

**STATE OF ILLINOIS
GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**FINANCIAL AUDIT
For the year ended June 30, 2021**

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



**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

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**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

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**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

OFFICIALS

Regional Superintendent (Current and during the audit period) Mr. Christopher Mehochko

Assistant Regional Superintendent (Current and during the audit period)..... Ms. Michelle Senffner

Offices are located at:

1320 Union Street
Morris, Illinois 60450

109 W. Ridge Street
Yorkville, Illinois 60560

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	5	2
Repeated audit findings	2	2
Prior recommendations implemented or not repeated	0	2

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page(s)</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2021-001	10-11	Delay of Audit	Noncompliance
2021-002	12	Inadequate Census Data for Illinois Municipal Retirement Fund Employees	Material Weakness
2021-003	13	Controls over Grant Compliance	Noncompliance
2021-004	14	Inadequate Monitoring of Collateral on Deposits	Noncompliance
2021-005	15	Controls over Cash	Material Weakness

PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

EXIT CONFERENCE

The Grundy and Kendall Counties Regional Office of Education No. 24 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2021. Throughout the audit, numerous meetings were held between the auditors and Regional Office to discuss matters contained in this audit report.

Responses to the recommendations were provided by Christopher Mehochko, Regional Superintendent, via email on January 26, 2023.

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Grundy and Kendall Counties Regional Office of Education No. 24 was performed by West & Company, LLC.

Based on their audit, the auditors expressed a qualified opinion on the Grundy and Kendall Counties Regional Office of Education No. 24's basic financial statements.



613 Broadway Avenue
P.O. Box 945
Mattoon, Illinois 61938

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INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Grundy and Kendall Counties Regional Office of Education No. 24, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Grundy and Kendall Counties Regional Office of Education No. 24's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion on Governmental Activities

The Grundy and Kendall Counties Regional Office of Education No. 24 did not recognize Illinois Municipal Retirement Fund (IMRF) pension activity in the governmental activities or disclose the necessary information in the notes to the financial statements. Accounting principles generally accepted in the United States of America require local government employers to record net pension liability/asset, deferred outflow of resources and/or deferred inflow of resources, and pension expenses/benefit for its pensions. In addition, disclosures are required. The effects of departure from U.S. generally accepted accounting principles on assets, liabilities, revenues/expenses, deferred outflows of resources, deferred inflows of resources, and net position are not reasonably determined.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph on the Governmental Activities section, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Grundy and Kendall Counties Regional Office of Education No. 24 as of June 30, 2021, and the change in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on the Business-Type Activities, Major Funds, and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information for Grundy and Kendall Counties Regional Office of Education No. 24 as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Teachers' Retirement System of the State of Illinois – Schedule of the Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of the State of Illinois – Schedule of Employer Contributions, Teachers' Health Insurance Security Fund – Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability, and Teachers' Health Insurance Security Fund – Schedule of Employer Contributions on pages 68–69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grundy and Kendall Counties Regional Office of Education No. 24’s basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, 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 schedules, 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 schedules, and the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023, on our consideration of the Grundy and Kendall Counties Regional Office of Education No. 24’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 Grundy and Kendall Counties Regional Office of Education No. 24’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 Grundy and Kendall Counties Regional Office of Education No. 24’s internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
June 26, 2023



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Mattoon, Illinois 61938

(217) 235-4747
www.westcpa.com

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

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Grundy and Kendall Counties Regional Office of Education No. 24, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Grundy and Kendall Counties Regional Office of Education No. 24's basic financial statements, and have issued our report thereon dated June 26, 2023. Our opinion was qualified because the Grundy and Kendall Counties Regional Office of Education No. 24 did not recognize and disclose IMRF pension activity in their financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. Disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Grundy and Kendall Counties Regional Office of Education No. 24'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 Grundy and Kendall Counties Regional Office of Education No. 24's internal control. Accordingly, we do not express an opinion on the effectiveness of Grundy and Kendall Counties Regional Office of Education No. 24's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2021-002 and 2021-005, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Grundy and Kendall Counties Regional Office of Education No. 24's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as findings 2021-001, 2021-003, and 2021-004.

Regional Office of Education No. 24's Responses to Findings

Grundy and Kendall Counties Regional Office of Education No. 24's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Grundy and Kendall Counties Regional Office of Education No. 24's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Grundy and Kendall Counties Regional Office of Education No. 24'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 Grundy and Kendall Counties Regional Office of Education No. 24's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Mattoon, Illinois
June 26, 2023

SCHEDULE OF FINDINGS AND RESPONSES

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITORS’ RESULTS
For the year ended June 30, 2021**

Section I – Summary of Auditors’ Results

Financial statements in accordance with GAAP

Type of auditors’ report issued:

QUALIFIED

Internal control over financial reporting:

- Material weakness(es) identified?

 X yes no

- Significant deficiency(ies) identified?

 yes X none reported

Noncompliance material to financial
statements noted?

 X yes no

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2021**

Section II – Financial Statement Findings

FINDING NO. 2021-001 – Delay of Audit (Repeat of Prior Year Findings 20-001, 19-002, and 18-002)

Criteria/Specific Requirement:

Regional Office of Education No. 24 is subject to 105 ILCS 5/2-3.17a which requires the Auditor General’s office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Government Auditing Standards. The Regional Office of Education or Educational Service Center may utilize a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for audit. The ROE has chosen to use the GAAP basis of accounting for financial reporting.

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

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

Condition:

The Regional Office of Education No. 24 did not provide completed financial statements in an auditable form by the August 31 deadline. The preliminary draft was provided to the auditors on May 5, 2022. The preliminary draft required multiple adjustments and revisions after Regional Office records were adjusted. The final draft was provided on December 14, 2022.

Effect:

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

Cause:

Prior staff that handled the financials was unable to finalize records in a timely manner.

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2021**

Section II – Financial Statement Findings (Continued)

FINDING NO. 2021–001 – Delay of Audit (Repeat of Prior Year Findings 20-001, 19-002 and 18-002)
(Continued)

Recommendation:

The Regional Office of Education No. 24 should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). These financial statements need to be presented to the Auditor General’s independent auditors for audit by the August 31 deadline.

Management’s Response:

The Regional Office of Education #24 made changes to staff that handles the financials. A new Business Manager was hired along with an Office Assistant. Those two positions, along with the county paid employee, work together to reconcile all balances, complete payroll, and all other office financial information. The ROE contracts with a CPA Firm to assist them with preparing the financial statements. The new ROE financial team has reconciled financials and is now currently on pace to meet the future deadlines.

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2021**

Section II – Financial Statement Findings (Continued)

FINDING NO. 2021-002 – Inadequate Census Data for Illinois Municipal Retirement Fund (IMRF) Employees (Repeat of Prior Year Findings 20-002, 19-003, 18-003 and 17-003)

Criteria/Specific Requirement:

Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. Management of cost-sharing and agent employer plans are also responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework, including completeness and accuracy of census data.

Condition:

During our audit of the Regional Office, we noted the actuarially determined pension report for the ROE Illinois Municipal Retirement Fund (IMRF) had census data that could not be confirmed as reasonably accurate.

Effect:

Without effective internal controls in place over pension related census data, pension related balances for the IMRF Plan could be materially misstated. Inadequate census data could also alter the amount of pension contributions required to be deposited on a monthly basis due to erroneous pension assets/liabilities.

Cause:

ROE officials, a local special education cooperative (cooperative) and the Regional Office previously paid IMRF contributions using the same IMRF employer number. This arrangement was agreed upon several years ago by previous governing bodies. Upon the cooperative obtaining its own employer number in June of 2016, IMRF, with cooperation from the Regional Office, transferred the active employees of the cooperative to the new employer number. However, it cannot be determined at this time if the inactive and retired employees of the cooperative have been properly transferred to the new IMRF employer.

Recommendation:

The Regional Office should work with IMRF to determine all employees associated with the Regional Office's IMRF account are actually employees of the Regional Office.

Management's Response:

The Regional Office of Education has, and continues to, work with IMRF regarding this finding.

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2021**

Section II – Financial Statement Findings (Continued)

FINDING NO. 2021-003 – Controls over Grant Compliance

Criteria/Specific Requirement:

As a recipient of federal, State, and local funds from various grantor agencies, the Regional Office of Education No. 24 (ROE) must incorporate certain procedures into its operations in order to comply with the grant agreements with these entities.

The ROE is responsible for establishing and maintaining an internal control system over the completion of expenditure reports required for grants administered by the Illinois State Board of Education.

Condition:

Auditors noted that two grants (Regional Safe School and Truants Alternative Optional Education Program) had year-end expenditure reports that did not agree to the trial balance provided to auditors by the ROE. The expenditure reports submitted were for more than the general ledger balance.

Effect:

Submitting expenditure reports that do not accurately reflect expenditures could lead to the granting agency requesting reimbursement or loss of future grant amounts.

Cause:

The new financial team discovered expenditures were classified incorrectly.

Recommendation:

The ROE should implement adequate internal controls to ensure that year-end expenditure reports match the trial balance.

Management's Response:

The newly established ROE financial team reviews the expenditures on a monthly basis to ensure financial reports match trial balance figures.

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2021**

Section II – Financial Statement Findings (Continued)

FINDING NO. 2021-004 – Inadequate Monitoring of Collateral on Deposits

Criteria/Specific Requirement:

The Public Funds Deposit Act (30 ILCS 225/1) gives the Regional Office of Education #24 (ROE) the authorization to request financial institutions to pledge collateral for deposits in excess of the federally insured limit. In addition, prudent business practice requires that all cash and investments held by financial institutions for the ROE be adequately covered by depository insurance or collateral.

Condition:

As of June 30, 2021, the ROE had four cash accounts with bank balances totaling \$666,988 at one financial institution. The Federal Deposit Insurance Corporation (FDIC) covers up to a maximum of \$250,000, and the ROE had pledged securities of \$406,656. The ROE did not have depository insurance or collateral for the remaining \$10,332, an immaterial amount.

Effect:

Failure to secure full collateral on cash and investment balances may result in monetary losses to the ROE in the event of a bank failure.

Cause:

The cause of this finding is based on what specific day the auditors check bank deposits and collateralization.

Recommendation:

The ROE should monitor the bank balances on all accounts and work with the financial institution to provide collateral or enter into an agreement with the financial institution to have the cash balances monitored for adequate collateral periodically and adjusted as necessary.

Management's Response:

Bank officials have provided clarification as to what happened to cause the accounts held in the bank to not be 100% fully collateralized for a brief period of time. Bank officials have changed their procedures to ensure that accounts are 100% collateralized 100% of the time.

