES				
Due to other governmental units	\$ 21	\$ 2,163,095	\$ 2,161,460	\$ 1,656

LASALLE, MARSHALL, AND PUTNAM COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 35
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 FOR THE YEAR ENDED JUNE 30, 2020

Program	Code	ROE No. 35	LEASE	L-P Area Voc. Center	Grand Total
General State Aid	3001/3002	\$ 346,891	\$ 375,766	\$ -	\$ 722,657
State Free Lunch & Breakfast	3360	440	739	-	1,179
Transportation - Regular and Vocational	3500	1,439	-	3,233	4,672
Truants Alternative/Optional Ed.	3695	162,431	-	-	162,431
Regional Safe Schools	3696	74,955	-	-	74,955
ROE/ISC Operations	3730	120,318	-	-	120,318
RSSCEP	3999	39,563	-	-	39,563
National School Lunch Program	4210	16,447	22,453	-	38,900
School Breakfast Program	4220	10,111	13,668	-	23,779
Fed. - Sp. Ed. - Pre-School Flow Through	4600	-	24,015	-	24,015
Fed - Sp. Ed -IDEA - Flow through	4620	-	104,638	-	104,638
Interest Income	8801	17	-	-	17
TOTAL		\$ 772,612	\$ 541,279	\$ 3,233	\$ 1,317,124