

**State of Illinois
North Cook
Intermediate
Service Center #1**

FINANCIAL

AUDIT

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

FOR THE YEAR ENDED

JUNE 30, 2021

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June 30, 2021**

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North Cook Intermediate Service Center #1
Officials
June 30, 2021

Executive Director
(Current and during the audit period)

Dr. Kevin Jauch

Assistant Executive Director
(Current and during the audit period)

Dr. April Jordan

Office Manager
(Current and during the audit period)

Ms. Gina Shalzi

Business Manager
(Current and during the audit period)

Ms. Terrie Simmons

Office is located at:

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

NORTH COOK INTERMEDIATE SERVICE CENTER #1

FINANCIAL REPORT SUMMARY

For the Year Ended June 30, 2021

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

AUDITOR'S REPORT

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	0	0
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	0	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>
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FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

None

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

None

EXIT CONFERENCE

The North Cook Intermediate Service Center #1 did not request an exit conference to discuss the audit for the year ended June 30, 2021.

NORTH COOK INTERMEDIATE SERVICE CENTER #1

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2021

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

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



INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
North Cook Intermediate Service Center #1

Report on the 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 North Cook Intermediate Service Center #1, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the North Cook Intermediate Service Center #1's basic financial statements as listed in the table of contents.

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.

Auditor's 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 auditor's 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 North Cook Intermediate Service Center #1, as of June 30, 2021, and the respective changes in its 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

Management has omitted 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.

In addition, accounting principles generally accepted in the United States of America require that the schedule of changes in the net pension liability (asset) and related ratios – Illinois Municipal Retirement Fund, the schedule of employer contributions – Illinois Municipal Retirement Fund, the schedule of the employer's proportionate share of the net pension liability – Teacher's Retirement System of the State of Illinois, the schedule of employer contributions- Teachers' Retirement System of the State of Illinois, the schedule of the employer's proportionate share of the collective net OPEB liability – Teachers' Health Insurance Security Fund, the schedule of employer contributions – Teacher's Health Insurance Security Fund, and the schedule of changes in the total OPEB liability and related ratios on pages 64-68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries

of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Cook Intermediate Service Center #1's basic financial statements. The combining schedules of accounts, the budgetary comparison schedule, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, the budgetary comparison schedule, and the combining fund financial statements 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, the budgetary comparison schedule, and the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2022, on our consideration of the North Cook Intermediate Service Center #1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Cook Intermediate Service Center #1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North Cook Intermediate Service Center #1's internal control over financial reporting and compliance.

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Hillside, Illinois
February 15, 2022



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
North Cook Intermediate Service Center #1

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Cook Intermediate Service Center #1, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the North Cook Intermediate Service Center #1’s basic financial statements, and we have issued our report thereon dated February 15, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Cook Intermediate Service Center #1’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North Cook Intermediate Service Center #1’s internal control. Accordingly, we do not express an opinion on the effectiveness of the North Cook Intermediate Service Center #1’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Cook Intermediate Service Center #1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Cook Intermediate Service Center #1's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North Cook Intermediate Service Center #1's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

[Firm signature on file]

Hillside, Illinois
February 15, 2022

NORTH COOK INTERMEDIATE SERVICE CENTER #1

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements in Accordance with GAAP

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

NORTH COOK INTERMEDIATE SERVICE CENTER #1

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2021

Section II - Financial Statement Findings

No findings were noted for the year ended June 30, 2021.

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

For the Year Ended June 30, 2021

Corrective Action Plan

No findings were noted for the year ended June 30, 2021.

NORTH COOK INTERMEDIATE SERVICE CENTER #1
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2021

No prior year audit findings were reported.

BASIC FINANCIAL STATEMENTS

North Cook Intermediate Service Center #1
Statement of Net Position
June 30, 2021
Exhibit A

	Primary Government		Total
	Government Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 582,019	\$ 333,585	\$ 915,604
Investments	3,212,005	500,000	3,712,005
Due from other governments	40,427	45,455	85,882
Accrued interest receivable	15,114	-	15,114
Prepaid expenses	1,464	-	1,464
Security deposits	30,866	-	30,866
Total current assets	<u>3,881,895</u>	<u>879,040</u>	<u>4,760,935</u>
Noncurrent assets:			
Capital assets, net of depreciation	158,189	323	158,512
Net pension asset	80,278	-	80,278
Total noncurrent assets	<u>238,467</u>	<u>323</u>	<u>238,790</u>
TOTAL ASSETS	<u>4,120,362</u>	<u>879,363</u>	<u>4,999,725</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	73,104	-	73,104
Deferred outflows related to OPEB	24,730	-	24,730
Total deferred outflows of resources	<u>97,834</u>	<u>-</u>	<u>97,834</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	69,469	6,315	75,784
Due to other governments	17,350	-	17,350
Unearned revenue	-	15,550	15,550
Total current liabilities	<u>86,819</u>	<u>21,865</u>	<u>108,684</u>
Noncurrent liabilities:			
Accrued compensated absences	17,926	-	17,926
Net pension liability	77,722	-	77,722
OPEB liability	809,260	-	809,260
Total noncurrent liabilities	<u>904,908</u>	<u>-</u>	<u>904,908</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	262,345	-	262,345
Deferred inflows related to OPEB	165,978	-	165,978
Total deferred inflows of resources	<u>428,323</u>	<u>-</u>	<u>428,323</u>
NET POSITION			
Net investment in capital assets	158,189	323	158,512
Restricted for educational purposes	2,289,231	-	2,289,231
Unrestricted	350,726	857,175	1,207,901
TOTAL NET POSITION	<u>\$ 2,798,146</u>	<u>\$ 857,498</u>	<u>\$ 3,655,644</u>

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

North Cook Intermediate Service Center #1
Statement of Activities
For the Year Ended June 30, 2021
Exhibit B

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Primary government						
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 1,514,789	\$ 241,758	\$ 807,475	\$ (465,556)	\$ -	\$ (465,556)
Pension expense	12,268	9,162	-	(3,106)	-	(3,106)
OPEB expense	128,864	-	-	(128,864)	-	(128,864)
Purchased services	554,815	108,995	187,788	(258,032)	-	(258,032)
Supplies and materials	15,501	5,412	924	(9,165)	-	(9,165)
Other objects	17,775	4,168	-	(13,607)	-	(13,607)
Depreciation	38,378	-	-	(38,378)	-	(38,378)
Administrative:						
On-behalf payments - State	944,121	-	944,121	-	-	-
Total governmental activities	3,226,511	369,495	1,940,308	(916,708)	-	(916,708)
Business-type activities:						
Instructional	243,543	435,148	-	-	191,605	191,605
Total business-type activities	243,543	435,148	-	-	191,605	191,605
Total primary government	\$ 3,470,054	\$ 804,643	\$ 1,940,308	(916,708)	191,605	(725,103)
General revenues:						
Local sources				369,540	-	369,540
State sources				407,020	-	407,020
Interest				39,303	687	39,990
Total general revenues				815,863	687	816,550
Change in net position				(100,845)	192,292	91,447
Net position, beginning of year				2,898,991	665,206	3,564,197
Net position, end of year				\$ 2,798,146	\$ 857,498	\$ 3,655,644

