

**State of Illinois  
South Cook  
Intermediate  
Service Center #4**

---

**FINANCIAL AUDIT**

**FOR THE YEAR ENDED  
JUNE 30, 2022**

---

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

**South Cook Intermediate Service Center #4**  
**Table of Contents**  
**June 30, 2022**

---

	<b>PAGE</b>
<b>OFFICIALS</b> .....	1
<b>FINANCIAL REPORT SUMMARY</b> .....	2
<b>FINANCIAL STATEMENT REPORT SUMMARY</b> .....	3
 <b>FINANCIAL SECTION</b>	
Independent Auditor’s Report.....	4
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 <i>Government Auditing Standards</i> .....	7
Schedule of Findings and Responses.....	9
Financial Statement Findings.....	10
Corrective Action Plan for Current Year Findings.....	12
 <b>EXHIBIT</b>	
 <b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements	
Cash Basis Statement of Activities and Net Position.....	A..... 13
Fund Financial Statements	
Governmental Funds - Statement of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents.....	B..... 14
Proprietary Funds - Statement of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents.....	C..... 15
Notes to the Financial Statements.....	16
 <b>SCHEDULE</b>	
 <b>SUPPLEMENTARY INFORMATION</b>	
General Fund Accounts:	
Combining Schedule of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents.....	1..... 40
Education Fund Accounts:	
Combining Schedule of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents.....	2..... 41
Budgetary Comparison Schedule - Cash Basis.....	3..... 43

**South Cook Intermediate Service Center #4  
Officials**

---

Executive Director (Current and during the audit period)	Dr. Vanessa J. Kinder
Assistant Executive Director (During the audit period)	Dr. Kathleen Doyle
Assistant Executive Director (July 1, 2022 to current)	Dr. Anthony Marinello
Executive Assistant (Current and during the audit period)	Ms. Beth Maloney
Bookkeeper (Current and during the audit period)	Ms. Shelia Ivy

Office is located at:

253 West Joe Orr Road  
Chicago Heights, IL 60411

**South Cook Intermediate Service Center #4  
Financial Report Summary**

---

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

**AUDITOR’S REPORT**

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

**SUMMARY OF AUDIT FINDINGS**

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

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

**SUMMARY OF FINDINGS AND RESPONSES**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
<i>Findings (Government Auditing Standards)</i>			
2022-001	10	Controls over Financial Statement Preparation	Significant Deficiency
<i>Prior Findings Not Repeated (Government Auditing Standards)</i>			
None			

**EXIT CONFERENCE**

The South Cook Intermediate Service Center #4 waived an exit conference in a correspondence from Dr. Vanessa Kinder, Executive Director, on January 10, 2023.

## **South Cook Intermediate Service Center #4 Financial Statement Report Summary**

---

The audit of the accompanying basic financial statements of the South Cook Intermediate Service Center #4 was performed by Roth & Co., LLP.

Based on their audit, the auditors expressed an unmodified opinion on the South Cook Intermediate Service Center #4's basic financial statements.



## INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Board of Directors  
South Cook Intermediate Service Center #4

### Report on the Audit of the Financial Statements

#### Opinions

As Special Assistant Auditors for the Auditor General, we have audited the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Cook Intermediate Service Center #4, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the South Cook Intermediate Service Center #4's basic financial statements as listed in the table of contents.

In our opinion, the accompanying cash basis financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Cook Intermediate Service Center #4, as of June 30, 2022, and the respective changes in cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the cash basis of accounting as described in Note 1.

#### 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 South Cook Intermediate Service Center #4, and to meet our other 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—Basis of Accounting

We draw attention to Note 1 to the financial statements which described the basis of accounting.

815 West Van Buren Street,  
Suite 500  
Chicago, Illinois 60607  
P (312) 876-1900  
F (312) 876-1911

info@rothcocpa.com  
www.rothcocpa.com

Beginning with fiscal year 2022, South Cook Intermediate Service Center #4 has presented its financial statements in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). 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 the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's 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 judgment 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 judgment 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 the purpose of expressing an opinion on the effectiveness of the South Cook Intermediate Service Center #4'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 South Cook Intermediate Service Center #4'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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the South Cook Intermediate Service Center #4's basic financial statements as a whole. The combining schedules of cash receipts, disbursements, and changes in cash and cash equivalents, and the budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of cash receipts, disbursements, and changes in cash and cash equivalents, and the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the cash basis of accounting described in Note 1.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2023 on our consideration of the South Cook Intermediate Service Center #4'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 South Cook Intermediate Service Center #4'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 South Cook Intermediate Service Center #4's internal control over financial reporting and compliance.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
January 24, 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  
South Cook Intermediate Service Center #4

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 cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Cook Intermediate Service Center #4, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the South Cook Intermediate Service Center #4’s cash basis financial statements, and have issued our report thereon dated January 24, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the South Cook Intermediate Service Center #4’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 cash basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the South Cook Intermediate Service Center #4’s internal control. Accordingly, we do not express an opinion on the effectiveness of South Cook Intermediate Service Center #4’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be a material weakness. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2022-001 that we consider to be a significant deficiency.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the South Cook Intermediate Service Center #4'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*.

## **South Cook Intermediate Service Center #4's Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the South Cook Intermediate Service Center #4's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. South Cook Intermediate Service Center #4's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the South Cook Intermediate Service Center #4'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 South Cook Intermediate Service Center #4's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
January 24, 2023



**South Cook Intermediate Service Center #4  
Schedule of Findings and Responses  
For the Year Ended June 30, 2022**

---

**Section I - Summary of Auditor's Results**

**Financial Statements in accordance with Cash Basis of Accounting**

Type of auditor's report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	<u>      </u> Yes	<u>  ✓  </u> No
Significant deficiency(ies) identified?	<u>  ✓  </u> Yes	<u>      </u> None reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  ✓  </u> No

**South Cook Intermediate Service Center #4  
Schedule of Findings and Responses  
For the Year Ended June 30, 2022**

---

**Section II - Financial Statement Finding**

**FINDING 2022-001 - Controls over Financial Statement Preparation**

**CRITERIA/SPECIFIC REQUIREMENT:**

105 ILCS 5/2-3.17a allows a Regional Office of Education or Educational Service Center to utilize a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting to prepare financial statements for audit. The South Cook Intermediate Service Center #4 (ISC) has chosen to utilize the cash basis of accounting for financial statement reporting. The ISC is required to maintain a system of controls over the preparation of financial statements in accordance with its selected basis of accounting.

The South Cook Intermediate Service Center #4's internal controls over financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare financial statements and include all related disclosures as required by the Governmental Accounting Standards Board (GASB). GASB Statement No. 87, *Leases*, provides guidance regarding properly identifying lease contracts, determining contracts that qualify as a lease under GASB Statement No. 87, and note disclosure requirements such as general description of its leasing arrangements, payments, cancellation clauses and other disclosures similar to GAAP to the extent applicable to the South Cook Intermediate Service Center #4.

