

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

**FINANCIAL AUDIT  
(In accordance with the Uniform Guidance)  
For the year ended June 30, 2018**

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



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

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

**OFFICIALS**

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

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

Office is located at:

1 Stuart Drive  
Kankakee, Illinois 60901

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

**COMPLIANCE REPORT SUMMARY**

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

**AUDITORS' REPORTS**

The auditors' reports on compliance and internal controls do not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF AUDIT FINDINGS**

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

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2018-001	13-14	Delay of Audit	Noncompliance

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

There were no findings for the year ended June 30, 2018.

PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

2017-001	17	Controls over Financial Statement Preparation	Material Weakness
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PRIOR AUDIT FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

There were no findings for the year ended June 30, 2017.

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

**COMPLIANCE REPORT SUMMARY (Concluded)**

**EXIT CONFERENCE**

The Iroquois and Kankakee Counties Regional Office of Education No. 32 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2018. Throughout the audit, numerous meetings were held between the auditors and Regional Office officials to discuss matters contained in this audit report. Responses to the recommendations were provided by Gregg Murphy, Regional Superintendent on April 4, 2019.

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

**FINANCIAL STATEMENT REPORT SUMMARY**

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

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



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Mattoon, Illinois 61938

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## INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

### **Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education No. 32, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education No. 32's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education No. 32, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1 in the notes to the financial statements, in the year ended June 30, 2018, the Iroquois and Kankakee Counties Regional Office of Education No. 32 adopted new accounting guidance Governmental Accounting Standards Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents, including the management's discussion and analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Iroquois and Kankakee Counties Regional Office of Education No. 32's basic financial statements. The combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2019, on our consideration of the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control over financial reporting and compliance.

**SIGNED ORIGINAL ON FILE**

Mattoon, Illinois  
June 5, 2019



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

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education No. 32, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education No. 32's basic financial statements, and have issued our report thereon dated June 5, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control. Accordingly, we do not express an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Iroquois and Kankakee Counties Regional Office of Education No. 32's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Governmental Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding 2018-001.

### **Iroquois and Kankakee Counties Regional Office of Education No. 32's Response to the Finding**

The Iroquois and Kankakee Counties Regional Office of Education No. 32's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Iroquois and Kankakee Counties Regional Office of Education No. 32'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 Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Mattoon, Illinois

June 5, 2019



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITORS' REPORT**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Report on Compliance for Each Major Federal Program**

We have audited Iroquois and Kankakee Counties Regional Office of Education No. 32's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Iroquois and Kankakee Counties Regional Office of Education No. 32's major federal programs for the year ended June 30, 2018. The Iroquois and Kankakee Counties Regional Office of Education No. 32's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Iroquois and Kankakee Counties Regional Office of Education No. 32's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Iroquois and Kankakee Counties Regional Office of Education No. 32's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Iroquois and Kankakee Counties Regional Office of Education No. 32's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Iroquois and Kankakee Counties Regional Office of Education No. 32 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

### **Report on Internal Control Over Compliance**

Management of Iroquois and Kankakee Counties Regional Office of Education No. 32 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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Mattoon, Illinois  
June 5, 2019

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION I – SUMMARY OF AUDITORS' RESULTS  
For the year ended June 30, 2018**

**Financial statements in accordance with GAAP**

Type of auditors' report issued: UNMODIFIED

Internal control over financial reporting:

- Material weakness(es) identified?            yes   X   no
- Significant deficiency(ies) identified?            yes   X   none reported

Noncompliance material to financial statements noted?            yes   X   no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?            yes   X   no
- Significant deficiency(ies) identified?            yes   X   none reported

Type of auditors' report issued on compliance for major federal programs: UNMODIFIED

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?            yes   X   no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of federal program or cluster</u>
84.010A	System of Support Title I - School Improvement and Accountability
84.366B	Mathematics and Science Partnerships

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee            yes   X   no

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the year ended June 30, 2018**

**Finding No. 2018-001 – Delay of Audit**

**Criteria/Specific Requirement:**

Regional Office of Education No. 32 is subject to 105 ILCS 5/2-3.17a which requires the Auditor General's office to cause an audit to be made, as of June 30<sup>th</sup> of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Governmental Auditing Standards.

In accordance with 105 ILCS 5/2-3.17a, the Auditor General has promulgated administrative rules and regulations to govern this process. Those rules, 74 Ill. Adm. Code 420.320 (c) (2), state that for audit purposes, each regional office of education and educational service center shall make available to the Auditor General or his designee all books and records deemed necessary to make and complete the required audits. The records shall be in auditable form by August 15 of the succeeding fiscal year. Financial reports are to be available no later than August 31 in order for the annual audit to be completed by an independent auditor selected by the Auditor General. Annual financial statements are to be prepared on an accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

In addition, prudent business practices and transparency require timely preparation and completion of financial statements.

**Condition:**

The Regional Office of Education No. 32 did not provide the financial statements in the appropriate format by the August 31 deadline.

**Effect:**

When financial statements and records are not provided in a timely manner, delays in the audit occur and the usefulness of the financial statements and related findings resulting from the audit is impacted. Additionally, untimely financial statements could result in repercussions from granting agencies including a loss of funding.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the year ended June 30, 2018**

**Finding No. 2018-001 – Delay of Audit** (Continued)

**Cause:**

According to the Regional Office of Education No. 32's management, they were not aware of the August 31 deadline.

**Auditors' Recommendation:**

The Regional Office of Education No. 32 should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). Annual financial statements should be compiled on an accrual basis of accounting in accordance with GAAP. These financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31 deadline.

**Management's Response:**

Having the accounting records in an auditable form by August 15<sup>th</sup> of each year and providing financial statements by August 31<sup>st</sup> each year on an accrual basis in accordance with GAAP would require many estimates for various revenue amounts (for local sources and for state and federal grants) since an availability period of 60 days is being used to recognize revenue. Also, the on-behalf information for the State paid salaries and benefits is not available in time to meet this deadline. For 2018, the THIS OPEB information was not available in time to meet this deadline.

We will work with the CPA firm and Actuarial firm to prepare financial reports to comply with report preparation by August 31, 2019.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION III – FEDERAL AWARD FINDINGS  
For the year ended June 30, 2018**

**Instances of Noncompliance:**

None

**Significant Deficiencies:**

None

**Material Weaknesses:**

None

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

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
For the year ended June 30, 2018**

**Corrective Action Plan**

**Finding No. 2018-001 – Delay of Audit**

**Condition:**

The Regional Office of Education No. 32 did not provide the financial statements in the appropriate format by the August 31 deadline.

**Plan:**

Having the accounting records in an auditable form by August 15<sup>th</sup> of each year and providing financial statements by August 31<sup>st</sup> each year on an accrual basis in accordance with GAAP would require many estimates for various revenue accounts (for local sources and for state and federal grants) since an availability period of 60 days is being used to recognize revenue. Also, the on-behalf information for the State paid salaries and benefits is not available in time to meet this deadline.

We will work with the CPA firm and Actuarial firm to prepare financial reports to comply with report preparation by August 31, 2019.

**Anticipated Date of Completion:**

June 30, 2019

**Name of Contact Person:**

Dr. Gregg Murphy, Regional Superintendent

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED  
For the year ended June 30, 2018**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2017-001	Controls over Financial Statement Preparation  The I-KAN Regional Office of Education has entered into a contract with a CPA firm and Actuarial firm to prepare financial reports in accordance with GAAP. The activity for the internal services funds are now recorded as revenue and expenses.	Not Repeated

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018**

The Iroquois and Kankakee Counties Regional Office of Education No. 32 (Regional Office) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2018 with comparative information for the year ended June 30, 2017. We encourage readers to consider this information in conjunction with the Regional Office's financial statements, which follow.

**2018 Financial Highlights**

Within the Governmental Funds, the General Fund revenue increase by \$96,991 (6.3%), from \$1,532,460 in FY2017 to \$1,629,451 in FY2018. General Fund expenditures decreased by \$70,861 (5.7%), from \$1,243,778 in FY2017 to \$1,172,917 in FY2018. The increase in revenue is primarily due to receiving all of the County funds due to the ROE for FY17 and part of funds covering FY18 in FY18. Expenditures in FY18 – salaries, benefits, pension expense, and supplies were down, and purchased services was up compared to those in FY17.

Within the Governmental Funds, the Education Fund revenue increased by \$437,632 (23.5%) from \$1,862,739 in FY2017 to \$2,300,371 in FY2018. The Education Fund expenditures increased by \$160,813 (7.9%), from \$2,030,424 in FY2017 to \$2,191,237 in FY2018. Revenue increased due to reporting FY17 grant revenue received in FY18 that was considered unavailable in FY2017 along with a majority of the grant funding for FY2018. For the increase in expenditures, payments to other governmental units increased as the Title I grant allowed greater flexibility of the type of workshop that could be offered.

Within the Proprietary Funds, the Enterprise Funds revenue increased by \$48,370 (16.5%), from \$293,275 in FY2017 to \$341,645 in FY2018. The Enterprise Funds expenses increased by \$49,786 (20%), from \$248,359 in FY2017 to \$298,145 in FY2018.

Within the Proprietary Funds, Services Provided was added as an Internal Service Fund in FY18. This fund is used to categorize any revenue and expenses related to in-house payroll and tech services for various ROE programs.

**Using This Annual Report**

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These statements provide information about the activities of the Regional Office as a whole and present an overall view of the Office's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund Financial Statements report the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- The Notes to the Financial Statements provide additional information that is essential for a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements and Other Supplementary Information provides detailed information about the major and non-major funds.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018**

**Reporting the Regional Office of Education No. 32 as a Whole**

It is important to note that many grants (such as Title I School Improvement and Accountability System of Support) are cooperative efforts of the Regional Office of Education No. 32 and other Regional Offices in Area IV. Therefore, these figures may reflect grants that are intended to serve Iroquois and Kankakee Counties only and also grants that serve Regional Offices of Education No. 9, No. 11, No. 17, No. 39 and No. 54.

**The Statement of Net Position and the Statement of Activities**

The government-wide statements report information about the Regional Office as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Regional Office's assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Regional Office's net position and how it has changed. Net position – the difference between the assets and liabilities – is one way to measure the Regional Office's financial health or position.

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

We divide the Regional Office's activities into three broad types:

Regulatory Activities - Supported primarily by the funds of Kankakee County and Iroquois County governments through a ratified Joint Agreement effectuated in 1995. The activities include, but are not limited to, Teacher/Administrator Certification, Health/Life Safety Inspections of school facilities, General Educational Development Administration, Bus Driver Training, etc. as prescribed in the Illinois School Code, Articles 3 and 3A.

Service Activities - Supported primarily through funds appropriated by the Illinois General Assembly and distributed to the Regional Office through the Illinois State Board of Education and through locally generated fees for service. The activities include assisting schools in all areas of school improvement, including staff development opportunities for teachers and administrators, etc. as prescribed in 105 ILCS 5/2-3.62.

Ombudsman Activities - Supported through various competitive grants and/or entitlements from various State and federal government agencies and including private trusts/contributions. The activities supported include, but are not limited to, truancy prevention efforts, drug prevention efforts, attention to homeless children and families, out-of-school time programming, provision of education for multi-suspended or potentially expelled students, etc.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018**

**Fund Financial Statements**

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices which allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

- (1) Governmental Funds account for most of the Regional Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Regional Office's programs. The Regional Office's governmental funds include: the General Fund and the Special Revenue Funds. The governmental funds' required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.
- (2) Proprietary Funds account for resources from fees charged directly to those entities or individuals that use its services including fees charged to other Regional Office funds for services provided on a cost-reimbursement basis. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements but with more detail for major and non-major enterprise funds and internal service funds in the aggregate. The proprietary funds' required financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.
- (3) Fiduciary Funds account for assets held by the Regional Office in a trust capacity or as a fiscal agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds' required financial statements include a Statement of Fiduciary Net Position.

A summary reconciliation between the Government-wide Financial Statements and the Fund Financial Statements are included after each Fund Financial Statement.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve, when examined over time, as one indicator of the financial position of the Regional Office. The net position at the end of FY2018 and FY2017 totaled \$3,684,580 and \$3,691,448, respectively. The analysis that follows provides a summary of the Regional Office's net position as of June 30, 2018 and 2017.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018**

**CONDENSED STATEMENT OF NET POSITION  
June 30, 2018 and 2017**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>ASSETS</b>						
Current assets	\$3,464,749	\$3,047,226	\$1,562,232	\$1,469,026	\$5,026,981	\$4,516,252
Prepaid Rent, net of current portion	-	-	422,939	446,711	422,939	446,711
Capital assets, net of depreciation	27,574	27,925	26,323	27,714	53,897	55,639
<b>TOTAL ASSETS</b>	<b>3,492,323</b>	<b>3,075,151</b>	<b>2,011,494</b>	<b>1,943,451</b>	<b>5,503,817</b>	<b>5,018,602</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	1,369,627	542,252	27,792	42,569	1,397,419	584,821
<b>LIABILITIES</b>						
Current liabilities	154,511	90,002	78,214	49,731	232,725	139,733
Noncurrent liabilities	1,976,752	862,561	17,622	69,949	1,994,374	932,510
<b>TOTAL LIABILITIES</b>	<b>2,131,263</b>	<b>952,563</b>	<b>95,836</b>	<b>119,680</b>	<b>2,227,099</b>	<b>1,072,243</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	953,693	836,978	35,864	2,754	989,557	839,732
<b>NET POSITION</b>						
Net investment in capital assets	27,574	27,925	26,323	27,714	53,897	55,639
Restricted – for educational purposes	363,440	338,458	-	-	363,440	338,458
Unrestricted	1,385,980	1,461,479	1,881,263	1,835,872	3,267,243	3,297,351
<b>TOTAL NET POSITION</b>	<b>\$1,776,994</b>	<b>\$1,827,862</b>	<b>\$1,907,586</b>	<b>\$1,863,586</b>	<b>\$3,684,580</b>	<b>\$3,691,448</b>

The Regional Office's net position decreased by \$6,868 (0.02%) from FY2017 to FY2018. The governmental net position as of June 30, 2017 was restated in order to recognize the OPEB liability and the related deferred outflows of resources due to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This restatement decreased the beginning net position by \$470,255. The prepaid rent consists of payments for a building that houses the Regional Office and its programs.