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

North Cook Intermediate Service Center #1
Governmental Funds
Balance Sheet
June 30, 2021
Exhibit C

	General Fund	Education Fund	Institute	Bus Driver	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 446,012	\$ 17,401	\$ -	\$ 118,606	\$ -	\$ 582,019
Investments	959,116	-	1,752,889	500,000	-	3,212,005
Due from other funds	155,526	-	-	-	(155,526)	-
Due from other governments	18,961	7,601	13,865	-	-	40,427
Accrued interest receivable	3,906	-	11,208	-	-	15,114
Prepaid expenses	326	-	1,138	-	-	1,464
Security deposits	30,866	-	-	-	-	30,866
TOTAL ASSETS	1,614,713	25,002	1,779,100	618,606	(155,526)	3,881,895
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable and accrued expenses	28,590	51	40,044	784	-	69,469
Due to other funds	-	7,601	147,925	-	(155,526)	-
Due to other governments	-	17,350	-	-	-	17,350
Total liabilities	28,590	25,002	187,969	784	(155,526)	86,819
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	5,192	-	-	-	5,192
Total deferred inflows of resources	-	5,192	-	-	-	5,192
FUND BALANCES (DEFICIT)						
Nonspendable	31,192	-	1,138	-	-	32,330
Restricted	-	-	1,589,993	617,822	-	2,207,815
Unassigned	1,554,931	(5,192)	-	-	-	1,549,739
Total fund balances (deficit)	1,586,123	(5,192)	1,591,131	617,822	-	3,789,884
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)	\$ 1,614,713	\$ 25,002	\$ 1,779,100	\$ 618,606	\$ (155,526)	\$ 3,881,895

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

North Cook Intermediate Service Center #1
Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021
Exhibit D

Total fund balances - governmental funds \$ 3,789,884

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

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the governmental funds. 158,189

Receivables not collected within 60 days of year end are not available
soon enough to pay for the current period's expenditures and,
therefore, are considered unavailable and are deferred inflows
of resources in the governmental funds. 5,192

Non-current assets related to pension benefits are collected but are not
payable in the current period and, therefore, are not reported in the
governmental funds.
Net pension asset 80,278

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 related to pensions	\$ 73,104	
Deferred inflows of resources related to pensions	(262,345)	
Deferred outflows of resources related to OPEB	24,730	
Deferred inflows of resources related to OPEB	<u>(165,978)</u>	(330,489)

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

Compensated absences	(17,926)	
TRS net pension liability	(77,722)	
OPEB liability	<u>(809,260)</u>	<u>(904,908)</u>

Net position of governmental activities \$ 2,798,146

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

North Cook Intermediate Service Center #1
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021
Exhibit E

	General Fund	Education Fund	Institute	Bus Driver	Total Governmental Funds
REVENUES					
Local sources	\$ 369,540	\$ -	\$ 369,495	\$ 84,360	\$ 823,395
State sources	407,020	836,178	-	55,488	1,298,686
Federal sources	-	14,969	-	-	14,969
On-behalf payments - State	268,685	-	-	-	268,685
Interest	12,914	-	25,702	687	39,303
Total revenues	<u>1,058,159</u>	<u>851,147</u>	<u>395,197</u>	<u>140,535</u>	<u>2,445,038</u>
EXPENDITURES					
Instructional services:					
Salaries and benefits	495,961	692,701	277,054	54,165	1,519,881
Pension expense	14,884	-	31,634	5,184	51,702
OPEB expense	5,938	-	673	-	6,611
Purchased services	246,027	162,837	125,651	20,300	554,815
Supplies and materials	7,453	801	7,057	190	15,501
Other objects	436	-	11,758	5,581	17,775
Administrative:					
On-behalf payments - State	268,685	-	-	-	268,685
Capital outlay	-	-	4,290	-	4,290
Total expenditures	<u>1,039,384</u>	<u>856,339</u>	<u>458,117</u>	<u>85,420</u>	<u>2,439,260</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,775	(5,192)	(62,920)	55,115	5,778
OTHER FINANCING SOURCE (USE)					
Transfers in	193,546	-	-	29	193,575
Transfers out	-	-	(193,575)	-	(193,575)
Total other financing source (use)	<u>193,546</u>	<u>-</u>	<u>(193,575)</u>	<u>29</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	212,321	(5,192)	(256,495)	55,144	5,778
FUND BALANCES, BEGINNING OF YEAR	<u>1,373,802</u>	<u>-</u>	<u>1,847,626</u>	<u>562,678</u>	<u>3,784,106</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,586,123</u>	<u>\$ (5,192)</u>	<u>\$ 1,591,131</u>	<u>\$ 617,822</u>	<u>\$ 3,789,884</u>

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

North Cook Intermediate Service Center #1
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2021
Exhibit F

Net change in fund balance	\$	5,778
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$ 4,290	
Depreciation	<u>(38,378)</u>	(34,088)
<p>Some receivables will not be collected for several months after fiscal year end, so they are not considered as "available" revenues in the governmental funds, and they are instead counted as deferred inflows of resources. They are however, recorded as revenues in the Statement of Activities.</p>		
Current year unavailable revenue		5,192
<p>Governmental funds report pension/OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned, net of employer contributions is reported as pension/OPEB expense (benefit).</p>		
Pension:		
Employer contributions	51,702	
Cost of benefits, earned	<u>(12,268)</u>	39,434
OPEB:		
Employer contributions	6,611	
Cost of benefits, earned	<u>(128,864)</u>	(122,253)
<p>Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		<u>5,092</u>
Change in net position of governmental activities	\$	<u><u>(100,845)</u></u>

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

North Cook Intermediate Service Center #1
Proprietary Funds
Statement of Net Position
June 30, 2021
Exhibit G

	Business-Type Activities - Enterprise Fund		Total
	Workshops	Nonmajor Proprietary Funds	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 148,991	\$ 184,594	\$ 333,585
Investments	500,000	-	500,000
Due from other governments	41,975	3,480	45,455
Total current assets	690,966	188,074	879,040
Noncurrent assets:			
Capital assets, net	-	323	323
TOTAL ASSETS	690,966	188,397	879,363
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	5,770	545	6,315
Unearned revenue	15,550	-	15,550
TOTAL LIABILITIES	21,320	545	21,865
NET POSITION			
Net investment in capital assets	-	323	323
Unrestricted	669,646	187,529	857,175
TOTAL NET POSITION	\$ 669,646	\$ 187,852	\$ 857,498

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

**North Cook Intermediate Service Center #1
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2021
Exhibit H**

	Business-Type Activities - Enterprise Fund		Total
	Workshops	Nonmajor Proprietary Funds	
OPERATING REVENUES			
Charges for services	\$ 357,417	\$ 77,731	\$ 435,148
OPERATING EXPENSES			
Purchased services	188,172	52,788	240,960
Supplies and materials	1,168	1,272	2,440
Depreciation	-	66	66
Other	-	77	77
Total operating expenses	189,340	54,203	243,543
OPERATING INCOME	168,077	23,528	191,605
OTHER FINANCING SOURCE			
Interest	687	-	687
CHANGE IN NET POSITION	168,764	23,528	192,292
NET POSITION, BEGINNING OF YEAR	500,882	164,324	665,206
NET POSITION, END OF YEAR	\$ 669,646	\$ 187,852	\$ 857,498

