

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

**FINANCIAL AUDIT
For the year ended June 30, 2020**

**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**

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	3	2
Repeated audit findings	1	-
Prior recommendations implemented or not repeated	1	1

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2020-001	10a-10b	Controls over Financial Statement Preparation	Material Weakness
2020-002	10c-10d	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency
2020-003	10e-10f	Delay of Audit	Noncompliance

PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

2019-002	12	Noncompliance with Subrecipient Monitoring	Noncompliance
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PRIOR AUDIT FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

2019-002	12	Noncompliance with Subrecipient Monitoring	Noncompliance
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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, 2020. 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 May 6, 2021.

**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, 2020, and the related notes to the financial statements, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education No. 32's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education No. 32, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability and Related Ratios, Illinois Municipal Retirement Fund – Schedule of Employer Contributions, Teachers’ Retirement System of the State of Illinois – Schedule of Employer’s Proportionate Share of the Net Pension Liability, Teachers’ Retirement System of the State of Illinois – Schedule of Employer Contributions, Teachers’ Health Insurance Security Fund – Schedule of Employer’s Proportionate Share of the Collective Net OPEB Liability, Teachers’ Health Insurance Security Fund – Schedule of Employer’s Contributions, and Health Insurance – IMRF – Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 58 - 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2021, 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
July 22, 2021



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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, 2020, 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 July 22, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we did identify certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying Schedule of Findings and Responses as finding 2020-001 to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Responses as finding 2020-002 to be a significant deficiency.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Governmental Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as finding 2020-003.

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

The Iroquois and Kankakee Counties Regional Office of Education No. 32's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Iroquois and Kankakee Counties Regional Office of Education No. 32's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Iroquois and Kankakee Counties Regional Office of Education No. 32's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Mattoon, Illinois
July 22, 2021

SCHEDULE OF FINDINGS AND RESPONSES

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

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITORS' RESULTS
For the year ended June 30, 2020**

Financial statements in accordance with GAAP

Type of auditors' report issued: UNMODIFIED

Internal control over financial reporting:

- Material weakness(es) identified? X yes no

- Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

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

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2020**

Finding No. 2020-001 – Controls over Financial Statement Preparation (Repeat from Finding 19-001)

Criteria/Specific Requirement:

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

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

Condition:

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

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

Effect:

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

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

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2020**

Finding No. 2020-001 – Controls over Financial Statement Preparation (Repeat from Finding 19-001) (Continued)

Cause:

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

Auditors' Recommendation:

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

Management's Response:

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

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

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2020**

Finding No. 2020-002 – Lack of Adequate Controls over the Review of Internal Controls over External Service Providers

Criteria/Specific Requirement:

The Regional Office of Education No. 32 is responsible for the design, implementation, and maintenance of internal controls, including the controls that are outsourced to service providers, related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction.

Generally accepted information technology guidance endorses the review and assessment of internal controls related to information systems and operations to assure the accurate processing and security of information.

Condition:

As part of the audit process, we held discussions with Regional Office of Education No. 32 personnel regarding the Regional Office of Education No. 32's change in accounting software. The Regional Office of Education No. 32 switched to an accounting software which utilizes a service provider to provide hosting and backup services for the Regional Office of Education No. 32.

During testing, the auditors noted the Regional Office of Education No. 32 had not:

- Developed a formal process for identifying service providers and for either obtaining the Service Organization Controls (SOC) report from the service provider and related subservice organization or performing alternative procedures to determine the impact of such services on its internal control environment prior to signing an agreement with the service provider.
- Documented its review of the SOC report, or performed alternative procedures, to evaluate any issues relevant to the Regional Office of Education No. 32's internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 32's operations.

Effect:

Without having obtained and reviewed a SOC report or another form of independent internal controls review, the Regional Office of Education No. 32 does not have assurance the external service provider's and its subservice organization's internal controls are adequate.

Cause:

The Regional Office of Education No. 32 transitioned software and did not have the current SOC report prior to the site visit of the auditing firm.

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

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2020**

Finding No. 2020-002 – Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Continued)

Auditors' Recommendation:

We recommend the Regional Office of Education No. 32 identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 32 should:

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems, including services provided by subservice organizations, prior to signing agreements with the providers and annually thereafter.
- Document its review of the SOC report, or perform alternative procedures, to evaluate all significant issues to ascertain if a corrective action plan exists, when it will be implemented, any impacts to the Regional Office of Education No. 32, and any compensating controls.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 32's operations.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

Management's Response:

The Regional Office of Education No. 32 will:

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems, including services provided by subservice organizations, prior to signing agreements with the providers and annually thereafter.
- Document its review of the SOC report, or perform alternative procedures, to evaluate all significant issues to ascertain if a corrective action plan exists, when it will be implemented, any impacts to the Regional Office of Education No. 32, and any compensating controls.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 32's operations.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

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

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2020**

Finding No. 2020-003 – 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 30th 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 Government 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 completed financial statements in an auditable form by the August 31 deadline. Financial Statements were provided on November 24, 2020.

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.

Cause:

The Delay of Audit was due to implementing a new accounting system. Specialized Data Systems (SDS) was not set up properly when the conversion took place in October 2019.

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

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2020**

Finding No. 2020-003 – Delay of Audit (Continued)

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:

The Delay of Audit was due to implementing a new accounting system. Specialized Data Systems (SDS) was not set up properly when the conversion took place in October 2019. The Finance Officer had to go back and manually recalculate each payroll from October 2019 to June 2020 to post each payroll to the correct cash account.

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

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2020**

Corrective Action Plan

Finding No. 2020-001 – Controls over Financial Statement Preparation (Repeat from Finding 19-001)

Condition:

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

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

Plan:

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

Anticipated Date of Completion:

June 30, 2021

Name of Contact Person:

Dr. Gregg Murphy, Regional Superintendent

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

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2020**

Corrective Action Plan

Finding No. 2020-002 – Lack of Adequate Controls over the Review of Internal Controls over External Service Providers

Condition:

As part of the audit process, we held discussions with Regional Office of Education No. 32 personnel regarding the Regional Office of Education No. 32's change in accounting software. The Regional Office of Education No. 32 switched to an accounting software which utilizes a service provider to provide hosting and backup services for the Regional Office of Education No. 32.

During testing, the auditors noted the Regional Office of Education No. 32 had not:

- Developed a formal process for identifying service providers and for either obtaining the Service Organization Controls (SOC) report from the service provider and related subservice organization or performing alternative procedures to determine the impact of such services on its internal control environment prior to signing an agreement with the service provider.
- Documented its review of the SOC report, or performed alternative procedures, to evaluate any issues relevant to the Regional Office of Education No. 32's internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 32's operations.

Plan:

The Regional Office of Education No. 32 will:

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems, including services provided by subservice organizations, prior to signing agreements with the providers and annually thereafter.
- Document its review of the SOC report, or perform alternative procedures, to evaluate all significant issues to ascertain if a corrective action plan exists, when it will be implemented, any impacts to the Regional Office of Education No. 32, and any compensating controls.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 32's operations.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

Anticipated Date of Completion:

September 22, 2020

Name of Contact Person:

Dr. Gregg Murphy, Regional Superintendent

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

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2020**

Corrective Action Plan (Continued)

Finding No. 2020-003 – Delay of Audit

Condition:

The Regional Office of Education No. 32 did not provide completed financial statements in the appropriate format by the August 31 deadline. Financial Statements were provided on November 24, 2020.

Plan:

Subsequent to June 30, 2020, the Specialized Data Systems (SDS) accounting system was updated for payroll to go to the correct source of funds. Having properly working accounting software should allow timely provision of financial statements.

Anticipated Date of Completion:

July 15, 2020

Name of Contact Person:

Dr. Gregg Murphy, Regional Superintendent

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the year ended June 30, 2020**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2019-002	Noncompliance with Subrecipient Monitoring Procedures have been developed and implemented to ensure all annual and final fiscal reports or vouchers requesting payment received from subrecipients of federal and state awards include the certification required by 2 CFR 200.415(a). The procedures include elements to ensure all required information is provided to subrecipients. Additionally, the procedures provide for written documentation of the required risk assessment of subrecipients.	Not Repeated

BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF NET POSITION
June 30, 2020**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 3,640,545	\$ 1,558,117	\$ 5,198,662
Due from other governments	393,077	1,327	394,404
Prepaid expenses	9,126	12,880	22,006
Prepaid rent, current portion	-	23,772	23,772
Total current assets	4,042,748	1,596,096	5,638,844
Noncurrent assets			
Capital assets, net of depreciation	10,492	23,540	34,032
Prepaid rent, net of current portion	-	375,395	375,395
Total noncurrent assets	10,492	398,935	409,427
Total assets	4,053,240	1,995,031	6,048,271
Deferred outflows of resources:			
Deferred outflows related to pensions	468,824	67,242	536,066
Deferred outflows related to OPEB	130,988	23,596	154,584
Total deferred outflows of resources	599,812	90,838	690,650
Liabilities:			
Current liabilities:			
Accounts payable	10,096	1,353	11,449
Due to other governments	15	-	15
Unearned revenue	-	31,375	31,375
Total current liabilities	10,111	32,728	42,839
Noncurrent liabilities:			
Net pension liability	206,343	14,691	221,034
OPEB liabilities	414,738	65,154	479,892
Total noncurrent liabilities	621,081	79,845	700,926
Total liabilities	631,192	112,573	743,765
Deferred inflows of resources:			
Deferred inflows related to pensions	878,773	118,105	996,878
Deferred inflows related to OPEB	261,719	46,932	308,651
Total deferred inflows of resources	1,140,492	165,037	1,305,529
Net position:			
Net investment in capital assets	10,492	23,540	34,032
Restricted for educational purposes	299,046	-	299,046
Unrestricted	2,571,830	1,784,719	4,356,549
Total net position	\$ 2,881,368	\$ 1,808,259	\$ 4,689,627

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, 2020**

	Net (Expense) Revenue and Changes in Net Position					
	Program Revenues		Primary Government			
	Expenses	Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
Functions/Programs						
Primary government						
Governmental activities:						
Instructional services:						
Salaries	\$ 1,517,932	\$ -	\$ 1,390,260	\$ (127,672)	\$ -	\$ (127,672)
Employee benefits	175,085	-	259,990	84,905	-	84,905
Purchased services	209,685	-	333,518	123,833	-	123,833
Supplies and materials	134,181	-	86,990	(47,191)	-	(47,191)
Other	5,887	-	5,662	(225)	-	(225)
Depreciation	8,541	-	-	(8,541)	-	(8,541)
Pension expense (benefit)	13,128	-	-	(13,128)	-	(13,128)
OPEB expense	(37,508)	-	-	37,508	-	37,508
Intergovernmental:						
Payments to other governmental units	106,485	-	102,399	(4,086)	-	(4,086)
Administrative:						
On-behalf payments - State	623,357	-	-	(623,357)	-	(623,357)
Total governmental activities	2,756,773	-	2,178,819	(577,954)	-	(577,954)
Business-type activities:						
Professional development	440,506	394,902	-	-	(45,604)	(45,604)
Total business-type activities	440,506	394,902	-	-	(45,604)	(45,604)
Total primary government	\$ 3,197,279	\$ 394,902	\$ 2,178,819	(577,954)	(45,604)	(623,558)
General revenues:						
Local sources				443,239	-	443,239
On-behalf payments - State				623,357	-	623,357
Interest				14,911	5,170	20,081
Total general revenues and transfers				1,081,507	5,170	1,086,677
Change in net position				503,553	(40,434)	463,119
Net position - beginning of year				2,377,815	1,848,693	4,226,508
Net position - end of year				\$ 2,881,368	\$ 1,808,259	\$ 4,689,627

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, 2020**

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 3,316,958	\$ 21,029	\$ 278,931	\$ 3,616,918
Due from other funds	237,989	-	-	237,989
Due from other governments	147,426	245,651	-	393,077
Prepaid expenses	9,126	-	-	9,126
Total assets	\$ 3,711,499	\$ 266,680	\$ 278,931	\$ 4,257,110
Liabilities:				
Accounts payable	\$ 1,145	\$ 8,938	\$ 13	\$ 10,096
Due to other funds	-	237,614	-	237,614
Due to other governments	15	-	-	15
Total liabilities	1,160	246,552	13	247,725
Deferred inflows of resources:				
Unavailable revenue	-	81,862	-	81,862
Fund balances (deficits):				
Nonspendable	9,126	-	-	9,126
Restricted	-	20,213	278,918	299,131
Unassigned	3,701,213	(81,947)	-	3,619,266
Total fund balances (deficits)	3,710,339	(61,734)	278,918	3,927,523
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 3,711,499	\$ 266,680	\$ 278,931	\$ 4,257,110