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2021**

Section II – Financial Statement Findings (Continued)

FINDING NO. 2021-005 – Controls over Cash

Criteria/Specific Requirement:

Sound internal controls require bank reconciliations to be performed monthly to ensure that all transactions have been recorded. The bank reconciliation process should include identifying and correcting all discrepancies between the bank records and the books in a timely manner. Sound internal control over cash requires bank reconciliations to be completed and reviewed by the appropriate level of management on a monthly basis.

Condition:

Auditors noted that the cash reconciliations were not done properly. The cash balances per the general ledger were not originally compared to the bank balance due to the new software implementation. The revised reconciliation required an immaterial \$23,480 plug to tie to the trial balance.

Effect:

Lack of reconciling bank accounts timely could result in management or employees not being able to prevent or detect financial statement misstatements in a timely manner. In addition, not identifying and addressing unrecorded items on a timely basis could cause expenditure reports to granting agencies to be incorrect.

Cause:

The transfer of funds from the old software system to the new software was inaccurate and was not reconciled by a past ROE employee. This was discovered by the new financial team.

Recommendation:

As part of its internal controls over cash, the Regional Office of Education No. 24 should reconcile all bank statements every month, compare it to the general ledger balance, and correct any discrepancies in a timely manner.

Management's Response:

The new financial team is working with the new financial software system company to address the amount mentioned in the condition section of this finding. Our internal records have been corrected and balance with the bank statements and balance sheets.

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2021**

Corrective Action Plan

FINDING NO. 2021-001 – Delay of Audit (Repeat of Prior Year Findings 20-001, 19-002, and 18-002)

Condition:

The Regional Office of Education No. 24 did not provide completed financial statements in an auditable form by the August 31 deadline. The preliminary draft was provided to the auditors on May 5, 2022. The preliminary draft required multiple adjustments and revisions after Regional Office records were adjusted. The final draft was provided on December 14, 2022.

Plan

The Regional Office of Education #24 made changes to staff that handles the financials. A new Business Manager was hired along with an Office Assistant. Those two positions, along with the county paid employee, work together to reconcile all balances, complete payroll, and all other office financial information. The ROE contracts with a CPA Firm to assist them with preparing the financial statements. The new ROE financial team has reconciled financials and is now currently on pace to meet the future deadlines.

Anticipated Date of Completion

July 2022

Name of contact person:

Honorable Christopher Mehochko, Regional Superintendent of Schools

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2021**

FINDING NO. 2021-002 – Inadequate Census Data for Illinois Municipal Retirement Fund (IMRF) Employees (Repeat of Prior Year Findings 20-002, 19-003, 18-003 and 17-003)

Condition:

During our audit of the Regional Office, we noted the actuarially determined pension report for the ROE Illinois Municipal Retirement Fund (IMRF) had census data that could not be confirmed as reasonably accurate.

Plan

The Regional Office of Education has, and continues to, work with IMRF regarding this finding.

Anticipated Date of Completion

Ongoing with the goal of being resolved by end of the year 2022.

Name of contact person:

Honorable Christopher Mehochko, Regional Superintendent of Schools.

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2021**

FINDING NO. 2021-003 – Controls over Grant Compliance

Condition:

Auditors noted that two grants (Regional Safe School and Truants Alternative Optional Education Program) had year-end expenditure reports that did not agree to the trial balance provided to auditors by the ROE. The expenditure reports submitted were for more than the general ledger balance.

Plan

The newly established ROE financial team reviews the expenditures on a monthly basis to ensure financial reports match trial balance figures.

Anticipated Date of Completion

July 2022

Name of contact person:

Honorable Christopher Mehochko, Regional Superintendent of Schools.

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2021**

FINDING NO. 2021-004 – Inadequate Monitoring of Collateral on Deposits

Condition:

As of June 30, 2021, the ROE had four cash accounts with bank balances totaling \$666,988 at one financial institution. The Federal Deposit Insurance Corporation (FDIC) covers up to a maximum of \$250,000, and the ROE had pledged securities of \$406,656. The ROE did not have depository insurance or collateral for the remaining \$10,332, an immaterial amount.

Plan

Bank officials have provided clarification as to what happened to cause the accounts held in the bank to not be 100% fully collateralized for a brief period of time. Bank officials have changed their procedures to ensure that accounts are 100% collateralized 100% of the time.

Anticipated Date of Completion

July 2022

Name of contact person:

Honorable Christopher Mehochko, Regional Superintendent of Schools.

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS
For the year ended June 30, 2021**

FINDING NO. 2021-005 – Controls over Cash

Condition:

Auditors noted that the cash reconciliations were not done properly. The cash balances per the general ledger were not originally compared to the bank balance due to the new software implementation. The revised reconciliation required an immaterial \$23,480 plug to tie to the trial balance.

Plan

The new financial team is working with the new financial software system company to address the amount mentioned in the condition section of this finding. Our internal records have been corrected and balance with the bank statements and balance sheets.

Anticipated Date of Completion

July 2022

Name of contact person:

Honorable Christopher Mehochko, Regional Superintendent of Schools.

**GRUNDY AND KENDALL COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 24**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the year ended June 30, 2021**

None

BASIC FINANCIAL STATEMENTS

Grundy and Kendall Counties
Regional Office of Education No. 24
Statement of Net Position
June 30, 2021
Exhibit A

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,196,424	\$ 57,168	\$ 1,253,592
Investments	106,933	-	106,933
Accounts receivable	3,411	330	3,741
Due from other governments	73,356	-	73,356
Total current assets	<u>1,380,124</u>	<u>57,498</u>	<u>1,437,622</u>
Non-current assets:			
Capital assets, net	<u>122,316</u>	<u>-</u>	<u>122,316</u>
TOTAL ASSETS	<u>1,502,440</u>	<u>57,498</u>	<u>1,559,938</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	8,050	-	8,050
Deferred outflows related to OPEB	<u>69,548</u>	<u>-</u>	<u>69,548</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>77,598</u>	<u>-</u>	<u>77,598</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	47,184	-	47,184
Accrued rent	<u>28,346</u>	<u>-</u>	<u>28,346</u>
Total current liabilities	<u>75,530</u>	<u>-</u>	<u>75,530</u>
Non-current liabilities:			
Accrued rent	28,351	-	28,351
Net pension liability	37,826	-	37,826
OPEB liabilities	<u>449,944</u>	<u>-</u>	<u>449,944</u>
Total non-current liabilities	<u>516,121</u>	<u>-</u>	<u>516,121</u>
TOTAL LIABILITIES	<u>591,651</u>	<u>-</u>	<u>591,651</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	15,598	-	15,598
Deferred inflows related to OPEB	<u>172,217</u>	<u>-</u>	<u>172,217</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>187,815</u>	<u>-</u>	<u>187,815</u>
NET POSITION			
Net investment in capital assets	122,316	-	122,316
Restricted for educational purposes	394,994	-	394,994
Unrestricted	<u>283,262</u>	<u>57,498</u>	<u>340,760</u>
TOTAL NET POSITION	<u>\$ 800,572</u>	<u>\$ 57,498</u>	<u>\$ 858,070</u>

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

Grundy and Kendall Counties
Regional Office of Education No. 24
Statement of Activities
For the Year Ended June 30, 2021
Exhibit B

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 1,237,832	\$ 6,168	\$ 397,881	\$ (833,783)	\$ -	\$ (833,783)
Pension expense	982	-	16,794	15,812	-	15,812
OPEB expense	11,188	-	1,292	(9,896)	-	(9,896)
Purchased services	416,634	3,223	48,443	(364,968)	-	(364,968)
Supplies and materials	82,534	100	2,584	(79,850)	-	(79,850)
Other objects	1,487	489	-	(998)	-	(998)
Capital outlay	69,087	-	-	(69,087)	-	(69,087)
Depreciation	58,806	-	-	(58,806)	-	(58,806)
Interest on long-term lease liability	5,374	-	-	(5,374)	-	(5,374)
Intergovernmental:						
Payment to other governments	420,774	-	178,917	(241,857)	-	(241,857)
Administrative:						
On-behalf payments	611,139	-	-	(611,139)	-	(611,139)
Total governmental activities	2,915,837	9,980	645,911	(2,259,946)	-	(2,259,946)
Business-type activities:						
Registration fees	19,906	17,531	-	-	(2,375)	(2,375)
Tuition	10,254	9,105	-	-	(1,149)	(1,149)
Total business-type activities	30,160	26,636	-	-	(3,524)	(3,524)
Total primary government	\$ 2,945,997	\$ 36,616	\$ 645,911	(2,259,946)	(3,524)	(2,263,470)
General revenues:						
Local sources				324,207	-	324,207
State sources				1,284,903	-	1,284,903
On-behalf payments				611,139	-	611,139
Interest				2,542	-	2,542
Transfers				(1,125)	1,125	-
Total general revenues				2,221,666	1,125	2,222,791
Change in Net Position				(38,280)	(2,399)	(40,679)
Net Position, Beginning of Year (as restated, see Note 16)				838,852	59,897	898,749
Net Position, End of Year				\$ 800,572	\$ 57,498	\$ 858,070

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

Grundy and Kendall Counties
Regional Office of Education No. 24
Governmental Funds
Balance Sheet
June 30, 2021
Exhibit C

	<u>Special Revenue Funds</u>					Total Governmental Funds
	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Eliminations	
ASSETS						
Cash and cash equivalents	\$ 872,971	\$ 50,981	\$ 257,359	\$ 15,113	\$ -	\$ 1,196,424
Investments	-	-	80,318	26,615	-	106,933
Accounts receivable	3,267	-	-	144	-	3,411
Due from other governments	-	73,356	-	-	-	73,356
Due from other funds	117,860	-	-	-	(117,860)	-
TOTAL ASSETS	994,098	124,337	337,677	41,872	(117,860)	1,380,124
LIABILITIES, DEFFERED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)						
Accounts payable and accrued expenses	32,916	14,017	-	251	-	47,184
Due to other funds	23,236	92,397	-	2,227	(117,860)	-
TOTAL LIABILITIES	56,152	106,414	-	2,478	(117,860)	47,184
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	30,813	-	-	-	30,813
FUND BALANCES (DEFICIT)						
Restricted	-	36,889	337,677	41,733	-	416,299
Assigned	300,406	-	-	-	-	300,406
Unassigned	637,540	(49,779)	-	(2,339)	-	585,422
TOTAL FUND BALANCES (DEFICIT)	937,946	(12,890)	337,677	39,394	-	1,302,127
TOTAL LIABILITIES, DEFFERED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)	\$ 994,098	\$ 124,337	\$ 337,677	\$ 41,872	\$ (117,860)	\$ 1,380,124