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

North Cook Intermediate Service Center #1
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2021
Exhibit I

	Business-Type Activities - Enterprise Fund		
	Workshops	Nonmajor Proprietary Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts for workshops and services	\$ 337,155	\$ 77,603	\$ 414,758
Payments to suppliers and providers of goods and services	(194,762)	(53,599)	(248,361)
Net cash provided by operating activities	<u>142,393</u>	<u>24,004</u>	<u>166,397</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earned	687	-	687
Acquisition of investments	(500,000)	-	(500,000)
Net cash used in investing activities	<u>(499,313)</u>	<u>-</u>	<u>(499,313)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(356,920)	24,004	(332,916)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>505,911</u>	<u>160,590</u>	<u>666,501</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 148,991</u>	<u>\$ 184,594</u>	<u>\$ 333,585</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 168,077	\$ 23,528	\$ 191,605
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	66	66
Effects of changes in assets and liabilities:			
Due from other governments	(12,977)	(128)	(13,105)
Accounts payable and accrued expenses	(5,422)	538	(4,884)
Unearned revenue	(7,285)	-	(7,285)
Net cash provided by operating activities	<u>\$ 142,393</u>	<u>\$ 24,004</u>	<u>\$ 166,397</u>

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. FINANCIAL REPORTING ENTITY

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

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

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

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

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

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. SCOPE OF THE REPORTING ENTITY

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

The North Cook Intermediate Service Center #1 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the North Cook Intermediate Service Center #1 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

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

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

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

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

D. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both “measurable and available.” “Measurable” means that the amount of the transaction can be determined and “available” means

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. All revenues are considered “available” if they are collected within 60 days after year end. Revenues received more than 60 days after the end of the current period are deferred inflows of resources in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

E. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

F. MEASUREMENT FOCUS AND BASIS OF PRESENTATION

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

G. FUND ACCOUNTING

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

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

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

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

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

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

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Title I School Improvement & Accountability - This program provides direct technical assistance to schools and districts in academic status. The program provides funds to put school support teams (educational advisors) in each school in academic trouble.

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

Elementary and Secondary School Emergency Relief (ESSER I) - The purpose of this grant is to provide local educational agencies (LEAs),

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

including charter schools that are LEAs, with emergency relief funds to address the impact that the Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have, on elementary and secondary schools across the nation under the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted on March 27, 2020.

Elementary and Secondary School Emergency Relief II (ESSER II) - The purpose of this grant is to provide LEAs, including charter schools that are LEAs, with emergency relief funds to address the impact that the COVID-19 has had, and continues to have, on elementary and secondary schools across the nation under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021, Public Law 116-260, enacted on December 27, 2020.

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

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

Nonmajor Special Revenue Funds - The North Cook Intermediate Service Center #1 does not have any nonmajor special revenue funds for the year ended June 30, 2021.

Proprietary Funds

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

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

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

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fingerprinting - Accounts for the administration of the Fingerprinting Program.

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

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

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

H. GOVERNMENTAL FUND BALANCES

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

Nonspendable fund balance - The portion of a governmental fund's net position that is not available to be spent, either short term or long term, in either its form or through legal restrictions. The Center has nonspendable fund balances in the General Fund's General Operations and General State Aid Safe Schools accounts and Institute Fund.

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

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

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

Unassigned fund balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The Center

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

has unassigned fund balances (deficit) in the General Fund's General State Aid - Safe Schools and Education Fund's Title II Teacher Quality - Leadership.

I. NET POSITION

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 that are attributable to the acquisition, construction, or improvement of those assets.

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

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

J. CASH AND CASH EQUIVALENTS

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

K. INVESTMENTS

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

L. CAPITAL ASSETS

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Equipment	5-15 years
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Capital assets in the governmental fund financial statements are reported as expenditures when incurred.

M. INTERFUND RECEIVABLES AND PAYABLES

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

N. UNEARNED REVENUE

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

O. DEFERRED OUTFLOWS OF RESOURCES

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

P. DEFERRED INFLOWS OF RESOURCES

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred inflows of resources in the Statement of Net Position consist of the amounts related to the pension and OPEB plans.

Q. COMPENSATED ABSENCES

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

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

North Cook Intermediate Service Center #1's full-time staff members working in a certified position receive 12 days of vacation per year with one additional day per year after each subsequent year of service, up to a maximum of 20 total days. Vacation time for noncertified and certified employees is earned throughout the year on a prorated basis. Vacation days in one fiscal year must be used by August 15th of the next fiscal year. With the approval of the North Cook Intermediate Service Center #1 Executive Director, up to ten (10) vacation days may be carried over from year to year, but in no instance may accrued days of vacation from the prior fiscal year exceed ten (10) days. The liability balance at June 30, 2021 was \$17,926.

R. ESTIMATES

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. BUDGET INFORMATION

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

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

T. PENSIONS

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

U. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

NOTE 2 DEPOSITS AND INVESTMENTS

Under the *Illinois Compiled Statutes*, school districts and related organizations are authorized to enter into contracts among themselves and to confirm and transfer

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

powers and functions by intergovernmental cooperation. Effective July 1, 2000, North Cook Intermediate Service Center #1 began utilizing Des Plaines School District #62 as its administrative agent in order to better facilitate accounting for its transactions. Township treasurer duties rest with Maine Township School Treasurer for Des Plaines School District #62 and a number of other districts. At June 30, 2000, all investments were transferred to Maine Township School Treasurer.

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

Bank Deposits

At June 30, 2021, the carrying amount of the North Cook Intermediate Service Center #1's government-wide deposits were \$915,604 which is held on deposit with the Maine Township School Treasurer. Risk category was not determinable for the amount pooled and held on deposit with a separate legal governmental agency (Maine Township Schools Treasurer).

Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that, in the event of a bank failure, the Center's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the North Cook Intermediate Service Center #1 requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of its township treasurer. As of June 30, 2021, the bank balance of the North Cook Intermediate Service Center #1 deposits were fully collateralized and insured.

Investments

North Cook Intermediate Service Center #1's investments are held by the Maine Township School Treasurer. The carrying and fair value of investments was \$3,712,005.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

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

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

North Cook Intermediate Service Center #1's investments, amounting to \$3,712,005 is based on an observable unadjusted quoted market price in an active market therefore this investment has been categorized as Level 1 in the fair value hierarchy.

Credit Risk

The Maine Township School Treasurer's investment policies are established by an Advisory Board made up of representatives of the member districts as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposits issued by commercial banks and savings and loan associations, and commercial paper rated within the three

North Cook Intermediate Service Center #1
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June 30, 2021

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

highest classifications by at least two standard rating services (subject to certain limitations). As of June 30, 2021, the Treasurer's investment in the external pool was rated within the three highest classifications by at least two standard rating services.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Maine Township School Treasurer has no specific policy on the interest rate risk at year end. Management guidelines suggest investments not exceed six years in maturity from the date of purchase.

