



**STATE OF ILLINOIS  
BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
FINANCIAL AUDIT  
(In Accordance with the Uniform Guidance)  
For the Year Ended June 30, 2020**

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28**

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**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28**

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REGIONAL OFFICE OF EDUCATION NO. 28**

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**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
OFFICIALS**

Regional Superintendent  
(current and during the audit period)

Ms. Angela Zarvell

Assistant Regional Superintendent  
(current and during the audit period)

Ms. Kathy Marshall

Office is located at:

107 South State Street  
Atkinson, Illinois 61235

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
COMPLIANCE REPORT SUMMARY**

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

**AUDITOR’S REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

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

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
<i>Findings (Government Auditing Standards)</i>			
2020-001	14	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency
<i>Findings and Questioned Costs (Federal Compliance)</i>			
None			
<i>Prior Audit Findings not Repeated (Government Auditing Standards)</i>			
2019-001	19	Controls over Financial Statement Preparation	Material Weakness
2019-002	19	Inadequate Controls over Bank Reconciliation Process	Significant Deficiency
<i>Prior Audit Findings not Repeated (Federal Compliance)</i>			
None			

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
COMPLIANCE REPORT SUMMARY – (CONCLUDED)**

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on November 19, 2020. Attending from the Regional Office of Education No. 28 were Angela Zarvell, Regional Superintendent; and Misty Bruno, Bookkeeper; and from Adelfia LLC were Stella Marie Santos, Jennifer Roan, Maria Divina Valera, Partners. Responses to the recommendations were provided by Angela Zarvell, Regional Superintendent, on February 10, 2021.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Bureau, Henry, and Stark Counties Regional Office of Education No. 28 was performed by Adelfia LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's basic financial statements.



## INDEPENDENT AUDITOR'S 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, each major fund, and the aggregate remaining fund information of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension (Asset) Liability & Related Ratios, Illinois Municipal Retirement Fund – Schedule of Employer Contributions, Teachers’ Retirement System of the State of Illinois – Schedule of the Employer’s Proportionate Share of the Net Pension Liability & Schedule of Employer Contributions, Teachers’ Health Insurance Security Fund – Schedule of the Employer’s Proportionate Share of the Collective Net Other Postemployment Benefit Liability & Schedule of Employer Contributions, and Other Postemployment Benefits – Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 70 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2021 on our consideration of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28'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 Bureau, Henry, and Stark Counties Regional Office of Education No. 28'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 Bureau, Henry, and Stark Counties Regional Office of Education No. 28's internal control over financial reporting and compliance.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
March 25, 2021



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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

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, each major fund, and the aggregate remaining fund information of Bureau, Henry, and Stark Counties Regional Office of Education No. 28, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Bureau, Henry, and Stark Counties Regional Office of Education No. 28’s basic financial statements, and have issued our report thereon dated March 25, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bureau, Henry, and Stark Counties Regional Office of Education No. 28’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 Bureau, Henry, and Stark Counties Regional Office of Education No. 28’s internal control. Accordingly, we do not express an opinion on the effectiveness of Bureau, Henry, and Stark Counties Regional Office of Education No. 28’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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001 that we consider to be a significant deficiency.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bureau, Henry, and Stark Counties Regional Office of Education No. 28's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Regional Office of Education No. 28's Responses to Findings

Bureau, Henry, and Stark Counties Regional Office of Education No. 28's responses to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Bureau, Henry, and Stark Counties Regional Office of Education No. 28's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28'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 Bureau, Henry, and Stark Counties Regional Office of Education No. 28's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
March 25, 2021



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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited Bureau, Henry, and Stark Counties Regional Office of Education No. 28's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's major federal programs for the year ended June 30, 2020. The Bureau, Henry, and Stark Counties Regional Office of Education No. 28's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Bureau, Henry, and Stark Counties Regional Office of Education

No. 28's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's compliance.