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

**Grundy and Kendall Counties
Regional Office of Education No. 24
Governmental Funds**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021
Exhibit D**

Total fund balance of governmental funds	\$	1,302,127
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.		122,316
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.		30,813
Accrued rent reflects rent expense in excess of rental payments that are recognized as an expense when paid in fund financial statements. The Statement of Activities amortizes the total payments over the life of the rental agreement.		(56,697)
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	\$	8,050
Deferred outflows of resources related to OPEB		69,548
Deferred inflows of resources related to pensions		(15,598)
Deferred inflows of resources related to OPEB		(172,217)
		(110,217)
Non-current liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Net pension liability		(37,826)
OPEB liability		(449,944)
		(487,770)
Net position of governmental activities	\$	800,572

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

Grundy and Kendall Counties
Regional Office of Education No. 24
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021
Exhibit E

	Special Revenue Funds				Total Governmental Funds
	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	
REVENUES:					
Local sources	\$ 255,655	\$ -	\$ 68,552	\$ 9,980	\$ 334,187
State sources	1,284,903	418,312	-	1,928	1,705,143
Federal sources	-	194,858	-	-	194,858
Interest	345	-	1,681	516	2,542
On-behalf payments	278,617	-	-	-	278,617
Total revenues	<u>1,819,520</u>	<u>613,170</u>	<u>70,233</u>	<u>12,424</u>	<u>2,515,347</u>
EXPENDITURES:					
Instructional services:					
Salaries and benefits	865,330	358,527	-	13,975	1,237,832
Pension expense	1,555	968	-	-	2,523
OPEB expense	2,654	1,031	-	-	3,685
Purchased services	343,793	72,247	41,163	7,313	464,516
Supplies and materials	57,483	24,835	-	216	82,534
Other objects	375	-	-	1,112	1,487
Intergovernmental:					
Payments to other governments	257,000	163,774	-	-	420,774
Administrative					
On-behalf payments	278,617	-	-	-	278,617
Capital outlay	58,554	20,353	-	-	78,907
Total expenditures	<u>1,865,361</u>	<u>641,735</u>	<u>41,163</u>	<u>22,616</u>	<u>2,570,875</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(45,841)</u>	<u>(28,565)</u>	<u>29,070</u>	<u>(10,192)</u>	<u>(55,528)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	7,928	18,712	-	-	26,640
Transfers out	(26,119)	(1,646)	-	-	(27,765)
Total other financing sources (uses)	<u>(18,191)</u>	<u>17,066</u>	<u>-</u>	<u>-</u>	<u>(1,125)</u>
NET CHANGE IN FUND BALANCES	<u>(64,032)</u>	<u>(11,499)</u>	<u>29,070</u>	<u>(10,192)</u>	<u>(56,653)</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR (AS RESTATED, SEE NOTE 16)	<u>1,001,978</u>	<u>(1,391)</u>	<u>308,607</u>	<u>49,586</u>	<u>1,358,780</u>
FUND BALANCES, END OF YEAR	<u>\$ 937,946</u>	<u>\$ (12,890)</u>	<u>\$ 337,677</u>	<u>\$ 39,394</u>	<u>\$ 1,302,127</u>

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

Grundy and Kendall Counties
Regional Office of Education No. 24
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 \$ (56,653)

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

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.

Capital outlay	\$ 9,820	
Depreciation	(58,806)	(48,986)

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. 30,813

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 government funds.

Cash paid to lessor	119,536	
Amortization of rent expense	(71,654)	
Interest on long-term lease liability	(5,374)	42,508

Governmental funds report pension and OPEB contributions as expenditures
However, in the Statement of Activities, the cost of
pension and OPEB benefits earned net of employee contributions
is reported as pension or OPEB expense.

Pension contributions	2,523	
OPEB contributions	3,685	
Pension expense	(982)	
OPEB expense	(11,188)	(5,962)

Change in net position of governmental activities \$ (38,280)

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

Grundy and Kendall Counties
Regional Office of Education No. 24
Proprietary Funds
Statement of Net Position
June 30, 2021
Exhibit G

	Business-type Activities				Totals
	Nonmajor Enterprise Funds				
	Criminal Backgrounds	Grundy County Summer School	Will County Summer School	Professional Teaching and Training Center	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 33,310	\$ 1,086	\$ 348	\$ 22,424	\$ 57,168
Accounts receivable	330	-	-	-	330
Total current assets	<u>33,640</u>	<u>1,086</u>	<u>348</u>	<u>22,424</u>	<u>57,498</u>
NET POSITION					
Unrestricted	<u>33,640</u>	<u>1,086</u>	<u>348</u>	<u>22,424</u>	<u>57,498</u>
TOTAL NET POSITION	<u>\$ 33,640</u>	<u>\$ 1,086</u>	<u>\$ 348</u>	<u>\$ 22,424</u>	<u>\$ 57,498</u>

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

Grundy and Kendall Counties
Regional Office of Education No. 24
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2021
Exhibit H

	Business-type Activities				Totals
	Nonmajor Enterprise Funds				
	Criminal Backgrounds	Grundy County Summer School	Will County Summer School	Professional Teaching and Training Center	
OPERATING REVENUES:					
Charges for services					
Tuition	\$ -	\$ 9,105	\$ -	\$ -	\$ 9,105
Registration fees	8,820	-	-	8,711	17,531
Total operating revenues	<u>8,820</u>	<u>9,105</u>	<u>-</u>	<u>8,711</u>	<u>\$ 26,636</u>
OPERATING EXPENSES:					
Salaries and benefits	-	10,736	-	-	10,736
Purchased services	17,148	-	-	2,276	19,424
Total operating expenses	<u>17,148</u>	<u>10,736</u>	<u>-</u>	<u>2,276</u>	<u>30,160</u>
INCOME (LOSS) BEFORE TRANSFERS	(8,328)	(1,631)	-	6,435	(3,524)
Transfers in	-	1,125	-	-	1,125
CHANGE IN NET POSITION	(8,328)	(506)	-	6,435	(2,399)
NET POSITION, BEGINNING OF YEAR	<u>41,968</u>	<u>1,592</u>	<u>348</u>	<u>15,989</u>	<u>59,897</u>
NET POSITION, END OF YEAR	<u>\$ 33,640</u>	<u>\$ 1,086</u>	<u>\$ 348</u>	<u>\$ 22,424</u>	<u>\$ 57,498</u>

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

Grundy and Kendall Counties
Regional Office of Education No. 24
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2021
Exhibit I

	Business-type Activities				Totals
	Nonmajor Enterprise Funds				
	Criminal Backgrounds	Grundy County Summer School	Will County Summer School	Professional Teaching and Training Center	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts for customers	\$ 8,490	\$ 9,105	\$ -	\$ 8,711	\$ 26,306
Payments to suppliers and providers of goods and services	(17,148)	-	-	(2,276)	(19,424)
Payments to employees	-	(10,736)	-	-	(10,736)
Net cash provided by (used in) operating activities	<u>(8,658)</u>	<u>(1,631)</u>	<u>-</u>	<u>6,435</u>	<u>(3,854)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:					
Transfers from other funds	-	1,125	-	-	1,125
Net cash provided by noncapital financing activity	<u>-</u>	<u>1,125</u>	<u>-</u>	<u>-</u>	<u>1,125</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,658)	(506)	-	6,435	(2,729)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>41,968</u>	<u>1,592</u>	<u>348</u>	<u>15,989</u>	<u>59,897</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 33,310</u>	<u>\$ 1,086</u>	<u>\$ 348</u>	<u>\$ 22,424</u>	<u>\$ 57,168</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss):	\$ (8,328)	\$ (1,631)	\$ -	\$ 6,435	\$ (3,524)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Effects of changes in assets and liabilities:					
Accounts receivable	(330)	-	-	-	(330)
Net cash provided by (used in) operating activities	<u>\$ (8,658)</u>	<u>\$ (1,631)</u>	<u>\$ -</u>	<u>\$ 6,435</u>	<u>\$ (3,854)</u>

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

Grundy and Kendall Counties
Regional Office of Education No. 24
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2021
Exhibit J

	Private Purpose Scholarship Funds		Custodial Fund	Total
	Martha Slyther Scholarship Fund	Community Foundation Scholarship Fund	Ditributive Fund	
ASSETS				
Cash and cash equivalents	\$ 9,512	\$ 500	\$ 114,065	\$ 124,077
NET POSITION				
Restricted for scholarships	9,512	500	-	10,012
Restricted for other governments	-	-	114,065	114,065
TOTAL NET POSITION	\$ 9,512	\$ 500	\$ 114,065	\$ 124,077

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

Grundy and Kendall Counties
Regional Office of Education No. 24
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021
Exhibit K

	Private Purpose Scholarship Funds		Custodial Fund	Total
	Martha Slyther Scholarship Fund	Community Foundation Scholarship Fund	Ditributive Fund	
ADDITIONS:				
Grants and other collections for other governments	\$ -	\$ -	\$ 1,768,197	\$ 1,768,197
DEDUCTIONS:				
Service charges	64	-	-	64
Scholarships and awards	1,000	-	-	1,000
Payments of grants and others to other government	-	-	1,709,792	1,709,792
Total deductions	<u>1,064</u>	<u>-</u>	<u>1,709,792</u>	<u>1,710,856</u>
CHANGE IN NET POSITION	(1,064)	-	58,405	57,341
NET POSITION, BEGINNING OF YEAR (AS RESTATED, SEE NOTE 16)	<u>10,576</u>	<u>500</u>	<u>55,660</u>	<u>66,736</u>
NET POSITION, END OF YEAR	<u>\$ 9,512</u>	<u>\$ 500</u>	<u>\$ 114,065</u>	<u>\$ 124,077</u>

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

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education No. 24's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

A. Reporting Entity

The Regional Office of Education No. 24 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Grundy and Kendall counties.

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

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

The Regional Office of Education No. 24 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education No. 24 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education No. 24's financial statements. In addition, the Regional Office of Education No. 24 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 24 being considered a component unit of another entity.