NOTE 3 DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund

IMRF Plan Description

The North Cook Intermediate Service Center #1's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The North Cook Intermediate Service Center #1's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available 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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	11
Inactive Plan Members entitled to but not yet receiving benefits	13
Active Plan Members	7
Total	31

Contributions

As set by statute, the North Cook Intermediate Service Center #1's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The North Cook Intermediate Service Center #1's annual contribution rate for calendar year

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

2020 was 12.71%. For the fiscal year ended June 30, 2021, the North Cook Intermediate Service Center #1 contributed \$48,916 to the plan. The North Cook Intermediate Service Center #1 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The North Cook Intermediate Service Center #1's net pension liability was measured as of December 31, 2020. 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, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases, including inflation** were expected to be 2.85% to 13.75%.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For **non-disabled retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

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, 2020:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Projected Ten-Year Return</u>
Equities	37%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternatives	7%	
Private Equity		6.95%
Hedge Funds		N/A
Commodities		2.85%
Cash Equivalents	1%	0.70%
Total	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2020. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) – (B)
Balances as of December 31, 2019	\$ 1,844,912	\$ 1,791,567	\$ 53,345
Changes for the year:			
Service Cost	45,628	–	45,628
Interest on the Total Pension Liability	131,648	–	131,648
Changes of Benefit Terms	–	–	–
Differences Between Expected and Actual Experience of the Total Pension Liability	62,026	–	62,026
Changes of Assumptions	(16,150)	–	(16,150)
Contributions - Employer	–	51,031	(51,031)
Contributions - Employees	–	19,431	(19,431)
Net Investment Income	–	287,767	(287,767)
Benefit Payments, including Refunds of Employee Contributions	(106,585)	(106,585)	–
Other (Net Transfer)	–	(1,454)	1,454
Net Changes	116,567	250,190	(133,623)
Balances as of December 31, 2020	<u>\$ 1,961,479</u>	<u>\$ 2,041,757</u>	<u>\$ (80,278)</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 (asset) 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)	\$ 126,795	\$ (80,278)	\$ (242,864)

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

For the year ended June 30, 2021, the North Cook Intermediate Service Center #1 recognized pension expense of \$15,190. At June 30, 2021, the North Cook Intermediate Service Center #1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in Pension Expense in Future Periods</i>		
Difference between expected and actual experience	\$ 21,085	\$ —
Changes in assumptions	—	5,490
Net difference between projected and actual earnings on pension plan investments	—	193,819
Total deferred amounts to be recognized in pension expense in future periods	21,085	199,309
Pension contributions made subsequent to the measurement date	23,574	—
Total deferred amounts related to pension	\$ 44,659	\$ 199,309

\$23,574 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending June 30,	Net Deferred Inflows of Resources
2022	\$ 43,534
2023	32,777
2024	70,057
2025	31,856
Thereafter	—
Total	\$ 178,224

Teachers' Retirement System of the State of Illinois

Plan description

The North Cook Intermediate Service Center #1 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

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/fy2020>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888-678-3675, option 2.

Benefits provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier 1 members to receive a partial lumpsum payment in exchange for accepting a lower, delayed annual increase. The

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

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, 2020, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the North Cook Intermediate Service Center #1.

On-behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the North Cook Intermediate Service Center #1. For the year ended June 30, 2021, State of Illinois contributions recognized by the North Cook Intermediate Service Center #1 were based on the State's proportionate share of the pension expense associated with the North Cook Intermediate Service Center #1, and the North Cook Intermediate Service Center #1 recognized revenue and expenditures of \$648,334 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, 2021, were \$4,168, and are deferred because they were paid after the June 30, 2020, measurement date.

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the North Cook Intermediate Service Center #1, there is a statutory requirement for the North Cook Intermediate Service Center #1 to pay an employer pension contribution from those funds. Under Public Act 100 -0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, no contributions were required for salaries made from federal and special trust funds.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The North Cook Intermediate Service Center #1 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the North Cook Intermediate Service Center #1 did not make any employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2021, the North Cook Intermediate Service Center #1 reported 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 North Cook Intermediate Service Center #1 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 North Cook Intermediate Service Center #1 were as follows:

Center's proportionate share of the net pension liability	\$	77,722
State's proportionate share of the net pension liability associated with the employer		6,087,608
Total	\$	6,165,330

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The North Cook Intermediate Service Center #1'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, 2020, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2020, the North Cook Intermediate Service Center #1's proportion was 0.0000901490 percent, which was a decrease of 0.0000081924 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the North Cook Intermediate Service Center #1 recognized pension expense of \$648,334 and revenue of \$648,334 for support provided by the State. For the year ended June 30, 2021, the Intermediate Service Center #1 recognized pension benefit of \$2,922. At June 30, 2021, the North Cook Intermediate Service Center #1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 753	\$ 21
Net difference between projected and actual earnings on pension plan investments	2,321	—
Changes of assumptions	318	815
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,885	62,200
Employer contributions subsequent to the measurement date	4,168	—
Total	\$ 28,445	\$ 63,036

\$4,168 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. 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:

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

Year Ending June 30,	Net Deferred Inflows of Resources
2022	\$ (6,558)
2023	(9,837)
2024	(13,207)
2025	(7,900)
2026	(1,257)
Total	\$ (38,759)

Actuarial assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

In the June 30, 2020 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2019 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	16.5%	6.1%
U.S. equities small/mid cap	2.3	7.2
International equities developed	12.2	7.0
Emerging market equities	3.0	9.4
U.S. bonds core	7.0	2.2
U.S. bonds high yield	2.5	4.1
International debt developed	3.1	1.5
Emerging international debt	3.2	4.5
Real estate	16.0	5.7
Private debt	5.2	6.3
Hedge funds	10.0	4.3
Private equity	15.0	10.5
Infrastructure	4.0	6.2
Total	100.0%	

Discount rate

At June 30, 2020, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2019 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, 2020 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the North Cook Intermediate Service Center #1's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer'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.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net pension liability	\$ 94,341	\$ 77,722	\$ 64,040

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2020 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

NOTE 4 OTHER POST EMPLOYMENT BENEFITS

Teachers' Health Insurance Security Fund

Plan Description

The North Cook Intermediate Service Center #1 participates in the Teachers' Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Illinois Department of Central Management Services (CMS) as of July 1, 2013. CMS administers the plan with the cooperation of the TRS.

Benefits Provided

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
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NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

On-behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the North Cook Intermediate Service Center #1. For the year ended June 30, 2021, State of Illinois contributions recognized by the North Cook Intermediate Service Center #1 were based on the State's proportionate share of the collective net OPEB liability associated with the North Cook Intermediate Service Center #1, and recognized revenue and expenditures of \$27,102 in OPEB contributions from the State of Illinois.

Employer contributions to the THIS Fund

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

Further information on the THIS Fund

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

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
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NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

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, for all plan years.
Healthcare cost trend rates	Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.

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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

Single Discount Rate

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

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 3.13 percent as of June 30, 2019, and 2.45 percent as of June 30, 2020.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

The following table shows the North Cook Intermediate Service Center #1's proportionate share of the collective net OPEB liability, as well as what the ROE's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
Center's proportionate share of the collective net OPEB liability	\$ 964,966	\$ 802,893	\$ 674,494

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

The following table shows the North Cook Intermediate Service Center #1's net OPEB liability as of June 30, 2021, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The current claims trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	1% Decrease^a	Healthcare Cost Trend Rates	1% Increase^b
Center's proportionate share of the collective net OPEB liability	\$ 645,772	\$ 802,893	\$1,015,296

^a One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate trend rate of 3.25% in 2037.