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, 2020**

Total fund balances - governmental funds		\$ 3,927,523
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.		81,862
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, net	10,492	
Less internal service fund capital assets included in internal service fund net position below	(10,492)	-
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	599,812	
Deferred inflows of resources	(1,140,492)	(540,680)
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net pension liability	(206,343)	
OPEB liability	(414,738)	(621,081)
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:		33,744
Net position of governmental activities		\$ 2,881,368

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, 2020**

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 400,674	\$ -	\$ 65,452	\$ 466,126
State sources	961,412	587,812	1,522	1,550,746
Federal sources	-	605,970	-	605,970
On-behalf payments	292,519	-	-	292,519
Interest	11,444	128	3,273	14,845
Total revenues	1,666,049	1,193,910	70,247	2,930,206
Expenditures:				
Instructional services:				
Salaries	594,425	775,679	75,631	1,445,735
Employee benefits	67,396	92,312	8,123	167,831
Pension expense	33,186	61,381	4,435	99,002
OPEB expense	3,531	-	-	3,531
Purchased services	196,207	143,578	7,041	346,826
Supplies and materials	29,285	55,606	5,570	90,461
Other	1,209	760	3,918	5,887
On-behalf payments	292,519	-	-	292,519
Intergovernmental:				
Payments to other governmental units	-	106,485	-	106,485
Total expenditures	1,217,758	1,235,801	104,718	2,558,277
Net change in fund balances	448,291	(41,891)	(34,471)	371,929
Fund balances (deficits), beginning of year	3,262,048	(19,843)	313,389	3,555,594
Fund balances (deficits), end of year	<u>\$ 3,710,339</u>	<u>\$ (61,734)</u>	<u>\$ 278,918</u>	<u>\$ 3,927,523</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, 2020**

Net change in fund balances		\$ 371,929
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.</p>		
Current year unavailable revenue - operating grants	\$ 81,862	
Prior year unavailable revenue - local sources	(22,887)	
Prior year unavailable revenue - operating grants	<u>(59,759)</u>	(784)
<p>Certain expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Pension expense	85,874	
OPEB expense	41,039	
Less internal service fund pension expense included in internal service fund net revenue below	<u>(10,564)</u>	116,349
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.</p>		<u>16,059</u>
Change in net position of governmental activities		<u><u>\$ 503,553</u></u>

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

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

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020**

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Safe Schools Local	Truant Local	Professional Development	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets:						
Current assets:						
Cash and cash equivalents	\$1,097,329	\$ 88,037	\$ 144,426	\$ 228,325	\$1,558,117	\$ 23,627
Due from other governments	-	-	1,327	-	1,327	-
Prepaid expenses	-	-	12,880	-	12,880	-
Prepaid rent, current portion	23,772	-	-	-	23,772	-
Total current assets	1,121,101	88,037	158,633	228,325	1,596,096	23,627
Noncurrent assets:						
Capital assets, net of depreciation	23,540	-	-	-	23,540	10,492
Prepaid rent, net of current portion	375,395	-	-	-	375,395	-
Total noncurrent assets	398,935	-	-	-	398,935	10,492
Total assets	1,520,036	88,037	158,633	228,325	1,995,031	34,119
Deferred outflows of resources:						
Deferred outflows related to pensions	4,283	6,195	56,680	84	67,242	-
Deferred outflows related to OPEB	1,659	-	21,937	-	23,596	-
Total deferred outflows	5,942	6,195	78,617	84	90,838	-
Liabilities:						
Current liabilities:						
Accounts payable	80	-	1,211	62	1,353	-
Due to other funds	-	-	-	-	-	375
Unearned revenue	4,800	-	2,391	24,184	31,375	-
Total current liabilities	4,880	-	3,602	24,246	32,728	375
Noncurrent liabilities:						
Net pension liability	424	8,214	5,941	112	14,691	-
OPEB liabilities	4,598	-	60,556	-	65,154	-
Total noncurrent liabilities	5,022	8,214	66,497	112	79,845	-
Total liabilities	9,902	8,214	70,099	24,358	112,573	375
Deferred inflows of resources:						
Deferred inflows related to pensions	7,250	14,534	96,124	197	118,105	-
Deferred inflows related to OPEB	3,312	-	43,620	-	46,932	-
Total deferred inflows	10,562	14,534	139,744	197	165,037	-
Net position:						
Net investment in capital assets	23,540	-	-	-	23,540	10,492
Unrestricted	1,481,974	71,484	27,407	203,854	1,784,719	23,252
Total net position	\$ 1,505,514	\$ 71,484	\$ 27,407	\$ 203,854	\$ 1,808,259	\$ 33,744

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, 2020**

	Business-Type Activities - Enterprise Funds					Governmental
	Safe	Truant	Professional	Nonmajor	Total	Internal
	Schools Local	Local	Development	Enterprise Funds		Service Funds
Operating revenues:						
Charges for services	\$ 128,340	\$ 50,878	\$ 170,750	\$ 44,934	\$ 394,902	\$ 172,500
Total operating revenues	128,340	50,878	170,750	44,934	394,902	172,500
Operating expenses:						
Salaries	5,997	46,020	97,783	-	149,800	72,197
Employee benefits	685	8,714	9,919	49	19,367	7,254
Pension expense (benefit)	3,426	(7,100)	35,874	(98)	32,102	(10,564)
OPEB expense (benefit)	6,295	-	67,980	-	74,275	-
Purchased services	67,280	6,716	45,986	30,114	150,096	35,359
Supplies and materials	980	3,075	1,321	6,078	11,454	43,720
Depreciation expense	1,391	-	-	-	1,391	8,541
Other	-	-	2,021	-	2,021	-
Total operating expenses	86,054	57,425	260,884	36,143	440,506	156,507
Operating income (loss)	42,286	(6,547)	(90,134)	8,791	(45,604)	15,993
Nonoperating revenues:						
Interest	3,807	333	290	740	5,170	66
Total nonoperating revenues	3,807	333	290	740	5,170	66
Income (loss) before transfers	46,093	(6,214)	(89,844)	9,531	(40,434)	16,059
Transfers in	-	-	67,864	-	67,864	-
Transfers out	-	-	-	(67,864)	(67,864)	-
Total transfers	-	-	67,864	(67,864)	-	-
Change in net position	46,093	(6,214)	(21,980)	(58,333)	(40,434)	16,059
Net position - beginning of year	1,459,421	77,698	49,387	262,187	1,848,693	17,685
Net position - end of year	\$ 1,505,514	\$ 71,484	\$ 27,407	\$ 203,854	\$ 1,808,259	\$ 33,744

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, 2020**

	Business-Type Activities - Enterprise Funds					Governmental
	Safe	Truant	Professional	Nonmajor	Total	Internal
	Schools			Enterprise		
	Local	Local	Development	Funds		Service Funds
Cash flows from operating activities:						
Receipts from customers	\$ 110,740	\$ 50,878	\$ 173,822	\$ 49,389	\$ 384,829	\$ -
Receipts from interfund services provided	-	-	-	-	-	172,500
Payments to suppliers and providers of goods and services	(44,408)	(9,791)	(41,912)	(36,405)	(132,516)	(79,952)
Payments to employees	(6,761)	(60,037)	(108,965)	(121)	(175,884)	(87,247)
Net cash provided by (used for) operating activities	59,571	(18,950)	22,945	12,863	76,429	5,301
Cash flows from noncapital financing activities:						
Transfers from (to) other funds	-	-	67,864	(67,864)	-	-
Net cash provided by (used for) noncapital financing activities	-	-	67,864	(67,864)	-	-
Cash flows from investing activities:						
Interest received	3,807	333	290	740	5,170	66
Net cash provided by investing activities	3,807	333	290	740	5,170	66
Net increase (decrease) in cash	63,378	(18,617)	91,099	(54,261)	81,599	5,367
Cash and cash equivalents - beginning of year	1,033,951	106,654	53,327	282,586	1,476,518	18,260
Cash and cash equivalents - end of year	\$ 1,097,329	\$ 88,037	\$ 144,426	\$ 228,325	\$ 1,558,117	\$ 23,627
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 42,286	\$ (6,547)	\$ (90,134)	\$ 8,791	\$ (45,604)	\$ 15,993
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	1,391	-	-	-	1,391	8,541
Pension expense (benefit) reconciliation	3,391	(12,403)	35,184	(170)	26,002	(18,360)
OPEB expense (benefit) reconciliation	6,251	-	67,407	-	73,658	-
Change in assets and liabilities:						
(Increase) decrease in due from other funds	-	-	-	164	164	-
(Increase) decrease in due from other governments	-	-	9,170	-	9,170	-
(Increase) decrease in accounts receivable	-	-	50	-	50	-
(Increase) decrease in prepaid rents/other prepaids	23,772	-	6,351	-	30,123	-
Increase (decrease) in accounts payable	80	-	1,065	(213)	932	(873)
Increase (decrease) in unearned revenue	(17,600)	-	(6,148)	4,291	(19,457)	-
Net cash provided by (used for) operating activities	\$ 59,571	\$ (18,950)	\$ 22,945	\$ 12,863	\$ 76,429	\$ 5,301

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, 2020**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 1,167
Due from other governments	<u>136,814</u>
Total assets	<u>\$ 137,981</u>
Liabilities:	
Due to other governments	<u>\$ 137,981</u>
Total liabilities	<u><u>\$ 137,981</u></u>

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

NOTES TO FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

Government-wide and Fund Financial Statements

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

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

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Governmental Funds

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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 Use Prevention Services – These funds, received from the Department of Human Services/Division of Alcoholism and Substance Abuse, are used to reduce the non-medical use of prescription drugs among youth and to increase and/or maintain the participation of public schools in the Illinois Youth Survey.

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.

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.

**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)

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.

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 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.

**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)

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.

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

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

Proprietary Funds

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

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

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

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

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

**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)

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

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 Local – 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.

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

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Fiduciary Funds

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

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

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.

**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)

Postemployment Benefits Other Than Pension (OPEB)

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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.

**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)

Equity Classifications

Government-wide and Proprietary Fund Statements

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

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

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

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

Governmental Fund Statements

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

Nonspendable Fund Balance - the portion of a governmental fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. The General Fund's General Operations account has a nonspendable fund balance related to the prepaid items, as these are not available to be spent.

Restricted Fund Balance - the portion of a governmental fund's fund balance that is subject to external enforceable legal restrictions. The following funds are restricted by Illinois Statute: Bus Driver Training, General Education Development, and Institute. The following accounts are restricted by a grant agreement or contract: Child Nutrition, CPDC Project, Regional Safe Schools Cooperative Education Program, ROE/ISC Operations, Tallman's Boys' 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.

**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)

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: Substance Use Prevention Services, Drug Free Communities, HUD Supportive Housing Program, Family Violence Coordinating Council, McKinney Education for Homeless Children, and Partnerships for Success.

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, 2020.

New Accounting Pronouncements

The global pandemic, coronavirus disease (COVID-19), has resulted in significant business disruptions due to mandated temporary work stoppages, limitations on travel, limitations on the size and duration of group meetings, and employee absences. In light of the pandemic, the Government Accounting Standards Board (GASB) issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement postpones the effective dates for certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Due to the Regional Office of Education No. 32's implementation of this Statement, only certain provisions of GASB Statement No. 92, *Omnibus 2020* and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* were required to be implemented for the year ended June 30, 2020. The implemented provisions of these Statements had no significant impact on the financial statements of the Regional Office of Education No. 32. The Regional Office of Education No. 32 decided not to implement any postponed provisions of the GASB Statements prior to their adjusted effective dates.

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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board for approval as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgets are also prepared for certain other grant funding. Budgetary Comparison Schedules have been presented for the following grants: AdvancED, CPDC Project, Substance Use Prevention Services, State Opioid Response, 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, Teen Reach, Title II – Teacher Quality Leadership, and Truants' Alternative/Optional Education.