The following analysis shows the changes in net position for the years ended June 30, 2018 and 2017.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018**

**CHANGES IN NET POSITION  
For the Years Ended June 30, 2018 and 2017**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$0	\$0	\$338,666	\$289,210	\$338,666	\$289,210
Operating grants and contributions	3,035,808	2,874,547	-	-	3,035,808	2,874,547
General revenues:						
Local and state sources	442,899	405,894	-	-	442,899	405,894
Interest income	7,834	6,112	2,979	3,562	10,813	9,674
Pension benefits		136,352	-	503	-	136,855
On-behalf payments	729,174	588,579	-	-	729,174	588,579
Total revenues	<u>4,215,715</u>	<u>4,011,484</u>	<u>341,645</u>	<u>293,275</u>	<u>4,557,360</u>	<u>4,304,759</u>
Expenses:						
Salaries	1,757,661	1,709,874	88,277	105,012	1,845,938	1,814,886
Employee benefits	165,932	127,511	17,003	19,382	182,935	146,893
Pension expense	40,441	-	8,026	27,973	48,467	27,973
OPEB expense	72,238	-	-	-	72,238	-
Purchased services	472,376	522,007	166,610	76,752	638,986	598,759
Supplies and materials	157,128	89,750	14,566	17,280	171,694	107,030
Capital outlay	5,000	19,773	-	-	5,000	19,773
Payments to other governmental units	381,957	267,816	-	-	381,957	267,816
Depreciation	8,151	6,981	1,391	116	9,542	7,097
Other	5,770	5,671	2,272	1,844	8,042	7,515
On-behalf payments	729,174	588,579	-	-	729,174	588,579
Total expenses	<u>3,795,828</u>	<u>3,337,962</u>	<u>298,145</u>	<u>248,359</u>	<u>4,093,973</u>	<u>3,586,321</u>
Income before operating transfers	419,887	673,522	43,500	44,916	463,387	718,438
Operating transfers	(500)	-	500	-	-	-
Change in net position	419,387	673,522	44,000	44,916	463,387	718,438
Net position, beginning (restated, see Note 18)	<u>1,357,607</u>	<u>1,154,340</u>	<u>1,863,586</u>	<u>1,818,670</u>	<u>3,221,193</u>	<u>2,973,010</u>
Net position, ending	<u>\$1,776,994</u>	<u>\$1,827,862</u>	<u>\$1,907,586</u>	<u>\$1,863,586</u>	<u>\$3,684,580</u>	<u>\$3,691,448</u>

**Governmental Activities**

Revenues from governmental fund activities were \$4,215,715 in FY2018 and expenses were \$3,795,828. Governmental revenues increased by \$204,231 (5%) and expenses increased by \$457,866 (14%). Expenses represent an increase in on-behalf payments, supplies, pension expense, OPEB expense, employee benefits and payments to other governmental units. Revenue represent an increase from FY17 to FY18 due to additional funding of approximately \$170,000 from the Partnership for Success grant and increased on-behalf payments.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018**

**Business-Type Activities**

Revenues from business-type activities were \$341,645 and expenditures were \$298,145 in FY2018. Revenues increased by \$48,370 (16%) and expenses increased by \$49,786 (20%). The increase in revenues is primarily due to increased revenues from workshops. The increase in expenses is due to an increase in purchase services. Additional workshop expenses and the cost of a resource officer contributed to the increase in purchased services.

**Financial Analysis of the Regional Office of Education No. 32 Funds**

As previously noted, the Regional Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office's governmental funds reported combined fund balances of \$3,127,144 at June 30, 2018. This is an increase of \$592,231 over the June 30, 2017 combined fund balance of \$2,534,913.

**Governmental Fund Highlights**

- State funding of Regional Office of Education increased - approximately \$284,000 in FY18 from FY17. The Regional Safe Schools, Regional Safe Schools Cooperative Education Program, and Truants' Alternative Program grants reported increases in revenue of approximately \$72,000, \$46,000, and \$170,000, respectively. These increases are related to FY2017 grant revenue received and reported in FY2018 as it was considered unavailable revenue in FY2017, along with reporting a majority of the FY2018 grant revenue. The total amount of these grants awarded for FY2018 only increased approximately \$1,000 from FY2017 to FY2018.
- Federal Funding of the Regional Office increased \$153,902 in FY18 from FY17. The Math and Science Partnerships and Math and Science Partnerships STEM grants reported an increase of approximately \$70,000. The Partnerships for Success grant revenue increased \$170,000 from FY2017 to FY2018. Title 1 School Improvement and Accountability System of Support revenue decreased by around \$130,000
- Local revenues increased in general funds by approximately \$105,000 over FY17 due to receiving all of the Kankakee County Funds due to the ROE in FY17 in FY18 and part of funds covering FY18 in FY18.

**Proprietary Fund Highlights**

Proprietary Funds were managed in a way that kept expenses less than revenue and increased net position by \$29,243. This increase represents a \$44,000 increase from the Enterprise Funds and a \$14,757 decrease from the Internal Service Funds. While purchased services in the Safe School Local Enterprise Fund increased due to the costs for a resource officer, the fund's revenues remained steady for a \$56,860 increase in net position. The Truant Local Enterprise Fund's salaries exceeded the revenue. The fund had an overall decrease of \$51,544 in net position.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018**

**Fiduciary Fund Highlights**

There was a decrease of \$663,295 (73%) in total fiduciary fund assets from FY2017 to FY2018. Transactions represent mainly transfers in and out of the Distributive Fund for disbursements to school district treasurers and other entities. The decrease was due to a decrease in the amount of funds that were vouchered prior to year-end but received after the end of the fiscal year compared to FY17 for the I-KAN Regional Office of Education, Iroquois Area Delivery System, Kankakee Area Regional Delivery System and Kankakee Area Career Center.

**Budgetary Highlights**

The Regional Office annually adopts budgets for several funds. Budgets for the General Fund and Special Revenue Fund Accounts are prepared by the Regional Superintendent and serve as a guideline for activities and expenditures. The Regional Superintendent annually prepares a County Support Budget and submits it to the two County Boards for their approval. The County Support Budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the Regional Office and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. These fiscal years vary by design of the grants. The budgets may be amended during the year utilizing procedures prescribed by the granting agency.

**Capital Assets**

The Regional Office's capital assets include office equipment, copiers, computers, audio-visual equipment, and office furniture and remodeling. The Regional Office maintains an inventory of capital assets which have been accumulated over time. There was an addition in FY2018. Additions included one copier at a cost of \$7,800 for governmental activities. There was depreciation expense totaling \$8,151 for governmental activities and \$1,391 for business-type activities in FY2018. As of June 30, 2018, the Regional Office's capital assets remain in use.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018**

**Economic Factors and Next Year's Budget**

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

- State funding of the Regional Offices of Education School Services program has a slight increase for FY19.
- Evidence-Based Funding for Students All Learning Together and for Regional Alternative Attendance Center programs for FY19 remained level funded.
- Regional Safe School Program (RSSP) remains at FY18 level and Truants Alternative/Optional Education Program (TAOEP) program has a slight increase for FY19.
- The Title I School Improvement and Accountability Statewide System of Support (SSoS) grant concluded on August 31, 2018.
- The DHS Substance Abuse Prevention Program (SAP) is expected to have an increase of \$38,266 in funding for FY19, grant funds for the Strategic Prevention Framework Partnerships for Success (SPF PFS) will have a decrease of \$139,850. Teen REACH will be funded for all FY19 and Family Violence Coordinating Council will be funded for all FY19.
- Title II Teacher Quality Grant will continue in FY19.
- The Math and Science Partnerships STEM grant concluded on August 31, 2018.
- County Support has decreased by 25% in the past years and is expected to remain level in FY19.

**Contacting the Regional Office's Financial Management**

This financial report is designed to provide the Regional Office's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent or the Finance Officer Administrator I of the Iroquois-Kankakee Regional Office of Education No. 32, 1 Stuart Drive, Kankakee, IL 60901.

## **BASIC FINANCIAL STATEMENTS**

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

**STATEMENT OF NET POSITION  
June 30, 2018**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 2,644,591	\$ 1,531,732	\$ 4,176,323
Accounts receivable	35,054	50	35,104
Due from other governments	785,104	6,678	791,782
Prepaid rent, current portion	-	23,772	23,772
Total current assets	<u>3,464,749</u>	<u>1,562,232</u>	<u>5,026,981</u>
Noncurrent assets			
Capital assets, net of depreciation	27,574	26,323	53,897
Prepaid rent, net of current portion	-	422,939	422,939
Total noncurrent assets	<u>27,574</u>	<u>449,262</u>	<u>476,836</u>
Total assets	<u>3,492,323</u>	<u>2,011,494</u>	<u>5,503,817</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	1,200,895	27,792	1,228,687
Deferred outflows related to OPEB	168,732	-	168,732
Total deferred outflows of resources	<u>1,369,627</u>	<u>27,792</u>	<u>1,397,419</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	23,745	15,714	39,459
Due to other governments	127,939	-	127,939
Unearned revenue	2,827	62,500	65,327
Total current liabilities	<u>154,511</u>	<u>78,214</u>	<u>232,725</u>
Noncurrent liabilities:			
Net pension liability	1,344,030	17,622	1,361,652
Net OPEB liability	632,722	-	632,722
Total noncurrent liabilities	<u>1,976,752</u>	<u>17,622</u>	<u>1,994,374</u>
Total liabilities	<u>2,131,263</u>	<u>95,836</u>	<u>2,227,099</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	881,684	35,864	917,548
Deferred inflows related to OPEB	72,009	-	72,009
Total deferred inflows of resources	<u>953,693</u>	<u>35,864</u>	<u>989,557</u>
<b>Net position:</b>			
Net investment in capital assets	27,574	26,323	53,897
Restricted for educational purposes	363,440	-	363,440
Unrestricted	1,385,980	1,881,263	3,267,243
Total net position	<u>\$ 1,776,994</u>	<u>\$ 1,907,586</u>	<u>\$ 3,684,580</u>

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

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

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2018**

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
			Primary Government			
	Expenses	Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
Primary government						
Governmental activities:						
Instructional services:						
Salaries	\$ 1,757,661	\$ -	\$ 1,608,117	\$ (149,544)	\$ -	\$ (149,544)
Employee benefits	165,932	-	309,854	143,922	-	143,922
Purchased services	472,376	-	617,588	145,212	-	145,212
Supplies and materials	157,128	-	120,333	(36,795)	-	(36,795)
Capital outlay	5,000	-	5,000	-	-	-
Other	5,770	-	5,579	(191)	-	(191)
Depreciation	8,151	-	-	(8,151)	-	(8,151)
Pension expense	40,441	-	-	(40,441)	-	(40,441)
OPEB expense	72,238	-	-	(72,238)	-	(72,238)
Intergovernmental:						
Payments to other governmental units	381,957	-	369,337	(12,620)	-	(12,620)
Administrative:						
On-behalf payments - State	729,174	-	-	(729,174)	-	(729,174)
Total governmental activities	<u>3,795,828</u>	<u>-</u>	<u>3,035,808</u>	<u>(760,020)</u>	<u>-</u>	<u>(760,020)</u>
Business-type activities:						
Professional development	298,145	338,666	-	-	40,521	40,521
Total business-type activities	<u>298,145</u>	<u>338,666</u>	<u>-</u>	<u>-</u>	<u>40,521</u>	<u>40,521</u>
Total primary government	<u>\$ 4,093,973</u>	<u>\$ 338,666</u>	<u>\$ 3,035,808</u>	<u>(760,020)</u>	<u>40,521</u>	<u>(719,499)</u>
General revenues:						
Local sources				442,899	-	442,899
On-behalf payments - State				729,174	-	729,174
Interest				7,834	2,979	10,813
Transfers				(500)	500	-
Total general revenues and transfers				<u>1,179,407</u>	<u>3,479</u>	<u>1,182,886</u>
Change in net position				419,387	44,000	463,387
Net position - beginning of year, restated (See note 18)				<u>1,357,607</u>	<u>1,863,586</u>	<u>3,221,193</u>
Net position - end of year				<u>\$ 1,776,994</u>	<u>\$ 1,907,586</u>	<u>\$ 3,684,580</u>

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

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2018**

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,270,500	\$ 51,271	\$ 315,035	\$ 2,636,806
Accounts receivable	267	34,461	-	34,728
Due from other funds	391,227	-	-	391,227
Due from other governments	283,077	502,027	-	785,104
<b>Total assets</b>	<b>\$ 2,945,071</b>	<b>\$ 587,759</b>	<b>\$ 315,035</b>	<b>\$ 3,847,865</b>
<b>Liabilities:</b>				
Accounts payable	\$ 5,624	\$ 17,390	\$ -	\$ 23,014
Due to other funds	-	391,227	-	391,227
Due to other governments	15	127,924	-	127,939
Unearned revenue	-	2,827	-	2,827
<b>Total liabilities</b>	<b>5,639</b>	<b>539,368</b>	<b>-</b>	<b>545,007</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	24,629	151,085	-	175,714
<b>Fund balances (deficits):</b>				
Restricted	-	48,237	315,035	363,272
Unassigned	2,914,803	(150,931)	-	2,763,872
<b>Total fund balances (deficits)</b>	<b>2,914,803</b>	<b>(102,694)</b>	<b>315,035</b>	<b>3,127,144</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 2,945,071</b>	<b>\$ 587,759</b>	<b>\$ 315,035</b>	<b>\$ 3,847,865</b>

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

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
June 30, 2018**

Total fund balances - governmental funds		\$ 3,127,144
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.		175,714
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, net	27,574	
Less internal service fund capital assets included in internal service fund net position below	(27,574)	-
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore are not reported in the governmental funds as follows:		
Deferred outflows of resources	1,369,627	
Deferred inflows of resources	(953,693)	
Less internal service fund deferred outflows of resources included in internal service fund net position below	(29,593)	
Less internal service fund deferred inflows of resources included in internal service fund net position below	38,904	425,245
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net pension liability	(1,344,030)	
Net OPEB liability	(632,722)	
Less internal service fund net pension liability included in internal service fund net position below	18,144	(1,958,608)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.		
Internal service fund net position is:		7,499
Net position of governmental activities		\$ 1,776,994

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

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2018**

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
<b>Revenues:</b>				
Local sources	\$ 495,101	\$ -	\$ 82,629	\$ 577,730
State sources	844,751	683,017	1,519	1,529,287
Federal sources	-	1,617,250	-	1,617,250
On-behalf payments	284,219	-	-	284,219
Interest	5,380	104	2,345	7,829
<b>Total revenues</b>	<b>1,629,451</b>	<b>2,300,371</b>	<b>86,493</b>	<b>4,016,315</b>
<b>Expenditures:</b>				
Instructional services:				
Salaries	534,066	1,095,139	33,857	1,663,062
Employee benefits	47,094	104,950	2,560	154,604
Pension expense	47,222	107,831	4,290	159,343
OPEB expense	6,494	-	-	6,494
Purchased services	234,918	389,623	14,149	638,690
Supplies and materials	17,203	106,337	905	124,445
Other	1,701	400	3,669	5,770
On-behalf payments	284,219	-	-	284,219
Intergovernmental:				
Payments to other governmental units	-	381,957	-	381,957
Capital outlay	-	5,000	-	5,000
<b>Total expenditures</b>	<b>1,172,917</b>	<b>2,191,237</b>	<b>59,430</b>	<b>3,423,584</b>
<b>Excess of revenues over expenditures</b>	<b>456,534</b>	<b>109,134</b>	<b>27,063</b>	<b>592,731</b>
<b>Other financing sources (uses):</b>				
Transfers out	-	-	(500)	(500)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(500)</b>	<b>(500)</b>
<b>Net change in fund balances</b>	<b>456,534</b>	<b>109,134</b>	<b>26,563</b>	<b>592,231</b>
Fund balances (deficits), beginning of year	2,458,269	(211,828)	288,472	2,534,913
Fund balances (deficits), end of year	<u>\$ 2,914,803</u>	<u>\$ (102,694)</u>	<u>\$ 315,035</u>	<u>\$ 3,127,144</u>

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

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2018**

Net change in fund balances \$ 592,231

Amounts reported for governmental activities in the Statement of Activities are different because:

Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.

Current year unavailable revenue - local sources	\$ 24,629	
Current year unavailable revenue - operating grants	151,085	
Prior year unavailable revenue - local sources	(159,460)	
Prior year unavailable revenue - operating grants	<u>(261,814)</u>	(245,560)

Certain expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Pension expense	118,902	
OPEB expense	(65,744)	
Plus internal service fund pension expense included in internal service fund net revenue below	<u>34,315</u>	87,473

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.

Change in net position of governmental activities	\$ 419,387
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The notes to the financial statements are an integral part of these financial statements.