^b One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

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

At June 30, 2021, the North Cook Intermediate Service Center #1 reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the North Cook Intermediate Service Center #1.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Center's proportionate share of the net OPEB liability	\$ 802,893
State's proportionate share of the net OPEB liability associated with the employer	<u>1,087,700</u>
Total	<u>\$ 1,890,593</u>

The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2019 and was rolled forward to the June 30, 2020 measurement date. The North Cook Intermediate Service Center #1's proportion of the collective net OPEB liability was based on a projection of the North Cook Intermediate Service Center #1's long-term share of contributions to the OPEB plan relative to the projected contributions of the North Cook Intermediate Service Center #1, actuarially determined. At June 30, 2020, the North Cook Intermediate Service Center #1's proportion was 0.003003 percent, which was an increase of 0.000318 percent from its proportion measured as of June 30, 2019 (0.002685 percent). The State's support and total are for disclosure purposes only.

For the year ended June 30, 2021, the North Cook Intermediate Service Center #1 recognized OPEB expense of \$27,102 and revenue of \$27,102 for support provided by the State. For the year ended June 30, 2021, the North Cook Intermediate Service Center #1 recognized an OPEB expense of \$129,318.

At June 30, 2021, the North Cook Intermediate Service Center #1 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ 21,332
Changes of assumptions	272	132,436
Net difference between projected and actual earnings on OPEB plan investments	—	23
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,847	12,187
Employer contributions subsequent to the measurement date	6,611	—
Total	\$ 24,730	\$ 165,978

\$6,611 reported as deferred outflows of resources related to OPEB resulting from Center contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Center's OPEB expense as follows:

Year Ending June 30,	Net Deferred Inflows of Resources
2022	\$ (28,341)
2023	(28,341)
2024	(28,336)
2025	(22,716)
2026	(14,320)
Thereafter	(25,805)
Total	\$ (147,859)

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2020, is available in the separately issued THIS Financial Report.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

Health Insurance Plan

Plan Description

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

Benefits Provided and Eligibility

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

Plan Membership

As of June 30, 2020, the measurement date, the following employees were covered by the benefit terms:

	Participants
Inactive plan members or beneficiaries currently receiving benefits	-
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	7
Total	7

Funding Policy and Contributions

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The North Cook Intermediate Service Center #1's total OPEB liability for the current fiscal year has been developed based on the June 30, 2019 actuarial valuation date and adjusted to the June 30, 2020 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Actuarial Assumptions

The total OPEB liability was determined based on June 30, 2019 census data and a measurement date of June 30, 2020 using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified.

Actuarial Cost Method	Entry Age Cost Method (Level % of Pay)
Mortality Rate	RP-2000 Combined Health Mortality Table projected to the valuation date using Scale AA.
Discount Rate	2.66%. Based on the June 30, 2020 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.
Retirement Rates	IMRF Tier 1 employees - 100% at first eligibility (Age 55, 8 years of service) IMRF Tier 2 - 100% at first eligibility (Age 62, 10 years of service).
Inflation	2.50% per year
Salary Increase Rate	2.50% per year
Marital Status	100% assumed married, with male spouses 3 years older than female spouses.
Health Care Participation	20% participation assumed, with 50% electing spouse coverage
Health Care Inflation	Initial rate of 7.50% in fiscal year 2020, grading down to the ultimate trend rate of 4.00% in fiscal year 2075.
Termination Rates	% remaining employed until assumed retirement age for various ages is as follows: 20 – 29.60%, 30 – 59.30%, 40 – 84.10%, and 50 – 100.00%.
Disability Rates	None Assumed

Changes in the Total OPEB Liability

The following represents the reconciliation of the Total OPEB Liability (TOL) from the beginning of the fiscal year (June 30, 2020) to the end of the fiscal year (June 30, 2021). The TOL as of June 30, 2021 is \$6,367.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

	Total OPEB Liability
Balance as of June 30, 2020	\$ 6,821
Changes for the year:	
Service cost	188
Interest	183
Changes of benefit terms	—
Differences between expected and actual experience	—
Changes of assumptions	53
Benefit payments	(878)
Net Changes	(454)
Balance as of June 30, 2021	\$ 6,367

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

The following presents the North Cook Intermediate Service Center #1's total OPEB liability calculated using a discount rate of 2.66%, as well as what the ISC's total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (3.66%) or 1-percentage-point lower (1.66%) than the current discount rate:

	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB Liability	\$ 6,813	\$ 6,367	\$ 5,985

Sensitivity of the Total OPEB Liability to Healthcare Cost Trend Rates

The following presents the North Cook Intermediate Service Center #1's total OPEB liability, calculated using the healthcare cost trend rates as well as what the ISC's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 7.50% in 2020 decreasing to an ultimate trend rate of 4.00% in 2075.

	1% Decrease (3.00%-6.50%)	Current Discount Rate (4.00%-7.50%)	1% Increase (5.00%-8.50%)
Total OPEB Liability	\$ 5,951	\$ 6,367	\$ 6,854

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

For the year ending June 30, 2021, the North Cook Intermediate Service Center #1 recognized OPEB benefit of \$454.

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

NOTE 5 INTERFUND ACTIVITIES

Due from/to Other Funds

Interfund receivables and payables, primarily made to cover temporary shortfalls in cash flow within grant programs and funds, as of June 30, 2021 were:

	Due From	Due To
General Fund:		
General State Aid - Safe Schools	\$ 155,526	\$ -
Education Fund:		
Title II Teacher Quality - Leadership	-	5,192
ESSER II	-	2,409
Institute	-	147,925
Total	\$ 155,526	\$ 155,526

Transfers in/out

Transfers were made in order to meet operating costs in the receiving funds. For the year ended June 30, 2021, interfund transfers were made in the following funds:

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 5 INTERFUND ACTIVITIES (Continued)

Fund	Transfer-in	Transfer-out
General Fund:		
General Operations	\$ 185,199	\$ —
General State Aid - Safe Schools	8,347	—
Institute	—	193,575
Bus Driver	29	—
Total	\$ 193,575	\$ 193,575

NOTE 6 DUE TO/DUE FROM OTHER GOVERNMENTS

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

Due from other governments:

General Fund:		
Local governments	\$	18,961
Education Fund:		
Illinois State Board of Education		7,601
Institute:		
Local governments		13,865
Workshops		41,975
Nonmajor Proprietary Fund:		
Local governments		3,480
Total	\$	85,882

Due to other governments

Education Fund:		
Illinois State Board of Education	\$	17,350

NOTE 7 RISK MANAGEMENT

The North Cook Intermediate Service Center #1 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. North Cook Intermediate Service Center #1 has purchased commercial insurance to cover these risks. During the year ended June 30, 2021, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 8 CAPITAL ASSETS