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from the business-type activities, which rely to a significant extent on fees and charges for support

The Statement of Net Position includes all of the Regional Office of Education No. 24's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

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

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

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

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

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

C. Measurement Focus and Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 24 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid expenses and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues susceptible to accrual are recognized in the current fiscal period. Those revenues include local sources, State sources, federal sources, and interest. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria or when resources are received prior to the

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

government having legal claim to them. The revenues are subsequently recognized when both recognition criteria are met or when the government has legal claim to the resources. Revenues received after the Regional Office's availability period are reported as deferred inflows of resources in the fund statements and are reported as current revenue in the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 24's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 24's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances, committed fund balances are used first, then assigned fund balances, then unassigned, if any.

Governmental Funds

The Regional Office of Education No. 24 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education No. 24 and is used to account for all financial resources except those required to be accounted for and reported in another fund. This fund is available to pay general and administrative expenditures of the Regional Office of Education No. 24. Included in this fund are:

General School Fund - To account for the general operating fund. It has been used to record transactions in connection with general administrative activities.

Payroll - To account for income received for and expenses paid for the payroll for certain employees who are paid by Grundy and Kendall Counties.

Interest - This fund accounts for interest revenue earned on the Regional Office's bank accounts.

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Illinois Tobacco - This fund accounts for revenues and expenditures associated with the curriculum and materials for tobacco prevention for youth and incentives for the stop smoking program for youth.

Grundy County Health Department - This fund accounts for local revenues and expenditures associated with a contract the Regional Office has with the Grundy County Health Department.

Grundy/Kendall Counties State Aid - To account for grant monies received for, and payment of expenditures for the unrestricted State grant-in aid to school districts which are directly received from the Illinois State Board of Education.

Premier Local Revenue - To account for funds collected from students at the Morris campus to pay to take those students bowling.

No Tolerance Task Force - This fund accounts for donations received from individuals for the No Tolerance Task Force program.

In Touch Local - This fund accounts for revenues and expenditures related to a youth group fundraiser that was held in fiscal year 2009.

Outdoor Education Cooperative - To account for funds received and disbursed for the Outdoor Education Cooperative.

Kendall County Special Education Cooperative - To account for funds received and disbursed for the Special Education Cooperative.

Distributive Interest Fund - To account for interest earned on Distributive Fund assets to fund existing programs.

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

Workforce Investment Act (WIA) Grant - To account for federal monies received and payment of expenditures for the Workforce Investment Act passed through Kane County. Training programs include tutoring, mentoring, and study skills training for underprivileged youth.

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Truants Alternative Optional Education Program (TAOEP) - To account for grant monies received for, and payment of expenditures for TAOEP. This program provides assistance to students and families when students have excessive absenteeism.

Will County Truants Alternative Optional Education Program - To account for State grant monies received from Will County for payment of expenditures for the TAOEP.

No Tolerance Task Force - To account for monies received for, and payment of expenditures for the No Tolerance Task Force. This program is a community partnership for zero tolerance against drug abuse and gangs.

McKinney-Vento Education for Homeless Children and Youth - To account for grant monies received for and payment of expenditures associated with a federal program designed to provide counseling and educational support to homeless children and their families. The programs are funded by a Federal Stewart B. McKinney Education for Homeless Children and Youth Grant passed through the Will County Regional Office of Education No. 56.

ROE/ISC Operations - To account for monies passed through to the Professional Development Alliance.

Fairmont Literacy Program - To account for grant monies received for and payment of expenses to improve the students' reading and literacy achievements in the Fairmont School District.

Title II - Teacher Quality - Leadership Grant - To account for monies received from the State (federal dollars) to support school improvement services for schools in academic difficulty.

Regional Safe School - To account for the administration of monies to be used for the Regional Safe Schools Program Fund received from the Illinois State Board of Education. This fund is an alternative schooling program for disruptive youth, creating alternative placement for those students who are suspended and/or are deemed ineligible.

Digital Equity - To account for grant monies received for, and payment of expenditures in closing the digital divide and enabling digital-age teaching and learning.

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Regional Office of Education No. 24 reports the following nonmajor governmental funds:

Nonmajor Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. Included among these funds are:

School Bus Driver - This fund accounts for bus drivers' permit fees which may be expended for bus drivers' refresher courses.

General Education Development - To account for the Regional Office of Education's administration of the GED Testing Program. Revenues are received from testing and diploma fees.

HiSET Registration - To account for the Regional Office of Education's administration of the HiSET Testing Program. Revenues are received from testing and diploma fees.

Proprietary Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

The Regional Office of Education No. 24 reports the following nonmajor proprietary funds:

Criminal Backgrounds - This fund accounts for revenues and expenditures associated with criminal background checks conducted by the Regional Office.

**Grundy and Kendall Counties
Regional Office of Education No. 24
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June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grundy County Summer School - This fund accounts for revenues and expenditures associated with summer school programs conducted by the Grundy and Kendall Counties Regional Office of Education No. 24.

Will County Summer School - This fund accounts for revenues and expenditures associated with Will County summer school programs conducted by the Grundy and Kendall Counties Regional Office of Education No. 24.

Professional Training and Teaching Center (PTTC) - This fund accounts for revenues and expenditures associated with professional exams.

Fiduciary Funds

Fiduciary funds reporting focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. The Regional Office of Education No. 24 fiduciary funds include the following:

Private Purpose Scholarship Funds - Private purpose scholarship funds are used to account for assets held by Regional Office of Education No. 24 under trust agreements which require income earned to be used to benefit individuals through scholarship awards. Private purpose scholarship funds include the following:

Martha Slyther Scholarship Fund - To account for the Martha Slyther Scholarship Fund which was received from an estate to be used for the purpose of providing scholarships to students in Kendall County.

Community Foundation Scholarship Fund - To account for the Community Foundation Scholarship Fund which was received from an individual to be used for the purpose of providing scholarships to students going into the medical field.

Custodial Fund - is used to report fiduciary activities that are not required to be reported in a trust fund. The Regional Office of Education No. 24's custodial fund accounts for amounts collected and distributed on behalf of another government or organization. The Regional Office of Education No. 24 maintains the following custodial fund:

Distributive Fund - To account for funds received and disbursed as

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a result of the Superintendent's responsibility to receive and distribute to treasurers of school districts and other agencies, monies due them from general State aid, State categorical grants, and various other sources.

D. Deposits and Investments

The Regional Office of Education No. 24 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of 90 days or less to be cash and cash equivalents. State regulations require that Regional Office of Education No. 24 deposit funds under its control into accounts insured by the federal governments, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education No. 24 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

E. Interfund Transactions

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

F. Capital Assets

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

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

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

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets	Years
Office and furniture	5-10
Leasehold improvements	15

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

G. Deferred Outflows of Resources

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

H. 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 on the Governmental Funds Balance Sheet consist of grant receivables not collected within sixty days after the year end. Deferred inflows of resources in the Statement of Net Position consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments, and unrecognized items that have not yet reduced pension and OPEB expense.

I. Equity Classifications

Government-wide and Proprietary Fund Statements

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

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Governmental Fund Statements

Governmental fund equity is classified as fund balance. 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 on the Governmental Funds Balance Sheet, the General Fund and Education Fund Combining Schedules of Accounts, and the Nonmajor Special Revenue Funds Combining Balance Sheet:

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

Restricted Fund Balance - the portion of a governmental fund's fund balance that is subject to external enforceable legal restrictions. The following accounts' fund balances are restricted by grant agreements or contracts: Truants Alternative Optional Educational Program, McKinney - Vento Education for Homeless Children and Youth, Title II - Teacher Quality - Leadership Grant, and Regional Safe School. The following funds are restricted by Illinois Statute: Institute and School Bus Driver.

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

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned Fund Balance - the portion of a governmental funds fund balance to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts comprise assigned fund balance: Grundy/Kendall Counties State Aid, Outdoor Education Cooperative, and Kendall County Special Education Cooperative.

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of General School Fund, Payroll, Premier Local Revenue, Distributive Interest Fund, WIA Grant, Digital Equity, General Education Development, and HiSET Registration.

J. Compensated Absences

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days, and therefore, no liability is accrued.

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

K. 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 Teachers' Retirement System of the State of Illinois (TRS) and additions to/deductions from TRS' fiduciary net position have been determined on the same basis as they are reported by 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.

L. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the Regional Office of Education No. 24's OPEB liability, deferred outflows of resources, and deferred inflows of resources

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education No. 24's OPEB Plan and additions to/deductions from the ROE's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 24's defined benefit OPEB plans. For this purpose, the Regional Office of Education No. 24's Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education No. 24's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the ROE's single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, notes that an implicit subsidy occurs when employers offer inactive employees the opportunity to participate in the same health insurance pool as active employees at the same blended premium rates. The subsidy is created by the difference in premium inactive/retirees would pay if purchasing insurance separately from the Regional Office of Education No. 24's group and the lower blended rate they pay by being included in the group. The implicit rate subsidy must be recorded as a liability under GASB Statement No. 75 to be paid out when the employee either retires or becomes disabled.

The Regional Office of Education No. 24 did not have a group insurance plan for its IMRF employees. Rather than procure a group plan for its IMRF employees, the ROE purchased a plan for each individual IMRF employee with varying premiums based upon the individual, such as the individual's age, as opposed to the group as a whole. Because of the way Regional Office of Education No. 24 purchased insurance for its employees, an implicit subsidy is not created and, therefore, no OPEB liability is accumulated or recorded on the Regional Office of Education No. 24's financial statements for IMRF employees.

M. Budgets and Budgetary Accounting

The Regional Office of Education No. 24 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from State and federal agencies, primarily the Illinois State Board of Education, are prepared and submitted to

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the granting agencies for approval as part of the grant awards process. The granting agencies must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgetary Comparison Schedules has been presented for the following grants: WIA Grant, Truants Alternative Optional Education Program, McKinney - Vento Education for Homeless Children and Youth, ROE/ISC Operations, Title II - Teacher Quality - Leadership Grant, Regional Safe School, and Digital Equity.

N. Use of Estimates

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

O. New Accounting Pronouncement

In 2021, the Grundy and Kendall Counties Regional Office of Education No. 24 implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. This statement changed the Regional Office's reporting of fiduciary activities and presentation of fiduciary fund financial statements.

P. Interest on Distributive Fund Accounts

The Regional Office of Education No. 24 has agreements with all districts in the region whereby the Regional Office of Education No. 24 is allowed to keep the interest received on Distributive Fund receipts for expenditures benefiting all districts.

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits. At June 30, 2021, the carrying amount of the Regional Office of Education No. 24's governmental activities, business-type activities, and fiduciary funds were \$1,173,049, \$57,168, and \$124,077, respectively. The bank balances totaled \$1,624,731, of which \$540,986 was covered by FDIC insurance, \$1,073,413 was collateralized, and \$10,332 was uninsured and uncollateralized.