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

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Safe Schools Local	Truant Local	Nonmajor Enterprise Funds	Total	Internal Service Funds
	<u>Local</u>	<u>Local</u>	<u>Funds</u>	<u>Total</u>	<u>Service Funds</u>
Assets:					
Current assets:					
Cash and cash equivalents	\$1,007,056	\$ 180,049	\$ 344,627	\$1,531,732	\$ 7,785
Accounts receivable	-	-	50	50	326
Due from other governments	-	-	6,678	6,678	-
Prepaid rent, current portion	23,772	-	-	23,772	-
Total current assets	<u>1,030,828</u>	<u>180,049</u>	<u>351,355</u>	<u>1,562,232</u>	<u>8,111</u>
Noncurrent assets:					
Capital assets, net of depreciaton	26,323	-	-	26,323	27,574
Prepaid rent, net of current portion	422,939	-	-	422,939	-
Total noncurrent assets	<u>449,262</u>	<u>-</u>	<u>-</u>	<u>449,262</u>	<u>27,574</u>
Total assets	<u>1,480,090</u>	<u>180,049</u>	<u>351,355</u>	<u>2,011,494</u>	<u>35,685</u>
Deferred outflows of resources:					
Deferred outflows related to pensions	2,448	23,669	1,675	27,792	29,593
Liabilities:					
Current liabilities:					
Accounts payable	11,595	-	4,119	15,714	731
Unearned revenue	38,100	-	24,400	62,500	-
Total current liabilities	49,695	-	28,519	78,214	731
Noncurrent liabilities:					
Net pension liability	1,501	14,511	1,610	17,622	18,144
Total liabilities	<u>51,196</u>	<u>14,511</u>	<u>30,129</u>	<u>95,836</u>	<u>18,875</u>
Deferred inflows of resources:					
Deferred inflows related to pensions	3,218	31,116	1,530	35,864	38,904
Net position:					
Net investment in capital assets	26,323	-	-	26,323	27,574
Unrestricted	1,401,801	158,091	321,371	1,881,263	(20,075)
Total net position	<u>\$1,428,124</u>	<u>\$ 158,091</u>	<u>\$ 321,371</u>	<u>\$1,907,586</u>	<u>\$ 7,499</u>

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

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Safe Schools Local	Truant Local	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ 137,413	\$ 60,366	\$ 140,887	\$ 338,666	\$ 204,119
Operating expenses:					
Salaries	7,215	71,908	9,154	88,277	94,599
Employee benefits	1,824	14,415	764	17,003	11,328
Pension expense (benefit)	(1,147)	11,508	(2,335)	8,026	34,315
Purchased services	70,712	9,210	86,688	166,610	37,805
Supplies and materials	2,493	5,284	6,789	14,566	32,683
Depreciation expense	1,391	-	-	1,391	8,151
Other	-	-	2,272	2,272	-
Total operating expenses	82,488	112,325	103,332	298,145	218,881
Operating income (loss)	54,925	(51,959)	37,555	40,521	(14,762)
Nonoperating revenues:					
Interest	1,925	405	649	2,979	5
Total nonoperating revenues	1,925	405	649	2,979	5
Income (loss) before transfers	56,850	(51,554)	38,204	43,500	(14,757)
Transfers in	-	-	500	500	-
Change in net position	56,850	(51,554)	38,704	44,000	(14,757)
Net position - beginning of year	1,371,274	209,645	282,667	1,863,586	22,256
Net position - end of year	\$ 1,428,124	\$ 158,091	\$ 321,371	\$ 1,907,586	\$ 7,499

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

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

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2018**

	Business-Type Activities - Enterprise Funds				Governmental
	Safe	Truant	Nonmajor	Total	Activities
	Schools Local	Local	Enterprise Funds		Internal Service Funds
Cash flows from operating activities:					
Receipts from customers	\$ 154,213	\$ 60,366	\$ 136,843	\$ 351,422	\$ -
Receipts from interfund services provided	-	-	-	-	203,793
Payments to suppliers and providers of goods and services	(37,878)	(14,494)	(93,529)	(145,901)	(70,000)
Payments to employees	(10,161)	(97,173)	(10,412)	(117,746)	(119,493)
Net cash provided by (used for) operating activities	<u>106,174</u>	<u>(51,301)</u>	<u>32,902</u>	<u>87,775</u>	<u>14,300</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	-	-	500	500	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Purchases of capital assets	-	-	-	-	(7,800)
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,800)</u>
Cash flows from investing activities:					
Interest received	1,925	405	649	2,979	5
Net cash provided by investing activities	<u>1,925</u>	<u>405</u>	<u>649</u>	<u>2,979</u>	<u>5</u>
Net increase (decrease) in cash	108,099	(50,896)	34,051	91,254	6,505
Cash and cash equivalents - beginning of year	898,957	230,945	310,576	1,440,478	1,280
Cash and cash equivalents - end of year	<u>\$1,007,056</u>	<u>\$180,049</u>	<u>\$ 344,627</u>	<u>\$1,531,732</u>	<u>\$ 7,785</u>

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

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

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Safe Schools Local	Truant Local	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 54,925	\$ (51,959)	\$ 37,555	\$ 40,521	\$ (14,762)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	1,391	-	-	1,391	8,151
Pension expense (benefit) reconciliation	(2,269)	658	(2,829)	(4,440)	20,749
Change in assets and liabilities:					
(Increase) decrease in due from other governments	-	-	(1,902)	(1,902)	-
(Increase) decrease in accounts receivable	-	-	(50)	(50)	(326)
Decrease in prepaid rents	23,772	-	-	23,772	-
Increase in accounts payable	11,595	-	2,705	14,300	488
Increase (decrease) in due to other governments	(40)	-	(785)	(825)	-
Increase (decrease) in unearned revenue	16,800	-	(1,792)	15,008	-
Net cash provided by (used for) operating activities	<u>\$ 106,174</u>	<u>\$ (51,301)</u>	<u>\$ 32,902</u>	<u>\$ 87,775</u>	<u>\$ 14,300</u>

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

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

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND**

**June 30, 2018**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 472
Due from other governments	<u>240,858</u>
Total assets	<u>\$ 241,330</u>
Liabilities:	
Due to other governments	<u>\$ 241,330</u>
Total liabilities	<u>\$ 241,330</u>

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

**NOTES TO FINANCIAL STATEMENTS**

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

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

The Regional Superintendent of Schools is the chief administrative officer of the region and is elected to the position for a four-year term. The Regional Superintendent is responsible for the supervision and control of the school districts.

The Regional Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring the safety, health and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses. The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or seeing that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report.

The Regional Office of Education No. 32 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education No. 32 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education No. 32's financial statements. In addition, the Regional Office of Education No. 32 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 32 being considered a component unit of the entity.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. An exception to this general rule relates to interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from the business-type activities, which rely to a significant extent on fees and charges for support.

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

**NOTES TO FINANCIAL STATEMENTS**

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

**Government-wide and Fund Financial Statements (Continued)**

The Statement of Net Position includes all of the Regional Office of Education No. 32's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Certain eliminations have been made as prescribed by governmental accounting standards in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and the proprietary fund Statement of Net Position, and as transfers in/out on the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated.

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 32's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 32's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances, committed fund balances are used first, then assigned fund balances, then unassigned, if any.

***Governmental Funds***

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

Addiction Prevention Comprehensive – This fund accounts for the federal, State, and local revenue received and expended under the drug prevention program developed and funded by the Illinois State Board of Education and the Illinois Department of Human Services. The school-based program focuses on prevention and coordination of school policies, curriculum, family support, and community activities to provide comprehensive addiction prevention efforts.

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

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

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

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

***Proprietary Funds***

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

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

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

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

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

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

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

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

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

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

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

School Lunch Student Payments – This fund accounts for local revenues and disbursements for the Students School Lunch program.

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

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

***Fiduciary Funds***

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

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Deposits and Investments**

The Regional Office of Education No. 32 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of 90 days or less to be cash and cash equivalents. State regulations require that Regional Office of Education No. 32 deposit funds under its control into accounts insured by the federal governments, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education No. 32 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and The Illinois Funds.

**Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” in the fund financial statements. Balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

**Capital Assets**

Capital assets are reported in the applicable columns in the government-wide and proprietary fund financial statements. Capital assets, such as equipment, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Office, equipment and furniture	5-10
Computer equipment	3-5
Other equipment	5-20
Improvements	20

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

**Postemployment Benefits Other Than Pension (OPEB)**

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

***Deferred Outflows of Resources and Deferred Inflows of Resources***

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

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

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

***Equity Classifications***

**Government-wide and Proprietary Fund Statements**

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

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

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

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

**Governmental Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in a governmental fund. The following types of fund balances may be presented on the Governmental Funds Balance Sheet, the General Fund and Education Fund Combining Schedule of Accounts, and the Nonmajor Special Revenue Funds Combining Balance Sheet:

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

Nonspendable Fund Balance - the portion of a governmental fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. There are no funds presenting a nonspendable fund balance.

Restricted Fund Balance - the portion of a governmental fund's fund balance that is subject to external enforceable legal restrictions. The following funds are restricted by Illinois Statute: Bus Driver Training, General Education Development, and Institute. The following accounts are restricted by a grant agreement or contract: Arrest Grant, Child Nutrition, Teen Reach and Project Care Healthy Decision.

Committed Fund Balance - the portion of a governmental fund's fund balance with self-imposed constraints or limitations that have been placed at the highest level of decision making. There are no funds presenting a committed fund balance.

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

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: General Operations and Evidence-Based Funding. The following Education Fund accounts have unassigned fund deficits: CPDC Project, Substance Abuse Prevention Services, Drug Free Communities, Family Violence Coordinating Council, McKinney Education for Homeless Children, Partnerships for Success, Regional Safe Schools, Regional Safe Schools Cooperative Education Program, ROE/ISC Operations, Title I School Improvement & Accountability System of Support, and Truants' Alternative Program.

**Compensated Absences**

All employees who work for 12 calendar months earn vacation time. Unused vacation time does not accumulate and carryover for future calendar years. Sick pay may accumulate for all full-time employees (IMRF & TRS employees) up to a maximum of 120 days. Unused sick pay for those employees may be used as service credit towards the employee's retirement when the employee retires. There are no material accumulations of sick pay or vacation pay at June 30, 2018.

**New Accounting Pronouncements**

In 2018, the Regional Office of Education No. 32 implemented Governmental Accounting Standards Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; GASB Statement No. 81 – *Irrevocable Split-Interest Agreements*; GASB Statement No. 85 – *Omnibus 2017*; and GASB Statement No. 86 – *Certain Debt Extinguishment Issues*. The implementation of GASB Statement No. 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, expenses, and expenditures and identifies the note disclosure and RSI requirements. The implementation of GASB Statement No. 81, GASB Statement No. 85 and GASB Statement No. 86 had no significant impact on the financial statements of the Regional Office of Education No. 32.

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING**

The Regional Office of Education No. 32 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board for approval as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgets are also prepared for certain other grant funding. Budgetary Comparison Schedules have been presented for the following grants: Addiction Prevention Comprehensive, AdvancED, Arrest Grant, CPDC Project, Substance Abuse Prevention Services, Drug Free Communities, Family Violence Coordinating Council, Justice Self-Represented Litigant Coordinator, Mathematics and Science Partnerships, Mathematics and Science Partnerships-STEM, McKinney Education for Homeless Children, Partnerships for Success, Regional Safe Schools, Regional Safe Schools Cooperative Education Program, ROE/ISC Operations, Teen Reach, Title I School Improvement & Accountability System of Support, Title II – Teacher Quality Leadership Evaluation Training, and Truants' Alternative/Optional Education.

**NOTE 3 - USE OF ESTIMATES**

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

**NOTE 4 - INTEREST ON DISTRIBUTIVE FUND ACCOUNTS**

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

**NOTE 5 - DEPOSITS AND INVESTMENTS**

**Deposits**

At June 30, 2018, the carrying amount of the Regional Office of Education No. 32's deposits, which do not include Illinois Funds accounts, for the governmental activities and business-type activities were \$2,493,582 and \$1,531,732, respectively. The bank balances totaled \$4,161,096 all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education No. 32's name, and were, therefore, not exposed to custodial credit risk.

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)**

**Investments**

At June 30, 2018, the carrying amount of the Regional Office of Education No. 32's deposits in the Illinois Funds for the governmental activities and fiduciary funds were \$151,009 and \$472, respectively. The bank balance invested in the Illinois Funds was \$151,481. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 32's governmental activities.

**Credit Risk**

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

**Interest Rate Risk**

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

**Concentration of Credit Risk**

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

**NOTE 6 - RISK MANAGEMENT - CLAIMS AND JUDGMENTS**

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

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - CONTINGENCIES**

The Regional Office of Education No. 32 has received funding from Federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education No. 32 currently has a negative adjustment to its program year 2016 Title I School Improvement and Accountability System of Support (SSOS) grant related to documentation for salaries charged to the grant. The Illinois State Board of Education (ISBE) may apply a similar adjustment to the program year 2017 SSOS grant and Mathematics and Science Partnerships grants. The amount that may ultimately be returned to the ISBE is currently undetermined. The Regional Office of Education No. 32 believes that any other adjustments that may arise will be insignificant to the Regional Office of Education No. 32's operations.

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Balance July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2018</u>
Governmental activities:				
Capital assets being depreciated:				
Equipment	\$ 41,401	\$ 7,800	\$ -	\$ 49,201
Less accumulated depreciation for:				
Equipment	<u>(13,476)</u>	<u>(8,151)</u>	<u>-</u>	<u>(21,627)</u>
Governmental activities capital assets, net	<u>\$ 27,925</u>	<u>\$ (351)</u>	<u>\$ -</u>	<u>\$ 27,574</u>
Business-type activities:				
Capital assets being depreciated:				
Improvements	\$ 27,830	\$ -	\$ -	\$ 27,830
Less accumulated depreciation for:				
Improvements	<u>(116)</u>	<u>(1,391)</u>	<u>-</u>	<u>(1,507)</u>
Business-type activities capital assets, net	<u>\$ 27,714</u>	<u>\$ (1,391)</u>	<u>\$ -</u>	<u>\$ 26,323</u>

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

Governmental activities:	
Instructional services	<u>\$ 8,151</u>

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

Business-type activities:	
Professional development	<u>\$ 1,391</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for Regional Office of Education No. 32 for the year ended June 30, 2018 was as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Governmental activities:				
Net pension liability	\$ 862,561	\$481,469	\$ -	\$1,344,030
Net OPEB liability*	<u>474,738</u>	<u>157,984</u>	<u>-</u>	<u>632,722</u>
Governmental activities, long-term liabilities	<u>\$1,337,299</u>	<u>\$639,453</u>	<u>\$ -</u>	<u>\$1,976,752</u>
Business-type activities:				
Net pension liability	\$ <u>69,949</u>	\$ <u>-</u>	\$ <u>52,327</u>	\$ <u>17,622</u>

\*Restated beginning balance

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

**NOTE 10 - RETIREMENT FUND COMMITMENTS**

*Teachers' Retirement System of the State of Illinois*

**Plan Description**

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

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2017>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

**Benefits Provided**

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

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

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)**

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

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

Public Act 100-0023 enacted in 2017, creates an optional Tier 3 hybrid retirement plan; but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

**Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 32.

*On behalf contributions to TRS* – The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 32. For the year ended June 30, 2018, State of Illinois contributions recognized by the Regional Office of Education No. 32 were based on the State's proportionate share of the collective net pension liability associated with the Regional Office of Education No. 32, and the Regional Office of Education No. 32 recognized revenue and expenditures of \$388,868 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, 2018, were \$3,436 and are deferred because they were paid after the June 30, 2017 measurement date.