**CONDITION:**

During review of the South Cook Intermediate Service Center #4's financial information, it was noted the South Cook Intermediate Service Center #4 did not have adequate controls to ensure financial statement balances and disclosures were accurate. While the South Cook Intermediate Service Center #4 did maintain records to indicate the balances of financial statement accounts, material audit adjustments and changes to the related disclosures were proposed in order to ensure those balances and disclosures were accurate and appropriate for the basis of accounting selected for financial statement presentation. The South Cook Intermediate Service Center #4 implemented GASB Statement No. 87, *Leases*, for fiscal year 2022. The South Cook Intermediate Service Center #4 failed to identify a lease contract that qualifies as a lease under GASB Statement No. 87, thus causing an omission of a disclosure considered necessary to achieve a fair presentation of South Cook Intermediate Service Center #4's financial statements.

**EFFECT:**

South Cook Intermediate Service Center #4's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner.

**South Cook Intermediate Service Center #4  
Schedule of Findings and Responses  
For the Year Ended June 30, 2022**

---

**FINDING 2022-001 - Controls over Financial Statement Preparation (Continued)**

**CAUSE:**

South Cook Intermediate Service Center #4's management indicated they did not effectively detect all of the material adjustments needed in order to present financial statements in accordance with cash basis of accounting as well as the disclosures required in implementing the new standard.

**RECOMMENDATION:**

The South Cook Intermediate Service Center #4 should implement comprehensive preparation and/or review procedures as part of their internal controls over the preparation of financial statements to ensure the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the basis of accounting selected for financial statements, GASB pronouncements, and knowledge of the Intermediate Service Center's activities and operations.

**MANAGEMENT'S RESPONSE:**

The South Cook Intermediate Service Center #4 agrees with the recommendation and will improve its current financial statement preparation procedures to include a more comprehensive review especially when there are new GASB pronouncements implemented.

**South Cook Intermediate Service Center #4  
Corrective Action Plan for Current Year Findings  
For the Year Ended June 30, 2022**

---

**FINDING 2022-001 - Controls over Financial Statement Preparation**

**CONDITION:**

During review of the South Cook Intermediate Service Center #4's financial information, it was noted the South Cook Intermediate Service Center #4 did not have adequate controls to ensure financial statement balances and disclosures were accurate. While the South Cook Intermediate Service Center #4 did maintain records to indicate the balances of financial statement accounts, material audit adjustments and changes to the related disclosures were proposed in order to ensure those balances and disclosures were accurate and appropriate for the basis of accounting selected for financial statement presentation. The South Cook Intermediate Service Center #4 implemented GASB Statement No. 87, *Leases*, for fiscal year 2022. The South Cook Intermediate Service Center #4 failed to identify a lease contract that qualifies as a lease under GASB Statement No. 87, thus caused an omission of a disclosure considered necessary to achieve a fair presentation of South Cook Intermediate Service Center #4's financial statements.

**PLAN:**

The South Cook Intermediate Service Center #4 will improve its current financial statement preparation procedures to include a more comprehensive review especially when there are new GASB pronouncements implemented.

**ANTICIPATED DATE OF COMPLETION:**

June 30, 2023

**CONTACT PERSON:**

Dr. Vanessa Kinder, Executive Director

## **BASIC FINANCIAL STATEMENTS**

South Cook Intermediate Service Center #4  
Cash Basis Statement of Activities and Net Position  
As of and for the Year Ended June 30, 2022  
Exhibit A

FUNCTIONS/PROGRAMS	Disbursements	Program Receipts		Net (Receipts) Disbursements and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
<b>Primary government</b>						
<b>Governmental activities:</b>						
Instructional services:						
Salaries	\$ 2,174,956	\$ 810,398	\$ 779,169	\$ (585,389)	\$ -	\$ (585,389)
Employee benefits	401,685	142,563	191,182	(67,940)	-	(67,940)
OPEB expense	10,598	2,347	6,660	(1,591)	-	(1,591)
Pension expense	94,535	42,996	31,051	(20,488)	-	(20,488)
Purchased services	801,295	269,494	339,770	(192,031)	-	(192,031)
Supplies and materials	169,229	61,185	64,741	(43,303)	-	(43,303)
Other objects	8,500	3,712	-	(4,788)	-	(4,788)
Capital outlay	71,168	-	-	(71,168)	-	(71,168)
Intergovernmental:						
Payments to other governments	32,250	-	-	(32,250)	-	(32,250)
Administrative:						
On-behalf payments	927,386	-	-	(927,386)	-	(927,386)
<b>Total governmental activities</b>	<b>4,691,602</b>	<b>1,332,695</b>	<b>1,412,573</b>	<b>(1,946,334)</b>	<b>-</b>	<b>(1,946,334)</b>
<b>Business-type activities:</b>						
Instructional	405,299	642,444	-	-	237,145	237,145
<b>Total business-type activities</b>	<b>405,299</b>	<b>642,444</b>	<b>-</b>	<b>-</b>	<b>237,145</b>	<b>237,145</b>
Total primary government	\$ 5,096,901	\$ 1,975,139	\$ 1,412,573	(1,946,334)	237,145	(1,709,189)
<b>General receipts:</b>						
Local sources				49,421	-	49,421
State sources				1,120,345	-	1,120,345
On-behalf payments				927,386	-	927,386
Interest				3,677	25,264	28,941
Transfers in (out)				25,264	(25,264)	-
<b>Total general receipts</b>				<b>2,126,093</b>	<b>-</b>	<b>2,126,093</b>
<b>CHANGE IN CASH BASIS NET POSITION</b>				<b>179,759</b>	<b>237,145</b>	<b>416,904</b>
<b>CASH BASIS NET POSITION</b>						
<b>BEGINNING OF YEAR</b>						
<b>AS RESTATED (SEE NOTE 10)</b>				<b>3,877,971</b>	<b>525,916</b>	<b>4,403,887</b>
<b>CASH BASIS NET POSITION</b>						
<b>END OF YEAR</b>				<b>\$ 4,057,730</b>	<b>\$ 763,061</b>	<b>\$ 4,820,791</b>
<b>CASH BASIS NET POSITION</b>						
Restricted				\$ 1,601,943	\$ -	\$ 1,601,943
Unrestricted				2,455,787	763,061	3,218,848
<b>TOTAL CASH BASIS NET POSITION</b>				<b>\$ 4,057,730</b>	<b>\$ 763,061</b>	<b>\$ 4,820,791</b>