Capital asset activity for fiscal year 2021 was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental activities:				
Capital assets being depreciated				
Equipment	\$ 232,783	\$ 4,290	\$ -	\$ 237,073
Less: Accumulated depreciation	<u>(40,506)</u>	<u>(38,378)</u>	<u>-</u>	<u>(78,884)</u>
Capital assets, net	<u>192,277</u>	<u>(34,088)</u>	<u>-</u>	<u>158,189</u>
Business-type activities:				
Capital assets being depreciated				
Equipment	990	-	-	990
Less: Accumulated depreciation	<u>(601)</u>	<u>(66)</u>	<u>-</u>	<u>(667)</u>
Capital assets, net	<u>\$ 389</u>	<u>\$ (66)</u>	<u>\$ -</u>	<u>\$ 323</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$38,378 and \$66 was charged to the governmental activities instructional services function and business-type activities instructional services function, respectively, on the government-wide Statement of Activities for the year ended June 30, 2021. Net investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

NOTE 9 ON-BEHALF PAYMENTS

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

Executive Director Salary	\$ 122,592
Executive Director Fringe Benefits	7,678
Assistant Executive Director Salary	110,328
Assistant Executive Director Fringe Benefits	<u>28,087</u>
Total	<u>\$ 268,685</u>

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

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 9 ON-BEHALF PAYMENTS (Continued)

State of Illinois on-behalf payments	\$	268,685
Employer's share of TRS pension expense		648,334
THIS fund OPEB expense		27,102
Total	\$	944,121

North Cook Intermediate Service Center #1 also recorded \$648,334 in revenue and expenses as on-behalf payments from the Illinois State Board of Education for the ISC #1's share of the State's Teachers' Retirement System (TRS) pension expense and \$27,102 in revenue and expenses as on-behalf payments from the THIS fund for the ISC #1's share of the OPEB expense in the Statement of Activities. In addition, the North Cook Intermediate Service Center #1 has not included any on-behalf payments related to the State's TRS pension expense for the Executive Director and Assistant Executive Director.

NOTE 10 NONCURRENT LIABILITIES

Changes in noncurrent liabilities during the fiscal year were as follows:

Type of Debt	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Governmental activities:				
Compensated absences	\$ 23,018	\$ -	\$ (5,092)	\$ 17,926
Net pension liability - IMRF	53,345	-	(53,345)	-
Net pension liability - TRS	79,763	-	(2,041)	77,722
Net OPEB liability - THIS	743,199	59,694	-	802,893
Net OPEB liability - Health insurance plan	6,821	-	(454)	6,367
Total	\$ 906,146	\$ 59,694	\$ (60,932)	\$ 904,908

NOTE 11 OPERATING LEASES

The North Cook Intermediate Service Center #1 has entered into the following operating building leases:

Lease 1: On October 9, 2018, a lease agreement was entered into for office and classroom suites on Touhy Avenue in Des Plaines, IL. The lease is for a period of eleven (11) years commencing on August 1, 2019 and ending on July 31, 2030. The lease is payable in monthly payments that are adjusted annually for inflation. Lease expense for the year ended June 30, 2021 was \$190,504. Minimum future rental payments under this non-cancellable lease are as follows:

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 11 OPERATING LEASES (Continued)

Fiscal Year	Amount
2022	\$ 196,291
2023	202,078
2024	207,866
2025	213,653
2026	219,441
2027-2030	955,894
Total	\$ 1,995,223

Lease 2: The North Cook Intermediate Service Center #1 also leases certain copy equipment under a non-cancellable rental agreement. The lease term was for five years commencing May 12, 2016, with monthly payments of \$920. The lease was amended on June 25, 2019 to reduce the monthly payments to \$838 beginning July 15, 2019 and to extend the lease term to June 15, 2024. The rental expense for the year ended June 30, 2021 was \$10,056. Minimum future rental payments required under this equipment lease are as follows:

Fiscal Year	Amount
2022	\$ 10,056
2023	10,056
2024	10,056
Total	\$ 30,168

NOTE 12 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which over expend appropriations during the year are required to be disclosed. As of June 30, 2021, Education Fund's Title II Teacher Quality - Leadership has a deficit fund balance of \$5,192.

NOTE 13 IMPACT OF COVID-19 PANDEMIC

As a result of the spread of the COVID-19 coronavirus pandemic, economic uncertainties have arisen, which may negatively impact North Cook Intermediate Service Center #1 operations and financial condition. The potential impact and duration of the pandemic is unknown as of the date the financial statements were available to be issued, but North Cook Intermediate Service Center #1 offers the following comments.

North Cook Intermediate Service Center #1
Notes to the Financial Statements
June 30, 2021

NOTE 13 IMPACT OF COVID-19 PANDEMIC (Continued)

North Cook Intermediate Service Center #1 and North Cook Young Adult Academy (NCYAA), the Center's Regional Safe School Program, have taken aggressive steps to ensure that the Center can continue to function efficiently whether the staff and students work on-site or virtually. After the Center's programs continued virtually for more than three months in the spring of 2020, classes returned to in-person work and blended learning environments. The entire 2020-2021 school year North Cook Intermediate Service Center #1 offered a hybrid of in-person and virtual learning. During the fall of 2021, the Center's students and staff are working on-site.

At this point enrollment at NCYAA is down by 90% from pre-pandemic levels. It is difficult to predict if those numbers will rebound. With the influx of ESSER monies to school districts, they may try to utilize those funds, technological tools and additional ESSER supported personnel to address the academic and social/emotional needs of the students they typically send to NCYAA. While NCYAA enrollment is down North Cook Intermediate Service Center #1 receives less State aid (EBF, RSSP, RSSCEP) and less tuition fees to cover the cost of running the Regional Safe Schools program. Therefore, North Cook Intermediate Service Center #1 will incur deficit spending if enrollment does not rebound.

North Cook Intermediate Service Center #1 has incurred additional expenses for deep cleaning and disinfecting the Center's facilities; modifying daily janitorial services to COVID standards; improving air quality; screening and protecting students, staff and visitors; training staff and presenters on virtual platforms; building on-line courses; and moving all the Center's professional development offerings to other delivery methods along with related licenses and equipment to facilitate these changes.

There is a bus driver shortage across the country, and Illinois is no exception to that problem. The situation has been exacerbated by COVID and potential drivers may be less inclined to pursue these jobs to protect their health and because they are receiving financial support from the federal government. As a result, bus driver training revenues may decrease.

Licensure, bus driver license renewals, fingerprinting, and mentoring revenues should recover to pre-COVID levels, but bus driver initial training is lower than typical. Additionally, North Cook Intermediate Service Center #1 anticipate some decline in attendance of on-site administrator academies and other professional development due to fears related to COVID, which could negatively impact revenues. The North Cook Intermediate Service Center #1's investments are FDIC insured certificates of deposit, but if there is a delay in grant funding, the North Cook Intermediate Service Center #1's cash flow may suffer.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to Schedule:

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

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

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

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

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2020 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	23-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	For non-disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

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

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

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

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

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

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

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

Notes to Required Supplementary Information

Changes of assumptions

For the 2020-2016 measurement years, the assumed investment rate of return was of 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 and were consistent in 2019 and 2020. These actuarial assumptions were based on an experience study dated September 18, 2018.