At June 30, 2021, the carrying amount of the Regional Office of Education No. 24's

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

deposits in the Illinois Funds Money Market Fund for the governmental activities was \$23,375. The bank balance invested in the Illinois Funds Money Market Fund was \$23,375. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 24's governmental activities.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Regional Office of Education No. 24's deposits may not be returned to it. The Regional Office of Education No. 24 does not have a deposit policy for custodial risk.

Investments. The Regional Office of Education No. 24's investments consisted of certificates of deposit with original maturity dates of more than three months. Certificates of deposit comprised the \$106,933 shown as investments for governmental activities.

Credit Risk. At June 30, 2021, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside, independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

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

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

NOTE 3 RISK MANAGEMENT - CLAIMS AND JUDGMENTS

The Regional Office of Education No. 24 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 3 RISK MANAGEMENT - CLAIMS AND JUDGMENTS

No. 24 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

NOTE 4 CONTINGENCIES

The Regional Office of Education No. 24 has received funding from Federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education No. 24 believes any adjustments that may arise will be insignificant to the Regional Office of Education No. 24's operations.

NOTE 5 BOND

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 24 to execute a bond of not less than \$100,000 on the Regional Superintendent.

The Regional Office of Education No. 24 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Disposals	Balance June 30, 2021
Governmental activities:				
Capital assets being depreciated:				
Equipment	\$ 35,688	\$ -	\$ -	\$ 35,688
Leasehold improvements	450,000	9,820	-	459,820
Building improvements	146,949	-	-	146,949
Total capital assets	632,637	-	-	642,457
Less: Accumulated depreciation	(461,335)	(58,806)	-	(520,141)
Capital assets, net	<u>\$ 171,302</u>	<u>\$ (48,986)</u>	<u>\$ -</u>	<u>\$ 122,316</u>

	Balance July 1, 2020	Additions	Disposals	Balance June 30, 2021
Business-type activities:				
Capital assets being depreciated:				
Furniture and equipment	\$ 15,706	\$ -	\$ -	\$ 15,706
Less: Accumulated depreciation	(15,706)	-	-	(15,706)
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
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NOTE 6 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the Regional Office of Education No. 24 as follows:

Governmental Activities	
Instructional services	\$ 58,806
Business-type activities:	
Registration fees	\$ —

NOTE 7 INTERFUND ACTIVITIES

Due from/to Other Funds

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, as of June 30, 2021 were:

Fund	Due From	Due To
General Fund:		
General School Fund	\$ 87,047	\$ —
Grundy/Kendall Counties		
State Aid	30,813	
Payroll	—	23,236
Education Fund:		
WIA Grant	—	61,584
Digital Equity	—	30,813
Nonmajor Special Revenue Fund		
General Education Development	—	2,227
Total	\$ 117,860	\$ 117,860

Transfers in/out

Transfers are generally made to provide supplemental funding or move resources from the fund required to collect the resources to the fund required to expend the resources. As of June 30, 2021, interfund transfers for the year consisted of the following:

Fund	Transfers in	Transfers out
General Fund:		
General School Fund	\$ 7,928	\$ —
Interest	—	58
Illinois Tobacco	—	3,745
Grundy County Health Department	—	45

(Continued)

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 7 INTERFUND ACTIVITIES (Continued)

Fund	Transfers in	Transfers out
Grundy/Kendall Counties		
State Aid	–	18,622
No Tolerance Task Force	–	3,643
In Touch Local	–	6
Education Fund:		
Truants Alternative Optional Educational Program	18,622	–
Will County Truants Alternative Optional Education Program	–	204
No Tolerance Task Force	90	–
Fairmont Literacy Program	–	1,442
Nonmajor Enterprise Funds:		
Grundy County Summer School	1,125	–
Total	\$ 27,765	\$ 27,765

NOTE 8 RETIREMENT FUND COMMITMENTS

Teachers' Retirement System of the State of Illinois

Plan Description

The Regional Office of Education No. 24 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier 1 member to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and will be 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

**Grundy and Kendall Counties
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June 30, 2021**

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

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 Regional Office of Education No. 24.

On behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 24. For the year ended June 30, 2021, State of Illinois contributions recognized by the ROE were based on the State's proportionate share of with the pension expense associated with the Regional Office of Education No. 24, and the Regional Office of Education No. 24 recognized revenue and expenditures of \$315,531 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 \$2,523 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 Regional Office of Education No. 24, there is a statutory requirement for the Regional Office of Education No. 24 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 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 Regional Office of Education No. 24 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.

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

For the year ended June 30, 2021, the Regional Office of Education No. 24 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 Regional Office of Education No. 24 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 Regional Office of Education No. 24 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 Regional Office of Education No. 24 were as follows:

Regional Office of Education No. 24's proportionate share of the net pension liability	\$	37,826
State's proportionate share of the net pension liability associated with the employer		2,962,712
Total	\$	3,000,538

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 Regional Office of Education No. 24's proportion of the net pension liability was based on the Regional Office of Education No. 24'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 Regional Office of Education No. 24's proportion was .0000438737 percent, which was a decrease of .0000179015 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Regional Office of Education No. 24 recognized pension expense of \$315,531 and revenue of \$315,531 for support provided by the State. For the year ended June 30, 2021, the Regional Office of Education No. 24 recognized a pension expense of \$982. At June 30, 2021, the Regional Office of Education No. 24 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Grundy and Kendall Counties
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NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 367	\$ 10
Net difference between projected and actual earnings on pension plan investments	1,129	–
Changes of assumptions	155	397
Changes in proportion and differences between the employer contributions and proportionate share of contributions	3,876	15,191
Employer contributions subsequent to the measurement date	2,523	–
Total	\$ 8,050	\$ 15,598

\$2,523 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:

Year Ending June 30,	Net Deferred Inflows of Resources
2022	\$ (2,114)
2023	(1,668)
2024	(2,451)
2025	(2,736)
2026	(1,102)
Total	\$ (10,071)

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

**Grundy and Kendall Counties
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NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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.

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

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 Regional Office of Education No. 24’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Regional Office of Education No. 24’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Regional Office of Education No. 24’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Regional Office of Education No. 24’s proportionate share of the net pension liability	\$ 45,914	\$ 37,826	\$ 31,167

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*.

Illinois Municipal Retirement Fund

Change in Employer Demographics

The Regional Office of Education No. 24 has not reported the full amount of the actuarially provided balances for pension activity related to the Illinois Municipal Retirement Fund (IMRF). In previous years, the Kendall County Special Ed Co-op had employees that were included on the Illinois Municipal Retirement Fund actuary report for the Regional Office of Education No. 24. During the year ended

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

June 30, 2017, the Kendall County Special Ed Co-op obtained its own IMRF account number and all of its employees were transferred to the new account number. These employees were included in the actuary report for the Regional Office as inactive employees.

IMRF Plan Description

The Regional Office of Education No. 24's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 24's plan is managed by 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 Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

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

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

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.

Contributions

As set by statute, the Regional Office of Education No. 24'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 ROE's annual contribution rate for calendar year 2020 was 0.75%. For the fiscal year ended 2021, the Regional Office of Education No. 24 contributed \$3,654 to the plan. The Regional Office of Education No. 24 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.

Social Security

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

NOTE 9 OTHER POST EMPLOYMENT BENEFITS

Teachers' Health Insurance Security Fund

Plan Description

The Regional Office of Education No. 24 participates in the Teacher's 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

NOTE 9 OTHER POST EMPLOYMENT BENEFITS

retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (CMS) as of July 1, 2013. The 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 required all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

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

On Behalf Contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 24. For the year ended June 30, 2021, State of Illinois contributions recognized by the Regional Office of Education No. 24 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 24, and recognized revenue and expenditures of \$16,991 in OPEB contributions from the State of Illinois.

ROE Contributions to the THIS Fund

The Regional Office of Education No. 24 also makes contributions to THIS Fund. The ROE 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 ROE paid \$3,685 to the THIS Fund, which

**Grundy and Kendall Counties
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NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

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 ROE paid \$4,510, \$4,095, \$3,517, \$3,402, and \$3,065, to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further Information on the THIS Fund

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

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, 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.

**Grundy and Kendall Counties
Regional Office of Education No. 24
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NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

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.

Sensitivity of the Regional Office of Education No. 24’s Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate

The following presents the Regional Office of Education No. 24’s proportionate share of the collective net OPEB liability, as well as what the Regional Office of Education No. 24’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.45 percent) or one percentage point higher (3.45 percent) than the current discount rate:

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
Regional Office of Education No. 24’s proportionate share of the collective net OPEB liability	\$ 540,795	\$ 449,944	\$ 378,006

Sensitivity of the Regional Office of Education No. 24’s Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table shows the Regional Office of Education No. 24’s collective net OPEB liability as of June 30, 2020, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

**Grundy and Kendall Counties
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NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

	1% Decrease^a	Healthcare Cost Trend Rates	1% Increase^b
Regional Office of Education No. 24's proportionate share of the collective net OPEB liability	\$ 361,909	\$ 449,944	\$ 569,001

^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 Regional Office of Education No. 24 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 24. The amount recognized by the Regional Office of Education No. 24 as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Regional Office of Education No. 24 were as follows:

Regional Office of Education No. 24's proportionate share of the collective net OPEB liability	\$ 449,944
State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 24	609,061
Total	\$ 1,059,005

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 Regional Office of Education No. 24's proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 24's long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 24, actuarially determined. At June 30, 2020, the Regional Office of Education No. 24's proportion was 0.001683 percent, which was a decrease of 0.000312 percent from its proportion measured as of June 30, 2019 (0.001995 percent). The State's support and total are for disclosure purposes only.

**Grundy and Kendall Counties
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NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

For the year ended June 30, 2021, the Regional Office of Education No. 24 recognized OPEB expense of \$16,991 and revenue of \$16,991 for support provided by the State. For the year ended June 30, 2021, the Regional Office of Education No. 24 recognized OPEB expense of \$11,188. At June 30, 2021, the Regional Office of Education No. 24 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ —	\$ 11,955
Changes of assumptions	152	74,718
Net difference between projected and actual earnings on OPEB plan investments	—	13
Changes in proportion and differences between employer contributions and proportionate share of contributions	65,711	85,531
Employer contributions subsequent to the measurement date	3,685	—
Total	<u>\$ 69,548</u>	<u>\$ 172,217</u>

\$3,685 reported as deferred outflows of resources related to OPEB resulting from ROE 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 ROE's OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Inflows of Resources</u>
2022	\$ (16,432)
2023	(16,429)
2024	(16,427)
2025	(14,720)
2026	(12,351)
Thereafter	(29,995)
Total	<u>\$ (106,354)</u>

**Grundy and Kendall Counties
Regional Office of Education No. 24
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NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

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.