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

**South Cook Intermediate Service Center #4**  
**Governmental Funds**

**Statement of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents**  
**As of and for the Year Ended June 30, 2022**  
**Exhibit B**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>	<u>Total Governmental Funds</u>
<b>RECEIPTS:</b>				
Local sources	\$ 1,101,362	\$ 4,990	\$ 280,755	\$ 1,387,107
State sources	1,120,345	864,357	-	1,984,702
Federal sources	-	543,225	-	543,225
Interest	-	-	3,677	3,677
On-behalf payments	305,141	-	-	305,141
Total receipts	<u>2,526,848</u>	<u>1,412,572</u>	<u>284,432</u>	<u>4,223,852</u>
<b>DISBURSEMENTS:</b>				
Instructional services:				
Salaries	1,479,389	611,199	84,368	2,174,956
Employee benefits	230,119	149,968	21,598	401,685
Pension expense	61,997	24,357	8,181	94,535
OPEB expense	5,374	5,224	-	10,598
Purchased services	510,974	266,524	23,797	801,295
Supplies and materials	112,192	50,784	6,253	169,229
Other objects	8,500	-	-	8,500
On-behalf payments	305,141	-	-	305,141
Intergovernmental:				
Payments to other governments	32,250	-	-	32,250
Capital outlay	17,422	28,160	25,586	71,168
Total disbursements	<u>2,763,358</u>	<u>1,136,216</u>	<u>169,783</u>	<u>4,069,357</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(236,510)</u>	<u>276,356</u>	<u>114,649</u>	<u>154,495</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	774,491	-	-	774,491
Transfers out	(749,227)	-	-	(749,227)
Total other financing sources	<u>25,264</u>	<u>-</u>	<u>-</u>	<u>25,264</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(211,246)	276,356	114,649	179,759
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR AS RESTATED (SEE NOTE 10)</b>	<u>2,727,019</u>	<u>139,641</u>	<u>1,011,311</u>	<u>3,877,971</u>
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<u>\$ 2,515,773</u>	<u>\$ 415,997</u>	<u>\$ 1,125,960</u>	<u>\$ 4,057,730</u>
<b>CASH BASIS FUND BALANCES</b>				
Restricted	\$ -	\$ 475,983	\$ 1,125,960	\$ 1,601,943
Assigned	2,383,446	-	-	2,383,446
Unassigned	132,327	(59,986)	-	72,341
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 2,515,773</u>	<u>\$ 415,997</u>	<u>\$ 1,125,960</u>	<u>\$ 4,057,730</u>

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

South Cook Intermediate Service Center #4  
Proprietary Funds

Statement of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents  
As of and for the Year Ended June 30, 2022  
Exhibit C

	Business-type Activities		Total
	Enterprise Funds		
	Workshop Fund	Nonmajor Enterprise Fund Fingerprinting Fund	
<b>OPERATING RECEIPTS:</b>			
Charges for services	\$ 626,134	\$ 16,310	\$ 642,444
<b>OPERATING DISBURSEMENTS:</b>			
Salaries	125,231	10,382	135,613
Employee benefits	44,238	912	45,150
Pension expense	3,247	1,002	4,249
OPEB expense	1,077	-	1,077
Purchased services	207,081	11,438	218,519
Supplies	691	-	691
Total operating disbursements	381,565	23,734	405,299
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	244,569	(7,424)	237,145
<b>NONOPERATING REVENUES</b>			
Interest	25,264	-	25,264
<b>OTHER FINANCING USE</b>			
Transfers out	(25,264)	-	(25,264)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	244,569	(7,424)	237,145
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR AS RESTATED (SEE NOTE 10)</b>	462,378	63,538	525,916
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	\$ 706,947	\$ 56,114	\$ 763,061
<b>CASH BASIS NET POSITION</b>			
Unrestricted	\$ 706,947	\$ 56,114	\$ 763,061

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

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Measurement Focus and Basis of Accounting section of this note, these financial statements are presented in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United State of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

The South Cook Intermediate Service Center #4 (ISC #4 or Center) was formed under the provisions of the State of Illinois, Illinois State Board of Education (ISBE).

**A. DATE OF MANAGEMENT’S REVIEW**

Management has evaluated subsequent events through January 24, 2023, the date when the financial statements were available to be issued.

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

The purpose of South Cook Intermediate Service Center #4 is to provide services designed to be responsive to the needs of the schools in South Cook County, Illinois. This area includes the following school districts and the associated special education cooperatives:

Summit School Dist. #104	Evergreen Park School Dist. #124
Central Stickney School Dist. #110	Worth School Dist. #127
North Palos School Dist. #117	Blue Island School Dist. #130
Oak Lawn-Hometown School Dist. #123	Orland Park School Dist. #135
Alsip/Hazelgreen/Oak Lawn School Dist. #126	Midlothian School Dist. #143
Palos Heights School Dist. #128	Arbor Park School Dist. #145
Patton School Dist. #133	Dolton West School Dist. #148
Forest Ridge School Dist. #142	South Holland School Dist. #151
Prairie-Hills School Dist #144	Homewood School Dist. #153

*(Continued)*

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Harvey/Dixmoor School Dist. #147	Calumet City School Dist. #155
South Holland School Dist. #150	Lansing School Dist. #158
Hazel Crest School Dist. #152 ½	Flossmoor School Dist. #161
Burnham School Dist. #154 ½	Brookwood School Dist. #167
Hoover/Schrum School Dist. #157	Chicago Heights School Dist. #170
Country Club Hills School Dist. #160	Steger School Dist. #194
Park Forest-Chicago Heights School Dist. #163	Lemont Twp. H.S. Dist. #210
Ford Heights School Dist. #169	Community H.S. Dist. #218
Sandridge School Dist. #172	Bremen Community H.S. Dist. #228
Bicom Twp. H.S. Dist. #206	Evergreen Park H.S. Dist. #231
Argo Community H.S. Dist. #217	Indian Springs School Dist. #109
Rich Twp. H.S. Dist. #227	Lemont-Bromberek School Dist. #113A
Consolidated H.S. Dist. #230	Ridgeland School Dist. #122
Willow Springs School Dist. #108	Atwood Heights School Dist. #125
Burbank School Dist. #111	Chicago Ridge School Dist. #127 ½
Palos Com. Cons. School Dist. #118	Calumet Park School Dist. #132
Kirby School Dist. #140	Matteson School Dist. #162
Posen-Robbins School Dist. #143 ½	Community Consolidated School Dist. #168
Tinley Park School Dist. #146	Sunnybrook School Dist. #171
Dolton School Dist. #149	Thornton Twp. H.S. Dist. #205
Harvey School Dist. #152	T-F Township H.S. Dist. #215
Thornton School Dist. #154	Reavis H.S. Dist. #220
Lincoln School Dist. #156	Oak Lawn Community H.S. Dist. #229
Elementary District School Dist. #159	H-F Community H.S. Dist. #233

South Cook Intermediate Service Center #4 is governed by a board. The administrative agent designated for this Center is Chicago Heights, School District 170. In accordance with the Illinois School Code (105 ILCS 2/3.62), the services to be made available shall include the planning, implementation and evaluation of the following:

- Education for Gifted Children;
- Computer Technology Education;
- Mathematics, Science and Reading Resources for teachers, including continuing education, in-service training, and staff development; and
- Teacher Certification.