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

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

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

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

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

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

	2021	2020	2019	2018	2017	2016
Statutorily-required contribution	\$ 6,611	\$ 6,981	\$ 6,074	\$ 5,842	\$ 6,422	\$ 9,013
Contributions in relation to the statutorily-required contribution	6,611	6,981	6,074	5,842	6,422	9,013
Contribution deficiency (excess)	-	-	-	-	-	-
Employer's covered payroll	\$ 718,571	\$ 758,765	\$ 660,246	\$ 663,855	\$ 764,469	\$ 1,126,577
Contributions as a percentage of covered payroll	0.92%	0.92%	0.92%	0.88%	0.84%	0.80%

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

Notes to This Required Supplementary Information

Changes of assumptions

For the 2020 and 2019 measurement years, the assumed investment rate of return was of 0.0%, including an inflation rate of 2.50%. Salary increases were assumed to depend on service and range from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption. Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.

For the 2018 and 2017 measurement years, the assumed investment rate of return was of 0.0 percent, including an inflation rate of 2.75 percent. Salary increases were assumed to vary by service credit and were the same for the 2019, 2018 and 2017 measurement years. For the 2018 and 2017 measurement periods, actual trend was used for fiscal years 2018 and 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%.

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

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

Notes to Schedule:

Covered payroll

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

Changes of Benefit Term

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

Changes of assumptions

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

Benefit payments

The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on June 30, 2021. Expected net benefit payments produced by the valuation model for each period are shown in the table above

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

OTHER SUPPLEMENTARY INFORMATION

North Cook Intermediate Service Center #1
General Fund
Combining Schedule of Accounts
June 30, 2021
Schedule 1

	<u>General Operations</u>	<u>General State Aid - Safe Schools</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 446,012	\$ 446,012
Investments	-	959,116	959,116
Due from other funds	-	155,526	155,526
Due from other governments	-	18,961	18,961
Accrued interest receivable	-	3,906	3,906
Prepaid expenses	-	326	326
Security deposits	30,866	-	30,866
	<u>30,866</u>	<u>-</u>	<u>30,866</u>
TOTAL ASSETS	<u><u>30,866</u></u>	<u><u>1,583,847</u></u>	<u><u>1,614,713</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	-	28,590	28,590
	<u>-</u>	<u>28,590</u>	<u>28,590</u>
FUND BALANCES			
Nonspendable	30,866	326	31,192
Unassigned	-	1,554,931	1,554,931
Total fund balances	<u>30,866</u>	<u>1,555,257</u>	<u>1,586,123</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 30,866</u></u>	<u><u>\$ 1,583,847</u></u>	<u><u>\$ 1,614,713</u></u>

North Cook Intermediate Service Center #1
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021
Schedule 2

	General Operations	General State Aid - Safe Schools	Total
REVENUES			
Local sources	\$ -	\$ 369,540	\$ 369,540
State sources	-	407,020	407,020
On-behalf payments - State	268,685	-	268,685
Interest	-	12,914	12,914
Total revenues	<u>268,685</u>	<u>789,474</u>	<u>1,058,159</u>
EXPENDITURES			
Instructional services:			
Salaries and benefits	-	495,961	495,961
Pension expense	-	14,884	14,884
OPEB expense	-	5,938	5,938
Purchased services	-	246,027	246,027
Supplies and materials	-	7,453	7,453
Other objects	-	436	436
Administrative:			
On-behalf payments - State	<u>268,685</u>	<u>-</u>	<u>268,685</u>
Total expenditures	<u>268,685</u>	<u>770,699</u>	<u>1,039,384</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	18,775	18,775
OTHER FINANCING SOURCE			
Transfers in	<u>185,199</u>	<u>8,347</u>	<u>193,546</u>
NET CHANGE IN FUND BALANCES	185,199	27,122	212,321
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>(154,333)</u>	<u>1,528,135</u>	<u>1,373,802</u>
FUND BALANCES, END OF YEAR	<u>\$ 30,866</u>	<u>\$ 1,555,257</u>	<u>\$ 1,586,123</u>

	Regional Safe Schools	Regional Safe Schools Cooperative	ROE/ISC Operations	Title I School Improvement & Accountability	Title II Teacher Quality - Leadership	ESSER I	ESSER II	Total
ASSETS								
Cash and cash equivalents	\$ -	\$ 51	\$ -	\$ 17,350	\$ -	\$ -	\$ -	\$ 17,401
Due from other governments	-	-	-	-	5,192	-	2,409	7,601
TOTAL ASSETS	-	51	-	17,350	5,192	-	2,409	25,002
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)								
LIABILITIES								
Accounts payable and accrued expenses	-	51	-	-	-	-	-	51
Due to other funds	-	-	-	-	5,192	-	2,409	7,601
Due to other governments	-	-	-	17,350	-	-	-	17,350
Total liabilities	-	51	-	17,350	5,192	-	2,409	25,002
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	-	-	-	5,192	-	-	5,192
FUND BALANCES (DEFICIT)								
Unassigned	-	-	-	-	(5,192)	-	-	(5,192)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)	\$ -	\$ 51	\$ -	\$ 17,350	\$ 5,192	\$ -	\$ 2,409	\$ 25,002

North Cook Intermediate Service Center #1
Education Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021
Schedule 4

	Regional Safe Schools	Regional Safe Schools Cooperative	ROE/ISC Operations	Title I School Improvement & Accountability	Title II Teacher Quality - Leadership	ESSER I	ESSER II	Total
REVENUES								
State sources	\$ 415,110	\$ 68,546	\$ 352,522	\$ -	\$ -	\$ -	\$ -	\$ 836,178
Federal sources	-	-	-	-	11,900	660	2,409	14,969
Total revenues	<u>415,110</u>	<u>68,546</u>	<u>352,522</u>	<u>-</u>	<u>11,900</u>	<u>660</u>	<u>2,409</u>	<u>851,147</u>
EXPENDITURES								
Instructional services:								
Salaries and benefits	415,110	68,546	206,453	-	2,592	-	-	692,701
Purchased services	-	-	146,069	-	14,500	-	2,268	162,837
Supplies and materials	-	-	-	-	-	660	141	801
Total expenditures	<u>415,110</u>	<u>68,546</u>	<u>352,522</u>	<u>-</u>	<u>17,092</u>	<u>660</u>	<u>2,409</u>	<u>856,339</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	(5,192)	-	-	(5,192)
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,192)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,192)</u>

North Cook Intermediate Service Center #1
Education Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021
Schedule 5

	Regional Safe Schools				Regional Safe Schools Cooperative			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final		
REVENUES								
State sources	\$ 415,110	\$ 415,110	\$ 415,110	\$ -	\$ 68,546	\$ 68,546	\$ 68,546	\$ -
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>415,110</u>	<u>415,110</u>	<u>415,110</u>	<u>-</u>	<u>68,546</u>	<u>68,546</u>	<u>68,546</u>	<u>-</u>
EXPENDITURES								
Instructional services:								
Salaries and benefits	415,110	415,110	415,110	-	68,546	68,546	68,546	-
Purchased services	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	-	-
Total expenditures	<u>415,110</u>	<u>415,110</u>	<u>415,110</u>	<u>-</u>	<u>68,546</u>	<u>68,546</u>	<u>68,546</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES, BEGINNING OF YEAR			<u>-</u>				<u>-</u>	
FUND BALANCES (DEFICIT), END OF YEAR			<u>\$ -</u>				<u>\$ -</u>	

North Cook Intermediate Service Center #1
Education Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021
Schedule 5 (Continued)

