

State of Illinois
NORTH COOK
INTERMEDIATE SERVICE CENTER #1

FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 2022

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

North Cook Intermediate Service Center #1
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June 30, 2022

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North Cook Intermediate Service Center #1
Officials
June 30, 2022

Executive Director
(Current and during the audit period)

Dr. Kevin Jauch

Assistant Executive Director
(Current and during the audit period)

Dr. April Jordan

Office Manager
(Current and during the audit period)

Ms. Gina Shalzi

Business Manager
(Current and during the audit period)

Ms. Terrie Simmons

Office is located at:

1001 East Touhy Avenue, Suite 200
Des Plaines, Illinois 60018

NORTH COOK INTERMEDIATE SERVICE CENTER #1

FINANCIAL REPORT SUMMARY

For the Year Ended June 30, 2022

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

AUDITOR'S REPORT

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

SUMMARY OF AUDIT FINDINGS

| <u>Number of</u> | <u>This Audit</u> | <u>Prior Audit</u> |
|--|-------------------|--------------------|
| Audit findings | 0 | 0 |
| Repeated audit findings | 0 | 0 |
| Prior recommendations implemented or not repeated | 0 | 0 |

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

SUMMARY OF FINDINGS AND RESPONSES

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> | <u>Finding Type</u> |
|---------------------|-------------|--------------------|---------------------|
|---------------------|-------------|--------------------|---------------------|

FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

None

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

None

EXIT CONFERENCE

The North Cook Intermediate Service Center #1 did not request an exit conference to discuss the audit for the year ended June 30, 2022.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2022

The audit of the accompanying basic financial statements of the North Cook Intermediate Service Center #1 was performed by GW & Associates PC.

Based on their audit, the auditors expressed an unmodified opinion on the North Cook Intermediate Service Center's basic financial statements.



INDEPENDENT AUDITOR’S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
North Cook Intermediate Service Center #1

Report on the Audit of the Financial Statements

Opinions

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the North Cook Intermediate Service Center #1, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the North Cook Intermediate Service Center #1’s basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the North Cook Intermediate Service Center #1, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Cook Intermediate Service Center #1, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the North Cook Intermediate Service Center #1 implemented Governmental Accounting Standards Board Statement No. 87, *Leases* in 2022. As a result, beginning capital asset and beginning long-term liability balances were restated to include leases previously not recorded. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Cook Intermediate Service Center #1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the North Cook Intermediate Service Center #1's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Cook Intermediate Service Center #1's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

In addition, accounting principles generally accepted in the United States of America require that the Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios – Illinois Municipal Retirement Fund, the Schedule of Employer Contributions – Illinois Municipal Retirement Fund, the Schedule of the Employer's Proportionate Share of the Net Pension Liability – Teachers' Retirement System of the State of Illinois, the Schedule of Employer Contributions – Teachers' Retirement System of the State of Illinois, the Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability – Teachers' Health Insurance Security Fund, the Schedule of Employer Contributions – Teachers' Health Insurance Security Fund, and the Schedule of Changes in the Total OPEB Liability and Related Ratios – Health Insurance Plan be presented to supplement the basic financial statements. Such information is the responsibility of management, and 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements. The combining schedules of accounts, the budgetary comparison schedule, and the combining fund financial statements are presented for purposes of additional analysis

and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, the budgetary comparison schedule, and the combining fund financial statements is fairly stated, in all material respects, in relation to the 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 31, 2023, on our consideration of the North Cook Intermediate Service Center #1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Cook Intermediate Service Center #1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North Cook Intermediate Service Center #1's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Hillside, Illinois
January 31, 2023



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
North Cook Intermediate Service Center #1

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Cook Intermediate Service Center #1, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the North Cook Intermediate Service Center #1’s basic financial statements, and we have issued our report thereon dated January 31, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Cook Intermediate Service Center #1’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North Cook Intermediate Service Center #1’s internal control. Accordingly, we do not express an opinion on the effectiveness of the North Cook Intermediate Service Center #1’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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Cook Intermediate Service Center #1'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*.

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 North Cook Intermediate Service Center #1'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 North Cook Intermediate Service Center #1's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Hillside, Illinois
January 31, 2023

NORTH COOK INTERMEDIATE SERVICE CENTER #1

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements in Accordance with GAAP

| | |
|---|---------------|
| Type of auditor's report issued: | Unmodified |
| Internal control over financial reporting: | |
| • Material weakness identified? | No |
| • Significant deficiency identified? | None reported |
| • Noncompliance material to financial statements noted? | No |

NORTH COOK INTERMEDIATE SERVICE CENTER #1

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2022

Section II - Financial Statement Findings

No findings were noted for the year ended June 30, 2022.

NORTH COOK INTERMEDIATE SERVICE CENTER #1
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 2022

Corrective Action Plan

No findings were noted for the year ended June 30, 2022.

NORTH COOK INTERMEDIATE SERVICE CENTER #1
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2022

No prior year audit findings were reported.

BASIC FINANCIAL STATEMENTS

North Cook Intermediate Service Center #1
Statement of Net Position
June 30, 2022
Exhibit A

| | Primary Government | | Total |
|---------------------------------------|----------------------------------|-------------------------------------|---------------------|
| | Government Activities | Business-Type Activities | |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 460,236 | \$ 281,319 | \$ 741,555 |
| Investments | 3,402,302 | 750,000 | 4,152,302 |
| Due from other governments | 76,276 | 13,775 | 90,051 |
| Prepaid expenses | 291 | - | 291 |
| Security deposits | 30,866 | - | 30,866 |
| Total current assets | <u>3,969,971</u> | <u>1,045,094</u> | <u>5,015,065</u> |
| Noncurrent assets: | | | |
| Capital assets, net | 1,531,294 | - | 1,531,294 |
| Net pension assets | 309,484 | - | 309,484 |
| Total noncurrent assets | <u>1,840,778</u> | <u>-</u> | <u>1,840,778</u> |
| TOTAL ASSETS | <u>5,810,749</u> | <u>1,045,094</u> | <u>6,855,843</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to pensions | 47,931 | - | 47,931 |
| Deferred outflows related to OPEB | 25,775 | - | 25,775 |
| Total deferred outflows of resources | <u>73,706</u> | <u>-</u> | <u>73,706</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued expenses | 52,241 | 656 | 52,897 |
| Interest payable | 6,637 | - | 6,637 |
| Unearned revenue | 7,730 | 18,055 | 25,785 |
| Lease payable - current portion | 135,952 | - | 135,952 |
| Total current liabilities | <u>202,560</u> | <u>18,711</u> | <u>221,271</u> |
| Noncurrent liabilities: | | | |
| Accrued compensated absences | 7,611 | - | 7,611 |
| Lease payable | 1,324,929 | - | 1,324,929 |
| OPEB liability | 620,025 | - | 620,025 |
| Total noncurrent liabilities | <u>1,952,565</u> | <u>-</u> | <u>1,952,565</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pensions | 435,635 | - | 435,635 |
| Deferred inflows related to OPEB | 269,016 | - | 269,016 |
| Total deferred inflows of resources | <u>704,651</u> | <u>-</u> | <u>704,651</u> |
| NET POSITION | | | |
| Net investment in capital assets | 70,413 | - | 70,413 |
| Restricted - other | 2,089,912 | - | 2,089,912 |
| Unrestricted | 864,354 | 1,026,383 | 1,890,737 |
| TOTAL NET POSITION | <u>\$ 3,024,679</u> | <u>\$ 1,026,383</u> | <u>\$ 4,051,062</u> |

The accompanying notes are an integral part of the financial statements.

North Cook Intermediate Service Center #1
Statement of Activities
For the Year Ended June 30, 2022
Exhibit B

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | Net (Expenses) Revenues and Change 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 and benefits | \$ 1,457,330 | \$ 577,861 | \$ 1,038,303 | \$ 158,834 | \$ - | \$ 158,834 |
| Pension expense (benefit) | (76,812) | 35,421 | - | 112,233 | - | 112,233 |
| OPEB expense (benefit) | (82,155) | 5,693 | - | 87,848 | - | 87,848 |
| Purchased services | 360,480 | 214,150 | 188,686 | 42,356 | - | 42,356 |
| Supplies and materials | 68,916 | 30,215 | 45,751 | 7,050 | - | 7,050 |
| Other objects | 14,249 | 15,110 | - | 861 | - | 861 |
| Depreciation and amortization | 218,869 | - | - | (218,869) | - | (218,869) |
| Administrative: | | | | | | |
| On-behalf payments - State | 65,751 | - | 65,751 | - | - | - |
| Debt service: | | | | | | |
| Interest on leases | 83,771 | 43,586 | 41,679 | 1,494 | - | 1,494 |
| Total governmental activities | 2,110,399 | 922,036 | 1,380,984 | 192,621 | - | 192,621 |
| Business-type activities: | | | | | | |
| Instructional | 226,048 | 389,212 | - | - | 163,164 | 163,164 |
| Total business-type activities | 226,048 | 389,212 | - | - | 163,164 | 163,164 |
| Total primary government | \$ 2,336,447 | \$ 1,311,248 | \$ 1,380,984 | 192,621 | 163,164 | 355,785 |
| General revenues: | | | | | | |
| Interest | | | | 33,912 | 5,721 | 39,633 |
| Change in net position | | | | 226,533 | 168,885 | 395,418 |
| Net position, beginning of year | | | | 2,798,146 | 857,498 | 3,655,644 |
| Net position, end of year | | | | \$ 3,024,679 | \$ 1,026,383 | \$ 4,051,062 |

The accompanying notes are an integral part of the financial statements.

North Cook Intermediate Service Center #1
Governmental Funds
Balance Sheet
June 30, 2022
Exhibit C

| | General Fund | Education Fund | Institute | Bus Driver | Eliminations | Total Governmental Funds |
|---|---------------------|-------------------|---------------------|-------------------|-------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 302,764 | \$ 1,041 | \$ 98,641 | \$ 57,790 | \$ - | \$ 460,236 |
| Investments | 1,459,923 | - | 1,342,379 | 600,000 | - | 3,402,302 |
| Due from other funds | 1,185 | - | - | - | (1,185) | - |
| Due from other governments | 56,178 | 2,268 | 13,830 | 4,000 | - | 76,276 |
| Prepaid expenses | 291 | - | - | - | - | 291 |
| Security deposits | 30,866 | - | - | - | - | 30,866 |
| TOTAL ASSETS | 1,851,207 | 3,309 | 1,454,850 | 661,790 | (1,185) | 3,969,971 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT) | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable and accrued expenses | 31,119 | 2,124 | 18,265 | 733 | - | 52,241 |
| Due to other funds | - | 1,185 | - | - | (1,185) | - |
| Unearned revenue | - | - | - | 7,730 | - | 7,730 |
| Total liabilities | 31,119 | 3,309 | 18,265 | 8,463 | (1,185) | 59,971 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue | - | 762 | - | - | - | 762 |
| FUND BALANCES (DEFICIT) | | | | | | |
| Nonspendable | 31,157 | - | - | - | - | 31,157 |
| Restricted | - | - | 1,436,585 | 653,327 | - | 2,089,912 |
| Unassigned | 1,788,931 | (762) | - | - | - | 1,788,169 |
| Total fund balances (deficit) | 1,820,088 | (762) | 1,436,585 | 653,327 | - | 3,909,238 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT) | \$ 1,851,207 | \$ 3,309 | \$ 1,454,850 | \$ 661,790 | \$ (1,185) | \$ 3,969,971 |

The accompanying notes are an integral part of the financial statements.