NOTE 3 - USE OF ESTIMATES

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

NOTE 4 - INTEREST ON DISTRIBUTIVE FUND ACCOUNTS

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

NOTE 5 - DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2020, the carrying amount of the Regional Office of Education No. 32's deposits, which do not include Illinois Funds accounts, for the governmental activities and business-type activities were \$3,508,889 and \$1,558,117, respectively. The bank balances totaled \$5,125,052 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.

Investments

At June 30, 2020, 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 \$131,656 and \$1,167, respectively. The bank balance invested in the Illinois Funds was \$132,582. 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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

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

Interest Rate Risk

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

Concentration of Credit Risk

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

NOTE 6 - RISK MANAGEMENT - CLAIMS AND JUDGMENTS

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

NOTE 7 - CONTINGENCIES

The Regional Office of Education No. 32 has received funding from Federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education No. 32 believes that any other adjustments that may arise will be insignificant to the Regional Office of Education No. 32's operations.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental activities:				
Capital assets being depreciated:				
Equipment	\$ 49,201	\$ -	\$ -	\$ 49,201
Less accumulated depreciation for:				
Equipment	<u>(30,168)</u>	<u>(8,541)</u>	<u>-</u>	<u>(38,709)</u>
Governmental activities capital assets, net	<u>\$ 19,033</u>	<u>\$ (8,541)</u>	<u>\$ -</u>	<u>\$ 10,492</u>
Business-type activities:				
Capital assets being depreciated:				
Improvements	\$ 27,830	\$ -	\$ -	\$ 27,830
Less accumulated depreciation for:				
Improvements	<u>(2,899)</u>	<u>(1,391)</u>	<u>-</u>	<u>(4,290)</u>
Business-type activities capital assets, net	<u>\$ 24,931</u>	<u>\$ (1,391)</u>	<u>\$ -</u>	<u>\$ 23,540</u>

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

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

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

Business-type activities:	
Professional development	<u>\$ 1,391</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, 2020 was as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental activities:				
Net pension liability	\$ 677,227	\$ -	\$470,884	\$206,343
OPEB liabilities	<u>672,683</u>	<u>-</u>	<u>257,945</u>	<u>414,738</u>
Governmental activities, long-term liabilities	<u>\$1,349,910</u>	<u>\$ -</u>	<u>\$728,829</u>	<u>\$621,081</u>
Business-type activities:				
Net pension liability	\$ 51,977	\$ -	\$ 37,286	\$ 14,691
OPEB liabilities	<u>17,105</u>	<u>48,049</u>	<u>-</u>	<u>65,154</u>
Business-type activities, long-term liabilities	<u>\$ 69,082</u>	<u>\$48,049</u>	<u>\$ 37,286</u>	<u>\$ 79,845</u>

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

NOTE 10 - RETIREMENT FUND COMMITMENTS

Teachers' Retirement System of the State of Illinois

Plan Description

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

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2019>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different 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. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the 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, 2020, 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 \$305,427 in pension contributions from the State of Illinois.

2.2 formula contributions – Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020, were \$2,572 and are deferred because they were paid after the June 30, 2019 measurement date.

Federal and special trust fund contributions – When TRS members are paid from federal and special trust funds administered by the 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, employer contributions for employees paid from federal and special trust funds were at the same rate as the State contribution rate to TRS and were much higher.

**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)

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$6,473 were paid from federal and special trust funds that required employer contributions of \$690, which are deferred because they were paid after the June 30, 2019 measurement date.

Employer retirement cost contributions – Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 32 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the Regional Office of Education No. 32 made no payments to TRS for employer contributions due on excess salary increases or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2020, 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	\$ 39,526
State's proportionate share of the net pension liability associated with the employer	<u>2,813,045</u>
Total	<u>\$2,852,571</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019. The 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, 2019, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2019, the Regional Office of Education No. 32's proportion was 0.0000487328 percent, which was a decrease of 0.0000338200 from its proportion measured as of June 30, 2018.

**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)

For the year ended June 30, 2020, the Regional Office of Education No. 32 recognized pension expense of \$305,427 and revenue of \$305,427 for support provided by the State. For the year ended June 30, 2020, the Regional Office of Education No. 32 recognized a pension benefit of \$48,583. At June 30, 2020, the Regional Office of Education No. 32 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pension</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense In Future Periods</i>		
Differences between expected and actual experience	\$ 648	\$ -
Net difference between projected and actual earnings on pension plan investments	63	-
Changes of assumptions	886	759
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>394,313</u>	<u>674,961</u>
Total deferred amounts to be recognized in pension expense in future periods	395,910	675,720
<i>Employer contributions made subsequent to the measurement date</i>	<u>3,262</u>	<u>-</u>
<i>Total deferred amounts related to pensions</i>	<u>\$399,172</u>	<u>\$675,720</u>

\$3,262 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

<u>Year Ending June 30,</u>	<u>Net Deferred (Inflows)/Outflows of Resources</u>
2021	\$ (7,278)
2022	(10,859)
2023	(168,146)
2024	(91,519)
2025	<u>(2,008)</u>
Total	<u>\$(279,810)</u>

Actuarial Assumptions

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	15.0%	6.3%
U.S. equities small/mid cap	2.0%	7.7%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.5%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.0%
International debt developed	2.2%	1.1%
Emerging international debt	2.6%	4.4%
Real estate	16.0%	5.2%
Real return	4.0%	1.8%
Absolute return	14.0%	4.1%
Private equity	<u>15.0%</u>	9.7%
Total	<u>100.0%</u>	

TRS Discount Rate

At June 30, 2019, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

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

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

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

	1% Lower <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Higher <u>(8.00%)</u>
Employer's proportionate share of the net pension liability	\$ <u>48,278</u>	\$ <u>39,526</u>	\$ <u>32,331</u>

TRS Fiduciary Net Position

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

Illinois Municipal Retirement Fund

IMRF Plan Description

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

Benefits Provided

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

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

**IROQUOIS AND KANKAKEE COUNTIES
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NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

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

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

Employees Covered by Benefit Terms

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

Retirees and beneficiaries currently receiving benefits	17
Inactive plan members entitled to but not yet receiving benefits	23
Active plan members	<u>26</u>
Total	<u>66</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 2019 was 11.03%. For the fiscal year 2020, the Regional Office of Education No. 32 contributed \$117,128 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, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019.

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from the period 2014-2016.
- For **Non-Disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	5.75%
International equities	18%	6.50%
Fixed income	28%	3.25%
Real estate	9%	5.20%
Alternatives	7%	
Private Equity		7.60%
Hedge Funds		N/A
Commodities		3.60%
Cash equivalents	<u>1%</u>	1.85%
Total	<u>100%</u>	

Single Discount Rate

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) – (B)
Balances at December 31, 2018	<u>\$4,597,211</u>	<u>\$3,932,353</u>	<u>\$664,858</u>
Changes for the year:			
Service cost	100,790	-	100,790
Interest on the total pension liability	331,915	-	331,915
Changes in benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(11,143)	-	(11,143)
Changes of assumptions	-	-	-
Contributions – employer	-	107,717	(107,717)
Contributions – employees	-	64,415	(64,415)
Net investment income	-	736,513	(736,513)
Benefit payments, including refunds of employee contributions	(154,998)	(154,998)	-
Administrative expense	-	(3,734)	3,734
Other (net transfer)	-	1	(1)
Net changes	<u>266,564</u>	<u>749,914</u>	<u>(483,350)</u>
Balances at December 31, 2019	<u>\$4,863,775</u>	<u>\$4,682,267</u>	<u>\$181,508</u>

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

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability (asset)	<u>\$791,694</u>	<u>\$181,508</u>	<u>\$(330,048)</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2020, the Regional Office of Education No. 32 recognized pension expense of \$93,813. At June 30, 2020, the Regional Office of Education No. 32 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pension</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense In Future Periods</i>		
Differences between expected and actual experience	\$ 5,298	\$ 86,268
Changes of assumptions	68,586	40,394
Net difference between projected and actual earnings on pension plan investments	_____ -	<u>194,496</u>
Total deferred amounts to be recognized in pension expense in future periods	73,884	321,158
<i>Employer contributions made subsequent to the measurement date</i>	<u>63,010</u>	_____ -
<i>Total deferred amounts related to pensions</i>	<u>\$136,894</u>	<u>\$321,158</u>

\$63,010 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2020	\$ (91,841)
2021	(65,851)
2022	1,046
2023	(90,628)
2024	_____ -
Total	<u>\$(247,274)</u>

Aggregate pension information:

	<u>IMRF</u>	<u>TRS</u>	<u>Total</u>
Employer fiduciary net position	\$4,682,267	\$ -	\$4,682,267
Deferred outflows of resources	136,894	399,172	536,066
Employer total pension liability	4,863,775	-	4,863,775
Employer net pension liability	181,508	39,526	221,034
Deferred inflows of resources	321,158	675,720	996,878
Pension expenses (benefit)	93,813	(48,583)	45,230

Social Security

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security Fund

Plan Description

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

Benefits Provided

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

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

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 32. For the year ended June 30, 2020, 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 \$25,411 in OPEB contributions from the State of Illinois.

Employer contributions to the THIS Fund

The Regional Office of Education No. 32 also makes contributions to the THIS Fund. The Regional Office of Education No. 32 THIS Fund contribution was 0.92 percent during the year ended June 30, 2020, 0.92 percent during the year ended June 30, 2019, and 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2020, the Regional Office of Education No. 32 paid \$4,057 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2019, and 2018, the Regional Office of Education No. 32 paid \$3,501 and \$5,214 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further Information on the THIS Fund

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Teachers' Health Insurance Security Fund (Continued)

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

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

Single Discount Rate

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

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 (2.13 percent) or 1 percentage point higher (4.13 percent) than the current discount rate.

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Employer's proportionate share of the collective net OPEB liability	<u>\$515,203</u>	<u>\$428,492</u>	<u>\$360,009</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Teachers' Health Insurance Security Fund (Continued)

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

The following table shows the Regional Office of Education No. 32's collective net OPEB liability as of June 30, 2019, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027 for non-Medicare coverage and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	<u>1% Decrease (a)</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase (b)</u>
Employer's proportionate share of the collective net OPEB liability	<u>\$346,187</u>	<u>\$428,492</u>	<u>\$539,656</u>

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

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

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

At June 30, 2020, the Regional Office of Education No. 32 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 32. The amount recognized by the Regional Office of Education No. 32 as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Regional Office of Education No. 32 were as follows:

Employer's proportionate share of the collective net OPEB liability	\$ 428,492
State's proportionate share of the collective net OPEB liability associated with the employer	<u>580,281</u>
Total	<u>\$1,008,773</u>

The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2018, and was rolled forward to the June 30, 2019 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, 2019, the Regional Office of Education No. 32's proportion was 0.001548 percent, which was a decrease of 0.000947 from its proportion measured as of June 30, 2018 (0.002495 percent). The State's support and total are for disclosure purposes only.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Teachers' Health Insurance Security Fund (Continued)

For the year ending June 30, 2020, the Regional Office of Education No. 32 recognized OPEB expense of \$25,411 and revenue of \$25,411 for support provided by the State. For the year ending June 30, 2020, the Regional Office of Education No. 32 recognized OPEB expense of \$16,580. At June 30, 2020, the Regional Office of Education No. 32 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,110
Changes of assumption	162	49,119
Net difference between projected and actual earnings on OPEB plan investment	-	14
Change in proportion and differences between employer contributions and proportionate share of contributions	150,365	252,408
Employer contributions subsequent to the measurement date	<u>4,057</u>	<u>-</u>
<i>Total deferred amounts related to OPEB</i>	<u>\$154,584</u>	<u>\$308,651</u>

\$4,057 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, 2021. 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:

Year Ending June 30,	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ (16,106)
2022	(16,105)
2023	(16,103)
2024	(16,100)
2025	(22,924)
Thereafter	<u>(70,786)</u>
Total	<u>\$(158,124)</u>

THIS Fiduciary Net Position

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

Health Plan for IMRF employees

Plan Description

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Health Plan for IMRF employees (Continued)

Eligibility Provisions

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

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

Benefits Provided

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

Covered Employees

At June 30, 2020, 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>27</u>
Total plan members	<u>27</u>

Funding Policy

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

Total OPEB Liability

The total OPEB liability for the current fiscal year was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal (Alternative Measurement Method)
Discount Rate	2.66%
Salary Rate Increase	4.00%
Expected Rate of Return on Assets	Not applicable

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Health Plan for IMRF employees (Continued)

Actuarial Assumptions

Health Care Trend

<u>Period</u>	<u>Choice Plus HSA Option 1</u>
FY20-FY21	7.20%
FY21-FY22	7.01%
FY22-FY23	6.81%
FY23-FY24	6.62%
FY24-FY25	6.43%
FY25-FY26	6.24%
FY26-FY27	6.04%
FY27-FY28	5.85%
FY28-FY29	5.66%
FY29-FY30	5.46%
FY30-FY31	5.27%
FY31-FY32	5.08%
FY32-FY33	4.89%
FY33-FY34	4.69%
FY34-FY35	4.50%
Subsequent	4.50%

The FY20-FY21 trend rate is based on the 2020 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates fall within a generally accepted range.