#### Opinion on Each Major Federal Program

In our opinion, the Bureau, Henry, and Stark Counties Regional Office of Education No. 28 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

#### Report on Internal Control Over Compliance

Management of Bureau, Henry, and Stark Counties Regional Office of Education No. 28 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's internal control over compliance.

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

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

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

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
March 25, 2021

**BUREAU, HENRY, AND STARK COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 28  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 SECTION I – SUMMARY OF AUDITOR’S RESULTS  
 For the Year Ended June 30, 2020**

**Financial Statements in accordance with GAAP**

Type of auditor’s report issued: *Unmodified*

Internal control over financial reporting:  
 Material weakness(es) identified?  yes  no  
 Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major federal programs:  
 Material weakness(es) identified?  yes  no  
 Significant deficiency(ies) identified?  yes  none reported

Type of auditor’s report issued on compliance for major federal programs: *Unmodified*

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

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.287C	Twenty-First Century Community Learning Centers
84.423A	Supporting Effective Educator Development Program

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

Auditee qualified as low-risk auditee?  yes  no

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
For the Year Ended June 30, 2020**

**FINDING 2020-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers**

**CRITERIA/SPECIFIC REQUIREMENT:**

The Regional Office of Education No. 28 is responsible for the design, implementation, and maintenance of internal controls, including controls that are outsourced to service providers, related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction.

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

**CONDITION:**

As part of the audit process, we requested the Regional Office of Education No. 28 to provide a population of the service providers utilized. The Regional Office of Education No. 28 was able to identify service providers that provided hosting and backup services for the Regional Office of Education No. 28.

During testing, the auditors noted the Regional Office of Education No. 28 had not:

- Developed a formal process for identifying service providers and obtaining the Service Organization Controls (SOC) reports from the service providers on an annual basis.
- Documented its review of each of the SOC reports.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 28's operations.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

**EFFECT:**

Without having obtained and reviewed a SOC report or another form of independent internal controls review, the Regional Office of Education No. 28 does not have assurance the external service provider's and its subservice organization's internal controls are adequate.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
For the Year Ended June 30, 2020**

**FINDING 2020-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Concluded)**

**CAUSE:**

Regional Office of Education No. 28 officials indicated they understand the importance of a formal process to monitor service providers, however, they have not completed a policy to address the issues due to other priorities.

**RECOMMENDATION:**

We recommend the Regional Office of Education No. 28 identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 28 should:

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 28's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 28, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**MANAGEMENT'S RESPONSE:**

Third party service providers with access to the confidential data of ROE No. 28 will have their internal controls reviewed prior to entering into a purchasing contract. An SOC audit is the preferred documentation of appropriate internal controls. In the event an SOC audit is not available from a third-party service provider, optional documentation covering the depth and breadth of an SOC audit may be considered. Contracts with third party service providers will be at the discretion of the Regional Superintendent.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION III – FEDERAL AWARD FINDINGS  
For the Year Ended June 30, 2020**

**INSTANCES OF NONCOMPLIANCE:**

None

**SIGNIFICANT DEFICIENCIES:**

None

**MATERIAL WEAKNESSES:**

None

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
For Year Ended June 30, 2020**

**Corrective Action Plan**

**FINDING 2020-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers**

**CONDITION:**

As part of the audit process, we requested the Regional Office of Education No. 28 to provide a population of the service providers utilized. The Regional Office of Education No. 28 was able to identify service providers that provided hosting and backup services for the Regional Office of Education No. 28.

During testing, the auditors noted the Regional Office of Education No. 28 had not:

- Developed a formal process for identifying service providers and obtaining the Service Organization Controls (SOC) reports from the service providers on an annual basis.
- Documented its review of each of the SOC reports.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 28's operations.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

**PLAN:**

The Regional Office of Education No. 28 will identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 28 will:

- Obtain SOC reports or (perform independent reviews) of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 28's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 28, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
For Year Ended June 30, 2020**

**Corrective Action Plan (Concluded)**

**FINDING 2020-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Concluded)**

**ANTICIPATED DATE OF COMPLETION:**

June 30, 2021

**CONTACT PERSON:**

Ms. Angela Zarvell, Regional Superintendent of Schools

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED  
For the Year Ended June 30, 2020**

2019-001	Controls over Financial Statement Preparation	Not Repeated
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During the current audit, the Regional Office of Education implemented corrective action and included pension and OPEB transactions in their financial statements.