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

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$219,380 were paid from federal and special trust funds that required employer contributions of \$22,157. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)**

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

*Employer retirement cost contributions* – Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 32 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the Regional Office of Education No. 32 paid no employer ERO contributions to TRS for retirements that occurred before July 1, 2016.

The Regional Office of Education No. 32 is also 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, 2018, the Regional Office of Education No. 32 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2018, the Regional Office of Education No. 32 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$1,148,633
State's proportionate share of the net pension liability associated with the employer	<u>3,951,303</u>
Total	<u>\$5,099,936</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The Regional Office of Education No. 32's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2017, the Regional Office of Education No. 32's proportion was 0.0015034837 percent, which was an increase of 0.0013508008 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Regional Office of Education No. 32 recognized pension expense of \$388,868 and revenue of \$388,868 for support provided by the State. For the year ended June 30, 2018, the Regional Office of Education No. 32 recognized a pension benefit of \$83,860. At June 30, 2018, the Regional Office of Education No. 32 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**IROQUOIS AND KANKAKEE COUNTIES  
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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)**

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

<u>Deferred Amounts Related to Pension</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense In Future Periods</i>		
Differences between expected and actual experience	\$ 12,475	\$ 530
Net difference between projected and actual earnings on pension plan investments	788	-
Changes of assumptions	76,663	33,006
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>765,725</u>	<u>427,238</u>
Total deferred amounts to be recognized in pension expense in future periods	855,651	460,774
<i>Employer contributions made subsequent to the measurement date</i>	<u>25,593</u>	<u>-</u>
<i>Total deferred amounts related to pensions</i>	<u>\$881,244</u>	<u>\$460,774</u>

\$25,593 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

<u>Year Ending June 30,</u>	<u>Net Deferred (Inflows)/Outflows of Resources</u>
2019	\$(177,531)
2020	167,280
2021	206,220
2022	174,294
2023	<u>24,614</u>
Total	<u>\$394,877</u>

**Actuarial Assumptions**

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

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

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private equity	<u>14.0%</u>	10.63%
Total	<u>100.0%</u>	

**Discount Rate**

At June 30, 2017, the discount rate used to measure the total pension liability was 7.0 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier 2 were not sufficient to cover all projected benefit payments.

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

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

	1% Lower	Current Discount Rate	1% Higher
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
Employer's proportionate share of the net pension liability	<u>\$1,411,246</u>	<u>\$1,148,633</u>	<u>\$ 933,532</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)**

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

**TRS Fiduciary Net Position**

Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

***Illinois Municipal Retirement Fund***

**IMRF Plan Description**

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

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.

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)**

*Illinois Municipal Retirement Fund (Continued)*

**Employees Covered by Benefit Terms**

As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	16
Inactive plan members entitled to but not yet receiving benefits	22
Active plan members	<u>26</u>
Total	<u>64</u>

**Contributions**

As set by statute, the Regional Office of Education No. 32's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 32's annual contribution rate for calendar year 2017 was 17.00%. For the fiscal year 2018, the Regional Office of Education No. 32 contributed \$159,782 to the plan. The Regional Office of Education No. 32 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The Regional Office of Education No. 32's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2017.

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from the period 2014-2016.
- For **Non-Disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)**

*Illinois Municipal Retirement Fund (Continued)*

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	6.85%
International equities	18%	6.75%
Fixed income	28%	3.00%
Real estate	9%	5.75%
Alternatives	7%	
Private Equity		7.35%
Hedge Funds		5.05%
Commodities		2.65%
Cash equivalents	<u>1%</u>	2.25%
Total	<u>100%</u>	

**Single Discount Rate**

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)**

*Illinois Municipal Retirement Fund (Continued)*

**Changes in the Net Pension Liability**

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability (Asset)</b>
	<u>(A)</u>	<u>(B)</u>	<u>(A) – (B)</u>
<b>Balances at December 31, 2016</b>	<u>\$4,257,635</u>	<u>\$3,445,647</u>	<u>\$811,988</u>
<b>Changes for the year:</b>			
Service cost	99,470	-	99,470
Interest on the total pension liability	317,434	-	317,434
Changes in benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(166,755)	-	(166,755)
Changes of assumptions	(117,815)	-	(117,815)
Contributions – employer	-	161,567	(161,567)
Contributions – employees	-	52,375	(52,375)
Net investment income	-	520,236	(520,236)
Benefit payments, including refunds of employee contributions	(159,472)	(159,472)	-
Other (net transfer)	-	(2,875)	2,875
Net changes	<u>(27,138)</u>	<u>571,831</u>	<u>(598,969)</u>
<b>Balances at December 31, 2017</b>	<u>\$4,230,497</u>	<u>\$4,017,478</u>	<u>\$213,019</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower	Current Discount Rate	1% Higher
	<u>(6.5%)</u>	<u>(7.5%)</u>	<u>(8.5%)</u>
Net pension liability (asset)	<u>\$782,587</u>	<u>\$213,019</u>	<u>\$(246,980)</u>

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

For the year ended June 30, 2018, the Regional Office of Education No. 32 recognized pension expense of \$132,327. At June 30, 2018, the Regional Office of Education No. 32 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pension</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense</i>		
<i>In Future Periods</i>		
Differences between expected and actual experience	\$ 87,510	\$154,259
Changes of assumptions	40,039	92,008
Net difference between projected and actual earnings on pension plan investments	<u>141,143</u>	<u>210,507</u>
Total deferred amounts to be recognized in pension expense in future periods	268,692	456,774
<i>Employer contributions made subsequent to the measurement date</i>	<u>78,751</u>	-
<i>Total deferred amounts related to pensions</i>	<u>\$347,443</u>	<u>\$456,774</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)**

***Illinois Municipal Retirement Fund (Continued)***

\$78,751 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2018	\$ 21,467
2019	(7,435)
2020	(114,052)
2021	<u>(88,062)</u>
Total	\$( <u>188,082</u> )

**Aggregate pension information:**

	<u>IMRF</u>	<u>TRS</u>	<u>Total</u>
Employer fiduciary net position	\$4,017,478	\$ -	\$4,017,478
Deferred outflows of resources	347,443	881,244	1,228,687
Employer total pension liability	4,230,497	-	4,230,497
Employer net pension liability	213,019	1,148,633	1,361,652
Deferred inflows of resources	456,774	460,774	917,548
Pension expenses (benefit)	132,327	(83,860)	48,467

**Social Security**

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

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS**

***Teachers' Health Insurance Security Fund***

**Plan Description**

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

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Teachers' Health Insurance Security Fund (Continued)*

**Benefits Provided**

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

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

**On behalf contributions to the THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 32. For the year ended June 30, 2018, State of Illinois contributions recognized by the Regional Office of Education No. 32 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 32, and recognized revenue and expenditures of \$56,087 in OPEB contributions from the State of Illinois.

**Employer contributions to the THIS Fund**

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

**Further Information on the THIS Fund**

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

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

***Teachers' Health Insurance Security Fund (Continued)***

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

**Single Discount Rate**

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

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 2.85 percent as of June 30, 2016, and 3.56 percent as of June 30, 2017.

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

The following presents the Regional Office of Education No. 32's proportionate share of the collective net OPEB liability, as well as what the ROE's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.56 percent) or 1 percentage point higher (4.56 percent) than the current discount rate.

	1% Decrease <u>(2.56%)</u>	Current Discount Rate <u>(3.56%)</u>	1% Increase <u>(4.56%)</u>
Employer's proportionate share of the collective net OPEB liability	<u>\$722,121</u>	<u>\$601,873</u>	<u>\$505,471</u>

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

The following table shows the Regional Office of Education No. 32's net OPEB liability as of June 30, 2017, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025 for non-Medicare coverage and 9.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's proportionate share of the collective net OPEB liability	<u>\$485,690</u>	<u>\$601,873</u>	<u>\$768,384</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

***Teachers' Health Insurance Security Fund (Continued)***

- (a) *One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate rate of 4.09% in 2025 for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.*
- (b) *One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025 for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.*

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

At June 30, 2018, the Regional Office of Education No. 32 reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 32. The amount recognized by the Regional Office of Education No. 32 as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Regional Office of Education No. 32 were as follows:

Employer's proportionate share of the net OPEB liability	\$ 601,873
State's proportionate share of the net OPEB liability associated with the employer	<u>790,415</u>
Total	<u>\$1,392,288</u>

The collective net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2016, and was rolled forward to the June 30, 2017 measurement date. The Regional Office of Education No. 32's proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 32's long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 32, actuarially determined. At June 30, 2017, the Regional Office of Education No. 32's proportion was 0.002319 percent, which was an increase of 0.000688 from its proportion measured as of June 30, 2016 (0.001631 percent). The State's support and total are for disclosure purposes only.

For the year ending June 30, 2018, the Regional Office of Education No. 32 recognized OPEB expense of \$56,087 and revenue of \$56,087 for support provided by the State. For the year ending June 30, 2018, the Regional Office of Education No. 32 recognized OPEB expense of \$69,730. At June 30, 2018, the Regional Office of Education No. 32 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 341
Changes of assumption	-	71,661
Net difference between projected and actual earnings on OPEB plan investment	-	7
Change in proportion and differences between employer contributions and proportionate share of contributions	162,688	-
Employer contributions subsequent to the measurement date	<u>5,214</u>	<u>-</u>
<b>Total deferred amounts related to OPEB</b>	<b><u>\$167,902</u></b>	<b><u>\$72,009</u></b>

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Teachers' Health Insurance Security Fund (Continued)*

\$5,214 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education No. 32 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education No. 32's OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2019	\$13,929
2020	13,929
2021	13,929
2022	13,929
2023	13,930
Thereafter	<u>21,033</u>
Total	<u>\$90,679</u>

**THIS Fiduciary Net Position**

Detailed information about the THIS Fund fiduciary net position as of June 30, 2017, is available in the separately issued THIS Financial Report.

*Health Plan for IMRF employees*

**Plan Description**

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

**Eligibility Provisions**

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

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

**Benefits Provided**

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

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Health Plan for IMRF employees (Continued)*

**Covered Employees**

At June 30, 2018, the following employees were covered by the benefit terms:

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

**Funding Policy**

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

**Net OPEB Liability**

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2017 actuarial valuation date and adjusted to the June 29, 2018 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

**Actuarial Assumptions**

<b>Actuarial Cost Method</b>	Entry Age Normal (Alternative Measurement Method)
<b>Discount Rate</b>	2.98%
<b>Salary Rate Increase</b>	4.00%
<b>Expected Rate of Return on Assets</b>	Not applicable

**Health Care Trend**

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

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

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Health Plan for IMRF employees (Continued)*

**Actuarial Assumptions**

<b>Retiree Contribution Trend</b>	Same as Health Care Trend		
<b>Mortality</b>	RP-2014 Combined Annuitant Mortality Table for males and females. The Mortality Table reflects recent rates developed by the Society of Actuaries.		
<b>Average Retirement Age</b>	IMRF Tier 1: Age 60 IMRF Tier 2: Age 65		
<b>Termination/Turnover Rates</b>	Table T-5 from the Pension Actuary's Handbook		
<b>Starting Per Capita Costs</b>		<u>Retiree</u>	<u>Spouse</u>
	Choice Plus,	\$13,148	\$14,463
	HSA Option 1		
<b>Retiree Contributions</b>		<u>Retiree</u>	<u>Spouse</u>
	Choice Plus,	\$ 6,750	\$ 7,425
	HSA Option 1		
<b>S&amp;P Municipal Bond 20 year High Grade Index</b>	2.98%		

**Changes in the Net OPEB Liability**

	<b>Total OPEB Liability <u>(A)</u></b>	<b>Plan Fiduciary Net Position <u>(B)</u></b>	<b>Net OPEB Liability (Asset) <u>(A) - (B)</u></b>
<b>Balances at June 30, 2017</b>	\$ 28,791	\$ -	\$ 28,791
<b>Changes for the year:</b>			
Service cost	1,481	-	1,481
Interest	946	-	946
Differences between expected and actual experience	-	-	-
Changes of assumptions	911	-	911
Benefit payments	<u>(1,280)</u>	<u>-</u>	<u>(1,280)</u>
Net changes	<u>2,058</u>	<u>-</u>	<u>2,058</u>
<b>Balances at June 30, 2018</b>	<u>\$ 30,849</u>	<u>\$ -</u>	<u>\$ 30,849</u>

**Discount Rate**

The Regional Office of Education No. 32 does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB No. 75, the discount rate should be a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.98% is used, which is the S&P Municipal Bond 20 Year High-Grade Index as of June 29, 2018.

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Health Plan for IMRF employees (Continued)*

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.98%) or 1 percentage point higher (3.98%) than the current discount rate.

	<u>1% Lower</u> <u>(1.98%)</u>	<u>Discount Rate</u> <u>(2.98%)</u>	<u>1% Higher</u> <u>(3.98%)</u>
Net OPEB liability	\$ <u>32,676</u>	\$ <u>30,849</u>	\$ <u>29,090</u>

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

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

	<u>1% Lower</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1% Higher</u>
Net OPEB liability	\$ <u>28,287</u>	\$ <u>30,849</u>	\$ <u>33,731</u>

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

For the year ended June 30, 2018, the Regional Office of Education No. 32 recognized OPEB expense of \$2,508. At June 30, 2018, the Regional Office of Education No. 32 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumption	<u>830</u>	<u>-</u>
<i>Total deferred amounts related to OPEB</i>	<u>\$ 830</u>	<u>\$ -</u>

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

<u>Year Ending June 30,</u>	<u>Net Deferred</u> <u>Outflows of Resources</u>
2019	\$ 82
2020	82
2021	82
2022	82
2023	82
Thereafter	<u>420</u>
	<u>\$830</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Aggregate OPEB Information:**

	<u>THIS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources	\$167,902	\$ 830	\$168,732
Employer total OPEB liability	601,873	30,849	632,722
Employer net OPEB liability	601,873	30,849	632,722
Deferred inflows of resources	72,009	-	72,009
OPEB expenses	69,730	2,508	72,238

**NOTE 12 - BOND**

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

**NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2018, interfund receivables and payables were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$391,227	\$ -
Education Fund	-	391,227
Totals	<u>\$391,227</u>	<u>\$391,227</u>

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

**NOTE 14 - DUE TO/DUE FROM OTHER GOVERNMENTS**

The Regional Office of Education No. 32's General Fund, Education Fund, Nonmajor Enterprise Funds, and Agency Fund had funds due from/to various other governmental units which consisted of the following at June 30, 2018:

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 14 - DUE TO/DUE FROM OTHER GOVERNMENTS (Continued)**

Due from other governments:	
<i>General Fund:</i>	
Local governments	\$ <u>283,077</u>
<i>Education Fund:</i>	
Administrative Office of the Illinois courts	372
Illinois Department of Human Services	85,997
Illinois Criminal Justice Information Authority	21,655
Illinois State Board of Education	351,005
Regional Office of Education No. 11	26,567
US Department of Health and Human Services	12,594
US Department of Housing and Urban Development	<u>3,837</u>
	<u>502,027</u>
<i>Nonmajor Enterprise Funds:</i>	
Local governments	<u>6,678</u>
Total – Statement of Net Position	<u>\$791,782</u>
<i>Agency Fund:</i>	
Illinois State Board of Education	<u>\$240,858</u>
Due to other governments:	
<i>General Fund:</i>	
Local governments	\$ <u>    15</u>
<i>Education Fund:</i>	
Illinois State Board of Education	34,461
Local governments	<u>93,463</u>
	<u>127,924</u>
Total – Statement of Net Position	<u>\$127,939</u>
<i>Agency Fund:</i>	
Local governments	<u>\$241,330</u>

**NOTE 15 - ON-BEHALF PAYMENTS**

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

Regional Superintendent-salary	\$115,176
Regional Superintendent-benefits (includes State paid insurance)	33,602
Assistant Regional Superintendent-salary	103,656
Assistant Regional Superintendent-benefits (includes State paid insurance)	<u>31,785</u>
	<u>\$284,219</u>

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

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 15 - ON-BEHALF PAYMENTS (Continued)**

The Regional Office of Education No. 32 recorded \$388,868 (based on figures for the fiscal year ended June 30, 2017) in revenue and expenses as on-behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. The Regional Office of Education No. 32 also recorded \$56,087 (based on figures for the fiscal year ended June 30, 2017) in revenue and expenses as on-behalf payments from the State for the Regional Office's share of the State's Teachers Health Insurance Security (THIS) OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 32 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$284,219
On-behalf payments for the Regional Office of Education No. 32's share of TRS pension expense	388,868
On-behalf payments for the Regional Office of Education No. 32's share of THIS OPEB expense	<u>56,087</u>
Total	<u>\$729,174</u>

**NOTE 16 - OPERATING LEASE/PREPAID RENT**

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

Since the benefit provided to the Regional Office of Education No. 32 is the use of the building, the payments for the building will be reported as prepaid rent. The prepaid rental activity associated with this operating lease for the year ended June 30, 2018, was as follows:

	Balance <u>July 1, 2017</u>	Increases	Decreases	Balance <u>June 30, 2018</u>	Expense Within <u>One Year</u>
Safe Schools Local	<u>\$470,483</u>	\$ _____	<u>\$ 23,772</u>	<u>\$446,711</u>	<u>\$ 23,772</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 17 - DEFICIT FUND BALANCES**

The following individual funds had negative fund balances as of June 30, 2018:

CPDC Project	\$ 4
Substance Abuse Prevention Services	42,529
Drug Free Communities	675
Family Violence Coordinating Council	8,158
McKinney Education for Homeless Children	13,288
Partnerships for Success	19,163
Regional Safe Schools	7,676
Regional Safe Schools Cooperative Education Program	3,587
ROE/ISC Operations	8
Title I School Improvement & Accountability System of Support	40,972
Truants' Alternative Program	14,871

The deficit fund balances for these funds will generally be eliminated during the fiscal year ending June 30, 2019 when unavailable revenue is recognized as revenue.