Retiree Contribution Trend

Same as Health Care Trend

Mortality

PubG.H-2010 Mortality Table-General

Average Retirement Age

IMRF Tier 1: Age 60

IMRF Tier 2: Age 65

Termination/Turnover Rates

Table T-5 from the Pension Actuary's Handbook

		<u>Retiree</u>	<u>Spouse</u>
Starting Per Capita Costs	Choice Plus, HSA Option 1	\$10,204	\$11,224
Retiree Contributions	Choice Plus, HSA Option 1	\$ 6,373	\$ 7,011
S&P Municipal Bond 20 year High Grade Index	2.66%		

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at June 30, 2019	\$ <u>32,390</u>
Changes for the year:	
Service cost	4,405
Interest	904
Differences between expected and actual experience	1,660
Changes of assumptions	10,322
Other	1,719
Benefit payments	-
Net changes	<u>19,010</u>
Balances at June 30, 2020	\$ <u>51,400</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Health Plan for IMRF employees (Continued)

Discount Rate

The Regional Office of Education No. 32 does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB No. 75, the discount rate should be a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The discount rate was changed from 2.79% used in the fiscal year 2019 valuation to 2.66%, which is the S&P Municipal Bond 20 year high-grade rate index as of June 30, 2020.

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

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.66%) or 1 percentage point higher (3.66%) than the current discount rate.

	1% Lower (1.66%)	Discount Rate (2.66%)	1% Higher (3.66%)
Total OPEB liability	<u>\$ 54,182</u>	<u>\$ 51,400</u>	<u>\$ 48,753</u>

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

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.2% decreasing to 3.5%) or 1 percentage point higher (8.2% decreasing to 5.5%) than the current healthcare cost trend rates.

	1% Lower	Healthcare Cost Trend Rates	1% Higher
Total OPEB liability	<u>\$ 47,613</u>	<u>\$ 51,400</u>	<u>\$ 55,610</u>

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

For the year ended June 30, 2020, the Regional Office of Education No. 32 recognized OPEB expense of \$20,187. At June 30, 2020, the Regional Office of Education No. 32 reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

Aggregate OPEB Information:

	THIS	IMRF	Total
Deferred outflows of resources	\$154,584	\$ -	\$154,584
Employer total OPEB liability	428,492	51,400	479,892
Deferred inflows of resources	308,651	-	308,651
OPEB expenses	16,580	20,187	36,767

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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2020, interfund receivables and payables were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$237,989	\$ -
Education Fund	-	237,614
Internal Service Funds	-	375
Totals	<u>\$237,989</u>	<u>\$237,989</u>

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

NOTE 14 - DUE TO/DUE FROM OTHER GOVERNMENTS

The Regional Office of Education No. 32's General Fund, Education Fund, Enterprise Funds, and Agency Fund had funds due from/to various other governmental units which consisted of the following at June 30, 2020:

Due from other governments:	
<i>General Fund:</i>	
Local governments	\$ <u>147,426</u>
<i>Education Fund:</i>	
Administrative Office of the Illinois courts	1,272
Illinois Department of Human Services	175,547
Illinois Criminal Justice Information Authority	3,825
Illinois State Board of Education	48,592
Regional Office of Education No. 11	3,305
US Department of Health and Human Services	8,812
US Department of Housing and Urban Development	<u>4,298</u>
	<u>245,651</u>
<i>Professional Development Fund:</i>	
Local governments	<u>1,327</u>
Total – Statement of Net Position	<u>\$394,404</u>
<i>Agency Fund:</i>	
Illinois State Board of Education	<u>\$136,814</u>
Due to other governments:	
<i>General Fund:</i>	
Local governments	\$ <u>15</u>
Total – Statement of Net Position	<u>\$ <u>15</u></u>
<i>Agency Fund:</i>	
Local governments	<u>\$137,981</u>

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

NOTES TO FINANCIAL STATEMENTS

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	\$119,832
Regional Superintendent-benefits (includes State paid insurance)	33,238
Assistant Regional Superintendent-salary	107,844
Assistant Regional Superintendent-benefits (includes State paid insurance)	<u>31,605</u>
	<u>\$292,519</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.

The Regional Office of Education No. 32 recorded \$305,427 (based on figures for the fiscal year ended June 30, 2019) 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 \$25,411 (based on figures for the fiscal year ended June 30, 2019) 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	\$292,519
On-behalf payments for the Regional Office of Education No. 32's share of TRS pension expense	305,427
On-behalf payments for the Regional Office of Education No. 32's share of THIS OPEB expense	<u>25,411</u>
Total	<u>\$623,357</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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 16 - OPERATING LEASE/PREPAID RENT (Continued)

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, 2020, was as follows:

	Balance			Balance	Expense Within
	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>	<u>One Year</u>
Safe Schools Local	<u>\$422,939</u>	<u>\$ -</u>	<u>\$ 23,772</u>	<u>\$399,167</u>	<u>\$ 23,772</u>

NOTE 17 - DEFICIT FUND BALANCES/NET POSITION

The following individual funds had negative fund balances/net position as of June 30, 2020:

Deficit Fund Balance:		
Substance Use Prevention Services		\$48,958
Drug Free Communities		101
HUD Supportive Housing Program		200
Family Violence Coordinating Council		1,731
McKinney Education for Homeless Children		13,288
Partnerships for Success		17,669
Deficit Net Position:		
West Wing Operations		\$ 375

The deficit fund balances for these funds will generally be eliminated during the fiscal year ending June 30, 2021 when unavailable revenue is recognized as revenue. The deficit net position resulted from recording net pension liability and related deferred inflows and outflows during the prior fiscal year. This will be eliminated through a transfer during the fiscal year ending June 30, 2021.

NOTE 18 – INTERFUND TRANSFERS

During the year ended June 30, 2020, the Regional Office of Education No. 32 transferred \$67,864 from the ROE Workshops Fund to the Professional Development Fund to assist in financing expenses related to professional development activities and to close the ROE Workshop Fund.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

For the years ended June 30, 2020, 2019, 2018, 2017, 2016 and 2015

(Amounts presented are for the calendar years ended December 31, 2019, 2018, 2017, 2016, 2015 and 2014)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability						
Service Cost	\$ 100,790	\$ 96,113	\$ 99,470	\$ 102,934	\$ 106,905	\$ 123,024
Interest on the total pension liability	331,915	315,770	317,434	300,490	274,668	232,703
Change in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	(11,143)	(24,241)	(166,755)	(39,915)	85,063	171,506
Changes of assumptions	-	131,710	(117,815)	-	-	136,503
Benefit payments, including refunds of employee contributions	<u>(154,998)</u>	<u>(152,638)</u>	<u>(159,472)</u>	<u>(118,654)</u>	<u>(122,059)</u>	<u>(71,842)</u>
Net change in total pension liability	266,564	366,714	(27,138)	244,855	344,577	591,894
Total pension liability – beginning	<u>4,597,211</u>	<u>4,230,497</u>	<u>4,257,635</u>	<u>4,012,780</u>	<u>3,668,203</u>	<u>3,076,309</u>
Total pension liability – ending (A)	<u>4,863,775</u>	<u>4,597,211</u>	<u>4,230,497</u>	<u>4,257,635</u>	<u>4,012,780</u>	<u>3,668,203</u>
Plan Fiduciary Net Position						
Contributions – employer	107,717	156,486	161,567	148,572	120,097	124,380
Contributions – employees	64,415	59,582	52,375	48,736	46,251	46,257
Net investment income	736,513	(145,692)	520,236	220,125	(64,599)	168,323
Benefit payments, including refunds of employee contributions	(154,998)	(152,638)	(159,472)	(118,654)	(122,059)	(71,842)
Administrative expense	(3,734)	(2,756)	-	-	-	-
Other (net transfer)	<u>1</u>	<u>(107)</u>	<u>(2,875)</u>	<u>(3,371)</u>	<u>9,089</u>	<u>(2,222)</u>
Net change in plan fiduciary net position	749,914	(85,125)	571,831	295,408	(11,221)	264,896
Plan fiduciary net position – beginning	<u>3,932,353</u>	<u>4,017,478</u>	<u>3,445,647</u>	<u>3,150,239</u>	<u>3,161,460</u>	<u>2,896,564</u>
Plan fiduciary net position – ending (B)	<u>4,682,267</u>	<u>3,932,353</u>	<u>4,017,478</u>	<u>3,445,647</u>	<u>3,150,239</u>	<u>3,161,460</u>
Net pension liability – ending (A)-(B)	<u>\$ 181,508</u>	<u>\$ 664,858</u>	<u>\$ 213,019</u>	<u>\$ 811,988</u>	<u>\$ 862,541</u>	<u>\$ 506,743</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.27%	85.54%	94.96%	80.93%	78.51%	86.19%
Covered Payroll	\$ 976,580	\$ 973,782	\$ 950,401	\$ 947,518	\$ 959,244	\$1,027,931
Net Pension Liability as a Percentage of Covered Payroll	18.59%	68.28%	22.41%	85.70%	89.92%	49.30%

Notes to Schedule:

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

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

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
For the years ended June 30, 2020, 2019, 2018, 2017, 2016 and 2015**

Fiscal Year Ended <u>June 30.</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>
2020	\$117,128	\$117,128	\$ -	\$ 992,715	11.80%
2019	131,335	131,335	-	969,671	13.54%
2018	159,782	159,782	-	966,700	16.52%
2017	153,718	153,718	-	940,188	16.35%
2016	134,556	134,556	-	952,481	14.13%
2015	122,005	122,005	-	991,257	12.31%

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 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 2019 Contribution Rates:

Actuarial Cost Method	Aggregate entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	24-year closed period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% 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 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation; note two-year lag between valuation and rate setting.

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.