	ROE/ISC Operations				Title II - Teacher Quality Leadership (7/1/2019 - 8/31/2020 Grant)			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final		
REVENUES								
State sources	\$ 352,522	\$ 352,522	\$ 352,522	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	-	3,300	3,300	3,300	-
Total revenues	<u>352,522</u>	<u>352,522</u>	<u>352,522</u>	<u>-</u>	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>-</u>
EXPENDITURES								
Instructional services:								
Salaries and benefits	206,453	206,453	206,453	-	-	-	-	-
Purchased services	146,069	146,069	146,069	-	3,300	3,300	3,300	-
Supplies and materials	-	-	-	-	-	-	-	-
Total expenditures	<u>352,522</u>	<u>352,522</u>	<u>352,522</u>	<u>-</u>	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES, BEGINNING OF YEAR			<u>-</u>				<u>-</u>	
FUND BALANCES (DEFICIT), END OF YEAR			<u>\$ -</u>				<u>\$ -</u>	

	Title II - Teacher Quality Leadership (7/1/2020 - 8/31/2021 Grant)				ESSER I			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final		
REVENUES								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	16,792	16,792	8,600	(8,192)	660	660	660	-
Total revenues	<u>16,792</u>	<u>16,792</u>	<u>8,600</u>	<u>(8,192)</u>	<u>660</u>	<u>660</u>	<u>660</u>	<u>-</u>
EXPENDITURES								
Instructional services:								
Salaries and benefits	2,592	2,592	2,592	-	-	-	-	-
Purchased services	14,200	14,200	11,200	3,000	-	-	-	-
Supplies and materials	-	-	-	-	660	660	660	-
Total expenditures	<u>16,792</u>	<u>16,792</u>	<u>13,792</u>	<u>3,000</u>	<u>660</u>	<u>660</u>	<u>660</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>(5,192)</u>	<u>\$ (5,192)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES, BEGINNING OF YEAR			-				-	
FUND BALANCES (DEFICIT), END OF YEAR			<u>\$ (5,192)</u>				<u>\$ -</u>	

North Cook Intermediate Service Center #1
Education Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021
Schedule 5 (Continued)

	ESSER II				TOTAL			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final		
REVENUES								
State sources	\$ -	\$ -	\$ -	\$ -	\$ 836,178	\$ 836,178	\$ 836,178	\$ -
Federal sources	2,409	2,409	2,409	-	23,161	23,161	14,969	(8,192)
Total revenues	<u>2,409</u>	<u>2,409</u>	<u>2,409</u>	<u>-</u>	<u>859,339</u>	<u>859,339</u>	<u>851,147</u>	<u>(8,192)</u>
EXPENDITURES								
Instructional services:								
Salaries and benefits	-	-	-	-	692,701	692,701	692,701	-
Purchased services	2,268	2,268	2,268	-	165,837	165,837	162,837	3,000
Supplies and materials	141	141	141	-	801	801	801	-
Total expenditures	<u>2,409</u>	<u>2,409</u>	<u>2,409</u>	<u>-</u>	<u>859,339</u>	<u>859,339</u>	<u>856,339</u>	<u>3,000</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(5,192)</u>	<u>\$ (5,192)</u>
FUND BALANCES, BEGINNING OF YEAR			<u>-</u>				<u>-</u>	
FUND BALANCES (DEFICIT), END OF YEAR			<u>\$ -</u>				<u>\$ (5,192)</u>	

North Cook Intermediate Service Center #1
Nonmajor Proprietary Funds
Combining Statement of Net Position
June 30, 2021
Schedule 6

	<u>Fingerprinting</u>	<u>Non-Public School Inspections</u>	<u>Local Mentoring</u>	<u>Homeless/ At-Risk Youth</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 131,910	\$ 3,500	\$ 44,345	\$ 4,839	\$ 184,594
Due from other governments	3,480	-	-	-	3,480
Total current assets	<u>135,390</u>	<u>3,500</u>	<u>44,345</u>	<u>4,839</u>	<u>188,074</u>
Noncurrent assets:					
Capital assets, net	<u>323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323</u>
TOTAL ASSETS	<u>135,713</u>	<u>3,500</u>	<u>44,345</u>	<u>4,839</u>	<u>188,397</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>545</u>	<u>545</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>545</u>	<u>545</u>
NET POSITION					
Net investment in capital assets	323	-	-	-	323
Unrestricted	<u>135,390</u>	<u>3,500</u>	<u>44,345</u>	<u>4,294</u>	<u>187,529</u>
TOTAL NET POSITION	<u>\$ 135,713</u>	<u>\$ 3,500</u>	<u>\$ 44,345</u>	<u>\$ 4,294</u>	<u>\$ 187,852</u>

North Cook Intermediate Service Center #1
 Nonmajor Proprietary Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Year Ended June 30, 2021
 Schedule 7

	<u>Fingerprinting</u>	<u>Non-Public School Inspections</u>	<u>Local Mentoring</u>	<u>Homeless/ At-Risk Youth</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ 27,231	\$ -	\$ 47,600	\$ 2,900	\$ 77,731
OPERATING EXPENSES					
Purchased services	13,063	3,000	34,550	2,175	52,788
Supplies and materials	38	-	-	1,234	1,272
Depreciation	66	-	-	-	66
Other	-	-	-	77	77
Total operating expenses	<u>13,167</u>	<u>3,000</u>	<u>34,550</u>	<u>3,486</u>	<u>54,203</u>
CHANGE IN NET POSITION	14,064	(3,000)	13,050	(586)	23,528
NET POSITION, BEGINNING OF YEAR	<u>121,649</u>	<u>6,500</u>	<u>31,295</u>	<u>4,880</u>	<u>164,324</u>
NET POSITION, END OF YEAR	<u>\$ 135,713</u>	<u>\$ 3,500</u>	<u>\$ 44,345</u>	<u>\$ 4,294</u>	<u>\$ 187,852</u>

North Cook Intermediate Service Center #1
Nonmajor Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2021
Schedule 8

	<u>Fingerprinting</u>	<u>Non-Public School Inspections</u>	<u>Local Mentoring</u>	<u>Homeless/ At-Risk Youth</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts for workshops and services	\$ 27,103	\$ -	\$ 47,600	\$ 2,900	\$ 77,603
Payments to suppliers and providers of goods and services	(13,108)	(3,000)	(34,550)	(2,941)	(53,599)
Net cash provided by (used in) operating activities	<u>13,995</u>	<u>(3,000)</u>	<u>13,050</u>	<u>(41)</u>	<u>24,004</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	13,995	(3,000)	13,050	(41)	24,004
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>117,915</u>	<u>6,500</u>	<u>31,295</u>	<u>4,880</u>	<u>160,590</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 131,910</u>	<u>\$ 3,500</u>	<u>\$ 44,345</u>	<u>\$ 4,839</u>	<u>\$ 184,594</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 14,064	\$ (3,000)	\$ 13,050	\$ (586)	\$ 23,528
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	66	-	-	-	66
Effects of changes in assets and liabilities:					
Due from other governments	(128)	-	-	-	(128)
Accounts payable and accrued expenses	(7)	-	-	545	538
Net cash provided by (used in) operating activities	<u>\$ 13,995</u>	<u>\$ (3,000)</u>	<u>\$ 13,050</u>	<u>\$ (41)</u>	<u>\$ 24,004</u>