North Cook Intermediate Service Center #1
Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022
Exhibit D

| | | |
|---|------------------|---------------------|
| Total fund balances - governmental funds | | \$ 3,909,238 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | 1,531,294 |
| Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are considered unavailable and are deferred inflows of resources in the governmental funds. | | 762 |
| Non-current assets related to pension benefits are collected but are not payable in the current period and, therefore, are not reported in the governmental funds. | | |
| IMRF net pension asset | \$ 276,820 | |
| TRS net pension asset | <u>32,664</u> | 309,484 |
| Pension & 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 related to pensions | 47,931 | |
| Deferred inflows of resources related to pensions | (435,635) | |
| Deferred outflows of resources related to OPEB | 25,775 | |
| Deferred inflows of resources related to OPEB | <u>(269,016)</u> | (630,945) |
| Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. | | |
| Interest payable on leases | (6,637) | |
| Lease payable | (1,460,881) | |
| Compensated absences | (7,611) | |
| OPEB liability | <u>(620,025)</u> | <u>(2,095,154)</u> |
| Net position of governmental activities | | <u>\$ 3,024,679</u> |

The accompanying notes are an integral part of the financial statements.

North Cook Intermediate Service Center #1
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022
Exhibit E

| | General Fund | Education Fund | Institute | Bus Driver | Total Governmental Funds |
|--|-------------------------|---------------------------|---------------------|-------------------|---|
| REVENUES | | | | | |
| Local sources | \$ 500,302 | \$ - | \$ 362,224 | \$ 59,510 | \$ 922,036 |
| State sources | 408,249 | 841,242 | - | 56,598 | 1,306,089 |
| Federal sources | - | 13,574 | - | - | 13,574 |
| On-behalf payments - State | 273,665 | - | - | - | 273,665 |
| Interest | 12,369 | - | 15,953 | 5,590 | 33,912 |
| Total revenues | <u>1,194,585</u> | <u>854,816</u> | <u>378,177</u> | <u>121,698</u> | <u>2,549,276</u> |
| EXPENDITURES | | | | | |
| Instructional services: | | | | | |
| Salaries and benefits | 363,404 | 686,103 | 361,693 | 56,445 | 1,467,645 |
| Pension expense | 2,594 | - | 24,343 | 4,716 | 31,653 |
| OPEB expense | 4,581 | - | 506 | - | 5,087 |
| Purchased services | 176,762 | 48,077 | 117,763 | 21,634 | 364,236 |
| Supplies and materials | 37,046 | 15,761 | 15,892 | 217 | 68,916 |
| Other objects | 1,056 | - | 10,012 | 3,181 | 14,249 |
| Administrative: | | | | | |
| On-behalf payments - State | 273,665 | - | - | - | 273,665 |
| Debt service: | | | | | |
| Repayment of long-term lease payable | 63,147 | 64,095 | 2,772 | - | 130,014 |
| Interest on leases | 38,365 | 38,185 | 584 | - | 77,134 |
| Capital outlay | - | - | 1,079 | - | 1,079 |
| Total expenditures | <u>960,620</u> | <u>852,221</u> | <u>534,644</u> | <u>86,193</u> | <u>2,433,678</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 233,965 | 2,595 | (156,467) | 35,505 | 115,598 |
| OTHER FINANCING SOURCE | | | | | |
| Issuance of lease liabilities | - | 1,835 | 1,921 | - | 3,756 |
| NET CHANGE IN FUND BALANCES | 233,965 | 4,430 | (154,546) | 35,505 | 119,354 |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | <u>1,586,123</u> | <u>(5,192)</u> | <u>1,591,131</u> | <u>617,822</u> | <u>3,789,884</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 1,820,088</u> | <u>\$ (762)</u> | <u>\$ 1,436,585</u> | <u>\$ 653,327</u> | <u>\$ 3,909,238</u> |

The accompanying notes are an integral part of the financial statements.

**North Cook Intermediate Service Center #1
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2022
Exhibit F**

| | | |
|--|----|-----------------------|
| Net change in fund balance | \$ | 119,354 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.</p> | | |
| Capital outlay | \$ | 1,079 |
| Right-to-use leased assets | | 3,756 |
| Depreciation and amortization | | <u>(218,869)</u> |
| | | (214,034) |
| <p>Some receivables will not be collected for several months after fiscal year end, so they are not considered as "available" revenues in the governmental funds, and they are instead counted as deferred inflows of resources. They are however, recorded as revenues in the Statement of Activities.</p> | | |
| Current year unavailable revenue | | 762 |
| Prior year unavailable revenue | | <u>(5,192)</u> |
| | | (4,430) |
| <p>The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p> | | |
| Lease liabilities issued | | (3,756) |
| Principal payments on lease payable | | 130,014 |
| Interest payable on leases | | <u>(6,637)</u> |
| | | 119,621 |
| <p>Governmental funds report pension/OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension/OPEB benefits earned, net of employer contributions is reported as pension/OPEB expense (benefit).</p> | | |
| Pension: | | |
| Employer contributions | | 31,653 |
| Cost of benefits, earned | | <u>76,812</u> |
| | | 108,465 |
| OPEB: | | |
| Employer contributions | | 5,087 |
| Cost of benefits, earned | | <u>82,155</u> |
| | | 87,242 |
| <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> | | |
| Compensated absences | | <u>10,315</u> |
| Change in net position of governmental activities | \$ | <u><u>226,533</u></u> |

The accompanying notes are an integral part of the financial statements.

North Cook Intermediate Service Center #1
Proprietary Funds
Statement of Net Position
June 30, 2022
Exhibit G

| | Business-Type Activities - Enterprise Fund | | |
|---------------------------------------|---|---------------------------------------|------------------|
| | Workshops | Nonmajor Proprietary Funds | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 75,392 | \$ 205,927 | \$ 281,319 |
| Investments | 750,000 | - | 750,000 |
| Due from other governments | 5,585 | 8,190 | 13,775 |
| TOTAL ASSETS | 830,977 | 214,117 | 1,045,094 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued expenses | 652 | 4 | 656 |
| Unearned revenue | 18,055 | - | 18,055 |
| TOTAL LIABILITIES | 18,707 | 4 | 18,711 |
| NET POSITION | | | |
| Unrestricted | \$ 812,270 | \$ 214,113 | \$ 1,026,383 |

The accompanying notes are an integral part of the financial statements.

**North Cook Intermediate Service Center #1
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2022
Exhibit H**

| | Business-Type Activities - Enterprise Fund | | |
|--|---|---------------------------------------|--------------|
| | Workshops | Nonmajor Proprietary Funds | Total |
| OPERATING REVENUES | | | |
| Charges for services | \$ 291,547 | \$ 97,665 | \$ 389,212 |
| OPERATING EXPENSES | | | |
| Purchased services | 143,629 | 67,596 | 211,225 |
| Supplies and materials | 3,071 | 3,179 | 6,250 |
| Depreciation | - | 323 | 323 |
| Other | 7,944 | 306 | 8,250 |
| Total operating expenses | 154,644 | 71,404 | 226,048 |
| OPERATING INCOME | 136,903 | 26,261 | 163,164 |
| OTHER FINANCING SOURCE | | | |
| Interest | 5,721 | - | 5,721 |
| CHANGE IN NET POSITION | 142,624 | 26,261 | 168,885 |
| NET POSITION, BEGINNING OF YEAR | 669,646 | 187,852 | 857,498 |
| NET POSITION, END OF YEAR | \$ 812,270 | \$ 214,113 | \$ 1,026,383 |

The accompanying notes are an integral part of the financial statements.

North Cook Intermediate Service Center #1
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022
Exhibit I

| | Business-Type Activities - Enterprise Fund | | |
|---|---|---------------------------------------|-------------------|
| | Workshops | Nonmajor Proprietary Funds | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Receipts for workshops and services | \$ 330,442 | \$ 92,955 | \$ 423,397 |
| Payments to suppliers and providers of goods and services | (159,762) | (71,622) | (231,384) |
| Net cash provided by operating activities | <u>170,680</u> | <u>21,333</u> | <u>192,013</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Interest earned | 5,721 | - | 5,721 |
| Acquisition of investments | (250,000) | - | (250,000) |
| Net cash used in investing activities | <u>(244,279)</u> | <u>-</u> | <u>(244,279)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (73,599) | 21,333 | (52,266) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>148,991</u> | <u>184,594</u> | <u>333,585</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 75,392</u> | <u>\$ 205,927</u> | <u>\$ 281,319</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating income | \$ 136,903 | \$ 26,261 | \$ 163,164 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation | - | 323 | 323 |
| Effects of changes in assets and liabilities: | | | |
| Due from other governments | 36,390 | (4,710) | 31,680 |
| Accounts payable and accrued expenses | (5,118) | (541) | (5,659) |
| Unearned revenue | 2,505 | - | 2,505 |
| Net cash provided by operating activities | <u>\$ 170,680</u> | <u>\$ 21,333</u> | <u>\$ 192,013</u> |

The accompanying notes are an integral part of the financial statements.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The North Cook Intermediate Service Center #1 (ISC #1 or Center) was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2022, the North Cook Intermediate Service Center #1 implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 93, *Replacement of Interbank Offered Rates*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. GASB Statement No. 89 eliminates the requirement to capitalize interest incurred before the end of the construction period of an asset within business-type activities. GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 92 modifies requirements related to leases, reinsurance recoveries, and the terminology used to refer to derivative instruments. GASB Statement No. 93 establishes accounting and reporting requirements related to the replacement of Interbank Offered Rates such as the London Offered Rate (LIBOR) for hedging derivative instruments. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR.

As a result of implementing GASB Statement No. 87, the North Cook Intermediate Service Center #1 has recorded lease assets and liabilities for leases that were previously classified as operating leases. The implementation of GASB Statement Nos. 89, 91, 92, 93, 96, and 98 does not have a significant impact to the North Cook Intermediate Service Center #1's financial statements.

A. FINANCIAL REPORTING ENTITY

The portion of Cook County, Illinois, outside of the City of Chicago, constitutes a Regional Office of Education established pursuant to Section 3A-4 of the Illinois School Code (105 ILCS 5/3A-4) and has an oversight board responsible for the duties and programs specified in Section 3A-17 of the Illinois School Code

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

administered through three (3) Intermediate Service Centers (North Cook, West Cook, and South Cook).

The purpose of North Cook Intermediate Service Center #1 is to provide services designed to be responsive to the needs of the schools in North Cook County, Illinois. This area includes the districts within the territorial boundaries of the following high school districts:

| | |
|---------------------------------------|--------------------------------------|
| Evanston Township H.S. District 202 | New Trier Township H.S. District 203 |
| Maine Township H.S. District 207 | Township H.S. District 211 |
| Township H.S. District 214 | Niles H.S. District 219 |
| Northfield Township H.S. District 225 | |

North Cook Intermediate Service Center #1 is governed by a board of directors. The administrative agent designated for this Center is Des Plaines School District #62.

More specifically, North Cook Intermediate Service Center #1 incorporates the following activities into its overall plan of services:

- Provide a variety of in-service training and staff development opportunities to improve the knowledge and skill of educators.
- Coordinate the communication and data reporting requirements from local and regional programs and services to the State Board of Education and the State Superintendent of Education as needed.
- Serve as a clearinghouse for educational information and research.
- Serve as the primary regional delivery system for federal and/or State supported programs and services in education as authorized in Section 2-3.62 of the Illinois School Code or as directed by the State Superintendent of Education.
- Provide other services as set out in Section 500.50 of the Emergency Rules of the State Board of Education.

B. SCOPE OF THE REPORTING ENTITY

The North Cook Intermediate Service Center #1's reporting entity includes all related organizations for which they exercise oversight responsibility.