South Cook Intermediate Service Center #4 may also provide training, technical assistance, coordination and planning in other program areas. The State Board of Education shall promulgate rules and regulations necessary to operate South Cook Intermediate Service Center #4.

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. SCOPE OF REPORTING ENTITY**

The South Cook Intermediate Service Center #4's reporting entity includes all related organizations for which they exercise oversight responsibility.

The South Cook Intermediate Service Center #4 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 South Cook Intermediate Service Center #4 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The 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 South Cook Intermediate Service Center #4 does not control the assets, operations, or management of the districts or joint agreements. In addition, the South Cook Intermediate Service Center #4 is not aware of any entity, which would exercise such oversight as to result in the South Cook Intermediate Service Center #4 being considered a component unit of the entity.

**D. GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statement (i.e., the Cash Basis Statement of Activities and Net Position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The South Cook Intermediate Service Center #4 also has business-type activities that rely on fees and charges for support.

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct expenses of a given function are offset by

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 receipts.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and reported in a single column.

**E. GOVERNMENTAL FUND FINANCIAL STATEMENTS**

Governmental Fund Financial Statements include a Statement of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents for all major governmental funds and nonmajor funds aggregated.

**F. PROPRIETARY FUND FINANCIAL STATEMENTS**

Proprietary fund financial statements include a Statement of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents for each major proprietary fund and nonmajor funds aggregated.

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

**G. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

South Cook Intermediate Service Center #4 maintains its financial records on the basis of cash receipts and disbursements and the financial statements are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transaction

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

or event are not reported. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, South Cook Intermediate Service Center #4 funds certain programs by a combination of specific cost-reimbursement grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net position available to finance the program. It is South Cook Intermediate Service Center #4's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

**H. FUND ACCOUNTING**

The South Cook Intermediate Service Center #4 uses funds to maintain its financial records during the year. The operations of each fund are accounted for with a separate set of self-balancing accounts that constitutes its assets, net position or fund balance, receipts and disbursements. The resources allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following summarizes the fund types used:

*Governmental Funds*

Governmental funds are those through which most governmental functions typically are reported. The acquisition, use and balances of the expendable financial resources are accounted for through governmental funds.

The South Cook Intermediate Service Center #4 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the South Cook Intermediate Service Center #4 and is used to account for financial resources within the territorial boundaries of the Center except those required to be accounted for and reported in another fund. General Funds include the following:

RISE and General State Aid - Regional Institute for Scholastic Excellence (RISE) is an alternative school program serving students

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

from grades 6-12 who are eligible for suspension or expulsion, or who have been suspended or may be expelled, due to gross misconduct. The RISE program is offered to students by the local public school districts serviced by the South Cook ISC as an optional educational opportunity for students who may be expelled, are suspended, or at risk of failure or dropout. General State Aid Funds received from ISBE resulting from students attending the RISE school are also accounted for in this fund.

Local - This program is used for the general operation of the Center, located at 253 West Joe Orr Road, Chicago Heights, Illinois.

Spelling Bee - This program is used to account for local monies received for, and payment of, expenditures by the Spelling Bee program which administers the Regional Scripps Spelling Bee and provides for the champion and a parent to attend the National Spelling Bee in Washington, DC.

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

Education Fund - 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:

McKinney-Vento Education for Homeless Children and Youth - This program uses federal funds to provide training and technical assistance to school districts to assist school officials in understanding and complying with the McKinney-Vento Act.

Regional Safe Schools - This program provides funding for an alternative school program for disruptive youth in grades 6-12 whom have been removed from the regular school setting due to continuous disruptions in the classroom.

ROE/ISC Operations - This program is used to account for grant monies received for, and payment of, expenditures for ISC administrative operations. Program funding is used to assist schools in all areas of school improvement.

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

South Cook Mathematics Initiative - This program is used to account for grant monies received for, and payment of, expenditures to improve the teaching and learning of mathematics for grades 6-9.

Digital Equity - This program provides funding to close the digital divide and enabling digital-age teaching and learning. Funds are used to provide students with technology tools and home internet access necessary for technology-rich remote learning experiences.

Truants Alternative/Optional Education Program - Initiative focusing on truancy prevention, intervention, and remediation services. The program also provides access to vital resources in order to link students with unmet needs to the community services designed to meet those needs.

American Rescue Plan - This program is used to account for federal grant monies received for and disbursements paid to address gaps in opportunity and the Novel Coronavirus Disease 2019 (COVID-19) pandemic's impact on interrupted learning.

Elementary and Secondary School Emergency Relief (ESSER) II - This program provides additional funding to provide emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation as required under the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) act, 2021.

Title II - Teacher Quality - Teacher Residencies - This program is used to account for federal grant monies received for, and payment of, expenditures related to implementing and operating an effective innovative teacher residency program.

Title II - Teacher Quality - Leadership - This program is used to account for federal grant monies received for, and payment of, expenditures related to providing teachers and principals training in teacher and principal evaluations.

Institute Fund - This program accounts for teacher certificate registration, issuance and evaluation fees for processing certificates, and expenses for meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Proprietary Funds*

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

Major Proprietary Fund - The South Cook Intermediate Service Center #4 reports the following proprietary fund as a major fund:

Workshop Fund - This fund is used to account for the various fees charged for local workshops that provide professional development to area educators.

Nonmajor Proprietary Fund - The South Cook Intermediate Service Center #4 reports the following nonmajor proprietary fund:

Fingerprinting Fund - The Fingerprinting Fund is used to account for the administration of the Fingerprinting Program.

**I. GOVERNMENTAL FUND BALANCES**

In the governmental fund financial statements, cash basis fund balances classified as follows:

*Nonspendable fund balance* - The portion of a governmental fund's net position that is not available to be spent, either short term or long term, in either form or through legal restrictions. There are no accounts presenting nonspendable fund.

*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 grant agreements or contracts: McKinney-Vento Education for Homeless Children and Youth, Regional Safe Schools, ROE/ISC Operations, Truants Alternative/Optional Education Program, and American Rescue Plan. The Institute Fund is restricted by Illinois Statute.

*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 South Cook Intermediate Service Center #4 has no committed fund balances.

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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 South Cook Intermediate Service Center #4 has an assigned fund balance in the General Fund's RISE and General State Aid.

*Unassigned fund balance* - The portion of a governmental fund's net position that are expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund presents an unassigned fund balances: Local and Spelling Bee. The following Education fund accounts have an unassigned fund deficit: South Cook Mathematics Initiative, Digital Equity, and Title II - Teacher Quality - Teacher Residencies.

**J. CASH BASIS NET POSITION**

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

*Restricted net position* - results when constraints placed on the use of cash balances are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* - consists of cash balances not meeting the definition of the preceding category. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

**K. BUDGET INFORMATION**

The South Cook Intermediate Service Center #4 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Fund. Certain programs have separate budgets and are required to report to ISBE; however, none of the annual budgets have been legally adopted nor are they required to do so. Comparisons of budgeted and actual results are presented as supplemental information.