**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, 2020, 2019, 2018, 2017, 2016 and 2015
(Amounts presented are for the years ended June 30, 2019, 2018, 2017, 2016, 2015 and 2014)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	0.0000487328%	0.0000825528%	0.0015034837%	0.0001526829%	0.0001262456%	0.0001371620%
Employer's proportionate share of the net pension liability	\$39,526	\$ 64,346	\$1,148,633	\$ 120,522	\$ 82,704	\$ 83,474
State's proportionate share of the net liability associated with the employer	<u>2,813,045</u>	<u>4,407,946</u>	<u>3,951,303</u>	<u>3,016,085</u>	<u>3,262,638</u>	<u>3,133,782</u>
Total	<u>\$2,852,571</u>	<u>\$4,472,292</u>	<u>\$5,099,936</u>	<u>\$3,136,607</u>	<u>\$3,345,342</u>	<u>\$3,217,256</u>
Employer's covered payroll	\$ 380,535	\$ 592,486	\$ 533,666	\$ 379,964	\$ 503,880	\$ 507,980
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.39%	10.86%	215.23%	31.72%	16.41%	16.43%
Plan fiduciary net position as a percentage of the total pension liability	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

Notes to Schedule:

Changes of Assumptions

For the 2019, 2018, 2017 and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

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

**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, 2020, 2019, 2018, 2017, 2016, 2015 and 2014

Fiscal Year Ended <u>June 30,</u>	Statutorily Required <u>Contribution</u>	Contributions In Relation to the Statutorily- Required <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Employer's Covered <u>Payroll</u>	Contributions as a Percentage <u>of Covered Payroll</u>
2020	\$ 3,262	\$ 3,262	\$ -	\$440,934	0.74%
2019	4,336	4,336	-	380,535	1.14%
2018	25,593	25,593	-	592,486	4.32%
2017	61,993	61,993	-	533,666	11.62%
2016	5,913	5,913	-	379,964	1.56%
2015	4,424	4,424	-	503,880	0.88%
2014	4,894	4,894	-	507,980	0.96%

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

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

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

**For the years ended June 30, 2020, 2019, 2018 and 2017
(Amounts presented are for the years ended June 30, 2019, 2018, 2017 and 2016)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's proportion of the collective net OPEB liability	0.001548%	0.002495%	0.002319%	0.001631%
Employer's proportionate share of the collective net OPEB liability	\$ 428,492	\$ 657,398	\$ 601,873	\$ 445,947
State's proportionate share of the collective net OPEB liability associated with the employer	<u>580,281</u>	<u>882,677</u>	<u>790,415</u>	<u>618,396</u>
Total	<u>\$1,008,773</u>	<u>\$1,540,075</u>	<u>\$1,392,288</u>	<u>\$1,064,343</u>
Employer's covered payroll	\$ 380,535	\$ 592,486	\$ 533,666	\$ 379,964
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	112.60%	110.96%	112.78%	117.37%
Plan fiduciary net position as a percentage of the total OPEB liability	0.25%	(0.07%)	(0.17%)	(0.22%)

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

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

For the years ended June 30, 2020, 2019, 2018, 2017 and 2016

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily-required contribution	\$ 4,057	\$ 3,501	\$ 5,214	\$ 4,483	\$ 3,040
Contributions in relation to the statutorily-required contribution	<u>4,057</u>	<u>3,501</u>	<u>5,214</u>	<u>4,483</u>	<u>3,040</u>
Contribution deficiency (excess)	\$ <u>-</u>				
Employer's covered payroll	\$440,934	\$380,535	\$592,486	\$533,666	\$379,964
Contributions as a percentage of covered payroll	0.92%	0.92%	0.88%	0.84%	0.80%

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

Notes to Schedules:

Changes of Benefit Term

For the 2019 measurement year, there were no changes of benefit terms from the prior period.

Changes of Assumptions

	<u>Measurement year</u>	
	<u>2019</u>	<u>2018</u>
Inflation	2.50 percent	2.75 percent
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.	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.
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

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

**HEALTH INSURANCE-IMRF
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
(UNAUDITED)**

For the years ended June 30, 2020, 2019 and 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 4,405	\$ 1,648	\$ 1,481
Interest	904	899	946
Change in benefit terms	-	-	-
Differences between expected and actual experience	1,660	-	-
Changes of assumptions	10,322	373	911
Other	1,719	-	-
Benefit payments	<u>-</u>	<u>(1,379)</u>	<u>(1,280)</u>
Net change in total OPEB liability	19,010	1,541	2,058
Total OPEB liability – beginning	<u>32,390</u>	<u>30,849</u>	<u>28,791</u>
Total OPEB liability – ending	<u>\$ 51,400</u>	<u>\$ 32,390</u>	<u>\$ 30,849</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%
Covered Payroll	\$1,060,339	\$1,004,667	\$1,004,667
Employer’s Total OPEB Liability as a Percentage of Covered Payroll	4.85%	3.22%	3.07%

Notes to Schedule:

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

Changes of Benefit Term

For the 2020 measurement year, there have been no changes in benefit terms from the prior period.

Changes in Assumptions

For the purpose of developing changes in OPEB liability for GASB 75 reporting, the discount rate changed from 2.79% to 2.66% from the 2019 measurement year to the 2020 measurement year and the mortality assumption was changed from the RP-2014 Combined Annuitant Mortality Table for males and females to the PubG.H-2010 Mortality Table-General. In addition, health care trend rates were reset based on recent experience and starting per capita costs were updated using the most recent premiums.

SUPPLEMENTARY INFORMATION

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

**COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2020**

	General Operations	Evidence- Based Funding	Eliminations	Total
Assets:				
Cash and cash equivalents	\$ 59,592	\$3,257,366	\$ -	\$ 3,316,958
Due from other funds	-	322,566	(84,577)	237,989
Due from other governments	147,426	-	-	147,426
Prepaid expenses	9,126	-	-	9,126
Total assets	\$ 216,144	\$3,579,932	\$ (84,577)	\$ 3,711,499
Liabilities:				
Accounts payable	\$ 759	\$ 386	\$ -	\$ 1,145
Due to other funds	84,577	-	(84,577)	-
Due to other governments	-	15	-	15
Total liabilities	85,336	401	(84,577)	1,160
Fund balances:				
Nonspendable	9,126	-	-	9,126
Unassigned	121,682	3,579,531	-	3,701,213
Total fund balances	130,808	3,579,531	-	3,710,339
Total liabilities and fund balances (deficits)	\$ 216,144	\$3,579,932	\$ (84,577)	\$ 3,711,499

**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, 2020**

	General Operations	Evidence- Based Funding	Total
Revenues:			
Local sources	\$ 400,674	\$ -	\$ 400,674
State sources	-	961,412	961,412
On-behalf payments	292,519	-	292,519
Interest	284	11,160	11,444
Total revenues	<u>693,477</u>	<u>972,572</u>	<u>1,666,049</u>
Expenditures:			
Salaries	240,291	354,134	594,425
Employee benefits	31,975	35,421	67,396
Pension expense	26,729	6,457	33,186
OPEB expense	-	3,531	3,531
Purchased services	63,944	132,263	196,207
Supplies and materials	15,178	14,107	29,285
Other	1,209	-	1,209
On-behalf payments	292,519	-	292,519
Total expenditures	<u>671,845</u>	<u>545,913</u>	<u>1,217,758</u>
Net change in fund balances	21,632	426,659	448,291
Fund balances - beginning of year	<u>109,176</u>	<u>3,152,872</u>	<u>3,262,048</u>
Fund balances - end of year	<u>\$ 130,808</u>	<u>\$ 3,579,531</u>	<u>\$ 3,710,339</u>

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

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2020**

	AdvancED	Child Nutrition	CPDC Project	Substance Use Prevention Services
Assets:				
Cash and cash equivalents	\$ -	\$ 20,209	\$ -	\$ -
Due from other governments	-	244	1,272	92,684
Total assets	\$ -	\$ 20,453	\$ 1,272	\$ 92,684
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	1,271	92,684
Total liabilities	-	-	1,271	92,684
Deferred inflows of resources:				
Unavailable revenue	-	244	-	48,958
Fund balances (deficits):				
Restricted	-	20,209	1	-
Unassigned	-	-	-	(48,958)
Total fund balances (deficits)	-	20,209	1	(48,958)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ -	\$ 20,453	\$ 1,272	\$ 92,684

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

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2020**

	Drug Free Communities	HUD Supportive Housing Program	Family Violence Coordinating Council	Justice Self-Represented Litigant Coordinator
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	8,812	4,298	3,825	-
Total assets	<u>\$ 8,812</u>	<u>\$ 4,298</u>	<u>\$ 3,825</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ -	\$ 419	\$ -	\$ -
Due to other funds	8,913	4,079	3,825	-
Total liabilities	<u>8,913</u>	<u>4,498</u>	<u>3,825</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	1,731	-
Fund balances (deficits):				
Restricted	-	-	-	-
Unassigned	(101)	(200)	(1,731)	-
Total fund balances (deficits)	<u>(101)</u>	<u>(200)</u>	<u>(1,731)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 8,812</u>	<u>\$ 4,298</u>	<u>\$ 3,825</u>	<u>\$ -</u>

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

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2020**

	McKinney Education for Homeless Children	Partnerships for Success	Regional Safe Schools	Regional Safe Schools Cooperative Education Program	ROE/ISC Operations
Assets:					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 820
Due from other governments	16,594	42,554	7,093	3,394	-
Total assets	\$ 16,594	\$ 42,554	\$ 7,093	\$ 3,394	\$ 820
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 819
Due to other funds	16,594	42,582	7,093	3,392	-
Total liabilities	16,594	42,582	7,093	3,392	819
Deferred inflows of resources:					
Unavailable revenue	13,288	17,641	-	-	-
Fund balances (deficits):					
Restricted	-	-	-	2	1
Unassigned	(13,288)	(17,669)	-	-	-
Total fund balances (deficits)	(13,288)	(17,669)	-	2	1
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 16,594	\$ 42,554	\$ 7,093	\$ 3,394	\$ 820

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

**COMBINING SCHEDULE OF ACCOUNTS (Concluded)
EDUCATION FUND
June 30, 2020**

	Teen Reach	Title II Teacher Quality Leadership - Evaluation Training	Truants' Alternative Program	Total
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 21,029
Due from other governments	40,309	1,925	22,647	245,651
Total assets	\$ 40,309	\$ 1,925	\$ 22,647	\$ 266,680
Liabilities:				
Accounts payable	\$ 7,700	\$ -	\$ -	\$ 8,938
Due to other funds	32,609	1,925	22,647	237,614
Total liabilities	40,309	1,925	22,647	246,552
Deferred inflows of resources:				
Unavailable revenue	-	-	-	81,862
Fund balances (deficits):				
Restricted	-	-	-	20,213
Unassigned	-	-	-	(81,947)
Total fund balances (deficits)	-	-	-	(61,734)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 40,309	\$ 1,925	\$ 22,647	\$ 266,680

**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, 2020**

	AdvancED	Child Nutrition	CPDC Project	Substance Use Prevention Services
Revenues:				
State sources	\$ -	\$ 474	\$ -	\$ 42,140
Federal sources	6,500	29,501	3,546	156,477
Interest	-	124	-	-
Total revenues	<u>6,500</u>	<u>30,099</u>	<u>3,546</u>	<u>198,617</u>
Expenditures:				
Instructional services:				
Salaries	-	11,624	-	178,988
Employee benefits	-	2,025	-	23,961
Pension expense	-	1,226	-	18,267
Purchased services	6,500	34,922	2,144	14,088
Supplies and materials	-	10	1,401	12,271
Other	-	-	-	-
Intergovernmental:				
Payments to other governmental units	-	-	-	-
Total expenditures	<u>6,500</u>	<u>49,807</u>	<u>3,545</u>	<u>247,575</u>
Net change in fund balances	-	(19,708)	1	(48,958)
Fund balances (deficits) - beginning of year	<u>-</u>	<u>39,917</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) - end of year	<u>\$ -</u>	<u>\$ 20,209</u>	<u>\$ 1</u>	<u>\$ (48,958)</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, 2020**

	Drug Free Communities	HUD Supportive Housing Program	Family Violence Coordinating Council	Justice Self-Represented Litigant Coordinator
Revenues:				
State sources	\$ -	\$ -	\$ 41,085	\$ 2,854
Federal sources	80,110	51,667	-	-
Interest	-	-	-	1
Total revenues	80,110	51,667	41,085	2,855
Expenditures:				
Instructional services:				
Salaries	46,820	36,426	17,915	-
Employee benefits	6,905	2,523	1,370	-
Pension expense	4,712	3,887	159	-
Purchased services	15,192	5,805	11,267	509
Supplies and materials	6,382	3,224	1,839	2,346
Other	200	-	-	-
Intergovernmental:				
Payments to other governmental units	-	-	-	-
Total expenditures	80,211	51,865	32,550	2,855
Net change in fund balances	(101)	(198)	8,535	-
Fund balances (deficits) - beginning of year	-	(2)	(10,266)	-
Fund balances (deficits) - end of year	\$ (101)	\$ (200)	\$ (1,731)	\$ -

**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, 2020**

	McKinney Education for Homeless Children	Partnerships for Success	Regional Safe Schools	Regional Safe Schools Cooperative Education Program	ROE/ISC Operations
Revenues:					
State sources	\$ -	\$ -	\$ 92,745	\$ 44,016	\$ 127,619
Federal sources	33,334	122,641	-	-	-
Interest	-	-	-	-	-
Total revenues	33,334	122,641	92,745	44,016	127,619
Expenditures:					
Instructional services:					
Salaries	22,964	78,475	78,489	31,586	102,997
Employee benefits	3,828	5,997	4,352	5,512	12,816
Pension expense	2,557	8,731	455	181	8,403
Purchased services	3,356	32,621	627	2,053	2,583
Supplies and materials	629	14,286	1,195	1,263	819
Other	-	200	-	-	-
Intergovernmental:					
Payments to other governmental units	-	-	-	-	-
Total expenditures	33,334	140,310	85,118	40,595	127,618
Net change in fund balances	-	(17,669)	7,627	3,421	1
Fund balances (deficits) - beginning of year	(13,288)	-	(7,627)	(3,419)	-
Fund balances (deficits) - end of year	\$ (13,288)	\$ (17,669)	\$ -	\$ 2	\$ 1