The North Cook Intermediate Service Center #1 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the North Cook Intermediate Service Center #1 exercises oversight responsibility (which includes financial

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the North Cook Intermediate Service Center #1 does not control the assets, operations, or management of the districts or joint agreements. In addition, the North Cook Intermediate Service Center #1 is not aware of any entity, which would exercise such oversight as to result in the North Cook Intermediate Service Center #1 being considered a component unit of the entity.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The North Cook Intermediate Service Center #1's government-wide financial statements include a Statement of Net Position and a Statement of Activities and report information on all of the non-fiduciary activities of the North Cook Intermediate Service Center #1. These statements present a summary of governmental and business-type activities for the North Cook Intermediate Service Center #1 accompanied by a total column and are presented on an "economic resources" measurement focus as prescribed by GASB Statement No. 34. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The North Cook Intermediate Service Center #1 also has business-type activities that rely on fees and charges for support.

All of the North Cook Intermediate Service Center #1's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and any fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and reported in a single column.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Position and as other sources and other uses on the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, if applicable. In the Statement of Activities those transactions between governmental and business-type activities, if applicable, have not been eliminated.

D. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both “measurable and available.” “Measurable” means that 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. All revenues are considered “available” if they are collected within 60 days after year end. Revenues received more than 60 days after the end of the current period are deferred inflows of resources in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. PROPRIETARY FUND FINANCIAL STATEMENTS

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

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets plus deferred outflows of resources and liabilities plus deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues, if any, are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses, if any, are reported as non-operating expenses.

F. MEASUREMENT FOCUS AND BASIS OF PRESENTATION

The government-wide 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 grantor have been met.

The governmental funds financial statements focus on the measurement of spending or “financial flow” and the determination of changes in financial position, rather than upon net income determination. This means that only current assets plus deferred outflows of resources and current liabilities plus deferred inflows of resources are generally included on their balance sheets. The reported fund balance (net current position) is considered a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the North Cook Intermediate Service Center #1; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Under the terms of grant agreements, North Cook Intermediate Service Center #1 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is North Cook Intermediate Service Center #1 's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

G. FUND ACCOUNTING

The North Cook Intermediate Service Center #1 uses funds to maintain its financial records during the year. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The North Cook Intermediate Service Center #1 uses governmental and proprietary funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are reported. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as a fund balance.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets (including deferred outflows of resources), liabilities (including deferred inflows of resources), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets (including deferred outflows of resources), liabilities (including deferred inflows of resources), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The North Cook Intermediate Service Center #1 has presented all major funds that met the above qualifications.

The North Cook Intermediate Service Center #1 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the North Cook Intermediate Service Center #1 and is used to account for all financial resources within the territorial boundaries of the Center except those required to be accounted for and reported in another fund. The General Fund includes the following accounts:

General Operations - This fund is the general operating fund of the North Cook Intermediate Service Center #1. It is used to account for all financial resources except those required to be accounted for in another fund.

General State Aid - Safe Schools - This program is for students placed in Regional Safe Schools. Districts give up their general State aid claim for the students while placed in the Regional Safe Schools program.

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

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

Regional Safe Schools - Alternative program created through State legislation for students in grades 6 through 12 that have multiple suspensions or that have been expelled from their district.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Eligible students are administratively transferred from their district to this program.

Regional Safe Schools Cooperative - This program provides activities for disruptive students who are eligible for suspension or expulsion. The activities provide individually designed curriculum, social skills training, career exploration and work experience opportunities, and opportunities to work toward re-entry into the traditional programs, if appropriate.

ROE/ISC Operations - Program monies for ROE/ISC administrative operations. Program funding is used to keep offices open in order to provide professional development to teachers in the area.

Title II Teacher Quality - Leadership - The purpose of this grant is to increase academic achievement by improving teacher and principal quality. The program is carried out by increasing the number of highly qualified teachers in classrooms, increasing the number of highly qualified principals and assistant principals in schools, and increasing the effectiveness of teachers and principals by holding local educational agencies (LEAs) and schools accountable for improvements in student academic achievement.

Elementary and Secondary School Emergency Relief III (ESSER III) - The purpose of this grant is to provide LEAs, including charter schools that are LEAs, with emergency relief funds to address the impact that the COVID-19 has had, and continues to have, on elementary and secondary schools across the nation under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act 2021, Public Law 116-260, enacted on March 11, 2021.

Institute Fund - Accounts for fees collected for the registration and renewal of teaching licenses. These fees are used to defray administrative expenses incidental to teachers' institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers or to defray the expense of any general or special meeting of teachers or school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

Bus Driver - Accounts for revenue from the issuance of school bus driver permits to sponsor instructional training courses for school bus drivers.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nonmajor Special Revenue Funds - The North Cook Intermediate Service Center #1 does not have any nonmajor special revenue funds for the year ended June 30, 2022.

Proprietary Funds

Proprietary funds are those which account for resources from fees charged directly to those entities or individuals that use its services.

Major Proprietary Funds - The North Cook Intermediate Service Center #1 reports the following proprietary fund as a major fund:

Workshops - Accounts for revenues and expenses associated with workshops conducted by the North Cook Intermediate Service Center #1.

Nonmajor Proprietary Funds - The North Cook Intermediate Service Center #1 reports the following nonmajor proprietary funds:

Fingerprinting - Accounts for the administration of the Fingerprinting Program.

Non-Public School Inspections - The purpose of this fund is to perform inspections for the Illinois State Board of Education, in accordance with the School Code, in order to provide for the voluntary registration and recognition of nonpublic elementary and secondary schools.

Local Mentoring - Accounts for programs that offer coordinated services to at-risk students and their families.

Homeless/At-Risk Youth - Accounts for programs that stabilize homeless families and at-risk youth with assistance for emergency needs.

H. GOVERNMENTAL FUND BALANCES

Fund balance is the difference between assets plus deferred outflows of resources and liabilities plus 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 Schedule 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 its form or through legal restrictions. The Center has nonspendable fund balances in the General Fund's General Operations and General State Aid - Safe Schools.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted fund balance - The portion of a governmental fund's net position that is subject to external enforceable legal restrictions. The following fund balances are restricted by Illinois Statute: Institute and Bus Driver.

Committed fund balance - The portion of a governmental fund's net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Center has no committed fund balances.

Assigned fund balance - The portion of a governmental fund's net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Executive Director. The Center has no assigned fund balances.

Unassigned fund balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The Center has unassigned fund balances (deficit) in the General Fund's General State Aid - Safe Schools and Education Fund's ESSER III.

I. NET POSITION

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

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

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

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

J. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit. The North Cook Intermediate Service Center #1 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. INVESTMENTS

State statutes authorize North Cook Intermediate Service Center #1 to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value.

L. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$1,000 or more and estimated useful lives of greater than one year are recorded at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

| | |
|-----------|------------|
| Equipment | 5-15 years |
|-----------|------------|

Capital assets in the governmental fund financial statements are reported as expenditures when incurred.

M. INTERFUND RECEIVABLES AND PAYABLES

The recordings of due from and due to other funds are a result of various borrowings between funds during the year.

N. UNEARNED REVENUE

The North Cook Intermediate Service Center #1 reports unearned revenue, if any, in the Statement of Net Position and the Governmental Funds Balance Sheet or Proprietary Fund's Statement of Net Position. Unearned revenue arises when cash received are unexpended or obligated at year end.

O. DEFERRED OUTFLOWS OF RESOURCES

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

Deferred inflows of resources are reported in the governmental fund financial statements as unavailable revenue and represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of grant receivables not collected within sixty days after year end. Deferred inflows of resources in the Statement of Net Position consist of the amounts related to the pension and OPEB plans.

Q. LEASES

Right-to-use assets

North Cook Intermediate Service Center #1 has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets amounting to \$1,000 or more are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Short-term leases

North Cook Intermediate Service Center #1 recognizes short-term lease payments as outflows of resources based on the payment provisions of the lease contract. The North Cook Intermediate Service Center #1 recognizes an asset if payments are made in advance or a liability for rent due if payments are to be made subsequent to the reporting period.

R. COMPENSATED ABSENCES

A full-time, noncertified 260 day employee shall be eligible for paid vacation according to the following schedule:

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

| <u>After this number of years of continuous employment</u> | <u>Noncertified full-time staff will receive this number of paid vacation days</u> |
|--|--|
| 1 | 12 |
| 2 | 13 |
| 3 | 14 |
| 4 | 15 |
| 5 | 16 |
| 6 | 17 |
| 7 | 18 |
| 8 | 19 |
| 9 or more | 20 |

North Cook Intermediate Service Center #1’s full-time staff members working in a certified position receive 12 days of vacation per year with one additional day per year after each subsequent year of service, up to a maximum of 20 total days. Vacation time for noncertified and certified employees is earned throughout the year on a prorated basis. Vacation days in one fiscal year must be used by August 15th of the next fiscal year. With the approval of the North Cook Intermediate Service Center #1 Executive Director, up to ten (10) vacation days may be carried over from year to year, but in no instance may accrued days of vacation from the prior fiscal year exceed ten (10) days. The liability balance at June 30, 2022 was \$7,611.

S. ESTIMATES

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

T. BUDGET INFORMATION

The North Cook Intermediate Service Center #1 acts as the administrative agent for certain grant programs that are accounted for in the Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to do so. North Cook Intermediate Service Center #1’s Board of Directors review and approved the annual budget. Comparisons of budgeted and actual results are presented as supplementary information.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary comparison schedules have been provided in supplementary schedules for the following programs: Regional Safe Schools, Regional Safe Schools Cooperative, ROE/ISC Operations, Title II Teacher Quality - Leadership, and ESSER III.

U. PENSIONS

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement System (IMRF) and Teachers' Retirement System of the State of Illinois (TRS) and additions to/deductions from IMRF's and TRS' fiduciary net position have been determined on the same basis as they are reported by IMRF and TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the North Cook Intermediate Service Center #1'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 North Cook Intermediate Service Center #1's OPEB Plan and additions to/deductions from the North Cook Intermediate Service Center #1's fiduciary net position have been determined on the same basis as they are reported by the North Cook Intermediate Service Center #1's Plan. For this purpose, the North Cook Intermediate Service Center #1's Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

NOTE 2 DEPOSITS AND INVESTMENTS

Under the *Illinois Compiled Statutes*, school districts and related organizations are authorized to enter into contracts among themselves and to confirm and transfer powers and functions by intergovernmental cooperation. Effective July 1, 2000, North Cook Intermediate Service Center #1 began utilizing Des Plaines School District #62 as its administrative agent in order to better facilitate accounting for its transactions. Township treasurer duties rest with Maine Township School Treasurer for Des Plaines School District #62 and a number of other districts. At June 30, 2000, all investments were transferred to Maine Township School Treasurer.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

The Maine Township School Treasurer invests excess funds at its discretion, subject to legal restrictions discussed below. For these purposes, the Maine Township School Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in a township. Monies combined under these circumstances as well as investment earnings are accounted for separately for each fund and/or district. Cash and investments, other than the depository account and imprest funds, are part of a common pool for all school centers and cooperatives within the township. The Maine Township School Treasurer maintains records that segregate the cash and investment balance by district or cooperative. Income from investments is distributed monthly based upon the percentage participation in the pool.

Bank Deposits

At June 30, 2022, the carrying amount of the North Cook Intermediate Service Center #1's government-wide deposits were \$741,555 which is held on deposit with the Maine Township School Treasurer. Risk category was not determinable for the amount pooled and held on deposit with a separate legal governmental agency (Maine Township Schools Treasurer).

Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that, in the event of a bank failure, the Center's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the North Cook Intermediate Service Center #1 requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of its township treasurer. As of June 30, 2022, the bank balance of the North Cook Intermediate Service Center #1's deposits were fully collateralized and insured.

Investments

North Cook Intermediate Service Center #1's investments are held by the Maine Township School Treasurer. The carrying and fair value of investments was \$4,152,302.

GASB Statement No. 72, Fair Value Measurement and Application, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active market for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

- Level 1 Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Treasurer has the ability to access
- Level 2 Inputs to valuation methodology include the following:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted market prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. North Cook Intermediate Service Center #1's investments, amounting to \$4,152,302 is based on an observable unadjusted quoted market price in an active market therefore this investment has been categorized as Level 1 in the fair value hierarchy.

Credit Risk

The Maine Township School Treasurer's investment policies are established by an Advisory Board made up of representatives of the member districts as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposits issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations). As of June 30, 2022, the Treasurer's investment in the external pool was rated within the three highest classifications by at least two standard rating services.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

The Maine Township School Treasurer has no specific policy on the interest rate risk at year end. Management guidelines suggest investments not exceed six years in maturity from the date of purchase.

NOTE 3 DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund

IMRF Plan Description

The North Cook Intermediate Service Center #1'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 North Cook Intermediate Service Center #1's plan is managed by the Illinois Municipal Retirement Fund (IMRF), an agent multiple employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. 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 Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

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

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

Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

| | IMRF |
|--|-------------|
| Retirees and Beneficiaries currently receiving benefits | 12 |
| Inactive Plan Members entitled to but not yet receiving benefits | 12 |
| Active Plan Members | 6 |
| Total | 30 |

Contributions

As set by statute, the North Cook Intermediate Service Center #1'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 North Cook Intermediate Service Center #1's annual contribution rate for calendar year 2021 was 11.50%. For the fiscal year ended June 30, 2022, the North Cook Intermediate Service Center #1 contributed \$34,572 to the plan. The North Cook Intermediate Service Center #1 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.

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability (Asset)

The North Cook Intermediate Service Center #1's net pension liability (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) 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, 2021:

- 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 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, 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 2020 valuation according to an experience study from years 2017 to 2019.
- For **non-disabled retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 were used.
- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- 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, 2021:

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

| <u>Asset Class</u> | <u>Portfolio Target Percentage</u> | <u>Projected Ten-Year Return</u> |
|------------------------|------------------------------------|----------------------------------|
| Equities | 39% | 1.90% |
| International Equities | 15% | 3.15% |
| Fixed Income | 25% | (0.60)% |
| Real Estate | 10% | 3.30% |
| Alternatives | 10% | |
| Private Equity | | 5.50% |
| Hedge Funds | | N/A |
| Commodities | | 1.70% |
| Cash Equivalents | 1% | (0.90)% |
| Total | <u>100%</u> | |

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2021. 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plus investment was applied to all periods of projected benefit payments to determine the total pension liability. 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 plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (Asset) (A) – (B) |
|--|--|--|--|
| Balances as of December 31, 2020 | \$ 1,961,479 | \$ 2,041,757 | \$ (80,278) |
| Changes for the year: | | | |
| Service Cost | 41,444 | – | 41,444 |
| Interest on the Total Pension Liability | 138,865 | – | 138,865 |
| Differences Between Expected and Actual Experience of the Total Pension Liability | 47,627 | – | 47,627 |
| Contributions - Employer | – | 42,861 | (42,861) |
| Contributions - Employees | – | 17,602 | (17,602) |
| Net Investment Income | – | 365,237 | (365,237) |
| Benefit Payments, including Refunds of Employee Contributions | (138,007) | (138,007) | – |
| Other (Net Transfer) | – | (1,222) | 1,222 |
| Net Changes | 89,929 | 286,471 | (196,542) |
| Balances as of December 31, 2021 | <u>\$ 2,051,408</u> | <u>\$ 2,328,228</u> | <u>\$ (276,820)</u> |

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

| | 1% Lower 6.25% | Current Discount Rate 7.25% | 1% Higher 8.25% |
|--------------------------|---------------------------|--|----------------------------|
| Net Pension Asset | \$ (64,243) | \$ (276,820) | \$ (442,624) |

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

For the year ended June 30, 2022, the North Cook Intermediate Service Center #1 recognized pension expense (benefit) of (\$39,340). At June 30, 2022, the North Cook Intermediate Service Center #1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

| 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 | \$ 19,288 | \$ — |
| Net difference between projected and actual earnings on pension plan investments | — | 311,854 |
| Total deferred amounts to be recognized in pension expense in future periods | 19,288 | 311,854 |
| Pension contributions made subsequent to the measurement date | 15,285 | — |
| Total deferred amounts related to pension | \$ 34,573 | \$ 311,854 |

\$15,285 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, 2023. 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 June 30, | Net Deferred Inflows of Resources |
|-----------------------------|--|
| 2023 | \$ (57,780) |
| 2024 | (114,348) |
| 2025 | (76,147) |
| 2026 | (44,291) |
| Thereafter | — |
| Total | \$ (292,566) |

Teachers' Retirement System of the State of Illinois

Plan Description

The North Cook Intermediate Service Center #1 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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

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/acfrs/fy2021>; 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 per-cent 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.

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, 2024. One program allows retiring Tier 1 members to receive a partial lumpsum 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.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

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, 2021, 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 North Cook Intermediate Service Center #1.

On-behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the North Cook Intermediate Service Center #1. For the year ended June 30, 2022, State of Illinois contributions recognized by the North Cook Intermediate Service Center #1 were based on the State's proportionate share of the pension expense associated with the North Cook Intermediate Service Center #1, and the North Cook Intermediate Service Center #1 recognized revenue and expenditures of (\$196,354) in pension benefit 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, 2022, were \$4,352, and are deferred because they were paid after the June 30, 2021, measurement date.

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the North Cook Intermediate Service Center #1, there is a statutory requirement for the North Cook Intermediate Service Center #1 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.

For the year ended June 30, 2022, the employer pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2022, no contributions were required for salaries made from federal and special trust funds.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

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 North Cook Intermediate Service Center #1 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, 2022, the North Cook Intermediate Service Center #1 did not make any employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2021, the North Cook Intermediate Service Center #1 reported an asset for its proportionate share of the net pension asset (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State’s support and total are for disclosure purposes only. The amount recognized by the North Cook Intermediate Service Center #1 as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the North Cook Intermediate Service Center #1 were as follows:

| | | |
|--|----|-----------|
| Center’s proportionate share of the net pension asset | \$ | 32,664 |
| State’s proportionate share of the net pension asset associated with the employer | | 2,737,564 |
| Total | \$ | 2,770,228 |

The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021. The North Cook Intermediate Service Center #1’s proportion of the net pension asset was based on the employer’s share of contributions to TRS for the measurement year ended June 30, 2021, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2021, the North Cook Intermediate Service Center #1’s proportion was -0.0000418705 percent, which was a decrease of 0.0001320195 percent from its proportion measured as of June 30, 2020.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2022, the North Cook Intermediate Service Center #1 recognized pension expense of (\$196,354) and revenue of (\$196,354) for support provided by the State. For the year ended June 30, 2022, the North Cook Intermediate Service Center #1 recognized pension expense of (\$37,472). At June 30, 2022, the North Cook Intermediate Service Center #1 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 | \$ 135 | \$ 187 |
| Net difference between projected and actual earnings on pension plan investments | 2,191 | — |
| Changes of assumptions | 161 | 14 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 6,519 | 123,580 |
| Employer contributions subsequent to the measurement date | 4,352 | — |
| Total | \$ 13,358 | \$ 123,781 |

\$4,352 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, 2023. 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 Inflows of Resources |
|---------------------------------|--|
| 2023 | \$ (27,985) |
| 2024 | (31,257) |
| 2025 | (26,033) |
| 2026 | (19,041) |
| 2027 | (10,459) |
| Total | \$ (114,775) |

Actuarial assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

| | |
|----------------------------------|---|
| Inflation | 2.25 percent |
| Salary increases | varies by amount of service credit |
| Investment rate of return | 7.00 percent, net of pension plan investment expense, including inflation |

In the June 30, 2021 actuarial valuation, mortality rates were based on the PubT -2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully generational basis using projection table MP-2020. In the June 30, 2020 actuarial valuation, mortality rates were 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-2017.

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 | 16.7% | 6.2% |
| U.S. equities small/mid cap | 2.2 | 7.4 |
| International equities developed | 10.6 | 6.9 |
| Emerging market equities | 4.5 | 9.2 |
| U.S. bonds core | 3.0 | 1.6 |
| Cash equivalents | 2.0 | 0.1 |
| TIPS | 1.0 | 0.8 |
| International debt developed | 1.0 | 0.4 |
| Emerging international debt | 4.0 | 4.4 |
| Real estate | 16.0 | 5.8 |
| Private debt | 10.0 | 6.5 |
| Hedge funds | 10.0 | 3.9 |
| Private equity | 15.0 | 10.4 |
| Infrastructure | 4.0 | 6.3 |
| Total | 100.0% | |

* Based on the 2020 Horizon Survey of Capital Market Assumptions

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate

At June 30, 2021, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2020 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, 2021 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.

Sensitivity of the North Cook Intermediate Service Center #1’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate

The following presents the employer’s proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the employer’s proportionate share of the net pension asset 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%) |
|---|--------------------------------|--|--------------------------------|
| Center’s proportionate share of the net pension asset | \$ 40,453 | \$ 32,664 | \$ 26,193 |

TRS Fiduciary Net Position

Detailed information about the TRS’s fiduciary net position as of June 30, 2021 is available in the separately issued TRS *Annual Comprehensive Financial Report*.

NOTE 4 OTHER POST EMPLOYMENT BENEFITS

Teachers' Health Insurance Security Fund

Plan Description

The North Cook Intermediate Service Center #1 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 covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Illinois Department of Central Management Services (CMS) as of July 1, 2013. CMS administers the plan with the cooperation of the TRS.

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by 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 THIS Fund. The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On-behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the North Cook Intermediate Service Center #1. For the year ended June 30, 2022, State of Illinois contributions recognized by the North Cook Intermediate Service Center #1 were based on the State's proportionate share of the collective net OPEB liability associated with the North Cook Intermediate Service Center #1, and recognized revenue and expenditures of (\$11,560) in OPEB contributions from the State of Illinois.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

Employer contributions to the THIS Fund

The North Cook Intermediate Service Center #1 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2022, and 0.92, 0.92, 0.92, 0.88, 0.84, and 0.80 percent during the years ended June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, and June 30, 2016, respectively. For the year ended June 30, 2022, the North Cook Intermediate Service Center #1 paid \$5,027 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, and June 30, 2016, the North Cook Intermediate Service Center #1 paid \$6,611, \$6,981, \$6,074, \$5,842, \$6,422, and \$9,013, respectively, which was 100 percent of the required contributions.

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.”

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, 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 | 2.75%, net of OPEB plan investment expense, including inflation, for all plan years. |
| Healthcare cost trend rates | Trend for fiscal year ending 2022 based on expected increases used to develop average costs. For fiscal years ending on and after 2023, trend starts at 8.00% gradually decreases to an ultimate trend of 4.25%. |

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2020 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 are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 2.45 percent as of June 30, 2020, and 1.92 percent as of June 30, 2021.