**NOTE 18 - PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2018, the Regional Office of Education No. 32 implemented GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The Regional Office of Education No. 32 has restated net position of the governmental activities as of June 30, 2017 to present deferred outflows of resources and the OPEB liability.

	<u>Governmental Activities</u>
Net position at June 30, 2017	\$1,827,862
Recognition of OPEB liability	(474,738)
Recognition of deferred outflows of resources	<u>4,483</u>
Net position restated at June 30, 2017	<u>\$1,357,607</u>

**NOTE 19 – INTERFUND TRANSFER**

During the year ended June 30, 2018, the Regional Office of Education No. 32 transferred \$500 from the Project Care Healthy Decision Fund to the Family Violence Coordination Councils Fund to assist in financing expenses related to raising awareness of issues related to mental health.

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

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

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

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

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

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

**Notes to Schedule:**

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

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

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

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

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

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

**Notes to Schedule of Contributions:**

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

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate\***

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2017 Contribution Rates:**

Actuarial Cost Method	Aggregate entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	26-year closed period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation

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

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

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

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

**Notes to Schedule:**

**Changes of Assumptions**

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

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

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

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

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

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

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

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

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

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

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

	2017	2016
Employer's proportion of the net OPEB liability	0.002319%	0.001631%
Employer's proportionate share of the net OPEB liability	\$ 601,873	\$ 445,947
Employer's covered payroll	\$ 533,666	\$ 379,964
Employer's proportionate share of the net OPEB liability as a percentage of its covered payroll	112.78%	117.37%
Plan fiduciary net position as a percentage of the net OPEB liability	(0.17%)	(0.22%)

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

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

**For the years ended June 30,**

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

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

**Notes to Schedules:**

**Changes of Benefit Term**

In the June 30, 2018 actuarial valuation, there have been no changes of benefit terms from the prior period.

**Changes of Assumptions**

Because this is implementation year of GASB 75, the beginning Total OPEB Liability is based on the same assumptions, data and plan provisions as the ending Total OPEB Liability. For the purpose of developing changes in OPEB liability for GASB 75 reporting, there have been no changes in assumptions from the prior period.

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

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

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 1,481
Interest	946
Change in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	911
Benefit payments	<u>(1,280)</u>
<b>Net change in total OPEB liability</b>	2,058
<b>Total OPEB liability – beginning</b>	<u>28,791</u>
<b>Total OPEB liability – ending (A)</b>	<u>\$ 30,849</u>
<b>OPEB Plan Net Position</b>	
Net change in OPEB plan net position	\$ -
Plan Fiduciary Net Position – Beginning	<u>-</u>
Plan Fiduciary Net Position – Ending (B)	<u><u>-</u></u>
<b>Employer’s Net OPEB Liability – Ending (A) – (B)</b>	<u>\$ 30,849</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	0.00%
<b>Covered Payroll</b>	\$1,004,667
<b>Employer’s Net OPEB Liability as a Percentage of Covered Payroll</b>	3.07%

**Notes to Schedule:**

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

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

**HEALTH INSURANCE-IMRF  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
(UNAUDITED)  
For the year ended June 30, 2018**

	<u>2018</u>
Actuarially determined contribution	N/A
Contributions in relation to the actuarially determined contribution	—
Contribution deficiency (excess)	N/A
Covered payroll	\$1,004,667
Contributions as a percentage of covered payroll	0.0%

**Notes to Schedule of Contributions:**

There is no ADC or employer contribution in relation to the ADC, as there is no trust that exists for funding the OPEB liabilities.

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

**SUPPLEMENTARY INFORMATION**

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

**COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2018**

	<u>General Operations</u>	<u>Evidence- Based Funding</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 65,103	\$2,205,397	\$ -	\$ 2,270,500
Accounts receivable	267	-	-	267
Due from other funds	-	598,594	(207,367)	391,227
Due from other governments	283,077	-	-	283,077
<b>Total assets</b>	<b><u>\$ 348,447</u></b>	<b><u>\$2,803,991</u></b>	<b><u>\$ (207,367)</u></b>	<b><u>\$ 2,945,071</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 701	\$ 4,923	\$ -	\$ 5,624
Due to other funds	207,367	-	(207,367)	-
Due to other governments	-	15	-	15
<b>Total liabilities</b>	<b><u>208,068</u></b>	<b><u>4,938</u></b>	<b><u>(207,367)</u></b>	<b><u>5,639</u></b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	24,629	-	-	24,629
<b>Fund balances:</b>				
Unassigned	115,750	2,799,053	-	2,914,803
<b>Total fund balances</b>	<b><u>115,750</u></b>	<b><u>2,799,053</u></b>	<b><u>-</u></b>	<b><u>2,914,803</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b><u>\$ 348,447</u></b>	<b><u>\$2,803,991</u></b>	<b><u>\$ (207,367)</u></b>	<b><u>\$ 2,945,071</u></b>

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

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
For the Year Ended June 30, 2018**

	General Operations	Evidence- Based Funding	Total
<b>Revenues:</b>			
Local sources	\$ 495,101	\$ -	\$ 495,101
State sources	-	844,751	844,751
On-behalf payments	284,219	-	284,219
Interest	132	5,248	5,380
Total revenues	<u>779,452</u>	<u>849,999</u>	<u>1,629,451</u>
<b>Expenditures:</b>			
Salaries	200,963	333,103	534,066
Employee benefits	24,037	23,057	47,094
Pension expense	30,728	16,494	47,222
OPEB expense	-	6,494	6,494
Purchased services	84,067	150,851	234,918
Supplies and materials	9,846	7,357	17,203
Other	1,701	-	1,701
On-behalf payments	284,219	-	284,219
Total expenditures	<u>635,561</u>	<u>537,356</u>	<u>1,172,917</u>
Net change in fund balances	143,891	312,643	456,534
Fund balances (deficits) - beginning of year	<u>(28,141)</u>	<u>2,486,410</u>	<u>2,458,269</u>
Fund balances - end of year	<u>\$ 115,750</u>	<u>\$ 2,799,053</u>	<u>\$ 2,914,803</u>

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

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2018**

	Addiction Prevention Comprehensive	AdvancED	Arrest Grant	Child Nutrition	CPDC Project
<b>Assets:</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 3	\$ 48,173	\$ -
Accounts receivable	-	-	-	-	-
Due from other governments	-	7,500	-	227	372
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 7,500</b>	<b>\$ 3</b>	<b>\$ 48,400</b>	<b>\$ 372</b>
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	7,500	-	-	376
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>7,500</b>	<b>-</b>	<b>-</b>	<b>376</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	-	-	-	167	-
<b>Fund balances (deficits):</b>					
Restricted	-	-	3	48,233	-
Unassigned	-	-	-	-	(4)
<b>Total fund balances (deficits)</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>48,233</b>	<b>(4)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ -</b>	<b>\$ 7,500</b>	<b>\$ 3</b>	<b>\$ 48,400</b>	<b>\$ 372</b>

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

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
EDUCATION FUND  
June 30, 2018**

	Substance Abuse Prevention Services	Drug Free Communities	HUD Supportive Housing Program	Family Violence Coordinating Council	Justice Self-Represented Litigant Coordinator
<b>Assets:</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 2,827
Accounts receivable	-	-	-	-	-
Due from other governments	42,529	12,594	3,837	21,655	-
<b>Total assets</b>	<b>\$ 42,529</b>	<b>\$ 12,594</b>	<b>\$ 3,837</b>	<b>\$ 21,655</b>	<b>\$ 2,827</b>
<b>Liabilities:</b>					
Accounts payable	\$ 3,217	\$ 675	\$ -	\$ -	\$ -
Due to other funds	39,312	11,919	3,837	21,655	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	2,827
<b>Total liabilities</b>	<b>42,529</b>	<b>12,594</b>	<b>3,837</b>	<b>21,655</b>	<b>2,827</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	42,529	675	-	8,158	-
<b>Fund balances (deficits):</b>					
Restricted	-	-	-	-	-
Unassigned	(42,529)	(675)	-	(8,158)	-
<b>Total fund balances (deficits)</b>	<b>(42,529)</b>	<b>(675)</b>	<b>-</b>	<b>(8,158)</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 42,529</b>	<b>\$ 12,594</b>	<b>\$ 3,837</b>	<b>\$ 21,655</b>	<b>\$ 2,827</b>

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

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
EDUCATION FUND  
June 30, 2018**

	Mathematics and Science Partnerships	Mathematics and Science Partnerships STEM	McKinney Education for Homeless Children	Partnerships for Success
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable	26,406	7,622	-	-
Due from other governments	-	116,166	26,567	29,818
<b>Total assets</b>	<b>\$ 26,406</b>	<b>\$ 123,788</b>	<b>\$ 26,567</b>	<b>\$ 29,818</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 627	\$ 1,505
Due to other funds	-	116,166	25,940	28,313
Due to other governments	26,406	7,622	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>26,406</b>	<b>123,788</b>	<b>26,567</b>	<b>29,818</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	13,288	19,163
<b>Fund balances (deficits):</b>				
Restricted	-	-	-	-
Unassigned	-	-	(13,288)	(19,163)
<b>Total fund balances (deficits)</b>	<b>-</b>	<b>-</b>	<b>(13,288)</b>	<b>(19,163)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 26,406</b>	<b>\$ 123,788</b>	<b>\$ 26,567</b>	<b>\$ 29,818</b>

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

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
EDUCATION FUND  
June 30, 2018**

	Regional Safe Schools	Regional Safe Schools Cooperative Education Program	ROE/ISC Operations	Teen Reach
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 268	\$ -
Accounts receivable	-	-	-	-
Due from other governments	15,346	8,004	-	13,650
<b>Total assets</b>	<b>\$ 15,346</b>	<b>\$ 8,004</b>	<b>\$ 268</b>	<b>\$ 13,650</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 6,512
Due to other funds	15,346	8,004	-	7,137
Due to other governments	-	-	276	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>15,346</b>	<b>8,004</b>	<b>276</b>	<b>13,649</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	7,676	3,587	-	-
<b>Fund balances (deficits):</b>				
Restricted	-	-	-	1
Unassigned	(7,676)	(3,587)	(8)	-
<b>Total fund balances (deficits)</b>	<b>(7,676)</b>	<b>(3,587)</b>	<b>(8)</b>	<b>1</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 15,346</b>	<b>\$ 8,004</b>	<b>\$ 268</b>	<b>\$ 13,650</b>

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

**COMBINING SCHEDULE OF ACCOUNTS (Concluded)  
EDUCATION FUND  
June 30, 2018**

	Title I School Improvement & Accountability System of Support	Title II Teacher Quality Leadership - Evaluation Training	Truants' Alternative Program	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 51,271
Accounts receivable	433	-	-	34,461
Due from other governments	170,771	585	32,406	502,027
<b>Total assets</b>	<b>\$ 171,204</b>	<b>\$ 585</b>	<b>\$ 32,406</b>	<b>\$ 587,759</b>
<b>Liabilities:</b>				
Accounts payable	\$ 4,854	\$ -	\$ -	\$ 17,390
Due to other funds	72,732	585	32,405	391,227
Due to other governments	93,620	-	-	127,924
Unearned revenue	-	-	-	2,827
<b>Total liabilities</b>	<b>171,206</b>	<b>585</b>	<b>32,405</b>	<b>539,368</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	40,970	-	14,872	151,085
<b>Fund balances (deficits):</b>				
Restricted	-	-	-	48,237
Unassigned	(40,972)	-	(14,871)	(150,931)
<b>Total fund balances (deficits)</b>	<b>(40,972)</b>	<b>-</b>	<b>(14,871)</b>	<b>(102,694)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 171,204</b>	<b>\$ 585</b>	<b>\$ 32,406</b>	<b>\$ 587,759</b>

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

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2018**

	Addiction Prevention Comprehensive	AdvancED	Arrest Grant	Child Nutrition	CPDC Project
Revenues:					
State sources	\$ -	\$ -	\$ -	\$ 558	\$ -
Federal sources	29,356	7,500	19,038	26,239	1,942
Interest	-	-	-	96	-
Total revenues	<u>29,356</u>	<u>7,500</u>	<u>19,038</u>	<u>26,893</u>	<u>1,942</u>
Expenditures:					
Instructional services:					
Salaries	-	880	5,802	-	-
Employee benefits	-	21	444	-	-
Pension expense	-	94	-	-	-
Purchased services	-	6,505	5,598	28,174	1,626
Supplies and materials	-	-	453	269	62
Other	-	-	-	-	-
Intergovernmental:					
Payments to other governmental units	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>7,500</u>	<u>12,297</u>	<u>28,443</u>	<u>1,688</u>
Net change in fund balances	29,356	-	6,741	(1,550)	254
Fund balances (deficits) - beginning of year	<u>(29,356)</u>	<u>-</u>	<u>(6,738)</u>	<u>49,783</u>	<u>(258)</u>
Fund balances (deficits) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 48,233</u>	<u>\$ (4)</u>

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

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (Continued)  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2018**