**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, 2020**

	Teen Reach	Title II Teacher Quality Leadership - Evaluation Training	Truants' Alternative Program	Total
Revenues:				
State sources	\$ -	\$ -	\$ 236,879	\$ 587,812
Federal sources	120,269	1,925	-	605,970
Interest	3	-	-	128
Total revenues	<u>120,272</u>	<u>1,925</u>	<u>236,879</u>	<u>1,193,910</u>
Expenditures:				
Instructional services:				
Salaries	10,644	-	158,751	775,679
Employee benefits	909	-	22,114	92,312
Pension expense	278	-	12,525	61,381
Purchased services	1,451	1,925	8,535	143,578
Supplies and materials	146	-	9,795	55,606
Other	360	-	-	760
Intergovernmental:				
Payments to other governmental units	106,485	-	-	106,485
Total expenditures	<u>120,273</u>	<u>1,925</u>	<u>211,720</u>	<u>1,235,801</u>
Net change in fund balances	(1)	-	25,159	(41,891)
Fund balances (deficits) - beginning of year	<u>1</u>	<u>-</u>	<u>(25,159)</u>	<u>(19,843)</u>
Fund balances (deficits) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,734)</u>

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
ADVANCED-PROJECT FY 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 6,500	\$ 6,500	\$ 6,500
Total revenues	6,500	6,500	6,500
Expenditures:			
Purchased services	6,500	6,500	6,500
Total expenditures	6,500	6,500	6,500
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of grant year			-
Fund balance, end of year			\$ -

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
CPDC PROJECT FY 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 6,436	\$ 6,436	\$ 1,564
Total revenues	<u>6,436</u>	<u>6,436</u>	<u>1,564</u>
Expenditures:			
Purchased services	5,207	5,207	336
Supplies and materials	<u>1,229</u>	<u>1,229</u>	<u>1,228</u>
Total expenditures	<u>6,436</u>	<u>6,436</u>	<u>1,564</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
CPDC PROJECT FY 2019
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 6,750	\$ 6,750	\$ 1,982
Total revenues	<u>6,750</u>	<u>6,750</u>	<u>1,982</u>
Expenditures:			
Purchased services	6,445	6,445	1,808
Supplies and materials	<u>305</u>	<u>305</u>	<u>173</u>
Total expenditures	<u>6,750</u>	<u>6,750</u>	<u>1,981</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	1
Fund balance, beginning of year			<u>-</u>
Fund balance, end of grant year			<u><u>\$ 1</u></u>

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
SUBSTANCE USE PREVENTION SERVICES PROJECT FY 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 39,238	\$ 44,797	\$ 42,140
Federal sources	183,762	183,778	143,536
Total revenues	<u>223,000</u>	<u>228,575</u>	<u>185,676</u>
Expenditures:			
Salaries	166,492	166,479	166,479
Employee benefits	46,441	42,171	23,004
Pension expense	-	-	17,889
Purchased services	7,356	10,095	11,319
Supplies and materials	2,711	9,830	9,884
Total expenditures	<u>223,000</u>	<u>228,575</u>	<u>228,575</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(42,899)
Fund balance, beginning of grant year			<u>-</u>
Fund balance (deficit), end of year			<u>\$ (42,899)</u>

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

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
STATE OPIOID RESPONSE PROJECT FY 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 19,000	\$ 19,000	\$ 12,941
Total revenues	<u>19,000</u>	<u>19,000</u>	<u>12,941</u>
Expenditures:			
Salaries	11,709	11,709	12,509
Employee benefits	1,401	1,401	957
Pension expense	-	-	378
Purchased services	3,565	3,565	2,769
Supplies and materials	<u>2,325</u>	<u>2,325</u>	<u>2,387</u>
Total expenditures	<u>19,000</u>	<u>19,000</u>	<u>19,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(6,059)
Fund balance, beginning of grant year			<u>-</u>
Fund balance (deficit), end of year			<u>\$ (6,059)</u>

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

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
DRUG FREE COMMUNITIES PROJECT FY 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 125,000	\$ 125,000	\$ 51,668
Total revenues	125,000	125,000	51,668
Expenditures:			
Salaries	59,421	59,421	35,433
Employee benefits	13,875	13,875	5,026
Pension expense	-	-	3,639
Purchased services	38,973	38,973	5,806
Supplies and materials	9,931	9,931	1,666
Other	300	300	200
Intergovernmental:			
Payments to other governmental units	2,500	2,500	-
Total expenditures	125,000	125,000	51,770
Net change in fund balance	\$ -	\$ -	(102)
Fund balance beginning of grant year			1
Fund balance (deficit), end of year			\$ (101)

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
DRUG FREE COMMUNITIES PROJECT FY 2019
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 125,000	\$ 125,000	\$ 28,442
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>28,442</u>
Expenditures:			
Salaries	56,148	56,148	11,387
Employee benefits	14,488	14,488	1,879
Pension expense	-	-	1,073
Purchased services	38,176	38,176	9,386
Supplies and materials	9,741	9,741	4,716
Other	<u>6,447</u>	<u>6,447</u>	<u>-</u>
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>28,441</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1
Fund balance, beginning of year			<u>-</u>
Fund balance, end of grant year			<u>\$ 1</u>

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
FAMILY VIOLENCE COORDINATING COUNCIL PROJECT FY 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 31,605	\$ 32,550	\$ 30,819
Total revenues	31,605	32,550	30,819
Expenditures:			
Salaries	17,913	17,913	17,915
Employee benefits	1,529	1,529	1,370
Pension expense	-	-	159
Purchased services	10,624	11,569	11,267
Supplies and materials	1,539	1,539	1,839
Total expenditures	31,605	32,550	32,550
Net change in fund balance	\$ -	\$ -	(1,731)
Fund balance, beginning of grant year			-
Fund balance (deficit), end of year			\$ (1,731)

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
FAMILY VIOLENCE COORDINATING COUNCIL PROJECT FY 2019
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 32,550	\$ 32,550	\$ 10,266
Total revenues	<u>32,550</u>	<u>32,550</u>	<u>10,266</u>
Expenditures:			
Salaries	17,564	17,564	-
Employee benefits	1,859	1,523	-
Purchased services	11,892	12,228	-
Supplies and materials	<u>1,235</u>	<u>1,235</u>	<u>-</u>
Total expenditures	<u>32,550</u>	<u>32,550</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	10,266
Fund balance (deficit), beginning of year			<u>(10,266)</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
MCKINNEY EDUCATION FOR HOMELESS CHILDREN PROJECT FY 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 31,000	\$ 31,000	\$ 28,872
Total revenues	<u>31,000</u>	<u>31,000</u>	<u>28,872</u>
Expenditures:			
Salaries	19,619	21,086	19,599
Employee benefits	5,719	6,133	3,264
Pension expense	-	-	2,211
Purchased services	4,339	3,174	3,168
Supplies and materials	<u>1,323</u>	<u>607</u>	<u>629</u>
Total expenditures	<u>31,000</u>	<u>31,000</u>	<u>28,871</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1
Fund balance (deficit), beginning of grant year			<u>(13,289)</u>
Fund balance (deficit), end of year			<u>\$ (13,288)</u>

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
MCKINNEY EDUCATION FOR HOMELESS CHILDREN PROJECT FY 2019
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 41,491	\$ 50,505	\$ 4,462
Total revenues	<u>41,491</u>	<u>50,505</u>	<u>4,462</u>
Expenditures:			
Salaries	18,524	23,283	3,365
Employee benefits	5,607	6,081	564
Pension expense	-	-	346
Purchased services	11,188	16,061	188
Supplies and materials	6,172	5,080	-
Total expenditures	<u>41,491</u>	<u>50,505</u>	<u>4,463</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1)
Fund balance (deficit), beginning of year			<u>(13,288)</u>
Fund balance (deficit), end of grant year			<u>\$ (13,289)</u>

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
PARTNERSHIPS FOR SUCCESS PROJECT FY 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 31,000	\$ 141,000	\$ 122,641
Total revenues	<u>31,000</u>	<u>141,000</u>	<u>122,641</u>
Expenditures:			
Salaries	15,139	78,466	78,475
Employee benefits	2,828	14,522	5,997
Pension expense	-	-	8,731
Purchased services	9,884	33,538	32,621
Supplies and materials	2,249	14,274	14,286
Other	<u>900</u>	<u>200</u>	<u>200</u>
Total expenditures	<u>31,000</u>	<u>141,000</u>	<u>140,310</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(17,669)
Fund balance, beginning of grant year			<u>-</u>
Fund balance (deficit), end of year			<u>\$ (17,669)</u>

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS PROJECT FY 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 85,118	\$ 85,118	\$ 85,118
Total revenues	85,118	85,118	85,118
Expenditures:			
Salaries	78,525	78,525	78,489
Employee benefits	5,821	5,821	4,352
Pension expense	-	-	455
Purchased services	626	626	627
Supplies and materials	146	146	1,195
Total expenditures	85,118	85,118	85,118
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of grant year			-
Fund balance, end of year			\$ -

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS PROJECT FY 2019
For the Year Ended June 30, 2020**

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

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS COOPERATIVE EDUCATION PROGRAM PROJECT FY 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 40,597	\$ 40,597	\$ 40,597
Total revenues	40,597	40,597	40,597
Expenditures:			
Salaries	31,812	31,812	31,586
Employee benefits	6,728	5,688	5,512
Pension expense	-	-	181
Purchased services	2,057	2,057	2,053
Supplies and materials	-	1,040	1,263
Total expenditures	40,597	40,597	40,595
Net change in fund balance	\$ -	\$ -	2
Fund balance, beginning of grant year			-
Fund balance, end of year			\$ 2

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS COOPERATIVE EDUCATION PROGRAM PROJECT FY 2019
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 39,843	\$ 39,843	\$ 3,419
Total revenues	39,843	39,843	3,419
Expenditures:			
Salaries	31,200	31,200	-
Employee benefits	4,479	5,695	-
Purchased services	4,164	2,846	-
Supplies and materials	-	102	-
Total expenditures	39,843	39,843	-
Net change in fund balance	\$ -	\$ -	3,419
Fund balance (deficit), beginning of year			(3,419)
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 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 127,619	\$ 127,619	\$ 127,619
Total revenues	127,619	127,619	127,619
Expenditures:			
Salaries	102,995	102,995	102,997
Employee benefits	21,525	21,525	12,816
Pension expense	-	-	8,403
Purchased services	2,599	2,599	2,583
Supplies and materials	500	500	819
Total expenditures	127,619	127,619	127,618
Net change in fund balance	\$ -	\$ -	1
Fund balance, beginning of grant year			-
Fund balance, end of year			\$ 1

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TEEN REACH PROJECT FY 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 116,640	\$ 120,269	120,269
Interest	-	-	3
Total revenues	<u>116,640</u>	<u>120,269</u>	<u>120,272</u>
Expenditures:			
Salaries	9,649	10,644	10,644
Employee benefits	1,017	1,091	909
Pension expense	-	-	278
Purchased services	4,660	4,550	1,451
Supplies and materials	105	105	146
Other	510	510	360
Intergovernmental:			
Payments to other governmental units	<u>100,698</u>	<u>103,369</u>	<u>106,485</u>
Total expenditures	<u>116,639</u>	<u>120,269</u>	<u>120,273</u>
Net change in fund balance	<u>\$ 1</u>	<u>\$ -</u>	(1)
Fund balance, beginning of grant year			<u>1</u>
Fund balance, end of year			<u>\$ -</u>