NOTE 10 OPERATING LEASES/ACCRUED RENT

On June 25, 2012, the Regional Office entered into a lease agreement for a new alternative school location. The lease term is July 1, 2015 through June 30, 2023. The agreement provides for a four-year extension and the landlord is to make certain leasehold improvements to the structure. The agreement required the Regional Office to place the sum of \$494,802 into a Strict Joint Order Escrow investment account upon execution of the lease. This amount will be decreased by base rent of \$131,714 each year. This will increase each year by the Consumer Price Index for all Urban Consumers (CPI-U).

Rental expense for the year ended June 30, 2021 was \$119,536.

Future minimum rentals for the year ending June 30 are:

Year Ending June 30	Amount
2022	\$ 100,000
2023	100,000
Total	\$ 200,000

According to GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, if an operating lease contains payment requirements in a particular year that are artificially low (for example, to ease the lessee's near-term cash flow requirements), governmental entities should measure the operating lease transactions either on a straight-line basis over the lease term or based on the estimated fair value of the rental.

The Regional Office of Education No. 24 entered into a lease transaction on June 25, 2012 that did not require a rental payment until the fiscal year ended June 30, 2016. This rental agreement does not meet the criteria of systematic and rational. An accrued rent has been recorded to account for the excess rent expense incurred greater than the cash paid. This is accounted for in the government-wide Statement of Net Position and Statement of Activities.

**Grundy and Kendall Counties
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NOTE 10 OPERATING LEASES/ACCRUED RENT (Continued)

The accrued rental activity associated with this operating lease for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Governmental Funds	\$ 85,043	\$ 71,654	\$ 100,000	\$ 56,697

NOTE 11 NOTE PAYABLE

The Regional Office of Education No. 24 had a loan from the landlord of the above-mentioned lease dated June 25, 2012 in the amount of \$450,000 to finance the leasehold improvements at the alternative school location. It is payable in annual installments of \$31,714 with a maturity date of December 31, 2020. As of June 30, 2021, the loan has been fully paid.

NOTE 12 DEFICIT FUND BALANCES/NET POSITION

The following individual funds carried the following deficit balances as of June 30, 2021.

Funds with Deficit Fund Balance	Amount
General Fund:	
Payroll	\$ 23,236
Education Fund:	
WIA Grant	18,966
Digital Equity	30,813
Nonmajor Special Revenue Funds:	
General Education Development	2,167
HiSET Registration	172
Total	\$ 75,354

The Regional Office of Education No. 24 anticipates reduction of expenditures or transfers of unrestricted funds will also be taken to reduce deficit fund balances.

NOTE 13 DUE FROM OTHER GOVERNMENTS

The Regional Office of Education No. 24's Education Fund has due from other governmental unit which consists of the following:

Kane County	\$ 42,543
Illinois State Board of Education	30,813
Total	\$ 73,356

**Grundy and Kendall Counties
Regional Office of Education No. 24
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NOTE 14 ON-BEHALF CONTRIBUTIONS

The State of Illinois paid the following salary and benefit contributions on-behalf of the Regional Office of Education No. 24:

Regional Superintendent Salary	\$	122,592
Assistant Regional Superintendent Salary		110,328
Regional Superintendent Benefits (includes State paid insurance)		38,763
Assistant Regional Superintendent Benefits (includes State paid insurance)		6,934
Total	\$	278,617

Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent was calculated based on data provided by the ISBE. The Regional Office of Education No. 24 recorded the on-behalf payments as both revenues and expenditures in the general fund.

The ROE also recorded \$332,522 in revenues and expenses as on-behalf payments from ISBE for the Regional Office of Education No. 24's share of the State's Teachers' Retirement System (TRS) pension expense and Teacher's Health Insurance Security Fund (THIS) OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 24 has not included any on-behalf payments related to the State's TRS pension expense and THIS OPEB expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$	278,617
ROE's share of TRS pension expense		315,531
THIS fund pension expense		16,991
Total	\$	611,139

NOTE 15 LONG-TERM LIABILITIES

Noncurrent liabilities activities for the year ended June 30, 2021, were as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Amounts due within one year
Accrued rent	\$ 85,043	\$ 71,654	\$ 100,000	\$ 56,697	\$ 28,346
Net pension liability - TRS	50,105	-	12,279	37,826	-
Net OPEB liability - THIS	552,072	-	102,128	449,944	-
Total noncurrent liabilities	\$ 687,220	\$ 71,654	\$ 214,407	\$ 544,467	\$ 28,346

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

**Grundy and Kendall Counties
Regional Office of Education No. 24
Notes to the Financial Statements
June 30, 2021**

NOTE 16 CHANGE IN ACCOUNTING PRINCIPLES

During the fiscal year ended June 30, 2021, the Grundy and Kendall Counties Regional Office of Education No. 24 adopted GASB Statement No. 84, *Fiduciary Activities*. The implementation of this statement has resulted in changing the presentation of the financial statements by recording the assets, liabilities, net position, revenues and expenditures of Outdoor Education Cooperative, Kendall County Special Education Cooperative, and Distributive Interest Fund; reclassifying these funds under General Fund (previously recorded under Fiduciary Funds); and, including an ending net position to Custodial Fund - Distributive Fund not previously required. Beginning net position/fund balance has been restated to reflect this change.

	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Custodial Fund</u>
Net Position/Fund Balance, June 30, 2020, as previously reported	\$ 808,279	\$ 971,405	\$ –
Change in accounting principles	<u>30,573</u>	<u>30,573</u>	<u>55,560</u>
Net Position/Fund Balance, June 30, 2020, as restated	<u>\$ 838,852</u>	<u>\$ 1,001,978</u>	<u>\$ 55,560</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>FY 2020*</u>	<u>FY 2019*</u>	<u>FY 2018*</u>	<u>FY 2017*</u>	<u>FY 2016*</u>	<u>FY 2015*</u>	<u>FY 2014*</u>
Employer's proportion of the net pension liability	.0000438737%	.0000617752%	.0000688509%	.0000570083%	.00005737%	.00006395%	.00006272%
Employer's proportionate share of the net pension liability	\$ 37,826	\$ 50,105	\$ 53,666	\$ 43,553	\$ 45,287	\$ 41,897	\$ 38,172
State's proportionate share of the net pension liability associated with the employer	2,962,712	3,565,901	3,676,328	2,998,295	3,040,677	2,501,777	2,380,426
Total	<u>\$ 3,000,538</u>	<u>\$ 3,616,006</u>	<u>\$ 3,729,994</u>	<u>\$ 3,041,848</u>	<u>\$ 3,085,964</u>	<u>\$ 2,543,674</u>	<u>\$ 2,418,598</u>
Employer's covered payroll	\$ 468,526	\$ 445,057	\$ 399,615	\$ 404,964	\$ 383,091	\$ 386,370	\$ 385,853
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	8.1%	11.3%	13.4%	10.8%	11.8%	10.8%	9.9%
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.

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

	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Statutorily-required contribution	\$ 2,323	\$ 2,717	\$ 2,581	\$ 2,318	\$ 2,349	\$ 2,222	\$ 2,241	\$ 2,238
Contributions in relation to the statutorily-required contribution	2,523	2,898	2,581	2,318	2,349	2,222	2,241	2,238
Contribution deficiency (excess)	<u>\$ (200)</u>	<u>\$ (181)</u>	<u>\$ -</u>					
Employer's covered payroll	\$ 400,500	\$ 468,526	\$ 445,057	\$ 399,615	\$ 404,964	\$ 383,091	\$ 386,370	\$ 385,853
Contributions as a percentage of covered payroll	0.63%	0.62%	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 This 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.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's proportion of the collective net OPEB liability	.001683%	.001995%	.001812%	.001761%	.001645%
Employer's proportionate share of the collective net OPEB liability	\$ 449,944	\$ 552,072	\$ 477,509	\$ 456,836	\$ 449,598
State's proportionate share of the collective net OPEB liability associated with the employer	<u>609,061</u>	<u>747,520</u>	<u>641,191</u>	<u>599,953</u>	<u>623,482</u>
Total	<u>\$ 1,059,005</u>	<u>\$ 1,299,592</u>	<u>\$ 1,118,700</u>	<u>\$ 1,056,789</u>	<u>\$ 1,073,080</u>
Employer's covered payroll	\$ 468,526	\$ 445,057	\$ 399,615	\$ 404,964	\$ 383,091
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	96.0%	124.0%	119.5%	112.8%	117.4%
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.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily-required contribution	\$ 3,685	\$ 4,310	\$ 4,095	\$ 3,517	\$ 3,402	\$ 3,065
Contributions in relation to the statutorily-required contribution	<u>3,685</u>	<u>4,510</u>	<u>4,095</u>	<u>3,517</u>	<u>3,402</u>	<u>3,065</u>
Contribution deficiency (excess)	\$ -	\$ (200)	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 400,500	\$ 468,526	\$ 445,057	\$ 399,615	\$ 404,964	\$ 383,091
Contributions as a percentage of covered payroll	0.92%	0.96%	0.92%	0.88%	0.84%	0.80%

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

Notes to This Required Supplementary Information

Changes of Benefit Term

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

Changes of assumptions

For the 2020 and 2019 measurement year, the assumed investment rate of return was 0.00%, 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.