	Substance Abuse Prevention Services	Drug Free Communities	HUD Supportive Housing Program	Family Violence Coordinating Council	Justice Self-Represented Litigant Coordinator
Revenues:					
State sources	\$ -	\$ -	\$ -	\$ 22,841	\$ 2,173
Federal sources	180,471	100,425	50,043	-	-
Interest	-	-	-	-	4
Total revenues	<u>180,471</u>	<u>100,425</u>	<u>50,043</u>	<u>22,841</u>	<u>2,177</u>
Expenditures:					
Instructional services:					
Salaries	160,016	43,381	35,011	11,749	-
Employee benefits	18,399	3,318	4,193	898	-
Pension expense	24,211	6,475	5,012	-	-
Purchased services	12,262	37,297	5,194	14,015	175
Supplies and materials	8,112	10,629	634	4,337	2,002
Other	-	-	-	-	-
Intergovernmental:					
Payments to other governmental units	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>223,000</u>	<u>101,100</u>	<u>50,044</u>	<u>30,999</u>	<u>2,177</u>
Net change in fund balances	(42,529)	(675)	(1)	(8,158)	-
Fund balances (deficits) - beginning of year	-	-	1	-	-
Fund balances (deficits) - end of year	<u>\$ (42,529)</u>	<u>\$ (675)</u>	<u>\$ -</u>	<u>\$ (8,158)</u>	<u>\$ -</u>

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

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (Continued)  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2018**

	Mathematics and Science Partnerships	Mathematics and Science Partnerships STEM	McKinney Education for Homeless Children	Partnerships for Success
<b>Revenues:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	145,595	285,560	36,181	246,900
Interest	-	-	-	-
Total revenues	<u>145,595</u>	<u>285,560</u>	<u>36,181</u>	<u>246,900</u>
<b>Expenditures:</b>				
Instructional services:				
Salaries	93,456	179,718	18,170	97,140
Employee benefits	3,557	8,461	3,016	7,377
Pension expense	8,634	14,427	2,878	13,202
Purchased services	23,443	58,253	8,682	116,365
Supplies and materials	16,505	24,701	2,428	27,586
Other	-	-	-	400
Intergovernmental:				
Payments to other governmental units	-	-	-	-
Capital outlay	-	-	1,007	3,993
Total expenditures	<u>145,595</u>	<u>285,560</u>	<u>36,181</u>	<u>266,063</u>
Net change in fund balances	-	-	-	(19,163)
Fund balances (deficits) - beginning of year	<u>-</u>	<u>-</u>	<u>(13,288)</u>	<u>-</u>
Fund balances (deficits) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,288)</u>	<u>\$ (19,163)</u>

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

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (Continued)  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2018**

	Regional Safe Schools	Regional Safe Schools Cooperative Education Program	ROE/ISC Operations	Teen Reach
<b>Revenues:</b>				
State sources	\$ 118,963	\$ 63,176	\$ 127,716	\$ 77,760
Federal sources	-	-	-	-
Interest	-	-	3	1
Total revenues	<u>118,963</u>	<u>63,176</u>	<u>127,719</u>	<u>77,761</u>
<b>Expenditures:</b>				
Instructional services:				
Salaries	75,341	33,545	102,684	5,728
Employee benefits	9,117	4,667	13,031	438
Pension expense	437	191	4,345	-
Purchased services	848	3,755	6,457	3,593
Supplies and materials	552	2,330	1,202	75
Other	-	-	-	-
Intergovernmental:				
Payments to other governmental units	-	-	-	67,927
Capital outlay	-	-	-	-
Total expenditures	<u>86,295</u>	<u>44,488</u>	<u>127,719</u>	<u>77,761</u>
Net change in fund balances	32,668	18,688	-	-
Fund balances (deficits) - beginning of year	<u>(40,344)</u>	<u>(22,275)</u>	<u>(8)</u>	<u>1</u>
Fund balances (deficits) - end of year	<u>\$ (7,676)</u>	<u>\$ (3,587)</u>	<u>\$ (8)</u>	<u>\$ 1</u>

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

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (Concluded)  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2018**

	Title I School Improvement & Accountability System of Support	Title II Teacher Quality Leadership - Evaluation Training	Truants' Alternative Program	Total
<b>Revenues:</b>				
State sources	\$ -	\$ -	\$ 269,830	\$ 683,017
Federal sources	485,529	2,471	-	1,617,250
Interest	-	-	-	104
Total revenues	<u>485,529</u>	<u>2,471</u>	<u>269,830</u>	<u>2,300,371</u>
<b>Expenditures:</b>				
Instructional services:				
Salaries	88,223	-	144,295	1,095,139
Employee benefits	9,471	-	18,542	104,950
Pension expense	10,927	-	16,998	107,831
Purchased services	44,411	2,471	10,499	389,623
Supplies and materials	3,125	-	1,335	106,337
Other	-	-	-	400
Intergovernmental:				
Payments to other governmental units	314,030	-	-	381,957
Capital outlay	-	-	-	5,000
Total expenditures	<u>470,187</u>	<u>2,471</u>	<u>191,669</u>	<u>2,191,237</u>
Net change in fund balances	15,342	-	78,161	109,134
Fund balances (deficits) - beginning of year	<u>(56,314)</u>	<u>-</u>	<u>(93,032)</u>	<u>(211,828)</u>
Fund balances (deficits) - end of year	<u>\$ (40,972)</u>	<u>\$ -</u>	<u>\$ (14,871)</u>	<u>\$ (102,694)</u>

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
ADDICTION PREVENTION COMPREHENSIVE-PROJECT FY 2017  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 12,879	\$ 26,731	\$ -
Federal sources	187,440	187,440	29,356
Total revenues	<u>200,319</u>	<u>214,171</u>	<u>29,356</u>
Expenditures:			
Salaries	153,804	156,879	-
Employee benefits	40,543	41,353	-
Purchased services	3,345	9,567	-
Supplies and materials	2,627	6,372	-
Total expenditures	<u>200,319</u>	<u>214,171</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	29,356
Fund balance (deficit), beginning of year			<u>(29,356)</u>
Fund balance, end of grant year			<u>\$ -</u>

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 7,500	\$ 7,500	\$ 7,500
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
Expenditures:			
Salaries	-	880	880
Employee benefits	-	115	21
Pension expense	-	-	94
Purchased services	-	6,505	6,505
Other	7,500	-	-
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of grant year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
ARREST GRANT PROJECT FY 2017  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 8,260	\$ 35,758	\$ 19,038
Total revenues	8,260	35,758	19,038
Expenditures:			
Salaries	6,149	25,947	5,802
Employee benefits	-	-	444
Purchased services	2,000	8,811	5,598
Supplies and materials	111	1,000	453
Total expenditures	8,260	35,758	12,297
Net change in fund balance	\$ -	\$ -	6,741
Fund balance (deficit), beginning of year			(6,738)
Fund balance, end of grant year			\$ 3

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 8,189	\$ 8,189	\$ 770
Total revenues	<u>8,189</u>	<u>8,189</u>	<u>770</u>
Expenditures:			
Purchased services	7,889	7,889	743
Supplies and materials	<u>300</u>	<u>300</u>	<u>31</u>
Total expenditures	<u>8,189</u>	<u>8,189</u>	<u>774</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(4)
Fund balance, beginning of grant year			<u>-</u>
Fund balance (deficit), end of year			<u>\$ (4)</u>

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
CPDC PROJECT FY 2017  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 7,670	\$ 7,670	\$ 1,172
Total revenues	<u>7,670</u>	<u>7,670</u>	<u>1,172</u>
Expenditures:			
Purchased services	7,250	7,250	883
Supplies and materials	420	420	31
Total expenditures	<u>7,670</u>	<u>7,670</u>	<u>914</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	258
Fund balance (deficit), beginning of year			<u>(258)</u>
Fund balance, end of grant year			<u>\$ -</u>

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 223,000	\$ 223,000	\$ 180,471
Total revenues	<u>223,000</u>	<u>223,000</u>	<u>180,471</u>
Expenditures:			
Salaries	159,832	159,832	160,016
Employee benefits	49,102	44,188	18,399
Pension expense	-	-	24,211
Purchased services	10,451	10,463	12,262
Supplies and materials	2,673	8,517	8,112
Capital outlay	<u>942</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>223,000</u>	<u>223,000</u>	<u>223,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(42,529)
Fund balance, beginning of grant year			<u>-</u>
Fund balance (deficit), end of year			<u>\$ (42,529)</u>

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 125,000	\$ 125,000	\$ 66,278
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>66,278</u>
Expenditures:			
Salaries	51,700	51,700	33,309
Employee benefits	20,704	20,704	2,548
Pension expense	-	-	4,789
Purchased services	41,559	41,559	24,190
Supplies and materials	11,037	11,037	2,117
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>66,953</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(675)
Fund balance, beginning of grant year			<u>-</u>
Fund balance (deficit), end of year			<u>\$ (675)</u>

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
DRUG FREE COMMUNITIES PROJECT FY 2017  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 125,000	\$ 157,666	\$ 34,147
Total revenues	<u>125,000</u>	<u>157,666</u>	<u>34,147</u>
Expenditures:			
Salaries	44,700	52,050	10,072
Employee benefits	17,359	19,295	770
Pension expense	-	-	1,686
Purchased services	53,058	70,788	13,107
Supplies and materials	9,883	15,533	8,512
Total expenditures	<u>125,000</u>	<u>157,666</u>	<u>34,147</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of grant year			<u>\$ -</u>

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 31,000	\$ 31,000	\$ 22,841
Total revenues	<u>31,000</u>	<u>31,000</u>	<u>22,841</u>
Expenditures:			
Salaries	12,012	12,012	11,749
Employee benefits	1,162	1,162	898
Purchased services	14,777	13,889	14,015
Supplies and materials	<u>3,049</u>	<u>3,937</u>	<u>4,337</u>
Total expenditures	<u>31,000</u>	<u>31,000</u>	<u>30,999</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(8,158)
Fund balance, beginning of grant year			<u>-</u>
Fund balance (deficit), end of year			<u>\$ (8,158)</u>

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 4,843	\$ 4,843	\$ 2,173
Interest	-	-	4
	<u>4,843</u>	<u>4,843</u>	<u>2,177</u>
Total revenues			
Expenditures:			
Purchased services	250	250	175
Supplies and materials	4,593	4,593	2,002
	<u>4,843</u>	<u>4,843</u>	<u>2,177</u>
Total expenditures			
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of grant year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
MATHEMATICS & SCIENCE PARTNERSHIPS PROJECT FY 2017  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 145,595
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>145,595</u>
Expenditures:			
Salaries	126,275	131,435	93,456
Employee benefits	36,499	51,277	3,557
Pension expense	-	-	8,634
Purchased services	81,504	52,402	23,443
Supplies and materials	5,722	14,886	16,505
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>145,595</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of grant year			<u>\$ -</u>

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 190,252
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>190,252</u>
Expenditures:			
Salaries	171,397	171,397	142,581
Employee benefits	22,075	22,075	7,008
Pension expense	-	-	11,913
Purchased services	50,593	50,493	27,761
Supplies and materials	5,935	6,035	989
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>190,252</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of grant year			<u>-</u>
Fund balance, end of year			<u><u>\$ -</u></u>

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
MATHEMATICS & SCIENCE PARTNERSHIPS STEM PROJECT FY 2017  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 95,308
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>95,308</u>
Expenditures:			
Salaries	130,644	123,222	37,137
Employee benefits	42,533	40,473	1,453
Pension expense	-	-	2,514
Purchased services	59,765	47,176	30,492
Supplies and materials	17,058	39,129	23,712
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>95,308</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of grant year			<u><u>\$ -</u></u>

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
MCKINNEY EDUCATION FOR HOMELESS CHILDREN PROJECT FY 2018  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 38,405	\$ 40,140	\$ 36,181
Total revenues	38,405	40,140	36,181
Expenditures:			
Salaries	18,161	18,161	18,170
Employee benefits	6,089	6,089	3,016
Pension expense	-	-	2,878
Purchased services	10,432	12,702	8,682
Supplies and materials	3,723	2,181	2,428
Capital outlay	-	1,007	1,007
Total expenditures	38,405	40,140	36,181
Net change in fund balance	\$ -	\$ -	-
Fund balance (deficit), beginning of grant year			(13,288)
Fund balance (deficit), end of year			\$ (13,288)

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 306,801	\$ 266,063	\$ 246,900
Total revenues	<u>306,801</u>	<u>266,063</u>	<u>246,900</u>
Expenditures:			
Salaries	102,170	97,123	97,140
Employee benefits	27,965	21,950	7,377
Pension expense	-	-	13,202
Purchased services	133,936	115,348	116,365
Supplies and materials	37,400	27,416	27,586
Other	400	400	400
Capital outlay	4,930	3,826	3,993
Total expenditures	<u>306,801</u>	<u>266,063</u>	<u>266,063</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(19,163)
Fund balance, beginning of year			<u>-</u>
Fund balance (deficit), end of year			<u>\$ (19,163)</u>

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 86,295	\$ 86,295	\$ 78,619
Total revenues	86,295	86,295	78,619
Expenditures:			
Salaries	72,743	72,743	75,341
Employee benefits	12,455	12,455	9,117
Pension expense	-	-	437
Purchased services	825	825	848
Supplies and materials	272	272	552
Total expenditures	86,295	86,295	86,295
Net change in fund balance	\$ -	\$ -	(7,676)
Fund balance, beginning of grant year			-
Fund balance (deficit), end of year			\$ (7,676)

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
REGIONAL SAFE SCHOOLS PROJECT FY 2017  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 86,572	\$ 86,572	\$ 40,344
Total revenues	86,572	86,572	40,344
Expenditures:			
Salaries	77,874	77,874	-
Employee benefits	7,488	7,488	-
Pension expense	-	-	-
Purchased services	1,020	1,020	-
Supplies and materials	190	190	-
Total expenditures	86,572	86,572	-
Net change in fund balance	\$ -	\$ -	40,344
Fund balance (deficit), beginning of year			(40,344)
Fund balance, end of grant year			\$ -

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 40,749	\$ 40,749	\$ 37,162
Total revenues	40,749	40,749	37,162
Expenditures:			
Salaries	29,848	30,448	30,448
Employee benefits	4,369	4,414	4,224
Pension expense	-	-	173
Purchased services	5,680	3,688	3,689
Supplies and materials	852	2,199	2,215
Total expenditures	40,749	40,749	40,749
Net change in fund balance	\$ -	\$ -	(3,587)
Fund balance, beginning of grant year			-
Fund balance (deficit), end of year			\$ (3,587)

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
REGIONAL SAFE SCHOOLS COOPERATIVE EDUCATION PROGRAM PROJECT FY 2017  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 39,478	\$ 39,478	\$ 26,014
Total revenues	39,478	39,478	26,014
Expenditures:			
Salaries	31,259	31,259	3,097
Employee benefits	4,400	4,400	443
Pension expense	-	-	18
Purchased services	3,121	3,121	66
Supplies and materials	698	698	115
Total expenditures	39,478	39,478	3,739
Net change in fund balance	\$ -	\$ -	22,275
Fund balance (deficit), beginning of year			(22,275)
Fund balance, end of grant year			\$ -

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
ROE/ISC OPERATIONS PROJECT FY 2018  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 118,492	\$ 127,716	\$ 127,716
Interest	-	-	3
Total revenues	<u>118,492</u>	<u>127,716</u>	<u>127,719</u>
Expenditures:			
Salaries	94,501	102,259	102,684
Employee benefits	17,207	17,345	13,031
Pension expense	-	-	4,345
Purchased services	5,752	6,487	6,457
Supplies and materials	<u>1,032</u>	<u>1,625</u>	<u>1,202</u>
Total expenditures	<u>118,492</u>	<u>127,716</u>	<u>127,719</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance (deficit), beginning of grant year			<u>(8)</u>
Fund balance (deficit), end of year			<u>\$ (8)</u>