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

The following table shows the North Cook Intermediate Service Center #1's proportionate share of the collective net OPEB liability, as well as what the ROE's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.92 percent) or 1-percentage-point higher (2.92 percent) than the current discount rate:

| | 1% Decrease (0.92%) | Current Discount Rate (1.92%) | 1% Increase (2.92%) |
|--|------------------------------------|--|------------------------------------|
| Center's proportionate share of the collective net OPEB liability | \$ 740,114 | \$ 616,099 | \$ 517,797 |

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

The following table shows the North Cook Intermediate Service Center #1's net OPEB liability using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The current claims trend rates are 8.00% in plan year end 2023, decreasing to an ultimate trend rate of 4.25% in plan year end 2038.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

| | 1% Decrease ^a | Healthcare Cost Trend Rates | 1% Increase ^b |
|--|-----------------------------|-----------------------------------|-----------------------------|
| Center's proportionate share of the collective net OPEB liability | \$ 493,217 | \$ 616,099 | \$ 783,189 |

^a One percentage point decrease in healthcare trend rates are 7.00% in plan year end 2023 decreasing to an ultimate trend rate of 3.25% in plan year end 2038.

^b One percentage point increase in healthcare trend rates are 9.00% in plan year end 2023 decreasing to an ultimate trend rate of 5.25% in plan year end 2038.

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

At June 30, 2022, the North Cook Intermediate Service Center #1 reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the North Cook Intermediate Service Center #1.

The amount recognized by the North Cook Intermediate Service Center #1 as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the North Cook Intermediate Service Center #1 were as follows:

| | |
|---|--------------|
| Center's proportionate share of the net OPEB liability | \$ 616,099 |
| State's proportionate share of the net OPEB liability associated with the employer | 835,339 |
| Total | \$ 1,451,438 |

The collective net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2020 and was rolled forward to the June 30, 2021 measurement date. The North Cook Intermediate Service Center #1's proportion of the collective net OPEB liability was based on a projection of the North Cook Intermediate Service Center #1's long-term share of contributions to the OPEB plan relative to the projected contributions of the North Cook Intermediate Service Center #1, actuarially determined. At June 30, 2021, the North Cook Intermediate Service Center #1's proportion was 0.002793 percent, which was a decrease of 0.000210 percent from its proportion measured as of June 30, 2020 (0.003003 percent). The State's support and total are for disclosure purposes only.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

For the year ended June 30, 2022, the North Cook Intermediate Service Center #1 recognized OPEB expense of (\$11,560) and revenue of (\$11,560) for support provided by the State. For the year ended June 30, 2022, the North Cook Intermediate Service Center #1 recognized an OPEB expense (benefit) of (\$79,714).

At June 30, 2022, the North Cook Intermediate Service Center #1 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ — | \$ 28,820 |
| Changes of assumptions | 213 | 230,701 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 2 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 20,536 | 9,493 |
| Employer contributions subsequent to the measurement date | 5,027 | — |
| Total | \$ 25,776 | \$ 269,016 |

\$5,027 reported as deferred outflows of resources related to OPEB resulting from Center contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Center's OPEB expense as follows:

| Year Ending June 30, | Net Deferred Inflows of Resources |
|---------------------------------|--|
| 2023 | \$ (48,822) |
| 2024 | (48,817) |
| 2025 | (43,198) |
| 2026 | (34,802) |
| 2027 | (32,643) |
| Thereafter | (39,985) |
| Total | \$ (248,267) |

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2021, is available in the separately issued THIS Financial Report.

Health Insurance Plan

Plan Description

North Cook Intermediate Service Center #1's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the ISC. The Plan, which is administered by the North Cook Intermediate Service Center #1, allows employees who retire and meet retirement eligibility requirements under one of the ISC's retirement plans to continue medical insurance coverage as a participant in the ISC's plan. There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75.

Benefits Provided and Eligibility

North Cook Intermediate Service Center #1 provides continued health insurance coverage at the blended employer rate to all eligible North Cook Intermediate Service Center #1 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. North Cook Intermediate Service Center #1 offers the Plan to full-time IMRF employees meeting the eligibility requirements for Normal or Early Retirement – Tier 1: Age 55 and 8 years of service or Tier 2: Age 62 and 10 years of service. Spouses and dependents of eligible retirees are also eligible for medical coverage. Retirees pay the full cost of coverage. Coverage continues until Medicare eligibility is reached. Dependent coverage ends at the same time as that for the retiree. If the retiree attains age 65 (eligible for Medicare) prior to their spouse, the spouse may continue to elect coverage through the ISC until the spouse attains age 65.

Plan Membership

As of June 30, 2021, the measurement date, the following employees were covered by the benefit terms:

| | Participants |
|--|---------------------|
| Inactive plan members or beneficiaries currently receiving benefits | – |
| Inactive plan members entitled to but not yet receiving benefit payments | – |
| Active plan members | 6 |
| Total | 6 |

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

Funding Policy and Contributions

There is no funding policy that exists for the postretirement plan at this time, as the total OPEB liabilities are currently an unfunded obligation. Any contributions made to the Plan are assumed to be the benefits paid to retirees and administrative expenses.

Total OPEB Liability

The North Cook Intermediate Service Center #1's total OPEB liability for the current fiscal year has been developed based on the June 30, 2021 actuarial valuation date based on procedures that conform to the alternative measurement method and generally accepted actuarial principles and practices.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified.

| Actuarial Value of Assets | Market Value |
|---------------------------|--|
| Mortality Rate | PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019 |
| Discount Rate | 2.18%. Based on the June 30, 2021 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. |
| Retirement Rates | IMRF Tier 1 employees - 100% at first eligibility (Age 55, 8 years of service) IMRF Tier 2 - 100% at first eligibility (Age 62, 10 years of service). |
| Inflation | 2.50% per year |
| Salary Increase Rate | 2.50% per year |
| Marital Status | 100% assumed married, with male spouses 3 years older than female spouses. |
| Health Care Participation | 20% participation assumed, with 50% electing spouse coverage |
| Health Care Inflation | Initial rate of 7.50% in fiscal year 2022, grading down to the ultimate trend rate of 4.00% in fiscal year 2075. |
| Termination Rates | % remaining employed until assumed retirement age for various ages is as follows: 20 – 29.60%, 30 – 59.30%, 40 – 84.10%, and 50 – 100.00%. |
| Disability Rates | None Assumed |

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

The following represents the reconciliation of the Total OPEB Liability (TOL) from the beginning of the fiscal year (June 30, 2021) to the end of the fiscal year (June 30, 2022). The TOL as of June 30, 2022 is \$3,926.

| | Total OPEB Liability |
|--|-----------------------------|
| Balance as of June 30, 2021 | \$ 6,367 |
| Changes for the year: | |
| Service cost | 195 |
| Interest | 161 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | (1,019) |
| Changes of assumptions | (830) |
| Benefit payments | (948) |
| Net Changes | (2,441) |
| Balance as of June 30, 2022 | \$ 3,926 |

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

The following presents the North Cook Intermediate Service Center #1's total OPEB liability calculated using a discount rate of 2.18%, as well as what the ISC's total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (3.18%) or 1-percentage-point lower (1.18%) than the current discount rate:

| | 1% Decrease (1.18%) | Current Discount Rate (2.18%) | 1% Increase (3.18%) |
|----------------------|--------------------------------|--|--------------------------------|
| Total OPEB Liability | \$ 4,176 | \$ 3,926 | \$ 3,702 |

Sensitivity of the Total OPEB Liability to Healthcare Cost Trend Rates

The following presents the North Cook Intermediate Service Center #1's total OPEB liability, calculated using the healthcare cost trend rates as well as what the ISC's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

| | 1% Decrease (3.00%-6.50%) | Current Healthcare Cost Trend Rate (4.00%-7.50%) | 1% Increase (5.00%-8.50%) |
|----------------------|--------------------------------------|---|--------------------------------------|
| Total OPEB Liability | \$ 3,710 | \$ 3,926 | \$ 4,170 |

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

For the year ending June 30, 2022, the North Cook Intermediate Service Center #1 recognized OPEB benefit of \$2,441.

Under GASB Statement No. 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB expense.

NOTE 5 DUE FROM/TO OTHER FUNDS

Interfund receivables and payables, primarily made to cover temporary shortfalls in cash flow within grant programs and funds, as of June 30, 2022 were:

| | Due From | Due To |
|----------------------------------|-----------------|---------------|
| General Fund: | | |
| General State Aid - Safe Schools | \$ 1,185 | \$ - |
| Education Fund: | | |
| ESSER III | - | 1,185 |
| Total | \$ 1,185 | \$ 1,185 |

NOTE 6 DUE FROM OTHER GOVERNMENTS

The North Cook Intermediate Service Center #1's General Fund, Education Fund, Institute Fund, Bus Driver Fund and Proprietary Funds have funds due from various other governmental units which consist of the following:

| | |
|-----------------------------------|-----------|
| Due from other governments: | |
| General Fund: | |
| Local governments | \$ 56,178 |
| Education Fund: | |
| Illinois State Board of Education | 2,268 |
| Institute: | |
| Local governments | 13,830 |
| Bus Driver | |
| Local governments | 4,000 |
| Workshops | |
| Local governments | 5,585 |
| Nonmajor Proprietary Fund: | |
| Local governments | 8,190 |
| Total | \$ 90,051 |

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 7 RISK MANAGEMENT

The North Cook Intermediate Service Center #1 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. North Cook Intermediate Service Center #1 has purchased commercial insurance to cover these risks. During the year ended June 30, 2022, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

NOTE 8 CAPITAL ASSETS

In accordance with GASB Statement No. 34, the North Cook Intermediate Service Center #1 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased.

In accordance with GASB Statement No. 87, the North Cook Intermediate Service Center #1 recorded three intangible right-to-use leased assets during the year. The assets are right to use assets for leased equipment and leased building. The related leases are discussed in Note 11 - Leases.

The following table provides a summary of changes in total capital assets, total intangible right-to-use leased assets, accumulated depreciation and amortization, and investment in capital assets for the year ended June 30, 2022:

| | Balance July 1, 2021 (as restated) | Additions | Disposals | Balance June 30, 2022 |
|---|--|------------------|----------------|--------------------------|
| Governmental activities: | | | | |
| Equipment | \$ 237,073 | \$ 1,079 | \$ (5,900) | \$ 232,252 |
| Leased building | 1,559,386 | - | - | 1,559,386 |
| Leased equipment | 27,753 | 3,756 | - | 31,509 |
| Total | <u>1,824,212</u> | <u>4,835</u> | <u>(5,900)</u> | <u>1,823,147</u> |
| Less: Accumulated depreciation/amortization | | | | |
| Equipment | (78,884) | (37,379) | 5,900 | (110,363) |
| Leased assets | - | (181,490) | - | (181,490) |
| Total | <u>(78,884)</u> | <u>(218,869)</u> | <u>5,900</u> | <u>(291,853)</u> |
| Capital assets, net | <u>1,745,328a</u> | <u>(214,034)</u> | <u>-</u> | <u>1,531,294</u> |
| Business-type activities: | | | | |
| Equipment | 990 | - | - | 990 |
| Less: Accumulated depreciation | (667) | (323) | - | (990) |
| Capital assets, net | <u>\$ 323</u> | <u>\$ (323)</u> | <u>\$ -</u> | <u>\$ -</u> |

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$37,379 and \$323 was charged to the governmental activities instructional services function and business-type activities instructional services function, respectively, on the government-wide Statement of Activities for the year ended June 30, 2022.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 8 CAPITAL ASSETS (Continued)

Net investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

The right-to-use leased assets are amortized on a straight-line basis over the terms of the related leases. Amortization expense for the year ended June 30, 2022 amounting to \$181,490 was charged to the governmental activities instructional services function on the government-wide Statement of Activities.