For the 2018 and 2017 measurement years, the assumed investment rate of return was 0.00%, including an inflation rate of 2.75%. Salary increases were assumed to depend on service and range from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

OTHER SUPPLEMENTARY INFORMATION

Grundy and Kendall Counties
Regional Office of Education #24
General Fund
Combining Schedule of Accounts
June 30, 2021
Schedule 1

	<u>General School Fund</u>	<u>Payroll</u>	<u>Interest</u>	<u>Illinois Tobacco</u>	<u>Grundy County Health Department</u>
ASSETS					
Cash and cash equivalents	\$ 540,318	\$ -	\$ -	\$ -	\$ -
Accounts receivable	3,127	-	-	-	-
Due from other funds	87,047	-	-	-	-
TOTAL ASSETS	<u>630,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable and accrued expenses	62	-	-	-	-
Due to other funds	-	23,236	-	-	-
TOTAL LIABILITIES	<u>62</u>	<u>23,236</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Assigned	-	-	-	-	-
Unassigned	630,430	(23,236)	-	-	-
TOTAL FUND BALANCES (DEFICIT)	<u>630,430</u>	<u>(23,236)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 630,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Grundy and Kendall Counties
Regional Office of Education No. 24
General Fund
Combining Schedule of Accounts
June 30, 2021
Schedule 1 (Continued)

	<u>Grundy/Kendall Counties State Aid</u>	<u>Premier Local Revenue</u>	<u>No Tolerance Task Force</u>	<u>In Touch Local</u>
ASSETS				
Cash and cash equivalents	\$ 262,721	\$ 30,308	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other funds	30,813	-	-	-
TOTAL ASSETS	<u>293,534</u>	<u>30,308</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	30,487	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>30,487</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)				
Assigned	263,047	-	-	-
Unassigned	-	30,308	-	-
TOTAL FUND BALANCES (DEFICIT)	<u>263,047</u>	<u>30,308</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 293,534</u>	<u>\$ 30,308</u>	<u>\$ -</u>	<u>\$ -</u>

Grundy and Kendall Counties
Regional Office of Education No. 24
General Fund
Combining Schedule of Accounts
June 30, 2021
Schedule 1 (Continued)

	<u>Outdoor Education Cooperative</u>	<u>Kendall County Special Education Cooperative</u>	<u>Distributive Interest Fund</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 14,995	\$ 24,591	\$ 38	\$ 872,971
Accounts receivable	140	-	-	3,267
Due from other funds	-	-	-	117,860
TOTAL ASSETS	<u>15,135</u>	<u>24,591</u>	<u>38</u>	<u>994,098</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	2,367	-	-	32,916
Due to other funds	-	-	-	23,236
TOTAL LIABILITIES	<u>2,367</u>	<u>-</u>	<u>-</u>	<u>56,152</u>
FUND BALANCES (DEFICIT)				
Assigned	12,768	24,591	-	300,406
Unassigned	-	-	38	637,540
TOTAL FUND BALANCES (DEFICIT)	<u>12,768</u>	<u>24,591</u>	<u>38</u>	<u>937,946</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 15,135</u>	<u>\$ 24,591</u>	<u>\$ 38</u>	<u>\$ 994,098</u>

Grundy and Kendall Counties
Regional Office of Education No. 24
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021
Schedule 2

	<u>General School Fund</u>	<u>Payroll</u>	<u>Interest</u>	<u>Illinois Tobacco</u>	<u>Grundy County Health Department</u>
REVENUES:					
Local sources	\$ 25,820	\$ 130,490	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
On-behalf payments	278,617	-	-	-	-
Interest	62	-	-	-	-
Total revenues	<u>304,499</u>	<u>130,490</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
Instructional services					
Salaries and benefits	-	157,199	-	-	-
Pension expense	-	-	-	-	-
OPEB expense	-	-	-	-	-
Purchased services	17,119	-	-	-	-
Supplies and material	1,758	108	-	-	-
Other objects	-	-	-	-	-
Intergovernmental:					
Payments to other governments	-	-	-	-	-
Administrative					
On-behalf payments	278,617	-	-	-	-
Capital outlay	3,376	-	-	-	-
Total expenditures	<u>300,870</u>	<u>157,307</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,629	(26,817)	-	-	-
OTHER FINANCING SOURCES (USES):					
Transfers in	7,928	-	-	-	-
Transfers out	-	-	(58)	(3,745)	(45)
Total other financing sources (uses)	<u>7,928</u>	<u>-</u>	<u>(58)</u>	<u>(3,745)</u>	<u>(45)</u>
NET CHANGE IN FUND BALANCES	11,557	(26,817)	(58)	(3,745)	(45)
FUND BALANCES, BEGINNING OF YEAR, (AS RESTATED, SEE NOTE 16)	<u>618,873</u>	<u>3,581</u>	<u>58</u>	<u>3,745</u>	<u>45</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 630,430</u>	<u>\$ (23,236)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Grundy and Kendall Counties
Regional Office of Education No. 24
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021
Schedule 2 (Continued)

	Grundy/Kendall Counties State Aid	Premier Local Revenue	No Tolerance Task Force	In Touch Local
REVENUES:				
Local sources	\$ -	\$ 4,050	\$ -	\$ -
State sources	1,284,903	-	-	-
On-behalf payments	-	-	-	-
Interest	245	-	-	-
Total revenues	<u>1,285,148</u>	<u>4,050</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Instructional services				
Salaries and benefit	636,148	-	-	-
Pension expense	1,555	-	-	-
OPEB expense	2,654	-	-	-
Purchased services	310,525	125	-	-
Supplies and material	55,153	-	-	-
Other objects	-	337	-	-
Intergovernmental:				
Payments to other governments	257,000	-	-	-
Administrative				
On-behalf payments	-	-	-	-
Capital outlay	55,178	-	-	-
Total expenditures	<u>1,318,213</u>	<u>462</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(33,065)	3,588	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(18,622)	-	(3,643)	(6)
Total other financing sources (uses)	<u>(18,622)</u>	<u>-</u>	<u>(3,643)</u>	<u>(6)</u>
NET CHANGE IN FUND BALANCES	(51,687)	3,588	(3,643)	(6)
FUND BALANCES, BEGINNING OF YEAR, (AS RESTATED, SEE NOTE 16)	<u>314,734</u>	<u>26,720</u>	<u>3,643</u>	<u>6</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 263,047</u>	<u>\$ 30,308</u>	<u>\$ -</u>	<u>\$ -</u>

Grundy and Kendall Counties
Regional Office of Education No. 24
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021
Schedule 2 (Continued)

	Outdoor Education Cooperative	Kendall County Special Education Cooperative	Distributive Interest Fund	Totals
REVENUES:				
Local sources	\$ 83,260	\$ 12,035	\$ -	\$ 255,655
State sources	-	-	-	1,284,903
On-behalf payments	-	-	-	278,617
Interest	-	-	38	345
Total revenues	<u>83,260</u>	<u>12,035</u>	<u>38</u>	<u>1,819,520</u>
EXPENDITURES:				
Instructional services				
Salaries and benefit	71,983	-	-	865,330
Pension expense	-	-	-	1,555
OPEB expense	-	-	-	2,654
Purchased services	16,024	-	-	343,793
Supplies and material	464	-	-	57,483
Other objects	-	38	-	375
Intergovernmental:				
Payments to other governments	-	-	-	257,000
Administrative				
On-behalf payments	-	-	-	278,617
Capital outlay	-	-	-	58,554
Total expenditures	<u>88,471</u>	<u>38</u>	<u>-</u>	<u>1,865,361</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,211)	11,997	38	(45,841)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	7,928
Transfers out	-	-	-	(26,119)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,191)</u>
NET CHANGE IN FUND BALANCES	(5,211)	11,997	38	(64,032)
FUND BALANCES, BEGINNING OF YEAR, (AS RESTATED, SEE NOTE 16)	<u>17,979</u>	<u>12,594</u>	<u>-</u>	<u>1,001,978</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 12,768</u>	<u>\$ 24,591</u>	<u>\$ 38</u>	<u>\$ 937,946</u>

Grundy and Kendall Counties
Regional Office of Education No. 24
Education Fund
Combining Schedule of Accounts
June 30, 2021
Schedule 3

	WIA Grant	Truants Alternative Optional Educational Program	Will County Truants Alternative Optional Education Program	No Tolerance Task Force	McKinney - Vento Education for Homeless Children and Youth
ASSETS					
Cash and cash equivalents	\$ 75	\$ 29,970	\$ -	\$ -	\$ 5,390
Due from other governments	42,543	-	-	-	-
TOTAL ASSETS	42,618	29,970	-	-	5,390
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable and accrued expenses	-	5,683	-	-	-
Due to other funds	61,584	-	-	-	-
TOTAL LIABILITIES	61,584	5,683	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
FUND BALANCES (DEFICIT)					
Restricted	-	24,287	-	-	5,390
Unassigned	(18,966)	-	-	-	-
TOTAL FUND BALANCES (DEFICIT)	(18,966)	24,287	-	-	5,390
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)	\$ 42,618	\$ 29,970	\$ -	\$ -	\$ 5,390

Grundy and Kendall Counties
Regional Office of Education No. 24
Education Fund
Combining Schedule of Accounts
June 30, 2021
Schedule 3 (Continued)

	ROE/ISC Operations	Fairmont Literacy Program	Title II - Teacher Quality - Leadership Grant	Regional Safe School	Digital Equity	Totals
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 3,842	\$ 11,704	\$ -	\$ 50,981
Due from other governments	-	-	-	-	30,813	73,356
TOTAL ASSETS	-	-	3,842	11,704	30,813	124,337
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable and accrued expenses	-	-	-	8,334	-	14,017
Due to other funds	-	-	-	-	30,813	92,397
TOTAL LIABILITIES	-	-	-	8,334	30,813	106,414
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	30,813	30,813
FUND BALANCES (DEFICIT)						
Restricted	-	-	3,842	3,370	-	36,889
Unassigned	-	-	-	-	(30,813)	(49,779)
TOTAL FUND BALANCES (DEFICIT)	-	-	3,842	3,370	(30,813)	(12,890)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)	\$ -	\$ -	\$ 3,842	\$ 11,704	\$ 30,813	\$ 124,337

Grundy and Kendall Counties
Regional Office of Education No. 24
Education Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021
Schedule 4

	WIA Grant	Truants Alternative Optional Educational Program	Will County Truants Alternative Optional Education Program	No Tolerance Task Force	McKinney - Vento Education for Homeless Children and Youth
REVENUES:					
State sources	\$ -	\$ 119,686	\$ -	\$ -	\$ -
Federal sources	132,537	-	-	-	20,200
Total revenues	132,537	119,686	-	-	20,200
EXPENDITURES:					
Instructional services:					
Salaries and benefits	138,029	109,627	-	-	12,728
Pension expense	-	353	-	-	-
OPEB expense	-	449	-	-	-
Purchased services	9,038	621	-	-	3,866
Supplies and materials	1,446	300	-	-	768
Other objects	-	-	-	-	-
Intergovernmental:					
Payments to other governments	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	148,513	111,350	-	-	17,362
EXCESS OF REVENUES OVER EXPENDITURES	(15,976)	8,336	-	-	2,838
OTHER FINANCING SOURCES:					
Transfers in	-	18,622	-	90	-
Transfers out	-	-	(204)	-	-
Total other financing sources (uses)	-	18,622	(204)	90	-
NET CHANGE IN FUND BALANCES	(15,976)	26,958	(204)	90	2,838
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	(2,990)	(2,671)	204	(90)	2,552
FUND BALANCES (DEFICIT), END OF YEAR	\$ (18,966)	\$ 24,287	\$ -	\$ -	\$ 5,390