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 77,760	\$ 77,760	\$ 77,760
Interest	-	-	1
Total revenues	<u>77,760</u>	<u>77,760</u>	<u>77,761</u>
Expenditures:			
Salaries	6,608	6,608	5,728
Employee benefits	639	639	438
Purchased services	4,577	4,577	3,593
Supplies and materials	93	93	75
Intergovernmental:			
Payments to other governmental units	<u>65,843</u>	<u>65,843</u>	<u>67,927</u>
Total expenditures	<u>77,760</u>	<u>77,760</u>	<u>77,761</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of grant year			<u>1</u>
Fund balance, end of year			<u>\$ 1</u>

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 590,000	\$ 590,000	\$ 354,473
Total revenues	590,000	590,000	354,473
Expenditures:			
Salaries	128,136	128,136	73,586
Employee benefits	27,643	27,643	7,974
Pension expense	-	-	9,033
Purchased services	89,244	89,244	27,873
Supplies and materials	3,727	3,727	1,107
Intergovernmental:			
Payments to other governmental units	341,250	341,250	275,872
Total expenditures	590,000	590,000	395,445
Net change in fund balance	\$ -	\$ -	(40,972)
Fund balance, beginning of grant year			-
Fund balance (deficit), end of year			\$ (40,972)

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
TITLE I - SCHOOL IMPROVEMENT & ACCOUNTABILITY SYSTEM OF SUPPORT PROJECT FY 2017  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 1,012,943	\$ 1,012,943	\$ 131,056
Total revenues	<u>1,012,943</u>	<u>1,012,943</u>	<u>131,056</u>
Expenditures:			
Salaries	330,991	330,991	14,637
Employee benefits	54,305	54,305	1,497
Pension expense	-	-	1,894
Purchased services	279,302	279,302	16,538
Supplies and materials	6,670	6,670	2,018
Intergovernmental:			
Payments to other governmental units	<u>341,675</u>	<u>341,675</u>	<u>38,158</u>
Total expenditures	<u>1,012,943</u>	<u>1,012,943</u>	<u>74,742</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	56,314
Fund balance (deficit), beginning of year			<u>(56,314)</u>
Fund balance, end of grant year			<u>\$ -</u>

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
TITLE II - TEACHER QUALITY LEADERSHIP-EVALUATION TRAINING PROJECT FY 2018  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 2,471	\$ 2,471	\$ 2,471
Total revenues	2,471	2,471	2,471
Expenditures:			
Purchased services	2,471	2,471	2,471
Total expenditures	2,471	2,471	2,471
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

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

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 191,670	\$ 191,670	\$ 176,798
Total revenues	191,670	191,670	176,798
Expenditures:			
Salaries	143,206	143,206	144,295
Employee benefits	37,852	37,852	18,542
Pension expense	-	-	16,998
Purchased services	9,501	9,501	10,499
Supplies and materials	1,111	1,111	1,335
Total expenditures	191,670	191,670	191,669
Net change in fund balance	\$ -	\$ -	(14,871)
Fund balance, beginning of grant year			-
Fund balance (deficit), end of year			\$ (14,871)

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

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION PROJECT FY 2017  
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 191,670	\$ 191,670	\$ 93,032
Total revenues	<u>191,670</u>	<u>191,670</u>	<u>93,032</u>
Expenditures:			
Salaries	140,086	140,086	-
Employee benefits	34,080	34,080	-
Pension expense	-	-	-
Purchased services	15,992	15,792	-
Supplies and materials	1,512	1,712	-
Total expenditures	<u>191,670</u>	<u>191,670</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	93,032
Fund balance (deficit), beginning of year			<u>(93,032)</u>
Fund balance, end of grant year			<u>\$ -</u>

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

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2018**

	Bus Driver Training	General Education Development	Institute	Project Care Healthy Decision	Total
Assets:					
Cash and cash equivalents	\$ 31,399	\$ 41,963	\$ 238,168	\$ 3,505	\$ 315,035
Total assets	\$ 31,399	\$ 41,963	\$ 238,168	\$ 3,505	\$ 315,035
Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:					
Restricted	31,399	41,963	238,168	3,505	315,035
Total liabilities and fund balances	\$ 31,399	\$ 41,963	\$ 238,168	\$ 3,505	\$ 315,035

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2018**

	Bus Driver Training	General Education Development	Institute	Project Care Healthy Decision	Total
Revenues:					
Local sources	\$ 5,918	\$ 2,054	\$ 74,657	\$ -	\$ 82,629
State sources	1,519	-	-	-	1,519
Interest	58	88	2,191	8	2,345
Total revenues	<u>7,495</u>	<u>2,142</u>	<u>76,848</u>	<u>8</u>	<u>86,493</u>
Expenditures:					
Salaries	1,900	5,728	26,229	-	33,857
Employee benefits	129	438	1,993	-	2,560
Pension expense	-	-	4,290	-	4,290
Purchased services	2,650	225	11,274	-	14,149
Supplies and materials	-	20	885	-	905
Other	-	-	3,669	-	3,669
Total expenditures	<u>4,679</u>	<u>6,411</u>	<u>48,340</u>	<u>-</u>	<u>59,430</u>
Excess (deficiency) of revenues (under) over expenditures	<u>2,816</u>	<u>(4,269)</u>	<u>28,508</u>	<u>8</u>	<u>27,063</u>
Other financing sources (uses)					
Transfers out	-	-	-	(500)	(500)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
Net change in fund balances	2,816	(4,269)	28,508	(492)	26,563
Fund balance - beginning of year	<u>28,583</u>	<u>46,232</u>	<u>209,660</u>	<u>3,997</u>	<u>288,472</u>
Fund balance - end of year	<u>\$ 31,399</u>	<u>\$ 41,963</u>	<u>\$ 238,168</u>	<u>\$ 3,505</u>	<u>\$ 315,035</u>

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

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

**June 30, 2018**

	<u>Administrator's Academy Local</u>	<u>Criminal Background Investigation</u>	<u>Family Violence Coordinating Councils</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 9,195	\$ 23,050	\$ 1,061
Accounts receivable	-	-	-
Due from other governments	1,600	-	179
Total assets	<u>10,795</u>	<u>23,050</u>	<u>1,240</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities:			
Current liabilities:			
Accounts payable	-	-	-
Unearned revenue	-	100	-
Total current liabilities	-	100	-
Noncurrent liabilities:			
Net pension liability	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>100</u>	<u>-</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	<u>-</u>	<u>-</u>	<u>-</u>
Net position:			
Unrestricted	<u>10,795</u>	<u>22,950</u>	<u>1,240</u>
Total net position	<u>\$ 10,795</u>	<u>\$ 22,950</u>	<u>\$ 1,240</u>

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

**COMBINING STATEMENT OF NET POSITION (Continued)  
NONMAJOR ENTERPRISE FUNDS  
June 30, 2018**

	Life Education Local	Local Induction Mentoring Training Fees	ROE Workshops
Assets:			
Current assets:			
Cash and cash equivalents	\$ 162,870	\$ 57,852	\$ 67,849
Accounts receivable	-	-	50
Due from other governments	-	600	1,720
Total assets	<u>162,870</u>	<u>58,452</u>	<u>69,619</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	<u>214</u>	<u>-</u>	<u>848</u>
Liabilities:			
Current liabilities:			
Accounts payable	2,155	-	1,964
Unearned revenue	<u>24,300</u>	<u>-</u>	<u>-</u>
Total current liabilities	26,455	-	1,964
Noncurrent liabilities:			
Net pension liability	<u>131</u>	<u>-</u>	<u>1,104</u>
Total liabilities	<u>26,586</u>	<u>-</u>	<u>3,068</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	<u>281</u>	<u>-</u>	<u>443</u>
Net position:			
Unrestricted	<u>136,217</u>	<u>58,452</u>	<u>66,956</u>
Total net position	<u>\$ 136,217</u>	<u>\$ 58,452</u>	<u>\$ 66,956</u>

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

**COMBINING STATEMENT OF NET POSITION (Continued)  
NONMAJOR ENTERPRISE FUNDS  
June 30, 2018**

	School Lunch Student Payments	Services Provided HUD	SSOS Foundational Services
Assets:			
Current assets:			
Cash and cash equivalents	\$ -	\$ 5,447	\$ 6,848
Accounts receivable	-	-	-
Due from other governments	-	-	2,579
Total assets	-	5,447	9,427
Deferred outflows of resources:			
Deferred outflows related to pensions	-	-	613
Liabilities:			
Current liabilities:			
Accounts payable	-	-	-
Unearned revenue	-	-	-
Total current liabilities	-	-	-
Noncurrent liabilities:			
Net pension liability	-	-	375
Total liabilities	-	-	375
Deferred inflows of resources:			
Deferred inflows related to pensions	-	-	806
Net position:			
Unrestricted	-	5,447	8,859
Total net position	\$ -	\$ 5,447	\$ 8,859

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

**COMBINING STATEMENT OF NET POSITION (Concluded)  
NONMAJOR ENTERPRISE FUNDS  
June 30, 2018**

	Title I Workshops	Total
Assets:		
Current assets:		
Cash and cash equivalents	\$ 10,455	\$ 344,627
Accounts receivable	-	50
Due from other governments	-	6,678
	10,455	351,355
Total assets		
Deferred outflows of resources:		
Deferred outflows related to pensions	-	1,675
	-	1,675
Liabilities:		
Current liabilities:		
Accounts payable	-	4,119
Unearned revenue	-	24,400
	-	24,400
Total current liabilities	-	28,519
Noncurrent liabilities:		
Net pension liability	-	1,610
	-	1,610
Total liabilities	-	30,129
	-	30,129
Deferred inflows of resources:		
Deferred inflows related to pensions	-	1,530
	-	1,530
Net position:		
Unrestricted	10,455	321,371
	10,455	321,371
Total net position	\$ 10,455	\$ 321,371

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

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2018**

	Administrator's Academy Local	Criminal Background Investigation	Family Violence Coordinating Councils
Operating revenues:			
Charges for services	\$ 12,634	\$ 10,521	\$ 959
Operating expenses:			
Salaries	2,295	-	-
Employee benefits	53	-	-
Pension expense (benefit)	13	-	-
Purchased services	7,122	8,996	484
Supplies and materials	103	-	-
Other	500	-	-
Total operating expenses	10,086	8,996	484
Operating income (loss)	2,548	1,525	475
Nonoperating revenues:			
Interest	18	45	1
Income (loss) before transfers	2,566	1,570	476
Transfers in	-	-	500
Change in net position	2,566	1,570	976
Net position - beginning of year	8,229	21,380	264
Net position - end of year	\$ 10,795	\$ 22,950	\$ 1,240

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

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION (Continued)  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2018**

	Life Education Local	Local Induction Mentoring Training Fees	ROE Workshops
Operating revenues:			
Charges for services	\$ 36,692	\$ 5,625	\$ 45,875
Operating expenses:			
Salaries	1,976	-	3,144
Employee benefits	196	-	172
Pension expense (benefit)	(9)	-	690
Purchased services	17,383	238	31,757
Supplies and materials	3,221	21	3,444
Other	149	-	1,623
Total operating expenses	22,916	259	40,830
Operating income (loss)	13,776	5,366	5,045
Nonoperating revenues:			
Interest	308	107	131
Income (loss) before transfers	14,084	5,473	5,176
Transfers in	-	-	-
Change in net position	14,084	5,473	5,176
Net position - beginning of year	122,133	52,979	61,780
Net position - end of year	\$ 136,217	\$ 58,452	\$ 66,956

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

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION (Continued)  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2018**

	School Lunch Student Payments	Services Provided HUD	SSOS Foundational Services
Operating revenues:			
Charges for services	\$ -	\$ 2,463	\$ 26,118
Operating expenses:			
Salaries	-	-	1,739
Employee benefits	-	-	343
Pension expense (benefit)	-	-	(3,029)
Purchased services	104	1,683	18,893
Supplies and materials	-	-	-
Other	-	-	-
Total operating expenses	104	1,683	17,946
Operating income (loss)	(104)	780	8,172
Nonoperating revenues:			
Interest	-	10	9
Income (loss) before transfers	(104)	790	8,181
Transfers in	-	-	-
Change in net position	(104)	790	8,181
Net position - beginning of year	104	4,657	678
Net position - end of year	\$ -	\$ 5,447	\$ 8,859

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

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION (Concluded)  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2018**

	Title I Workshops	Total
Operating revenues:		
Charges for services	\$ -	\$ 140,887
Operating expenses:		
Salaries	-	9,154
Employee benefits	-	764
Pension expense (benefit)	-	(2,335)
Purchased services	28	86,688
Supplies and materials	-	6,789
Other	-	2,272
Total operating expenses	28	103,332
Operating income (loss)	(28)	37,555
Nonoperating revenues:		
Interest	20	649
Income (loss) before transfers	(8)	38,204
Transfers in	-	500
Change in net position	(8)	38,704
Net position - beginning of year	10,463	282,667
Net position - end of year	\$ 10,455	\$ 321,371

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

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2018**

	Administrator's Academy Local	Criminal Background Investigation	Family Violence Coordinating Councils
Cash flows from operating activities:			
Receipts from customers	\$ 12,034	\$ 10,521	\$ 795
Payments to suppliers and providers of goods and services	(7,725)	(8,996)	(484)
Payments to employees	(2,361)	-	-
Net cash provided by (used for) operating activities	<u>1,948</u>	<u>1,525</u>	<u>311</u>
Cash flows from noncapital financing activities:			
Cash transfers from other funds	-	-	500
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>	<u>500</u>
Cash flows from investing activities:			
Interest	18	45	1
Net cash provided by investing activities	<u>18</u>	<u>45</u>	<u>1</u>
Net increase (decrease) in cash	1,966	1,570	812
Cash and cash equivalents - beginning of year	<u>7,229</u>	<u>21,480</u>	<u>249</u>
Cash and cash equivalents - end of year	<u>\$ 9,195</u>	<u>\$ 23,050</u>	<u>\$ 1,061</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 2,548	\$ 1,525	\$ 475
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Pension expense (benefit) reconciliation	-	-	-
Change in assets and liabilities:			
(Increase) decrease in due from other governments	(600)	-	(164)
(Increase) decrease in accounts receivable	-	-	-
Increase (decrease) in accounts payable	-	-	-
Increase (decrease) in due to other governments	-	-	-
Increase (decrease) in unearned revenue	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 1,948</u>	<u>\$ 1,525</u>	<u>\$ 311</u>

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

**COMBINING STATEMENT OF CASH FLOWS (Continued)  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2018**

	Life Education Local	Local Induction Mentoring Training Fees	ROE Workshops
Cash flows from operating activities:			
Receipts from customers	\$ 34,900	\$ 4,725	\$ 47,866
Payments to suppliers and providers of goods and services	(18,632)	(259)	(36,725)
Payments to employees	(2,315)	-	(3,373)
Net cash provided by (used for) operating activities	13,953	4,466	7,768
Cash flows from noncapital financing activities:			
Cash transfers from other funds	-	-	-
Net cash used for noncapital financing activities	-	-	-
Cash flows from investing activities:			
Interest	308	107	131
Net cash provided by investing activities	308	107	131
Net increase (decrease) in cash	14,261	4,573	7,899
Cash and cash equivalents - beginning of year	148,609	53,279	59,950
Cash and cash equivalents - end of year	\$ 162,870	\$ 57,852	\$ 67,849
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 13,776	\$ 5,366	\$ 5,045
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Pension expense (benefit) reconciliation	(152)	-	633
Change in assets and liabilities:			
(Increase) decrease in due from other governments	-	(600)	2,041
(Increase) decrease in accounts receivable	-	-	(50)
Increase (decrease) in accounts payable	2,121	-	584
Increase (decrease) in due to other governments	-	(300)	(485)
Increase (decrease) in unearned revenue	(1,792)	-	-
Net cash provided by (used for) operating activities	\$ 13,953	\$ 4,466	\$ 7,768