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TITLE II - TEACHER QUALITY LEADERSHIP PROJECT FY 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 1,977	\$ 1,977	\$ 1,925
Total revenues	1,977	1,977	1,925
Expenditures:			
Purchased services	1,977	1,977	1,925
Total expenditures	1,977	1,977	1,925
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of grant 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 2020
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 211,720	\$ 211,720	\$ 211,720
Total revenues	<u>211,720</u>	<u>211,720</u>	<u>211,720</u>
Expenditures:			
Salaries	162,121	158,640	158,751
Employee benefits	36,882	35,594	22,114
Pension expense	-	-	12,525
Purchased services	11,875	8,690	8,535
Supplies and materials	842	8,796	9,795
Total expenditures	<u>211,720</u>	<u>211,720</u>	<u>211,720</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of grant year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION PROJECT FY 2019
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 211,720	\$ 211,720	\$ 25,159
Total revenues	211,720	211,720	25,159
Expenditures:			
Salaries	160,088	158,738	-
Employee benefits	38,522	38,418	-
Purchased services	11,717	13,146	-
Supplies and materials	1,393	1,418	-
Total expenditures	211,720	211,720	-
Net change in fund balance	\$ -	\$ -	25,159
Fund balance (deficit), beginning of year			(25,159)
Fund balance, end of grant year			\$ -

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

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2020**

	Bus Driver Training	General Education Development	Institute	Tallman's Boys' Fund	Project Care Healthy Decision	Total
Assets:						
Cash and cash equivalents	\$ 39,613	\$ 15,906	\$ 178,284	\$ 41,599	\$ 3,529	\$ 278,931
Total assets	\$ 39,613	\$ 15,906	\$ 178,284	\$ 41,599	\$ 3,529	\$ 278,931
Liabilities:						
Current liabilities:						
Accounts payable	\$ -	\$ -	\$ 13	\$ -	\$ -	\$ 13
Total liabilities	-	-	13	-	-	13
Fund Balances:						
Restricted	39,613	15,906	178,271	41,599	3,529	278,918
Total fund balance	39,613	15,906	178,271	41,599	3,529	278,918
Total liabilities and fund balances	\$ 39,613	\$ 15,906	\$ 178,284	\$ 41,599	\$ 3,529	\$ 278,931

**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, 2020**

	Bus Driver Training	General Education Development	Institute	Tallman's Boys' Fund	Project Care Healthy Decision	Total
Revenues:						
Local sources	\$ 9,198	\$ 1,999	\$ 39,755	\$ 14,500	\$ -	\$ 65,452
State sources	1,522	-	-	-	-	1,522
Interest	124	87	2,925	125	12	3,273
Total revenues	<u>10,844</u>	<u>2,086</u>	<u>42,680</u>	<u>14,625</u>	<u>12</u>	<u>70,247</u>
Expenditures:						
Salaries	1,400	13,406	55,682	5,143	-	75,631
Employee benefits	107	1,026	6,596	394	-	8,123
Pension expense	-	1,582	2,853	-	-	4,435
Purchased services	1,225	177	3,820	1,819	-	7,041
Supplies and materials	-	78	705	4,787	-	5,570
Other	-	-	3,918	-	-	3,918
Total expenditures	<u>2,732</u>	<u>16,269</u>	<u>73,574</u>	<u>12,143</u>	<u>-</u>	<u>104,718</u>
Net change in fund balances	8,112	(14,183)	(30,894)	2,482	12	(34,471)
Fund balance - beginning of year	<u>31,501</u>	<u>30,089</u>	<u>209,165</u>	<u>39,117</u>	<u>3,517</u>	<u>313,389</u>
Fund balance - end of year	<u>\$ 39,613</u>	<u>\$ 15,906</u>	<u>\$ 178,271</u>	<u>\$ 41,599</u>	<u>\$ 3,529</u>	<u>\$ 278,918</u>

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

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

June 30, 2020

	Criminal Background Investigation	Family Violence Coordinating Councils Local
Assets:		
Current assets:		
Cash and cash equivalents	\$ 24,634	\$ 583
Total assets	24,634	583
Deferred outflows of resources:		
Deferred outflows related to pensions	-	-
Total deferred outflows	-	-
Liabilities:		
Current liabilities:		
Accounts payable	-	28
Unearned revenue	-	-
Total current liabilities	-	28
Noncurrent liabilities:		
Net pension liability	-	-
Total noncurrent liabilities	-	-
Total liabilities	-	28
Deferred inflows of resources:		
Deferred inflows related to pensions	-	-
Total deferred inflows	-	-
Net position:		
Unrestricted	24,634	555
Total net position	\$ 24,634	\$ 555

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

**COMBINING STATEMENT OF NET POSITION (Continued)
NONMAJOR ENTERPRISE FUNDS
June 30, 2020**

	Life Education Local	ROE Workshops
Assets:		
Current assets:		
Cash and cash equivalents	\$ 176,480	\$ -
Total assets	176,480	-
Deferred outflows of resources:		
Deferred outflows related to pensions	84	-
Total deferred outflows	84	-
Liabilities:		
Current liabilities:		
Accounts payable	34	-
Unearned revenue	24,184	-
Total current liabilities	24,218	-
Noncurrent liabilities:		
Net pension liability	112	-
Total noncurrent liabilities	112	-
Total liabilities	24,330	-
Deferred inflows of resources:		
Deferred inflows related to pensions	197	-
Total deferred inflows	197	-
Net position:		
Unrestricted	152,037	-
Total net position	\$ 152,037	\$ -

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

**COMBINING STATEMENT OF NET POSITION (Continued)
NONMAJOR ENTERPRISE FUNDS
June 30, 2020**

	Services Provided HUD	SSOS Foundational Services
Assets:		
Current assets:		
Cash and cash equivalents	\$ 6,612	\$ 9,491
Total assets	6,612	9,491
Deferred outflows of resources:		
Deferred outflows related to pensions	-	-
Total deferred outflows	-	-
Liabilities:		
Current liabilities:		
Accounts payable	-	-
Unearned revenue	-	-
Total current liabilities	-	-
Noncurrent liabilities:		
Net pension liability	-	-
Total noncurrent liabilities	-	-
Total liabilities	-	-
Deferred inflows of resources:		
Deferred inflows related to pensions	-	-
Total deferred inflows	-	-
Net position:		
Unrestricted	6,612	9,491
Total net position	\$ 6,612	\$ 9,491

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

**COMBINING STATEMENT OF NET POSITION (Concluded)
NONMAJOR ENTERPRISE FUNDS
June 30, 2020**

	Title I Workshops	Total
Assets:		
Current assets:		
Cash and cash equivalents	\$ 10,525	\$ 228,325
Total assets	10,525	228,325
Deferred outflows of resources:		
Deferred outflows related to pensions	-	84
Total deferred outflows	-	84
Liabilities:		
Current liabilities:		
Accounts payable	-	62
Unearned revenue	-	24,184
Total current liabilities	-	24,246
Noncurrent liabilities:		
Net pension liability	-	112
Total noncurrent liabilities	-	112
Total liabilities	-	24,358
Deferred inflows of resources:		
Deferred inflows related to pensions	-	197
Total deferred inflows	-	197
Net position:		
Unrestricted	10,525	203,854
Total net position	\$ 10,525	\$ 203,854

**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, 2020**

	Criminal Background Investigation	Family Violence Coordinating Councils Local
Operating revenues:		
Charges for services	\$ 10,420	\$ 929
Total operating revenues	10,420	929
Operating expenses:		
Employee benefits	-	-
Pension expense (benefit)	-	-
Purchased services	10,039	511
Supplies and materials	-	-
Total operating expenses	10,039	511
Operating income (loss)	381	418
Nonoperating revenues:		
Interest	77	2
Total nonoperating revenues	77	2
Income (loss) before transfers	458	420
Transfers out	-	-
Change in net position	458	420
Net position - beginning of year	24,176	135
Net position - end of year	\$ 24,634	\$ 555

**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, 2020**

	Life Education Local	ROE Workshops
	<u> </u>	<u> </u>
Operating revenues:		
Charges for services	\$ 31,160	\$ -
Total operating revenues	<u>31,160</u>	<u>-</u>
Operating expenses:		
Employee benefits	49	-
Pension expense (benefit)	(98)	-
Purchased services	16,201	-
Supplies and materials	5,812	-
Total operating expenses	<u>21,964</u>	<u>-</u>
Operating income (loss)	<u>9,196</u>	<u>-</u>
Nonoperating revenues:		
Interest	569	-
Total nonoperating revenues	<u>569</u>	<u>-</u>
Income (loss) before transfers	9,765	-
Transfers out	<u>-</u>	<u>(67,864)</u>
Change in net position	9,765	(67,864)
Net position - beginning of year	<u>142,272</u>	<u>67,864</u>
Net position - end of year	<u>\$ 152,037</u>	<u>\$ -</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (Continued)
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2020**

	<u>Services Provided HUD</u>	<u>SSOS Foundational Services</u>
Operating revenues:		
Charges for services	\$ 2,425	\$ -
Total operating revenues	<u>2,425</u>	<u>-</u>
Operating expenses:		
Employee benefits	-	-
Pension expense (benefit)	-	-
Purchased services	3,363	-
Supplies and materials	266	-
Total operating expenses	<u>3,629</u>	<u>-</u>
Operating income (loss)	<u>(1,204)</u>	<u>-</u>
Nonoperating revenues:		
Interest	24	32
Total nonoperating revenues	<u>24</u>	<u>32</u>
Income (loss) before transfers	(1,180)	32
Transfers out	<u>-</u>	<u>-</u>
Change in net position	(1,180)	32
Net position - beginning of year	<u>7,792</u>	<u>9,459</u>
Net position - end of year	<u>\$ 6,612</u>	<u>\$ 9,491</u>

**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, 2020**

	Title I Workshops	Total
Operating revenues:		
Charges for services	\$ -	\$ 44,934
Total operating revenues	-	44,934
Operating expenses:		
Employee benefits	-	49
Pension expense (benefit)	-	(98)
Purchased services	-	30,114
Supplies and materials	-	6,078
Total operating expenses	-	36,143
Operating income (loss)	-	8,791
Nonoperating revenues:		
Interest	36	740
Total nonoperating revenues	36	740
Income (loss) before transfers	36	9,531
Transfers out	-	(67,864)
Change in net position	36	(58,333)
Net position - beginning of year	10,489	262,187
Net position - end of year	\$ 10,525	\$ 203,854

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

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2020**

	<u>Criminal Background Investigation</u>	<u>Family Violence Coordinating Councils Local</u>
Cash flows from operating activities:		
Receipts from customers	\$ 10,320	\$ 929
Payments to suppliers and providers of goods and services	(10,309)	(487)
Payments to employees	-	-
Net cash provided by (used for) operating activities	<u>11</u>	<u>442</u>
Cash flows from noncapital financing activities:		
Transfers from (to) other funds	-	-
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>
Cash flows from investing activities:		
Interest	77	2
Net cash provided by investing activities	<u>77</u>	<u>2</u>
Net increase (decrease) in cash	88	444
Cash and cash equivalents - beginning of year	<u>24,546</u>	<u>139</u>
Cash and cash equivalents - end of year	<u>\$ 24,634</u>	<u>\$ 583</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 381	\$ 418
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Pension expense (benefit) reconciliation	-	-
Change in assets and liabilities:		
(Increase) decrease in due from other funds	-	-
Increase (decrease) in accounts payable	(270)	24
Increase (decrease) in unearned revenue	(100)	-
Net cash provided by (used for) operating activities	<u>\$ 11</u>	<u>\$ 442</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, 2020**

	Life Education <u>Local</u>	ROE <u>Workshops</u>
Cash flows from operating activities:		
Receipts from customers	\$ 35,551	\$ -
Payments to suppliers and providers of goods and services	(21,980)	-
Payments to employees	(121)	-
Net cash provided by (used for) operating activities	<u>13,450</u>	<u>-</u>
Cash flows from noncapital financing activities:		
Transfers from (to) other funds	<u>-</u>	<u>(67,864)</u>
Net cash used for noncapital financing activities	<u>-</u>	<u>(67,864)</u>
Cash flows from investing activities:		
Interest	<u>569</u>	<u>-</u>
Net cash provided by investing activities	<u>569</u>	<u>-</u>
Net increase (decrease) in cash	14,019	(67,864)
Cash and cash equivalents - beginning of year	<u>162,461</u>	<u>67,864</u>
Cash and cash equivalents - end of year	<u>\$ 176,480</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 9,196	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Pension expense (benefit) reconciliation	(170)	-
Change in assets and liabilities:		
(Increase) decrease in due from other funds	-	-
Increase (decrease) in accounts payable	33	-
Increase (decrease) in unearned revenue	4,391	-
Net cash provided by (used for) operating activities	<u>\$ 13,450</u>	<u>\$ -</u>