Budgetary comparison schedules have been provided in supplementary schedules for the following funds: McKinney-Vento Education for Homeless Children and Youth, Regional Safe Schools, ROE/ISC Operations, South Cook Mathematics Initiative, Digital Equity, Truants

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Alternative/Optional Education, American Rescue Plan, ESSER II, Title II - Teacher Quality - Teacher Residencies and Title II - Teacher Quality - Leadership.

**L. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on deposit. The South Cook Intermediate Service Center #4 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**M. INTERFUND ACTIVITY**

Interfund activity is reported as either services provided, reimbursements or transfers. Services provided, deemed to be at market or near market rates, are treated as receipts and disbursements. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

**N. INDIRECT COSTS**

The South Cook Intermediate Service Center #4 may charge funds for centralized expenses, which may include an administrative overhead component. These interfund administrative overhead charges are not eliminated and are included in the direct expenses of the fund they are charged to and in revenue of the fund they are charged from.

**O. NEW ACCOUNTING PRONOUNCEMENTS**

In fiscal year 2022, the South Cook Intermediate Service Center #4 implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Presentation and disclosure of lease commitment has been added in accordance with the implementation of this standards. Other GASB statements effective for fiscal year 2022 did not have a significant effect on the South Cook Intermediate Service Center #4's financial statements.

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 2      DEPOSITS AND INVESTMENTS**

The South Cook Intermediate Service Center #4 does not have a formal investment policy. The South Cook Intermediate Service Center #4 is allowed to invest in securities as authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7.

**BANK DEPOSITS**

At June 30, 2022, the carrying amount of the South Cook Intermediate Service Center #4's government-wide deposits were \$4,820,791, including \$3,147,428 held on deposit with Bloom Township School Treasurer, an imprest account totaling \$10,000, \$200 cash on hand, \$1,549,587 investment in Illinois Funds, and separate deposit accounts totaling \$113,576. The bank balances for the imprest account and separate deposit accounts were \$7,294 and \$113,576, respectively, which were fully covered by federal depository insurance. Risk category was not determinable for the amount pooled and held on deposit with a separate legal governmental agency (Bloom Township School Treasurer).

*Custodial Credit Risk* - Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the Center's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the South Cook Intermediate Service Center #4's investment policy 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 the South Cook Intermediate Service Center #4.

**INVESTMENTS**

The South Cook Intermediate Service Center #4's, only investments are internally pooled in the Illinois Funds. As of June 30, 2022, the South Cook Intermediate Service Center #4 had investments with carrying and fair value of \$1,549,587 invested in Illinois Funds.

*Credit Risk* - At June 30, 2022, the Illinois Funds Money Market Fund had a Fitch's AAmmf rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

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

*Concentration of Credit Risk* - Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio with the exception of cash equivalents and U.S. Treasury securities. Further certificates of deposit cannot exceed 10% of any single financial institution's total deposits.

**NOTE 3 DEFINED BENEFIT PENSION PLAN**

**Illinois Municipal Retirement Fund**

**IMRF Plan Description**

The South Cook Intermediate Service Center #4'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 South Cook Intermediate Service Center #4's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of agent multi-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](http://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).

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 3      DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

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

**Employees Covered by Benefit Terms**

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

	<b>IMRF</b>
Retirees and Beneficiaries currently receiving benefits	18
Inactive Plan Members entitled to but not yet receiving benefits	52
Active Plan Members	21
Total	91

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 3      DEFINED BENEFIT PENSION PLAN (Continued)**

**Contributions**

As set by statute, the South Cook Intermediate Service Center #4'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 South Cook Intermediate Service Center #4's annual contribution rate for calendar year 2021 was 10.68% and for the calendar year 2022 the rate is 8.61%. For the fiscal year ended 2022, South Cook Intermediate Service Center #4 contributed \$87,593 to the plan. The South Cook Intermediate Service Center #4 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.

**Teachers' Retirement System of the State of Illinois**

**Plan Description**

The South Cook Intermediate Service Center #4 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://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

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 3      DEFINED BENEFIT PENSION PLAN (Continued)**

with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from 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 lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and Tier 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

**Contributions**

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

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 3      DEFINED BENEFIT PENSION PLAN (Continued)**

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 South Cook Intermediate Service Center #4.

***On-behalf Contributions to TRS.*** The State of Illinois makes employer pension contributions on behalf of the South Cook Intermediate Service Center #4. For the year ended June 30, 2022, State of Illinois contributions recognized by the South Cook Intermediate Service Center #4 were based on the State's proportionate share of the pension expense associated with the South Cook Intermediate Service Center #4, and the South Cook Intermediate Service Center #4 recognized receipts and disbursements of \$641,320 in pension contributions from the State of Illinois.

***2.2 formula contributions.*** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2022, were \$7,361.

***Federal and special trust fund contributions.*** When TRS members are paid from federal and special trust funds administered by the South Cook Intermediate Service Center #4, there is a statutory requirement for the South Cook Intermediate Service Center #4 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, salaries totaling \$37,152 were paid from federal and special trust funds that required employer contributions of \$3,830.

***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 South Cook

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 3      DEFINED BENEFIT PENSION PLAN (Continued)**

Intermediate Service Center #4 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 South Cook Intermediate Service Center #4 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.

**NOTE 4      OTHER POSTEMPLOYMENT BENEFITS**

**Teachers' Health Insurance Security Fund**

**THIS Plan Description**

The South Cook Intermediate Service Center #4 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 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

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 4      OTHER POSTEMPLOYMENT BENEFITS (Continued)**

administered by CMS with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

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

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

The State of Illinois makes employer retiree health insurance contributions on behalf of the South Cook Intermediate Service Center #4. For the year ended June 30, 2022, State of Illinois contributions recognized by the South Cook Intermediate Service Center #4 were based on the State's proportionate share of the collective net OPEB liability associated with the South Cook Intermediate Service Center #4, and recognized receipts and disbursements of (\$19,075) in OPEB contributions from the State of Illinois.

**South Cook Intermediate Service Center #4 Contributions to the THIS Fund**

The South Cook Intermediate Service Center #4 also makes contributions to the THIS Fund. The South Cook Intermediate Service Center #4 THIS Fund contribution was 0.67 percent during the year ended June 30, 2022, and 0.92 percent for the years ended June 30, 2021 and 2020. For the year ended June 30, 2022, the South Cook Intermediate Service Center #4 paid \$11,675 to the THIS Fund, which was 100 percent of the required contributions. For the years ended June 30, 2021 and June 30, 2020, the South Cook Intermediate Service Center #4 paid \$11,027 and \$11,689 to the THIS Fund, 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."

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 4      OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Teacher Retirement System - Health Insurance Plan**

**Plan Description and Actuarial Valuation**

In addition to providing the pension benefits described in Note 3, the South Cook Intermediate Service Center #4 provides postemployment health care benefits (OPEB) for retired TRS employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the South Cook Intermediate Service Center #4 and can be amended by board approval. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

For financial statement purposes, an actuarial valuation is required to be performed at least every two years. As a result of this requirement, the South Cook Intermediate Service Center #4 had an actuarial valuation for the year ended June 30, 2021. The results are described below.