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

**COMBINING STATEMENT OF CASH FLOWS (Continued)  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2018**

	School Lunch Student Payments	Services Provided HUD	SSOS Foundational Services
Cash flows from operating activities:			
Receipts from customers	\$ -	\$ 2,463	\$ 23,539
Payments to suppliers and providers of goods and services	(104)	(1,683)	(18,893)
Payments to employees	-	-	(2,363)
Net cash provided by (used for) operating activities	(104)	780	2,283
Cash flows from noncapital financing activities:			
Cash transfers from other funds	-	-	-
Net cash used for noncapital financing activities	-	-	-
Cash flows from investing activities:			
Interest	-	10	9
Net cash provided by investing activities	-	10	9
Net increase (decrease) in cash	(104)	790	2,292
Cash and cash equivalents - beginning of year	104	4,657	4,556
Cash and cash equivalents - end of year	\$ -	\$ 5,447	\$ 6,848
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (104)	\$ 780	\$ 8,172
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Pension expense (benefit) reconciliation	-	-	(3,310)
Change in assets and liabilities:			
(Increase) decrease in due from other governments	-	-	(2,579)
(Increase) decrease in accounts receivable	-	-	-
Increase (decrease) in accounts payable	-	-	-
Increase (decrease) in due to other governments	-	-	-
Increase (decrease) in unearned revenue	-	-	-
Net cash provided by (used for) operating activities	\$ (104)	\$ 780	\$ 2,283

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

**COMBINING STATEMENT OF CASH FLOWS (Concluded)  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2018**

	Title I Workshops	Total
Cash flows from operating activities:		
Receipts from customers	\$ -	\$ 136,843
Payments to suppliers and providers of goods and services	(28)	(93,529)
Payments to employees	-	(10,412)
Net cash provided by (used for) operating activities	(28)	32,902
Cash flows from noncapital financing activities:		
Cash transfers from other funds	-	500
Net cash used for noncapital financing activities	-	500
Cash flows from investing activities:		
Interest	20	649
Net cash provided by investing activities	20	649
Net increase (decrease) in cash	(8)	34,051
Cash and cash equivalents - beginning of year	10,463	310,576
Cash and cash equivalents - end of year	\$ 10,455	\$ 344,627
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (28)	\$ 37,555
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Pension expense (benefit) reconciliation	-	(2,829)
Change in assets and liabilities:		
(Increase) decrease in due from other governments	-	(1,902)
(Increase) decrease in accounts receivable	-	(50)
Increase (decrease) in accounts payable	-	2,705
Increase (decrease) in due to other governments	-	(785)
Increase (decrease) in unearned revenue	-	(1,792)
Net cash provided by (used for) operating activities	\$ (28)	\$ 32,902

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

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS**

**June 30, 2018**

	<u>Copier Fees</u>	<u>Services Provided</u>	<u>West Wing Operations</u>	<u>Total</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 7,662	\$ 93	\$ 30	\$ 7,785
Accounts receivable	-	-	326	326
Total current assets	<u>7,662</u>	<u>93</u>	<u>356</u>	<u>8,111</u>
Noncurrent assets:				
Capital assets, net of depreciation	<u>27,574</u>	-	-	<u>27,574</u>
Total assets	<u>35,236</u>	<u>93</u>	<u>356</u>	<u>35,685</u>
Deferred outflows of resources:				
Deferred outflows related to pensions	<u>-</u>	<u>18,625</u>	<u>10,968</u>	<u>29,593</u>
Liabilities:				
Current liabilities:				
Accounts payable	<u>-</u>	<u>-</u>	<u>731</u>	<u>731</u>
Total current liabilities	<u>-</u>	<u>-</u>	<u>731</u>	<u>731</u>
Noncurrent liabilities:				
Net pension liability	<u>-</u>	<u>11,419</u>	<u>6,725</u>	<u>18,144</u>
Total liabilities	<u>-</u>	<u>11,419</u>	<u>7,456</u>	<u>18,875</u>
Deferred inflows of resources:				
Deferred inflows related to pensions	<u>-</u>	<u>24,485</u>	<u>14,419</u>	<u>38,904</u>
Net position:				
Net investment in capital assets	27,574	-	-	27,574
Unrestricted	<u>7,662</u>	<u>(17,186)</u>	<u>(10,551)</u>	<u>(20,075)</u>
Total net position	<u>\$ 35,236</u>	<u>\$ (17,186)</u>	<u>\$ (10,551)</u>	<u>\$ 7,499</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2018**

	<u>Copier Fees</u>	<u>Services Provided</u>	<u>West Wing Operations</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 23,254	\$ 79,799	\$ 101,066	\$ 204,119
Operating expenses:				
Salaries	-	60,273	34,326	94,599
Employee benefits	-	8,702	2,626	11,328
Pension expense	-	25,817	8,498	34,315
Purchased services	8,580	2,075	27,150	37,805
Supplies and materials	254	118	32,311	32,683
Depreciation expense	8,151	-	-	8,151
Total operating expenses	<u>16,985</u>	<u>96,985</u>	<u>104,911</u>	<u>218,881</u>
Operating income (loss)	6,269	(17,186)	(3,845)	(14,762)
Nonoperating revenues:				
Interest	5	-	-	5
Change in net position	6,274	(17,186)	(3,845)	(14,757)
Net position - beginning of year	<u>28,962</u>	<u>-</u>	<u>(6,706)</u>	<u>22,256</u>
Net position - end of year	<u>\$ 35,236</u>	<u>\$ (17,186)</u>	<u>\$ (10,551)</u>	<u>\$ 7,499</u>

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

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2018**

	Copier Fees	Services Provided	West Wing Operations	Total
Cash flows from operating activities:				
Receipts from internal services provided	\$ 23,254	\$ 79,799	\$ 100,740	\$ 203,793
Payments to suppliers and providers of goods and services	(8,834)	(2,193)	(58,973)	(70,000)
Payments to employees	-	(77,513)	(41,980)	(119,493)
Net cash provided by (used for) operating activities	14,420	93	(213)	14,300
Cash flows from capital and related financing activities:				
Purchases of capital assets	(7,800)	-	-	(7,800)
Net cash used for capital and related financing activities	(7,800)	-	-	(7,800)
Cash flows from investing activities:				
Interest	5	-	-	5
Net cash provided by investing activities	5	-	-	5
Net increase (decrease) in cash	6,625	93	(213)	6,505
Cash and cash equivalents - beginning of year	1,037	-	243	1,280
Cash and cash equivalents - end of year	\$ 7,662	\$ 93	\$ 30	\$ 7,785
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 6,269	\$ (17,186)	\$ (3,845)	\$ (14,762)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	8,151	-	-	8,151
Pension expense reconciliation	-	17,279	3,470	20,749
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	-	-	(326)	(326)
Increase in accounts payable	-	-	488	488
Net cash provided by (used for) operating activities	\$ 14,420	\$ 93	\$ (213)	\$ 14,300

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

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
ALL AGENCY FUNDS  
June 30, 2018**

	Distributive	Petitions and Detachment	Impact Fees	Tenant Rental	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 472	\$ -	\$ -	\$ -	\$ 472
Due from other governments	240,858	-	-	-	240,858
Total assets	\$ 241,330	\$ -	\$ -	\$ -	\$ 241,330
<b>Liabilities</b>					
Due to other governments	\$ 241,330	\$ -	\$ -	\$ -	\$ 241,330
Total liabilities	\$ 241,330	\$ -	\$ -	\$ -	\$ 241,330

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

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
For the Year Ended June 30, 2018**

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<u>Distributive Fund</u>				
Assets				
Cash and cash equivalents	\$ 94	\$ 4,220,233	\$ 4,219,855	\$ 472
Due from other governments	904,531	240,858	904,531	240,858
Total assets	\$ 904,625	\$ 4,461,091	\$ 5,124,386	\$ 241,330
Liabilities				
Due to other governments	\$ 904,625	\$ 4,461,091	\$ 5,124,386	\$ 241,330
<u>Petitions and Detachment Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Liabilities				
Due to other governments	\$ -	\$ -	\$ -	\$ -
<u>Impact Fees</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 58,547	\$ 58,547	\$ -
Liabilities				
Due to other governments	\$ -	\$ 58,547	\$ 58,547	\$ -
<u>Tenant Rentals</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 48,000	\$ 48,000	\$ -
Liabilities				
Due to other governments	\$ -	\$ 48,000	\$ 48,000	\$ -
<u>Total</u>				
Assets				
Cash and cash equivalents	\$ 94	\$ 4,326,780	\$ 4,326,402	\$ 472
Due from other governments	904,531	240,858	904,531	240,858
Total assets	\$ 904,625	\$ 4,567,638	\$ 5,230,933	\$ 241,330
Liabilities				
Due to other governments	\$ 904,625	\$ 4,567,638	\$ 5,230,933	\$ 241,330

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

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES  
DISTRIBUTIVE FUND  
For the Year Ended June 30, 2018**

	I-KAN ROE No. 32	Iroquois Area Del #370	Kankakee Regional System #120	Kankakee Area Career Center	Total
<b>State Funds</b>					
Evidence Based Funding	\$ 844,751	\$ -	\$ -	\$ -	\$ 844,751
Career and Technical Ed Improvement	-	214,001	1,261,964	-	1,475,965
State Free Lunch & Breakfast	529	-	-	-	529
Transportation - Regular and Vocational	-	-	-	29,092	29,092
ROE School Bus Driver Training	1,519	-	-	-	1,519
Truants Alternative/Optional Ed.	301,615	-	-	-	301,615
Regional Safe Schools	131,465	-	-	-	131,465
ROE/ISC Operations	127,716	-	-	-	127,716
Regional Safe Schools Cooperative Ed. Program	72,223	-	-	-	72,223
<b>Total State Funds</b>	<b>1,479,818</b>	<b>214,001</b>	<b>1,261,964</b>	<b>29,092</b>	<b>2,984,875</b>
<b>Federal Funds</b>					
National School Lunch Program	16,176	-	-	-	16,176
School Breakfast Program	10,061	-	-	-	10,061
Title I - School Improvement and Accountability	423,610	-	-	-	423,610
CTE - Perkins - Secondary	-	36,919	261,473	-	298,392
Title II - Teacher Quality - Leadership Grant	2,361	-	-	-	2,361
Mathematics and Science Partnerships	181,852	-	-	-	181,852
Mathematics and Science Partnerships STEM	302,528	-	-	-	302,528
<b>Total Federal Funds</b>	<b>936,588</b>	<b>36,919</b>	<b>261,473</b>	<b>-</b>	<b>1,234,980</b>
<b>Total Disbursements</b>	<b>\$ 2,416,406</b>	<b>\$ 250,920</b>	<b>\$ 1,523,437</b>	<b>\$ 29,092</b>	<b>\$ 4,219,855</b>

**FEDERAL COMPLIANCE SECTION**

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Education:</b>				
<i>Passed through Illinois State Board of Education</i>				
Title I Grants to Local Educational Agencies				
(M) System of Support Title I - School Improvement & Accountability	84.010A	18-4331-SS	\$ 275,872	\$ 395,445
(M) System of Support Title I - School Improvement & Accountability	84.010A	17-4331-SS	38,158	74,742
(M) Title I School Improvement & Accountability-AdvancED	84.010A	1082-8940	-	7,500
Total Title I Grants to Local Educational Agencies			314,030	477,687
Improving Teacher Quality State Grants				
Title II - Teacher Quality - Leadership Grant	84.367A	18-4935-02		2,471
(M) Mathematics and Science Partnerships	84.366B	18-4936-7B		190,252
(M) Mathematics and Science Partnerships	84.366B	17-4936-7B		95,308
(M) Mathematics and Science Partnerships	84.366B	17-4936-SA		145,595
Total Mathematics and Science Partnerships				431,155
Total passed through Illinois State Board of Education			314,030	911,313
<i>Passed through Regional Office of Education No. 11</i>				
Education for Homeless Children and Youth				
McKinney Education for Homeless Children	84.196A	18-4920-00		36,181
Total U.S. Department of Education			314,030	947,494
<b>U.S. Department of Justice:</b>				
<i>Passed through Illinois Criminal Justice Information Authority</i>				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program				
Arrest Grant	16.590	384121		12,297
Total U.S. Department of Justice				12,297
<b>U.S. Department of Health and Human Services:</b>				
<i>Passed through Substance Abuse and Mental Health Services Administration</i>				
Drug Free Communities Support Program Grants	93.276	5H79SP021055-03		66,953
Drug Free Communities Support Program Grants	93.276	5H79SP021055-02		34,147
Total Drug Free Communities Support Program Grants				101,100
<i>Passed through State of Illinois Department of Human Services</i>				
Block Grants for Prevention and Treatment of Substance Abuse				
Substance Abuse Prevention Services	93.959	43CWZ03226		223,000
Substance Abuse and Mental Health Services				
Strategic Prevention Framework - Partnerships for Success	93.243	43CWZ03298		266,063
Total passed through State of Illinois Department of Human Services				489,063
<i>Passed through Administrative Office of the Illinois Courts</i>				
State Court Improvement Program				
Child Protection Data Courts Project	93.586	CIP Data G-1706		774
Child Protection Data Courts Project	93.586	CIP Data G-1605		914
Total State Court Improvement Program				1,688
Total U.S. Department of Health and Human Services				591,851

(M) Program was audited as a major program

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture:</b>				
<i>Passed through Illinois State Board of Education</i>				
Child Nutrition Cluster				
School Breakfast Program	10.553	18-4220-00		8,444
School Breakfast Program	10.553	17-4220-00		1,618
Total School Breakfast Program				<u>10,062</u>
National School Lunch Program				
National School Lunch Program	10.555	18-4210-00		13,560
National School Lunch Program	10.555	17-4210-00		2,617
Total National School Lunch Program				<u>16,177</u>
Total Child Nutrition Cluster				<u>26,239</u>
Total U.S. Department of Agriculture				<u>26,239</u>
<b>U.S. Department of Housing and Urban Development:</b>				
Continuum of Care Program				
HUD Supportive Housing Program	14.267			39,792
HUD Supportive Housing Program	14.267			10,252
Total Continuum of Care Program				<u>50,044</u>
Total U.S. Department of Housing and Urban Development				<u>50,044</u>
<b>TOTAL</b>			<u>\$ 314,030</u>	<u>\$ 1,627,925</u>

(M) Program was audited as a major program

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2018**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Regional Office of Education No. 32 under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Professional Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the Regional Office of Education No. 32, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Regional Office of Education No. 32.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Regional Office of Education No. 32 has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 – INSURANCE IN EFFECT DURING THE YEAR**

The Strategic Prevention Framework – Partnerships for Success federal award expended \$347 for property and liability insurance coverage during the fiscal year ended June 30, 2018. Property coverage for the office was \$276,143, and general liability coverage was \$1,000,000 per occurrence and \$3,000,000 aggregate. All of the federal awards pay workers' compensation, unemployment insurance, and medical insurance for the current fiscal year based on the employees and the amount of their pay expended by each federal award.

**NOTE 4 – NONCASH ASSISTANCE**

This is not applicable as no federal awards were expended in the form of noncash assistance.

**NOTE 5 – LOANS/LOAN GUARANTEES/INTEREST SUBSIDIES**

This is not applicable as the entity did not have any loans/loan guarantees/interest subsidies outstanding at year-end.