NOTE 9 ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries of the executive director and assistant executive director and contributions on-behalf of the North Cook Intermediate Service Center #1:

| | |
|--|--------------------------|
| Executive Director Salary | \$ 124,308 |
| Executive Director Fringe Benefits | 7,772 |
| Assistant Executive Director Salary | 111,876 |
| Assistant Executive Director Fringe Benefits | <u>29,709</u> |
| Total | <u><u>\$ 273,665</u></u> |

Salary and benefit data for the Executive Director and Assistant Executive Director were calculated based on data provided by the Illinois State Board of Education. These amounts have been recorded in the accompanying governmental fund financial statements as State revenue and expenditures.

| | |
|---|-------------------------|
| State of Illinois on-behalf payments | \$ 273,665 |
| Employer's share of TRS pension benefit | (196,354) |
| THIS fund OPEB benefit | <u>(11,560)</u> |
| Total | <u><u>\$ 65,751</u></u> |

North Cook Intermediate Service Center #1 also recorded (\$196,354) in revenue and expenses as on-behalf payments from the Illinois State Board of Education for the ISC #1's share of the State's Teachers' Retirement System (TRS) pension benefit and (\$11,560) in revenue and expenses as on-behalf payments from the THIS fund for the ISC #1's share of the OPEB contributions in the Statement of Activities. In addition, the North Cook Intermediate Service Center #1 has not included any on-behalf payments related to the State's TRS pension expense for the Executive Director and Assistant Executive Director.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 10 LONG TERM LIABILITIES

Changes in long term liabilities during the fiscal year were as follows:

| <u>Type of Debt</u> | <u>Balance July 1, 2021 (as restated)</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 2022</u> | <u>Current Portion</u> |
|--|---|------------------|---------------------|----------------------------------|----------------------------|
| Governmental activities: | | | | | |
| Compensated absences | \$ 17,926 | \$ - | \$ (10,315) | \$ 7,611 | \$ - |
| Net pension liability - TRS | 77,722 | - | (77,722) | - | - |
| OPEB liability - THIS | 802,893 | - | (186,794) | 616,099 | - |
| OPEB liability - Health insurance plan | 6,367 | - | (2,441) | 3,926 | - |
| Lease payable | 1,587,139 | 3,756 | (130,014) | 1,460,881 | 135,952 |
| Total | <u>\$ 2,492,047</u> | <u>\$ 3,756</u> | <u>\$ (407,286)</u> | <u>\$ 2,088,517</u> | <u>\$ 135,952</u> |

NOTE 11 LEASES

The North Cook Intermediate Service Center #1 has entered into agreements to lease certain equipment and an office space. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Lease 1: A lease agreement was executed on October 9, 2018 to lease the office and classroom suites on Touhy Avenue in Des Plaines, IL. The lease is for a period of eleven (11) years commencing on August 1, 2019 and ending on July 31, 2030. The lease is payable in monthly payments that are adjusted annually for inflation. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 5.5%, which is the North Cook Intermediate Service Center #1 incremental borrowing rate. As a result of the lease, the North Cook Intermediate Service Center #1 has recorded an intangible right-to-use leased asset amounting to \$1,559,386 as of June 30, 2022, which is discussed more in detail in Note 8 - Capital Assets.

Lease 2: The North Cook Intermediate Service Center #1 also leases certain copy equipment under a non-cancellable rental agreement. The lease term was for five years commencing July 15, 2019, with monthly payments of \$838. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 5.5%, which is the North Cook Intermediate Service Center #1 incremental borrowing rate. As a result of the lease, the North Cook Intermediate Service Center #1 has recorded an intangible right-to-use lease asset amounting to \$27,752 as of June 30, 2022, which is discussed more in detail in Note 8 - Capital Assets.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2022

NOTE 11 LEASES

Lease 3: During the fiscal year 2022, the North Cook Intermediate Service Center #1 has entered into a non-cancellable rental agreement for postage machines. The lease term was for five years which commenced on September 30, 2021, with quarterly payments of \$267. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 14.46%, which is the stated rate in the lease agreement. As a result of the lease, the North Cook Intermediate Service Center #1 has recorded an intangible right-to-use lease asset amounting to \$3,757 as of June 30, 2022, which is discussed more in detail in Note 8 - Capital Assets.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

| Fiscal year Ending June 30, | Principal Payments | Interest Payments | Total |
|--------------------------------|-----------------------|----------------------|---------------------|
| 2023 | \$ 135,952 | \$ 77,251 | \$ 213,203 |
| 2024 | 149,615 | 69,374 | 218,989 |
| 2025 | 153,746 | 60,976 | 214,722 |
| 2026 | 168,433 | 52,076 | 220,509 |
| 2027 | 183,130 | 42,366 | 225,496 |
| Thereafter | 670,005 | 60,661 | 730,666 |
| Total | <u>\$ 1,460,881</u> | <u>\$ 362,704</u> | <u>\$ 1,823,585</u> |

NOTE 12 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which over expend appropriations during the year are required to be disclosed. As of June 30, 2022, Education Fund's ESSER III has a deficit fund balance of \$762. Deficits are due to late receipt of reimbursements, recorded as unavailable revenue, and will be removed upon collection of reimbursement.

NOTE 13 SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 31, 2023, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Illinois Municipal Retirement Fund
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios
Last Eight Calendar Years

| Calendar year ended December 31, | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | | | | |
| Service cost | \$ 41,444 | \$ 45,628 | \$ 42,320 | \$ 48,836 | \$ 47,315 | \$ 45,684 | \$ 46,088 | \$ 42,175 |
| Interest on the total pension liability | 138,865 | 131,648 | 125,730 | 124,047 | 106,670 | 103,379 | 96,328 | 84,708 |
| Differences between expected and actual experience of the total pension liability (asset) | 47,627 | 62,026 | 6,698 | (52,695) | 194,652 | (52,674) | (8,118) | 8,271 |
| Changes of assumptions | - | (16,150) | - | 45,896 | (45,168) | - | - | 57,581 |
| Benefit payments, including refunds of employee contributions | (138,007) | (106,585) | (83,647) | (81,492) | (63,601) | (43,030) | (37,137) | (43,443) |
| Net change in total pension liability | 89,929 | 116,567 | 91,101 | 84,592 | 239,868 | 53,359 | 97,161 | 149,292 |
| Total pension liability - beginning | 1,961,479 | 1,844,912 | 1,753,811 | 1,669,219 | 1,429,351 | 1,375,992 | 1,278,831 | 1,129,539 |
| Total pension liability - ending (A) | <u>\$ 2,051,408</u> | <u>\$ 1,961,479</u> | <u>\$ 1,844,912</u> | <u>\$ 1,753,811</u> | <u>\$ 1,669,219</u> | <u>\$ 1,429,351</u> | <u>\$ 1,375,992</u> | <u>\$ 1,278,831</u> |
| Plan fiduciary net position | | | | | | | | |
| Contributions - employer | \$ 42,861 | \$ 51,031 | \$ 43,691 | \$ 37,534 | \$ 36,875 | \$ 36,309 | \$ 33,305 | \$ 34,962 |
| Contributions - employees | 17,602 | 19,431 | 23,407 | 23,891 | 18,942 | 18,546 | 17,863 | 16,236 |
| Net investment income | 365,237 | 287,767 | 299,598 | (66,517) | 234,618 | 35,211 | (26,560) | 67,804 |
| Benefit payments, including refunds of employee contributions | (138,007) | (106,585) | (83,647) | (81,492) | (63,601) | (43,030) | (37,137) | (43,443) |
| Other (net transfer) | (1,222) | (1,454) | (1,518) | (1,258) | (1,276) | (803) | 3,738 | (895) |
| Net change in plan fiduciary net position | 286,471 | 250,190 | 281,531 | (87,842) | 225,558 | 46,233 | (8,791) | 74,664 |
| Plan fiduciary net position - beginning | 2,041,757 | 1,791,567 | 1,510,036 | 1,597,878 | 1,372,320 | 1,326,087 | 1,334,878 | 1,260,214 |
| Plan fiduciary net position - ending (B) | <u>\$ 2,328,228</u> | <u>\$ 2,041,757</u> | <u>\$ 1,791,567</u> | <u>\$ 1,510,036</u> | <u>\$ 1,597,878</u> | <u>\$ 1,372,320</u> | <u>\$ 1,326,087</u> | <u>\$ 1,334,878</u> |
| Net pension liability (asset) - ending (A) - (B) | <u>\$ (276,820)</u> | <u>\$ (80,278)</u> | <u>\$ 53,345</u> | <u>\$ 243,775</u> | <u>\$ 71,341</u> | <u>\$ 57,031</u> | <u>\$ 49,905</u> | <u>\$ (56,047)</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 113.49% | 104.09% | 97.11% | 86.10% | 95.73% | 96.01% | 96.37% | 104.38% |
| Covered payroll | \$ 372,706 | \$ 401,503 | \$ 387,679 | \$ 426,520 | \$ 420,946 | \$ 412,135 | \$ 396,964 | \$ 360,807 |
| Net pension liability (asset) as a percentage of covered payroll | -74.27% | -19.99% | 13.76% | 57.15% | 16.95% | 13.84% | 12.57% | -15.53% |

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 Assumptions:

- For 2014, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2014 (base year 2014) developed from the RP-2014 mortality tables.
- For 2015, changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015.
- For 2016, changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016
- For 2017, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables.
- For 2018, the assumed investment rate of return was lowered from 7.50% to 7.25%.
- For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
Last Eight Fiscal Years**

| Fiscal Year Ended June 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a Percentage of Covered Payroll |
|----------------------------------|---|------------------------|--|--------------------|--|
| 2022 | \$ 34,572 | \$ 34,572 | - | \$ 325,612 | 10.62% |
| 2021 | 48,916 | 48,916 | - | 404,377 | 12.10% |
| 2020 | 47,582 | 47,582 | - | 396,378 | 12.00% |
| 2019 | 38,650 | 38,650 | - | 384,910 | 10.04% |
| 2018 | 37,721 | 37,721 | - | 429,523 | 8.78% |
| 2017 | 36,801 | 36,801 | - | 418,934 | 8.78% |
| 2016 | 34,902 | 34,902 | - | 405,583 | 8.61% |
| 2015 | 35,241 | 35,241 | - | 390,429 | 9.03% |

Notes to Schedule:

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2021 Contribution Rate**

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2021 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> | 22-year closed period |
| <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> | 7.25% |
| <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 rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality rates were 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 rates were 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, 2019 actuarial valuation. There is a two year lag between the valuation date and rate setting.

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.