**Eligibility Provisions**

Select employees eligible to retire under TRS are eligible for the postemployment health care benefits.

**Benefits Provided**

The South Cook Intermediate Service Center #4 provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the South Cook Intermediate Service Center #4 retirement plan. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from South Cook Intermediate Service Center #4's insurance provider.

**Membership**

At June 30, 2021, membership consisted of:

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 4 OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Inactive employees or beneficiaries currently receiving benefits	–
Inactive employees entitled to but not yet receiving benefits	–
Active employees fully eligible to receive plan benefits	22
Total	22
Number of Participating Employers	1

**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.

**IMRF - Health Insurance Plan**

**Plan Description and Actuarial Valuation**

In addition to providing the pension benefits described in Note 3, the South Cook Intermediate Service Center #4 provides postemployment health care benefits (OPEB) for retired IMRF employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the South Cook Intermediate Service Center #4 and can be amended by board approval. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

For financial statement purposes, an actuarial valuation is required to be performed at least every two years. As a result of this requirement, the South Cook Intermediate Service Center #4 had an actuarial valuation for the year ended June 30, 2021. The results are described below.

**Eligibility Provisions**

Employees eligible to retire under IMRF are eligible for the postemployment health care benefits.

**Benefits Provided**

The South Cook Intermediate Service Center #4 provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 4 OTHER POSTEMPLOYMENT BENEFITS (Continued)**

for retirement under the South Cook Intermediate Service Center #4 retirement plan. Retirees pay the full cost of the coverage. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from South Cook Intermediate Service Center #4's insurance provider.

**Membership**

At June 30, 2021, membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	–
Inactive employees entitled to but not yet receiving benefits	–
Active employees	17
Total	17
 Number of Participating Employers	 1

**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.

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

**NOTE 5 LEASE COMMITMENT**

The South Cook Intermediate Service Center #4 leases copiers for \$819 per month which includes services, parts and supplies of approximately \$454 per month and \$365 rent. The lease runs from March 27, 2018 to March 27, 2023.

The South Cook Intermediate Service Center #4 leased a portion of the Worthridge School building for classroom, office and activity rooms for an annual rent of \$137,917 payable monthly at \$11,493 per month. The lease runs from July 1, 2021 to June 30, 2022. The lease agreement shall automatically renew for an additional one-year term unless either party send a written notice to the other party of their intent not to renew before July 1st of the last year of the then current lease term. All terms of the lease agreement shall apply to the renewed lease agreement unless the parties otherwise mutually agree.

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 5 LEASE COMMITMENT (Continued)**

Total rental payment for the year ended June 30, 2022 related to these leases, was \$147,744. Future minimum rentals for fiscal year ending June 30, 2023 total \$141,201.

**NOTE 6 RISK MANAGEMENT**

The South Cook Intermediate Service Center #4 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. South Cook Intermediate Service Center #4 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

**NOTE 7 ON-BEHALF PAYMENTS**

The State of Illinois paid the following salaries of the executive director and assistant executive director on-behalf of the South Cook Intermediate Service Center #4:

State of Illinois	
Executive Director Salary	\$ 124,308
Executive Director Fringe Benefits	39,257
Assistant Executive Director Salary	111,876
Assistant Executive Director Fringe Benefits	<u>29,700</u>
Total	<u>\$ 305,141</u>

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

The South Cook Intermediate Service Center #4 also recorded \$622,245 in revenues and expenses as on-behalf payments from ISBE for the South Cook Intermediate Service Center #4's share of the State's Teachers' Retirement System (TRS) pension expense and Teacher's Health Insurance Security Fund (THIS) OPEB expense in the Cash Basis Statement of Activities and Net Position. In addition, the South Cook Intermediate Service Center #4 has not included any on-behalf payments related to the State's TRS pension expense and THIS OPEB expense for the Regional Superintendent or Assistant Regional Superintendent.

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 7 ON-BEHALF PAYMENTS (Continued)**

State of Illinois on-behalf payments	\$	305,141
ROE's share of TRS pension expense		641,320
THIS fund OPEB benefit		(19,075)
Total	<u>\$</u>	<u>927,386</u>

**NOTE 8 INTERFUND ACTIVITIES**

Interfund transfers in/out to other fund balances at June 30, 2022 consist of the following individual transfers in/out to other funds in the governmental fund Combining Schedule of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents. These transfers were made in order to meet operating cost needs in the receiving fund.

Fund	Transfers In	Transfers Out
General Fund:		
RISE and General State Aid	\$ -	\$ 749,227
Local	774,491	-
Major Proprietary Fund:		
Workshop	-	25,264
Total	<u>\$ 774,491</u>	<u>\$ 774,491</u>

**NOTE 9 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The following funds had deficit fund balances at June 30, 2022:

Special Revenue Fund - Education Fund:		
South Cook Mathematics Initiative		\$ 5,000
Digital Equity		13,717
Title II - Teacher Quality - Teacher Residencies		41,269

**NOTE 10 RESTATEMENT**

On June 25, 2021, an amendment to 105 ILCS 5/2-3.17a was passed, which allows a Regional Office of Education to utilize the cash basis, modified cash basis or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for the annual audit. The amendment was effective immediately. As such, for the fiscal year ending June 30, 2022, the South Cook Intermediate Service Center #4 has presented these financial statements in accordance with the cash basis of accounting. This is a change from the fiscal year 2021 presentation, which was reported using GAAP.

**South Cook Intermediate Service Center #4**  
**Notes to the Financial Statements**  
**June 30, 2022**

---

**NOTE 10     RESTATEMENT (Continued)**

Beginning net position and fund balances were restated to retroactively report the change.

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
Net Position/Fund Balance, June 30, 2021, as previously reported	\$ 3,956,358	\$ 637,582
Change to cash basis of accounting	<u>(78,387)</u>	<u>(111,666)</u>
Net Position/Fund Balance, June 30, 2021, as restated	<u>\$ 3,877,971</u>	<u>\$ 525,916</u>

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>	<u>Total Governmental Funds</u>
Fund Balance, June 30, 2021, as previously reported	\$ 2,671,616	\$ (4,402)	\$ 1,010,603	\$ 3,677,817
Change to cash basis accounting	<u>55,403</u>	<u>144,043</u>	<u>708</u>	<u>200,154</u>
Fund Balance, June 30, 2021, as restated	<u>\$ 2,727,019</u>	<u>\$ 139,641</u>	<u>\$ 1,011,311</u>	<u>\$ 3,877,971</u>

**SUPPLEMENTARY INFORMATION**  
**(UNAUDITED)**

**South Cook Intermediate Service Center #4**  
**General Fund Accounts**  
**Combining Schedule of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents**  
**As of and for the Year Ended June 30, 2022**  
**Schedule 1**