**Grundy and Kendall Counties
Regional Office of Education No. 24
Education Fund**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021
Schedule 4 (Continued)**

	ROE/ISC Operations	Fairmont Literacy Program	Title II - Teacher Quality - Leadership Grant	Regional Safe School	Digital Equity	Totals
REVENUES:						
State sources	\$ 161,854	\$ -	\$ -	\$ 136,772	\$ -	\$ 418,312
Federal sources	-	-	1,920	-	40,201	194,858
Total revenues	161,854	-	1,920	136,772	40,201	613,170
EXPENDITURES:						
Instructional services:						
Salaries and benefits	-	-	-	98,143	-	358,527
Pension expense	-	-	-	615	-	968
OPEB expense	-	-	-	582	-	1,031
Purchased services	-	-	-	30,382	28,340	72,247
Supplies and materials	-	-	-	-	22,321	24,835
Other objects	-	-	-	-	-	-
Intergovernmental:						
Payments to other governments	161,854	-	1,920	-	-	163,774
Capital outlay	-	-	-	-	20,353	20,353
Total expenditures	161,854	-	1,920	129,722	71,014	641,735
EXCESS OF REVENUES OVER EXPENDITURES						
	-	-	-	7,050	(30,813)	(28,565)
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	-	18,712
Transfers out	-	(1,442)	-	-	-	(1,646)
Total other financing sources (uses)	-	(1,442)	-	-	-	17,066
NET CHANGE IN FUND BALANCES	-	(1,442)	-	7,050	(30,813)	(11,499)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	-	1,442	3,842	(3,680)	-	(1,391)
FUND BALANCES (DEFICIT), END OF YEAR	\$ -	\$ -	\$ 3,842	\$ 3,370	\$ (30,813)	\$ (12,890)

**Grundy and Kendall Counties
Regional Office of Education No. 24
Education Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021
Schedule 5**

	WIA Grant				Truants Alternative Optional Education Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ 119,686	\$ 119,686	\$ 119,686	\$ -
Federal sources	163,373	163,373	132,537	(30,836)	-	-	-	-
Total revenues	163,373	163,373	132,537	(30,836)	119,686	119,686	119,686	-
EXPENDITURES:								
Instructional services:								
Salaries	87,634	87,634	138,029	(50,395)	90,010	90,010	109,627	(19,617)
Benefits	38,218	38,218	-	38,218	26,271	26,271	-	26,271
Pension expense	-	-	-	-	-	-	353	(353)
OPEB expense	-	-	-	-	-	-	449	(449)
Purchased services	31,126	31,126	9,038	22,088	3,105	3,105	621	2,484
Supplies and materials	6,395	6,395	1,446	4,949	300	300	300	-
Other objects	-	-	-	-	-	-	-	-
Intergovernmental:								
Payment to other governments	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	163,373	163,373	148,513	14,860	119,686	119,686	111,350	8,336
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	(15,976)	<u>\$ (15,976)</u>	<u>\$ -</u>	<u>\$ -</u>	8,336	<u>\$ 8,336</u>
OTHER FINANCING SOURCE:								
Transfers in			-				18,622	
NET CHANGE IN FUND BALANCES			(15,976)				26,958	
FUND BALANCES (DEFICIT), BEGINNING OF YEAR			<u>(2,990)</u>				<u>(2,671)</u>	
FUND BALANCES (DEFICIT), END OF YEAR			<u>\$ (18,966)</u>				<u>\$ 24,287</u>	

**Grundy and Kendall Counties
Regional Office of Education No. 24
Education Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021
Schedule 5 (Continued)**

	McKinney - Vento Education for Homeless Children and Youth				ROE/ISC Operations			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ 161,854	\$ 161,854	\$ 161,854	\$ -
Federal sources	20,200	20,200	20,200	-	-	-	-	-
Total revenues	<u>20,200</u>	<u>20,200</u>	<u>20,200</u>	<u>-</u>	<u>161,854</u>	<u>161,854</u>	<u>161,854</u>	<u>-</u>
EXPENDITURES:								
Instructional services:								
Salaries	9,360	9,360	12,728	(3,368)	64,458	64,458	-	64,458
Benefits	4,712	4,712	-	4,712	36,770	36,770	-	36,770
Pension expense	-	-	-	-	-	-	-	-
OPEB expense	-	-	-	-	-	-	-	-
Purchased services	5,284	5,284	3,866	1,418	58,126	58,126	-	58,126
Supplies and materials	844	844	768	76	2,500	2,500	-	2,500
Other objects	-	-	-	-	-	-	-	-
Intergovernmental:								
Payment to other governments	-	-	-	-	-	-	161,854	(161,854)
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>20,200</u>	<u>20,200</u>	<u>17,362</u>	<u>2,838</u>	<u>161,854</u>	<u>161,854</u>	<u>161,854</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>2,838</u>	<u>\$ 2,838</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
OTHER FINANCING SOURCE:								
Transfers in			-				-	
NET CHANGE IN FUND BALANCES			2,838				-	
FUND BALANCES (DEFICIT), BEGINNING OF YEAR			<u>2,552</u>				<u>-</u>	
FUND BALANCES (DEFICIT), END OF YEAR			<u>\$ 5,390</u>				<u>\$ -</u>	

Grundy and Kendall Counties
Regional Office of Education No. 24
Education Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021
Schedule 5 (Continued)

	Title II - Teacher Quality - Leadership Grant				Regional Safe School			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ 1,920	\$ 1,920	\$ -	\$ (1,920)	\$ 136,772	\$ 136,772	\$ 136,772	\$ -
Federal sources	-	-	1,920	1,920	-	-	-	-
Total revenues	<u>1,920</u>	<u>1,920</u>	<u>1,920</u>	<u>-</u>	<u>136,772</u>	<u>136,772</u>	<u>136,772</u>	<u>-</u>
EXPENDITURES:								
Instructional services:								
Salaries	-	-	-	-	94,450	94,450	98,143	(3,693)
Benefits	-	-	-	-	13,737	13,737	-	13,737
Pension expense	-	-	-	-	-	-	615	(615)
OPEB expense	-	-	-	-	-	-	582	(582)
Purchased services	1,920	1,920	-	1,920	28,585	28,585	30,382	(1,797)
Supplies and materials	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Intergovernmental:								
Payment to other governments	-	-	1,920	(1,920)	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,920</u>	<u>1,920</u>	<u>1,920</u>	<u>-</u>	<u>136,772</u>	<u>136,772</u>	<u>129,722</u>	<u>7,050</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>7,050</u>	<u>\$ 7,050</u>
OTHER FINANCING SOURCE:								
Transfers in			-				-	
NET CHANGE IN FUND BALANCES			-				7,050	
FUND BALANCES (DEFICIT), BEGINNING OF YEAR			<u>3,842</u>				<u>(3,680)</u>	
FUND BALANCES (DEFICIT), END OF YEAR			<u>\$ 3,842</u>				<u>\$ 3,370</u>	

**Grundy and Kendall Counties
Regional Office of Education No. 24
Education Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021
Schedule 5 (Continued)**

	Digital Equity			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	71,014	71,014	40,201	(30,813)
Total revenues	71,014	71,014	40,201	(30,813)
EXPENDITURES:				
Instructional services:				
Salaries	-	-	-	-
Benefits	-	-	-	-
Pension expense	-	-	-	-
OPEB expense	-	-	-	-
Purchased services	28,340	28,340	28,340	-
Supplies and materials	22,321	22,321	22,321	-
Other objects	-	-	-	-
Intergovernmental:				
Payment to other governments	-	-	-	-
Capital outlay	20,353	20,353	20,353	-
Total expenditures	71,014	71,014	71,014	-
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -	(30,813)	\$ (30,813)
OTHER FINANCING SOURCE:				
Transfers in			-	
NET CHANGE IN FUND BALANCES			(30,813)	
FUND BALANCES (DEFICIT), BEGINNING OF YEAR			-	
FUND BALANCES (DEFICIT), END OF YEAR			\$ (30,813)	

**Grundy and Kendall Counties
Regional Office of Education No. 24
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2021
Schedule 6**

	<u>School Bus Driver</u>	<u>General Education Development</u>	<u>HiSET Registration</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 15,113	\$ -	\$ -	\$ 15,113
Investments	26,615	-	-	26,615
Accounts receivable	60	60	24	144
TOTAL ASSETS	<u>41,788</u>	<u>60</u>	<u>24</u>	<u>41,872</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
LIABILITIES				
Accounts payable and accrued expenses	55	-	196	251
Due to other funds	-	2,227	-	2,227
TOTAL LIABILITIES	<u>55</u>	<u>2,227</u>	<u>196</u>	<u>2,478</u>
FUND BALANCES (DEFICIT)				
Restricted - others	41,733	-	-	41,733
Unassigned	-	(2,167)	(172)	(2,339)
TOTAL FUND BALANCES (DEFICIT)	<u>41,733</u>	<u>(2,167)</u>	<u>(172)</u>	<u>39,394</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 41,788</u>	<u>\$ 60</u>	<u>\$ 24</u>	<u>\$ 41,872</u>

**Grundy and Kendall Counties
Regional Office of Education No. 24
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021
Schedule 7**

	<u>School Bus Driver</u>	<u>General Education Development</u>	<u>HiSET Registration</u>	<u>Totals</u>
REVENUES:				
Local sources	\$ 7,910	\$ 1,330	\$ 740	\$ 9,980
State sources	1,928	-	-	1,928
Interest	516	-	-	516
Total revenues	<u>10,354</u>	<u>1,330</u>	<u>740</u>	<u>12,424</u>
EXPENDITURES:				
Instructional services:				
Salaries and benefits	-	13,975	-	13,975
Pension expense	-	-	-	-
OPEB expense	-	-	-	-
Purchased services	6,340	61	912	7,313
Supplies and materials	216	-	-	216
Other objects	1,112	-	-	1,112
Intergovernmental:				
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>7,668</u>	<u>14,036</u>	<u>912</u>	<u>22,616</u>
NET CHANGE IN FUND BALANCES	2,686	(12,706)	(172)	(10,192)
FUND BALANCES, BEGINNING OF YEAR	<u>39,047</u>	<u>10,539</u>	<u>-</u>	<u>49,586</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 41,733</u>	<u>\$ (2,167)</u>	<u>\$ (172)</u>	<u>\$ 39,394</u>