**Teachers' Retirement System of the State of Illinois
Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)**

| | FY2021* | FY2020* | FY2019* | FY2018* | FY2017* | FY2016* | FY2015* | FY2014* |
|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Employer's proportion of the net pension liability | -0.0000418705% | 0.0000901490% | 0.0000983414% | 0.0001862943% | 0.0001594123% | 0.0001104154% | 0.0004508853% | 0.0002612755% |
| Employer's proportionate share of the net pension liability (asset) | \$ (32,664) | \$ 77,722 | \$ 79,763 | \$ 145,207 | \$ 121,788 | \$ 87,158 | \$ 295,375 | \$ 159,008 |
| State's proportionate share of the net pension liability (asset) associated with the employer | (2,737,564) | 6,087,608 | 5,676,640 | 9,947,276 | 4,472,105 | 2,693,071 | 14,642,103 | 6,798,628 |
| Total | \$ (2,770,228) | \$ 6,165,330 | \$ 5,756,403 | \$ 10,092,483 | \$ 4,593,893 | \$ 2,780,229 | \$ 14,937,478 | \$ 6,957,636 |
| Employer's covered payroll | \$ 718,571 | \$ 758,765 | \$ 660,246 | \$ 663,855 | \$ 764,469 | \$ 1,126,577 | \$ 1,065,655 | \$ 1,100,532 |
| Employer's proportionate share of the net pension liability as a percentage of its covered payroll | -4.5% | 10.2% | 12.1% | 21.9% | 15.9% | 7.7% | 27.7% | 14.4% |
| Plan fiduciary net position as a percentage of the total pension liability | 45.1% | 37.8% | 39.6% | 40.0% | 39.3% | 36.4% | 41.5% | 43.0% |

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

**Teachers' Retirement System of the State of Illinois
Schedule of Employer Contributions**

| | FY2022 | FY2021 | FY2020 | FY2019 | FY2018 | FY2017 | FY2016 | FY2015 | FY2014 |
|--|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| Statutorily-required contribution | \$ 4,352 | \$ 4,168 | \$ 4,401 | \$ 3,829 | \$ 3,850 | \$ 4,434 | \$ 6,534 | \$ 6,181 | \$ 6,383 |
| Contributions in relation to the statutorily-required contribution | 4,352 | 4,168 | 4,401 | 3,829 | 3,850 | 4,434 | 6,534 | 6,181 | 6,383 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Employer's covered payroll | \$ 750,348 | \$ 718,571 | \$ 758,765 | \$ 660,246 | \$ 663,855 | \$ 764,469 | \$ 1,126,577 | \$ 1,065,655 | \$ 1,100,532 |
| Contributions as a percentage of covered payroll | 0.58% | 0.58% | 0.58% | 0.58% | 0.58% | 0.58% | 0.58% | 0.58% | 0.58% |

** The information in both schedules will accumulate until a full 10-year trend is presented as required by Statement No. 68.

Notes to Required Supplementary Information

Changes of assumptions

- For the 2021 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.
- For the 2020-2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.
- 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.

Teachers' Health Insurance Security Fund
Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability
Last Six Fiscal Years*

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Employer's proportion of the collective net OPEB liability | 0.002793% | 0.003003% | 0.002685% | 0.002788% | 0.003329% | 0.003206% |
| Employer's proportionate share of the collective net OPEB liability | \$ 616,099 | \$ 802,893 | \$ 743,199 | \$ 734,566 | \$ 863,906 | \$ 876,456 |
| State's proportionate share of the collective net OPEB liability associated with the employer | 835,339 | 1,087,700 | 1,006,387 | 986,363 | 1,134,523 | 1,678,136 |
| Total | <u>\$ 1,451,438</u> | <u>\$ 1,890,593</u> | <u>\$ 1,749,586</u> | <u>\$ 1,720,929</u> | <u>\$ 1,998,429</u> | <u>\$ 2,554,592</u> |
| Employer's covered payroll | 718,571 | 758,765 | 660,246 | 663,855 | 764,469 | 1,126,577 |
| Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll | 85.7% | 105.8% | 112.6% | 110.7% | 113.0% | 77.8% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 1.40% | 0.70% | 0.25% | -0.07% | -0.17% | -0.22% |

* The amounts presented 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, information is presented for those years for which information is available.

Teachers' Health Insurance Security Fund
Schedule of Employer Contributions
Last Seven Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Statutorily-required contribution | \$ 5,027 | \$ 6,611 | \$ 6,981 | \$ 6,074 | \$ 5,842 | \$ 6,422 | \$ 9,013 |
| Contributions in relation to the statutorily-required contribution | 5,027 | 6,611 | 6,981 | 6,074 | 5,842 | 6,422 | 9,013 |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Employer's covered payroll | \$ 750,348 | \$ 718,571 | \$ 758,765 | \$ 660,246 | \$ 663,855 | \$ 764,469 | \$ 1,126,577 |
| Contributions as a percentage of covered payroll | 0.67% | 0.92% | 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, information is presented for those years for which information is available.

Notes to This Required Supplementary Information

Changes of assumptions

- For the 2021 measurement year, the assumed investment rate of return was 2.75%, including an inflation rate of 2.50%. Salary increases were assumed to depend on service and range 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. Trend for fiscal year 2021 based on expected increases used to develop average costs. For fiscal years on and after 2022, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.
- For the 2020 and 2019 measurement years, the assumed investment rate of return was of 0.0%, including an inflation rate of 2.50%. Salary increases were assumed to depend on service and range 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. Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.
- For the 2018 and 2017 measurement years, the assumed investment rate of return was of 0.0%, including an inflation rate of 2.75%. Salary increases were assumed to vary by service credit and were the same for the 2019, 2018 and 2017 measurement years. For the 2018 and 2017 measurement periods, actual trend was used for fiscal years 2018 and 2017. For fiscal years on and after 2018, 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 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%.

Health Insurance Plan
Schedule of Changes in the Total OPEB Liability and Related Ratios

| Measurement date June 30, | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total OPEB liability | | | | | |
| Service cost | \$ 195 | \$ 188 | \$ 683 | \$ 687 | \$ 725 |
| Interest | 161 | 183 | 332 | 298 | 235 |
| Differences between expected and actual experience of the total pension liability | (1,019) | - | 467 | - | - |
| Changes of assumptions | (830) | 53 | (2,291) | (137) | (358) |
| Benefit payments | (948) | (878) | (570) | (528) | (489) |
| Net change in total OPEB liability | <u>(2,441)</u> | <u>(454)</u> | <u>(1,379)</u> | <u>320</u> | <u>113</u> |
| Total OPEB liability - beginning | <u>6,367</u> | <u>6,821</u> | <u>8,200</u> | <u>7,880</u> | <u>7,767</u> |
| Total OPEB liability - ending (A) | <u>\$ 3,926</u> | <u>\$ 6,367</u> | <u>\$ 6,821</u> | <u>\$ 8,200</u> | <u>\$ 7,880</u> |
| Covered payroll | \$ 370,718 | \$ 385,598 | \$ 376,193 | \$ 253,781 | \$ 247,591 |
| Total OPEB liability as a percentage of covered payroll | 1.06% | 1.65% | 1.81% | 3.23% | 3.18% |

Notes to Schedule:

Covered payroll

Covered payroll is projected to the measurement date based on actual covered payroll as of the valuation date using applicable salary increase assumptions.

Changes of Benefit Term

There have been no changes of benefit terms for the prior period.

Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. Discount rates used for the fiscal year ending June 30, 2022, June 30, 2021, June 30, 2020, and June 30, 2019 were 2.18%, 2.66%, 2.79%, and 3.87%, respectively.

Benefit payments

The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on June 30, 2022. Expected net benefit payments produced by the valuation model for each period are shown in the table above

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.

OTHER SUPPLEMENTARY INFORMATION

North Cook Intermediate Service Center #1
General Fund
Combining Schedule of Accounts
June 30, 2022
Schedule 1

| | <u>General Operations</u> | <u>General State Aid - Safe Schools</u> | <u>Total</u> |
|--|-------------------------------|---|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ - | \$ 302,764 | \$ 302,764 |
| Investments | - | 1,459,923 | 1,459,923 |
| Due from other funds | - | 1,185 | 1,185 |
| Due from other governments | - | 56,178 | 56,178 |
| Prepaid expenses | - | 291 | 291 |
| Security deposits | 30,866 | - | 30,866 |
| TOTAL ASSETS | <u>30,866</u> | <u>1,820,341</u> | <u>1,851,207</u> |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | - | 31,119 | 31,119 |
| FUND BALANCES | | | |
| Nonspendable | 30,866 | 291 | 31,157 |
| Unassigned | - | 1,788,931 | 1,788,931 |
| Total fund balances | <u>30,866</u> | <u>1,789,222</u> | <u>1,820,088</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 30,866</u> | <u>\$ 1,820,341</u> | <u>\$ 1,851,207</u> |

North Cook Intermediate Service Center #1
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022
Schedule 2

| | General Operations | General State Aid - Safe Schools | Total |
|---|-------------------------------|---|---------------------|
| REVENUES | | | |
| Local sources | \$ - | \$ 500,302 | \$ 500,302 |
| State sources | - | 408,249 | 408,249 |
| On-behalf payments - State | 273,665 | - | 273,665 |
| Interest | - | 12,369 | 12,369 |
| Total revenues | <u>273,665</u> | <u>920,920</u> | <u>1,194,585</u> |
| EXPENDITURES | | | |
| Instructional services: | | | |
| Salaries and benefits | - | 363,404 | 363,404 |
| Pension expense | - | 2,594 | 2,594 |
| OPEB expense | - | 4,581 | 4,581 |
| Purchased services | - | 176,762 | 176,762 |
| Supplies and materials | - | 37,046 | 37,046 |
| Other objects | - | 1,056 | 1,056 |
| Administrative: | | | |
| On-behalf payments - State | 273,665 | - | 273,665 |
| Debt service: | | | |
| Repayment of long-term lease payable | - | 63,147 | 63,147 |
| Interest on leases | - | 38,365 | 38,365 |
| Total expenditures | <u>273,665</u> | <u>686,955</u> | <u>960,620</u> |
| DEFICIENCY OF REVENUES OVER EXPENDITURES | - | 233,965 | 233,965 |
| OTHER FINANCING SOURCE | | | |
| Issuance of lease liabilities | - | - | - |
| NET CHANGE IN FUND BALANCES | - | 233,965 | 233,965 |
| FUND BALANCES, BEGINNING OF YEAR | <u>30,866</u> | <u>1,555,257</u> | <u>1,586,123</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 30,866</u> | <u>\$ 1,789,222</u> | <u>\$ 1,820,088</u> |

North Cook Intermediate Service Center #1
Education Fund
Combining Schedule of Accounts
June 30, 2022
Schedule 3

| | <u>Regional Safe Schools</u> | <u>Regional Safe Schools Cooperative</u> | <u>ROE/ISC Operations</u> | <u>Title II Teacher Quality - Leadership</u> | <u>ESSER III</u> | <u>Total</u> |
|---|----------------------------------|--|-------------------------------|--|------------------|-----------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ - | \$ 99 | \$ 942 | \$ - | \$ - | \$ 1,041 |
| Due from other governments | - | - | - | - | 2,268 | 2,268 |
| TOTAL ASSETS | <u>-</u> | <u>99</u> | <u>942</u> | <u>-</u> | <u>2,268</u> | <u>3,309</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT) | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable and accrued expenses | - | 99 | 942 | - | 1,083 | 2,124 |
| Due to other funds | - | - | - | - | 1,185 | 1,185 |
| Total liabilities | <u>-</u> | <u>99</u> | <u>942</u> | <u>-</u> | <u>2,268</u> | <u>3,309</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue | - | - | - | - | 762 | 762 |
| FUND BALANCES (DEFICIT) | | | | | | |
| Unassigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(762)</u> | <u>(762)</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT) | <u>\$ -</u> | <u>\$ 99</u> | <u>\$ 942</u> | <u>\$ -</u> | <u>\$ 2,268</u> | <u>\$ 3,309</u> |