	<b>RISE and General State Aid</b>	<b>Local</b>	<b>Spelling Bee</b>	<b>Totals</b>
<b>RECEIPTS:</b>				
Local sources	\$ 1,040,878	\$ 49,421	\$ 11,063	\$ 1,101,362
State sources	1,120,345	-	-	1,120,345
On-behalf payments	-	305,141	-	305,141
Total receipts	<u>2,161,223</u>	<u>354,562</u>	<u>11,063</u>	<u>2,526,848</u>
<b>DISBURSEMENTS:</b>				
Instructional services:				
Salaries	1,114,003	365,386	-	1,479,389
Employee benefits	152,200	77,919	-	230,119
Pension expense	45,663	16,334	-	61,997
OPEB expense	3,218	2,156	-	5,374
Purchased services	312,946	192,459	5,569	510,974
Supplies and materials	79,754	27,489	4,949	112,192
Other objects	599	7,901	-	8,500
Administrative:				
On-behalf payments	-	305,141	-	305,141
Intergovernmental:				
Payments to other governments	-	32,250	-	32,250
Capital outlay	4,540	12,882	-	17,422
Total disbursements	<u>1,712,923</u>	<u>1,039,917</u>	<u>10,518</u>	<u>2,763,358</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>448,300</u>	<u>(685,355)</u>	<u>545</u>	<u>(236,510)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	774,491	-	774,491
Transfers out	(749,227)	-	-	(749,227)
Total other financing sources (uses)	<u>(749,227)</u>	<u>774,491</u>	<u>-</u>	<u>25,264</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(300,927)</u>	<u>89,136</u>	<u>545</u>	<u>(211,246)</u>
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR AS RESTATED (SEE NOTE 10)</b>	<u>2,684,373</u>	<u>38,326</u>	<u>4,320</u>	<u>2,727,019</u>
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<u>\$ 2,383,446</u>	<u>\$ 127,462</u>	<u>\$ 4,865</u>	<u>\$ 2,515,773</u>
<b>CASH BASIS FUND BALANCES</b>				
Assigned	\$ 2,383,446	\$ -	\$ -	\$ 2,383,446
Unassigned	-	127,462	4,865	132,327
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 2,383,446</u>	<u>\$ 127,462</u>	<u>\$ 4,865</u>	<u>\$ 2,515,773</u>

South Cook Intermediate Service Center #4  
Education Fund Accounts  
Combining Schedule of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents  
As of and for the Year Ended June 30, 2022  
Schedule 2

	<b>McKinney-Vento Education for Homeless Children and Youth</b>	<b>Regional Safe Schools</b>	<b>ROE/ISC Operations</b>	<b>South Cook Mathematics Initiative</b>	<b>Digital Equity</b>
<b>RECEIPTS:</b>					
Local sources	\$ -	\$ -	\$ -	\$ 4,990	\$ -
State sources	-	389,156	331,296	-	-
Federal sources	267,500	-	-	-	30,467
Total receipts	<u>267,500</u>	<u>389,156</u>	<u>331,296</u>	<u>4,990</u>	<u>30,467</u>
<b>DISBURSEMENTS:</b>					
Instructional services:					
Salaries	53,431	299,155	245,328	3,715	-
Employee benefits	19,662	81,686	44,169	1,181	-
Pension expense	2,660	4,373	16,589	54	-
OPEB expense	459	3,999	678	50	-
Purchased services	138,285	-	4,911	-	-
Supplies and materials	2,041	726	18,420	-	-
Capital outlay	948	-	-	-	27,212
Total disbursements	<u>217,486</u>	<u>389,939</u>	<u>330,095</u>	<u>5,000</u>	<u>27,212</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	50,014	(783)	1,201	(10)	3,255
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR AS RESTATED (SEE NOTE 10)</b>	<u>203,614</u>	<u>10,778</u>	<u>-</u>	<u>(4,990)</u>	<u>(16,972)</u>
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<u>\$ 253,628</u>	<u>\$ 9,995</u>	<u>\$ 1,201</u>	<u>\$ (5,000)</u>	<u>\$ (13,717)</u>
<b>CASH BASIS FUND BALANCES</b>					
Restricted	\$ 253,628	\$ 9,995	\$ 1,201	\$ -	\$ -
Unassigned	-	-	-	(5,000)	(13,717)
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 253,628</u>	<u>\$ 9,995</u>	<u>\$ 1,201</u>	<u>\$ (5,000)</u>	<u>\$ (13,717)</u>

South Cook Intermediate Service Center #4  
Education Fund Accounts  
Combining Schedule of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents  
As of and for the Year Ended June 30, 2022  
Schedule 2 (Continued)

	Truants Alternative/ Optional Education	American Rescue Plan	ESSER II	Title II - Teacher Quality - Teacher Residencies	Title II - Teacher Quality - Leadership	Total
<b>RECEIPTS:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,990
State sources	143,905	-	-	-	-	864,357
Federal sources	-	81,250	9,320	147,755	6,933	543,225
Total receipts	<u>143,905</u>	<u>81,250</u>	<u>9,320</u>	<u>147,755</u>	<u>6,933</u>	<u>1,412,572</u>
<b>DISBURSEMENTS:</b>						
Instructional services:						
Salaries	6,784	-	-	2,786	-	611,199
Employee benefits	2,122	-	-	1,148	-	149,968
Pension expense	606	-	-	75	-	24,357
OPEB expense	-	-	-	38	-	5,224
Purchased services	4,423	-	-	118,905	-	266,524
Supplies and materials	61	-	-	29,536	-	50,784
Capital outlay	-	-	-	-	-	28,160
Total disbursements	<u>13,996</u>	<u>-</u>	<u>-</u>	<u>152,488</u>	<u>-</u>	<u>1,136,216</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	129,909	81,250	9,320	(4,733)	6,933	276,356
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR AS RESTATED (SEE NOTE 10)</b>	<u>-</u>	<u>-</u>	<u>(9,320)</u>	<u>(36,536)</u>	<u>(6,933)</u>	<u>139,641</u>
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<u>\$ 129,909</u>	<u>\$ 81,250</u>	<u>\$ -</u>	<u>\$ (41,269)</u>	<u>\$ -</u>	<u>\$ 415,997</u>
<b>CASH BASIS FUND BALANCES</b>						
Restricted	\$ 129,909	\$ 81,250	\$ -	\$ -	\$ -	\$ 475,983
Unassigned	-	-	-	(41,269)	-	(59,986)
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 129,909</u>	<u>\$ 81,250</u>	<u>\$ -</u>	<u>\$ (41,269)</u>	<u>\$ -</u>	<u>\$ 415,997</u>

South Cook Intermediate Service Center #4  
Education Fund Accounts  
Budgetary Comparison Schedule - Cash Basis  
For the Year Ended June 30, 2022  
Schedule 3