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

**COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2020**

	Services Provided HUD	SSOS Foundational Services
Cash flows from operating activities:		
Receipts from customers	\$ 2,589	\$ -
Payments to suppliers and providers of goods and services	(3,629)	-
Payments to employees	-	-
Net cash provided by (used for) operating activities	(1,040)	-
Cash flows from noncapital financing activities:		
Transfers from (to) other funds	-	-
Net cash used for noncapital financing activities	-	-
Cash flows from investing activities:		
Interest	24	32
Net cash provided by investing activities	24	32
Net increase (decrease) in cash	(1,016)	32
Cash and cash equivalents - beginning of year	7,628	9,459
Cash and cash equivalents - end of year	\$ 6,612	\$ 9,491
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (1,204)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Pension expense (benefit) reconciliation	-	-
Change in assets and liabilities:		
(Increase) decrease in due from other funds	164	-
Increase (decrease) in accounts payable	-	-
Increase (decrease) in unearned revenue	-	-
Net cash provided by (used for) operating activities	\$ (1,040)	\$ -

**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, 2020**

	Title I Workshops	Total
Cash flows from operating activities:		
Receipts from customers	\$ -	\$ 49,389
Payments to suppliers and providers of goods and services	-	(36,405)
Payments to employees	-	(121)
Net cash provided by (used for) operating activities	-	12,863
Cash flows from noncapital financing activities:		
Transfers from (to) other funds	-	(67,864)
Net cash used for noncapital financing activities	-	(67,864)
Cash flows from investing activities:		
Interest	36	740
Net cash provided by investing activities	36	740
Net increase (decrease) in cash	36	(54,261)
Cash and cash equivalents - beginning of year	10,489	282,586
Cash and cash equivalents - end of year	\$ 10,525	\$ 228,325
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ -	\$ 8,791
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Pension expense (benefit) reconciliation	-	(170)
Change in assets and liabilities:		
(Increase) decrease in due from other funds	-	164
Increase (decrease) in accounts payable	-	(213)
Increase (decrease) in unearned revenue	-	4,291
Net cash provided by (used for) operating activities	\$ -	\$ 12,863

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

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2020**

	<u>Copier Fees</u>	<u>Services Provided</u>	<u>West Wing Operations</u>	<u>Shared Expense A</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 23,552	\$ 75	\$ -	\$ -
Total current assets	<u>23,552</u>	<u>75</u>	<u>-</u>	<u>-</u>
Noncurrent assets:				
Capital assets, net of depreciation	<u>10,492</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>34,044</u>	<u>75</u>	<u>-</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Due to other funds	<u>-</u>	<u>-</u>	<u>375</u>	<u>-</u>
Total current liabilities	<u>-</u>	<u>-</u>	<u>375</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>375</u>	<u>-</u>
Net position:				
Net investment in capital assets	10,492	-	-	-
Unrestricted	<u>23,552</u>	<u>75</u>	<u>(375)</u>	<u>-</u>
Total net position	<u>\$ 34,044</u>	<u>\$ 75</u>	<u>\$ (375)</u>	<u>\$ -</u>

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

**COMBINING STATEMENT OF NET POSITION (Concluded)
INTERNAL SERVICE FUNDS
June 30, 2020**

	Shared Expense B	Shared Expense C	Shared Expense D	Total
Assets:				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 23,627
Total current assets	-	-	-	23,627
Noncurrent assets:				
Capital assets, net of depreciation	-	-	-	10,492
Total assets	-	-	-	34,119
Liabilities:				
Current liabilities:				
Due to other funds	-	-	-	375
Total current liabilities	-	-	-	375
Total liabilities	-	-	-	375
Net position:				
Net investment in capital assets	-	-	-	10,492
Unrestricted	-	-	-	23,252
Total net position	\$ -	\$ -	\$ -	\$ 33,744

**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, 2020**

	<u>Copier Fees</u>	<u>Services Provided</u>	<u>West Wing Operations</u>	<u>Shared Expense A</u>
Operating revenues:				
Charges for services	\$ 13,215	\$ -	\$ -	\$ 82,423
Total revenues	<u>13,215</u>	<u>-</u>	<u>-</u>	<u>82,423</u>
Operating expenses:				
Salaries	-	-	-	34,294
Employee benefits	-	-	-	2,624
Pension expense	-	-	(6,954)	(1,578)
Purchased services	7,041	-	0	7,953
Supplies and materials	0	-	0	33,791
Depreciation expense	8,541	-	-	-
Total operating expenses	<u>15,582</u>	<u>-</u>	<u>(6,954)</u>	<u>77,084</u>
Operating income (loss)	<u>(2,367)</u>	<u>-</u>	<u>6,954</u>	<u>5,339</u>
Nonoperating revenues:				
Interest	66	-	-	-
Change in net position	<u>(2,301)</u>	<u>-</u>	<u>6,954</u>	<u>5,339</u>
Net position - beginning of year	<u>36,345</u>	<u>75</u>	<u>(7,329)</u>	<u>(5,339)</u>
Net position - end of year	<u>\$ 34,044</u>	<u>\$ 75</u>	<u>\$ (375)</u>	<u>\$ -</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (Concluded)
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020**

	Shared Expense B	Shared Expense C	Shared Expense D	Total
Operating revenues:				
Charges for services	\$ 10,672	\$ 57,681	\$ 8,509	\$ 172,500
Total revenues	<u>10,672</u>	<u>57,681</u>	<u>8,509</u>	<u>172,500</u>
Operating expenses:				
Salaries	-	37,903	-	72,197
Employee benefits	-	4,630	-	7,254
Pension expense	-	(2,032)	-	(10,564)
Purchased services	6,924	9,424	4,017	35,359
Supplies and materials	3,748	1,689	4,492	43,720
Depreciation expense	-	-	-	8,541
Total operating expenses	<u>10,672</u>	<u>51,614</u>	<u>8,509</u>	<u>156,507</u>
Operating income (loss)	<u>-</u>	<u>6,067</u>	<u>-</u>	<u>15,993</u>
Nonoperating revenues:				
Interest	-	-	-	66
Change in net position	-	6,067	-	16,059
Net position - beginning of year	<u>-</u>	<u>(6,067)</u>	<u>-</u>	<u>17,685</u>
Net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,744</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, 2020**

	<u>Copier Fees</u>	<u>Services Provided</u>	<u>West Wing Operations</u>	<u>Shared Expense A</u>
Cash flows from operating activities:				
Receipts from internal services provided	\$ 13,215	\$ -	\$ -	\$ 82,423
Payments to suppliers and providers of goods and services	(7,914)	-	-	(41,744)
Payments to employees	-	-	-	(40,679)
Net cash provided by (used for) operating activities	<u>5,301</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Interest	66	-	-	-
Net cash provided by investing activities	<u>66</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	5,367	-	-	-
Cash and cash equivalents - beginning of year	<u>18,185</u>	<u>75</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents - end of year	<u>\$ 23,552</u>	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (2,367)	\$ -	\$ 6,954	\$ 5,339
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	8,541	-	-	-
Pension expense (benefit) reconciliation	-	-	(6,954)	(5,339)
Change in assets and liabilities:				
Increase (decrease) in accounts payable	<u>(873)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ 5,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

COMBINING STATEMENT OF CASH FLOWS (Concluded)

**INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020**

	Shared Expense B	Shared Expense C	Shared Expense D	Total
Cash flows from operating activities:				
Receipts from internal services provided	\$ 10,672	\$ 57,681	\$ 8,509	\$ 172,500
Payments to suppliers and providers of goods and services	(10,672)	(11,113)	(8,509)	(79,952)
Payments to employees	-	(46,568)	-	(87,247)
Net cash provided by (used for) operating activities	-	-	-	5,301
Cash flows from investing activities:				
Interest	-	-	-	66
Net cash provided by investing activities	-	-	-	66
Net increase (decrease) in cash	-	-	-	5,367
Cash and cash equivalents - beginning of year	-	-	-	18,260
Cash and cash equivalents - end of year	\$ -	\$ -	\$ -	\$ 23,627
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ -	\$ 6,067	\$ -	\$ 15,993
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	-	-	-	8,541
Pension expense (benefit) reconciliation	-	(6,067)	-	(18,360)
Change in assets and liabilities:				
Increase (decrease) in accounts payable	-	-	-	(873)
Net cash provided by (used for) operating activities	\$ -	\$ -	\$ -	\$ 5,301

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

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL AGENCY FUNDS
June 30, 2020**

	<u>Distributive</u>	<u>Impact Fees</u>	<u>Tenant Rental</u>	<u>Totals</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 1,166	\$ -	\$ 1	\$ 1,167
Due from other governments	<u>136,814</u>	<u>-</u>	<u>-</u>	<u>136,814</u>
Total assets	<u><u>\$ 137,980</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 137,981</u></u>
<i>Liabilities</i>				
Due to other governments	<u>\$ 137,980</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 137,981</u>
Total liabilities	<u><u>\$ 137,980</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 137,981</u></u>

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

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2020**

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>Distributive Fund</u>				
Assets				
Cash and cash equivalents	\$ 859	\$ 2,750,246	\$ 2,749,939	\$ 1,166
Due from other governments	144,161	136,814	144,161	136,814
Total assets	\$ 145,020	\$ 2,887,060	\$ 2,894,100	\$ 137,980
Liabilities				
Due to other governments	\$ 145,020	\$ 2,887,060	\$ 2,894,100	\$ 137,980
<u>Impact Fees</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 31,850	\$ 31,850	\$ -
Liabilities				
Due to other governments	\$ -	\$ 31,850	\$ 31,850	\$ -
<u>Tenant Rentals</u>				
Assets				
Cash and cash equivalents	\$ 1	\$ 48,000	\$ 48,000	\$ 1
Liabilities				
Due to other governments	\$ 1	\$ 48,000	\$ 48,000	\$ 1
<u>Total</u>				
Assets				
Cash and cash equivalents	\$ 860	\$ 2,830,096	\$ 2,829,789	\$ 1,167
Due from other governments	144,161	136,814	144,161	136,814
Total assets	\$ 145,021	\$ 2,966,910	\$ 2,973,950	\$ 137,981
Liabilities				
Due to other governments	\$ 145,021	\$ 2,966,910	\$ 2,973,950	\$ 137,981
Total liabilities	\$ 145,021	\$ 2,966,910	\$ 2,973,950	\$ 137,981

**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, 2020**

	528 I-KAN ROE No. 32	Iroquois Area Del #370	Kankakee Regional System #120	Kankakee Area Career Center	Total
State Funds					
Evidence Based Funding	\$ 961,410	\$ -	\$ -	\$ -	\$ 961,410
Career and Technical Ed Improvement	-	141,381	861,126	-	1,002,507
State Free Lunch & Breakfast	528	-	-	-	528
Transportation - Regular and Vocational	-	-	-	26,023	26,023
ROE School Bus Driver Training	1,522	-	-	-	1,522
Truants Alternative/Optional Ed.	214,232	-	-	-	214,232
Regional Safe Schools	85,652	-	-	-	85,652
ROE/ISC Operations	127,619	-	-	-	127,619
Regional Safe Schools Cooperative Ed. Program	40,623	-	-	-	40,623
Total State Funds	<u>1,431,586</u>	<u>141,381</u>	<u>861,126</u>	<u>26,023</u>	<u>2,460,116</u>
Federal Funds					
National School Lunch Program	18,221	-	-	-	18,221
School Breakfast Program	11,281	-	-	-	11,281
CTE - Perkins - Secondary	-	31,944	227,100	-	259,044
Title II - Teacher Quality - Leadership Grant	1,277	-	-	-	1,277
Total Federal Funds	<u>30,779</u>	<u>31,944</u>	<u>227,100</u>	<u>-</u>	<u>289,823</u>
Total Disbursements	<u>\$ 1,462,365</u>	<u>\$ 173,325</u>	<u>\$ 1,088,226</u>	<u>\$ 26,023</u>	<u>\$ 2,749,939</u>