North Cook Intermediate Service Center #1
Education Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022
Schedule 4

| | Regional Safe Schools | Regional Safe Schools Cooperative | ROE/ISC Operations | Title II Teacher Quality - Leadership | ESSER III | Total |
|--|--------------------------|---|-----------------------|--|-----------------|-----------------|
| REVENUES | | | | | | |
| State sources | \$ 416,679 | \$ 68,557 | \$ 356,006 | \$ - | \$ - | \$ 841,242 |
| Federal sources | - | - | - | 7,742 | 5,832 | 13,574 |
| Total revenues | <u>416,679</u> | <u>68,557</u> | <u>356,006</u> | <u>7,742</u> | <u>5,832</u> | <u>854,816</u> |
| EXPENDITURES | | | | | | |
| Instructional services: | | | | | | |
| Salaries and benefits | 416,679 | 68,557 | 200,867 | - | - | 686,103 |
| Purchased services | - | - | 43,392 | 2,550 | 2,135 | 48,077 |
| Supplies and materials | - | - | 11,302 | - | 4,459 | 15,761 |
| Debt service: | | | | | | |
| Repayment of long-term lease payable | - | - | 64,095 | - | - | 64,095 |
| Interest on leases | - | - | 38,185 | - | - | 38,185 |
| Total expenditures | <u>416,679</u> | <u>68,557</u> | <u>357,841</u> | <u>2,550</u> | <u>6,594</u> | <u>852,221</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | - | (1,835) | 5,192 | (762) | 2,595 |
| OTHER FINANCING SOURCE | | | | | | |
| Issuance of lease liabilities | - | - | 1,835 | - | - | 1,835 |
| NET CHANGE IN FUND BALANCES | - | - | - | 5,192 | (762) | 4,430 |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | - | - | - | (5,192) | - | (5,192) |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (762)</u> | <u>\$ (762)</u> |

North Cook Intermediate Service Center #1
Education Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022
Schedule 5

| | Regional Safe Schools | | | | Regional Safe Schools Cooperative | | | |
|--|-----------------------|----------------|----------------|--|-----------------------------------|---------------|----------------|--|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| State sources | \$ 416,679 | \$ 416,679 | \$ 416,679 | \$ - | \$ 68,557 | \$ 68,557 | \$ 68,557 | \$ - |
| Federal sources | - | - | - | - | - | - | - | - |
| Total revenues | <u>416,679</u> | <u>416,679</u> | <u>416,679</u> | <u>-</u> | <u>68,557</u> | <u>68,557</u> | <u>68,557</u> | <u>-</u> |
| EXPENDITURES | | | | | | | | |
| Instructional services: | | | | | | | | |
| Salaries and benefits | 416,679 | 416,679 | 416,679 | - | 68,557 | 68,557 | 68,557 | - |
| Purchased services | - | - | - | - | - | - | - | - |
| Supplies and materials | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Repayment of long-term lease payable | - | - | - | - | - | - | - | - |
| Interest on leases | - | - | - | - | - | - | - | - |
| Total expenditures | <u>416,679</u> | <u>416,679</u> | <u>416,679</u> | <u>-</u> | <u>68,557</u> | <u>68,557</u> | <u>68,557</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| OTHER FINANCING SOURCE | | | | | | | | |
| Issuance of lease liabilities | | | - | | | | - | |
| NET CHANGE IN FUND BALANCES | | | - | | | | - | |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | | | - | | | | - | |
| FUND BALANCES (DEFICIT), END OF YEAR | | | <u>\$ -</u> | | | | <u>\$ -</u> | |

North Cook Intermediate Service Center #1
Education Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022
Schedule 5 (Continued)

| | ROE/ISC Operations | | | | Title II - Teacher Quality Leadership | | | |
|--|--------------------|----------------|-------------------|---|---------------------------------------|--------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| State sources | \$ 356,006 | \$ 356,006 | \$ 356,006 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal sources | - | - | - | - | 2,550 | 2,550 | 7,742 | 5,192 |
| Total revenues | <u>356,006</u> | <u>356,006</u> | <u>356,006</u> | <u>-</u> | <u>2,550</u> | <u>2,550</u> | <u>7,742</u> | <u>5,192</u> |
| EXPENDITURES | | | | | | | | |
| Instructional services: | | | | | | | | |
| Salaries and benefits | 200,867 | 200,867 | 200,867 | - | - | - | - | - |
| Purchased services | 143,837 | 143,837 | 43,392 | 100,445 | 2,550 | 2,550 | 2,550 | - |
| Supplies and materials | 11,302 | 11,302 | 11,302 | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Repayment of long-term lease payable | - | - | 64,095 | (64,095) | - | - | - | - |
| Interest on leases | - | - | 38,185 | (38,185) | - | - | - | - |
| Total expenditures | <u>356,006</u> | <u>356,006</u> | <u>357,841</u> | <u>(1,835)</u> | <u>2,550</u> | <u>2,550</u> | <u>2,550</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ -</u> | <u>\$ -</u> | <u>(1,835)</u> | <u>\$ (1,835)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>5,192</u> | <u>\$ 5,192</u> |
| OTHER FINANCING SOURCE | | | | | | | | |
| Issuance of lease liabilities | | | <u>1,835</u> | | | | <u>-</u> | |
| NET CHANGE IN FUND BALANCES | | | <u>-</u> | | | | <u>5,192</u> | |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | | | <u>-</u> | | | | <u>(5,192)</u> | |
| FUND BALANCES (DEFICIT), END OF YEAR | | | <u>\$ -</u> | | | | <u>\$ -</u> | |

North Cook Intermediate Service Center #1
Education Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022
Schedule 5 (Continued)

| | ESSER III | | | | TOTAL | | | |
|--|------------------|--------------|-------------------|---|------------------|----------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| State sources | \$ - | \$ - | \$ - | \$ - | \$ 841,242 | \$ 841,242 | \$ 841,242 | \$ - |
| Federal sources | 6,637 | 6,637 | 5,832 | (805) | 9,187 | 9,187 | 13,574 | 4,387 |
| Total revenues | <u>6,637</u> | <u>6,637</u> | <u>5,832</u> | <u>(805)</u> | <u>850,429</u> | <u>850,429</u> | <u>854,816</u> | <u>4,387</u> |
| EXPENDITURES | | | | | | | | |
| Instructional services: | | | | | | | | |
| Salaries and benefits | 175 | 175 | - | 175 | 686,278 | 686,278 | 686,103 | 175 |
| Purchased services | 1,960 | 1,960 | 2,135 | (175) | 148,347 | 148,347 | 48,077 | 100,270 |
| Supplies and materials | 4,502 | 4,502 | 4,459 | 43 | 15,804 | 15,804 | 15,761 | 43 |
| Debt service: | | | | | | | | |
| Repayment of long-term lease payable | - | - | - | - | - | - | 64,095 | (64,095) |
| Interest on leases | - | - | - | - | - | - | 38,185 | (38,185) |
| Total expenditures | <u>6,637</u> | <u>6,637</u> | <u>6,594</u> | <u>43</u> | <u>850,429</u> | <u>850,429</u> | <u>852,221</u> | <u>(1,792)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ -</u> | <u>\$ -</u> | <u>(762)</u> | <u>\$ (762)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>2,595</u> | <u>\$ 2,595</u> |
| OTHER FINANCING SOURCE | | | | | | | | |
| Issuance of lease liabilities | | | - | | | | 1,835 | |
| NET CHANGE IN FUND BALANCES | | | (762) | | | | 4,430 | |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | | | - | | | | (5,192) | |
| FUND BALANCES (DEFICIT), END OF YEAR | | | <u>\$ (762)</u> | | | | <u>\$ (762)</u> | |

North Cook Intermediate Service Center #1
Nonmajor Proprietary Funds
Combining Statement of Net Position
June 30, 2022
Schedule 6

| | <u>Fingerprinting</u> | <u>Non-Public School Inspections</u> | <u>Local Mentoring</u> | <u>Homeless/ At-Risk Youth</u> | <u>Total</u> |
|---------------------------------------|-----------------------|--|----------------------------|------------------------------------|-------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 143,130 | \$ 1,001 | \$ 57,103 | \$ 4,693 | \$ 205,927 |
| Due from other governments | 2,690 | 5,500 | - | - | 8,190 |
| Total current assets | <u>145,820</u> | <u>6,501</u> | <u>57,103</u> | <u>4,693</u> | <u>214,117</u> |
| TOTAL ASSETS | <u>145,820</u> | <u>6,501</u> | <u>57,103</u> | <u>4,693</u> | <u>214,117</u> |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and accrued expenses | - | - | - | 4 | 4 |
| NET POSITION | | | | | |
| Unrestricted | <u>145,820</u> | <u>6,501</u> | <u>57,103</u> | <u>4,689</u> | <u>214,113</u> |
| TOTAL NET POSITION | <u>\$ 145,820</u> | <u>\$ 6,501</u> | <u>\$ 57,103</u> | <u>\$ 4,689</u> | <u>\$ 214,113</u> |

North Cook Intermediate Service Center #1
Nonmajor Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2022
Schedule 7

| | <u>Fingerprinting</u> | <u>Non-Public School Inspections</u> | <u>Local Mentoring</u> | <u>Homeless/ At-Risk Youth</u> | <u>Total</u> |
|--|-----------------------|--|----------------------------|------------------------------------|-------------------|
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 29,934 | \$ 8,500 | \$ 56,210 | \$ 3,021 | \$ 97,665 |
| OPERATING EXPENSES | | | | | |
| Purchased services | 17,308 | 5,499 | 43,452 | 1,337 | 67,596 |
| Supplies and materials | 2,196 | - | - | 983 | 3,179 |
| Depreciation | 323 | - | - | - | 323 |
| Other | - | - | - | 306 | 306 |
| Total operating expenses | <u>19,827</u> | <u>5,499</u> | <u>43,452</u> | <u>2,626</u> | <u>71,404</u> |
| CHANGE IN NET POSITION | 10,107 | 3,001 | 12,758 | 395 | 26,261 |
| NET POSITION, BEGINNING OF YEAR | <u>135,713</u> | <u>3,500</u> | <u>44,345</u> | <u>4,294</u> | <u>187,852</u> |
| NET POSITION, END OF YEAR | <u>\$ 145,820</u> | <u>\$ 6,501</u> | <u>\$ 57,103</u> | <u>\$ 4,689</u> | <u>\$ 214,113</u> |

North Cook Intermediate Service Center #1
Nonmajor Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2022
Schedule 8

| | <u>Fingerprinting</u> | <u>Non-Public School Inspections</u> | <u>Local Mentoring</u> | <u>Homeless/ At-Risk Youth</u> | <u>Total</u> |
|---|-----------------------|--|----------------------------|--|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Receipts for workshops and services | \$ 30,724 | \$ 3,000 | \$ 56,210 | \$ 3,021 | \$ 92,955 |
| Payments to suppliers and providers of goods and services | <u>(19,504)</u> | <u>(5,499)</u> | <u>(43,452)</u> | <u>(3,167)</u> | <u>(71,622)</u> |
| Net cash provided by (used in) operating activities | <u>11,220</u> | <u>(2,499)</u> | <u>12,758</u> | <u>(146)</u> | <u>21,333</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 11,220 | (2,499) | 12,758 | (146) | 21,333 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>131,910</u> | <u>3,500</u> | <u>44,345</u> | <u>4,839</u> | <u>184,594</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 143,130</u> | <u>\$ 1,001</u> | <u>\$ 57,103</u> | <u>\$ 4,693</u> | <u>\$ 205,927</u> |
| Reconciliation of operating income to net cash provided by (used in) operating activities: | | | | | |
| Operating income | \$ 10,107 | \$ 3,001 | \$ 12,758 | \$ 395 | \$ 26,261 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | | | | |
| Depreciation | 323 | - | - | - | 323 |
| Effects of changes in assets and liabilities: | | | | | |
| Due from other governments | 790 | (5,500) | - | - | (4,710) |
| Accounts payable and accrued expenses | <u>-</u> | <u>-</u> | <u>-</u> | <u>(541)</u> | <u>(541)</u> |
| Net cash provided by (used in) operating activities | <u>\$ 11,220</u> | <u>\$ (2,499)</u> | <u>\$ 12,758</u> | <u>\$ (146)</u> | <u>\$ 21,333</u> |