	McKinney-Vento Education for Homeless Children and Youth				Regional Safe Schools			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final		
<b>RECEIPTS:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	389,156	389,156	389,156	-
Federal sources	471,114	471,114	267,500	(203,614)	-	-	-	-
Total receipts	<u>471,114</u>	<u>471,114</u>	<u>267,500</u>	<u>(203,614)</u>	<u>389,156</u>	<u>389,156</u>	<u>389,156</u>	<u>-</u>
<b>DISBURSEMENTS:</b>								
Instructional services:								
Salaries	40,000	40,000	53,431	(13,431)	299,410	299,410	299,155	255
Employee benefits, including pension and OPEB expense	17,520	17,520	22,781	(5,261)	89,022	89,022	90,058	(1,036)
Purchased services	277,787	277,787	138,285	139,502	-	-	-	-
Supplies and materials	133,807	133,807	2,041	131,766	724	724	726	(2)
Other objects	2,000	2,000	-	2,000	-	-	-	-
Capital outlay	-	-	948	(948)	-	-	-	-
Total disbursements	<u>471,114</u>	<u>471,114</u>	<u>217,486</u>	<u>253,628</u>	<u>389,156</u>	<u>389,156</u>	<u>389,939</u>	<u>(783)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>50,014</u>	<u>\$ 50,014</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(783)</u>	<u>\$ (783)</u>
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR AS RESTATED (SEE NOTE 10)</b>			<u>203,614</u>				<u>10,778</u>	
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>			<u>\$ 253,628</u>				<u>\$ 9,995</u>	

South Cook Intermediate Service Center #4  
Education Fund Accounts  
Budgetary Comparison Schedule - Cash Basis  
For the Year Ended June 30, 2022  
Schedule 3 (Continued)

	ROE/ISC Operations				South Cook Mathematics Initiative			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final		
<b>RECEIPTS:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 4,990	\$ 4,990	\$ 4,990	\$ -
State sources	331,296	331,296	331,296	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Total receipts	<u>331,296</u>	<u>331,296</u>	<u>331,296</u>	<u>-</u>	<u>4,990</u>	<u>4,990</u>	<u>4,990</u>	<u>-</u>
<b>DISBURSEMENTS:</b>								
Instructional services:								
Salaries	245,957	245,957	245,328	629	4,990	4,990	3,715	1,275
Employee benefits, including pension and OPEB expense	61,802	61,802	61,436	366	-	-	1,285	(1,285)
Purchased services	5,033	5,033	4,911	122	-	-	-	-
Supplies and materials	18,504	18,504	18,420	84	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total disbursements	<u>331,296</u>	<u>331,296</u>	<u>330,095</u>	<u>1,201</u>	<u>4,990</u>	<u>4,990</u>	<u>5,000</u>	<u>(10)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>1,201</u>	<u>\$ 1,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(10)</u>	<u>\$ (10)</u>
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR AS RESTATED (SEE NOTE 10)</b>			<u>-</u>				<u>(4,990)</u>	
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>			<u>\$ 1,201</u>				<u>\$ (5,000)</u>	

South Cook Intermediate Service Center #4  
Education Fund Accounts  
Budgetary Comparison Schedule - Cash Basis  
For the Year Ended June 30, 2022  
Schedule 3 (Continued)

	Digital Equity				Truants Alternative/Optional Education			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final		
<b>RECEIPTS:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	143,905	143,905	143,905	-
Federal sources	27,212	27,212	30,467	3,255	-	-	-	-
Total receipts	<u>27,212</u>	<u>27,212</u>	<u>30,467</u>	<u>3,255</u>	<u>143,905</u>	<u>143,905</u>	<u>143,905</u>	<u>-</u>
<b>DISBURSEMENTS:</b>								
Instructional services:								
Salaries	-	-	-	-	139,405	114,533	6,784	107,749
Employee benefits, including pension and OPEB expense	-	-	-	-	-	24,872	2,728	22,144
Purchased services	-	-	-	-	2,500	2,500	4,423	(1,923)
Supplies and materials	-	-	-	-	2,000	2,000	61	1,939
Other objects	-	-	-	-	-	-	-	-
Capital outlay	27,212	27,212	27,212	-	-	-	-	-
Total disbursements	<u>27,212</u>	<u>27,212</u>	<u>27,212</u>	<u>-</u>	<u>143,905</u>	<u>143,905</u>	<u>13,996</u>	<u>129,909</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>\$ -</u>	<u>\$ -</u>	3,255	<u>\$ 3,255</u>	<u>\$ -</u>	<u>\$ -</u>	129,909	<u>\$ 129,909</u>
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR AS RESTATED (SEE NOTE 10)</b>			<u>(16,972)</u>				<u>-</u>	
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>			<u>\$ (13,717)</u>				<u>\$ 129,909</u>	

South Cook Intermediate Service Center #4  
Education Fund Accounts  
Budgetary Comparison Schedule - Cash Basis  
For the Year Ended June 30, 2022  
Schedule 3 (Continued)

	American Rescue Plan				ESSER II			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final		
<b>RECEIPTS:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	325,000	325,000	81,250	(243,750)	-	-	9,320	9,320
Total receipts	325,000	325,000	81,250	(243,750)	-	-	9,320	9,320
<b>DISBURSEMENTS:</b>								
Instructional services:								
Salaries	-	-	-	-	-	-	-	-
Employee benefits, including pension and OPEB expense	-	-	-	-	-	-	-	-
Purchased services	290,000	290,000	-	290,000	-	-	-	-
Supplies and materials	35,000	35,000	-	35,000	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total disbursements	325,000	325,000	-	325,000	-	-	-	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>81,250</b>	<b>\$ 81,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>9,320</b>	<b>\$ 9,320</b>
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR AS RESTATED (SEE NOTE 10)</b>			-				(9,320)	
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>			<b>\$ 81,250</b>				<b>\$ -</b>	

South Cook Intermediate Service Center #4  
Education Fund Accounts  
Budgetary Comparison Schedule - Cash Basis  
For the Year Ended June 30, 2022  
Schedule 3 (Continued)

	Title II - Teacher Quality - Teacher Residencies				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		
<b>RECEIPTS:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	200,000	200,000	147,755	(52,245)	-	-	6,933	6,933
Total receipts	200,000	200,000	147,755	(52,245)	-	-	6,933	6,933
<b>DISBURSEMENTS:</b>								
Instructional services:								
Salaries	85,832	2,786	2,786	-	-	-	-	-
Employee benefits, including pension and OPEB expense	1,230	1,230	1,261	(31)	-	-	-	-
Purchased services	75,738	159,356	118,905	40,451	-	-	-	-
Supplies and materials	37,200	30,220	29,536	684	-	-	-	-
Other objects	-	6,408	-	6,408	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total disbursements	200,000	200,000	152,488	47,512	-	-	-	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(4,733)</b>	<b>\$ (4,733)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>6,933</b>	<b>\$ 6,933</b>
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR AS RESTATED (SEE NOTE 10)</b>			<u>(36,536)</u>				<u>(6,933)</u>	
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>			<u>\$ (41,269)</u>				<u>\$ -</u>	