2019-002	Inadequate Controls over Bank Reconciliation Process	Not Repeated
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During the current audit, the Regional Office of Education implemented corrective action and avoided untimely processing of bank reconciliations.

## BASIC FINANCIAL STATEMENTS

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
STATEMENT OF NET POSITION  
June 30, 2020**

	<u>Primary Government Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,575,749
Accounts receivable	766
Due from other governments	595,792
Total current assets	2,172,307
Non-current assets:	
Capital assets, being depreciated, net	36,720
Net pension asset	3,868
Total non-current assets	40,588
Total assets	2,212,895
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	248,779
Deferred outflows related to OPEB	9,517
Total deferred outflows of resources	258,296
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued expenses	511
Due to other governments	39,566
Unearned revenue	151,496
Total current liabilities	191,573
Non-current liabilities:	
Compensated absences	71,853
Net pension liability	19,961
OPEB Liabilities	369,500
Total non-current liabilities	461,314
Total liabilities	652,887
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	460,959
Deferred inflows related to OPEB	124,497
Total deferred inflows of resources	585,456
<b>NET POSITION</b>	
Net investment in capital assets	36,720
Unrestricted	891,733
Restricted for educational purposes	304,395
Total net position	\$ 1,232,848

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020**

<b>FUNCTIONS/PROGRAMS</b>	<u>Expenses</u>	<b>Program Revenues</b>		<b>Net (Expenses) Revenues and Changes in Net Position</b>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<b>Primary Government Governmental Activities</b>
Primary government:				
Governmental activities:				
Instructional services:				
Salaries and benefits	\$ 1,815,699	\$ -	\$ 1,900,878	\$ 85,179
Pension expense	93,402	-	-	(93,402)
OPEB expense	26,410	-	-	(26,410)
Purchased services	304,749	29,171	259,922	(15,656)
Supplies and materials	105,752	295	90,816	(14,641)
Other objects	98,923	-	100,211	1,288
Capital outlay	-	-	6,263	6,263
Depreciation	18,861	-	-	(18,861)
Intergovernmental:				
Payments to other governments	831,406	-	773,504	(57,902)
Administrative:				
On-behalf payments	599,431	-	-	(599,431)
Total governmental activities	\$ 3,894,633	\$ 29,466	\$ 3,131,594	(733,573)
General revenues:				
Local sources				180,962
Interest				4,426
Loss on disposal of capital assets				(6,029)
On-behalf payments				599,431
Total general revenue				778,790
<b>CHANGE IN NET POSITION</b>				45,217
<b>NET POSITION, BEGINNING OF YEAR</b>				1,187,631
<b>NET POSITION, END OF YEAR</b>				\$ 1,232,848

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020**

	<u>General Fund</u>	<u>Special Revenue</u>		<u>Total Governmental Funds</u>
		<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,118,186	\$ 224,765	\$ 232,798	\$ 1,575,749
Accounts receivable	746	-	20	766
Due from other governments	10,083	585,699	10	595,792
Due from other funds	556,161	-	-	556,161
Total assets	<u>1,685,176</u>	<u>810,464</u>	<u>232,828</u>	<u>2,728,468</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,685,176</u>	<u>\$ 810,464</u>	<u>\$ 232,828</u>	<u>\$ 2,728,468</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 4	\$ 497	\$ 10	\$ 511
Due to other governments	-	39,566	-	39,566
Due to other funds	175	555,986	-	556,161
Unearned revenue	4,790	146,706	-	151,496
Total liabilities	<u>4,969</u>	<u>742,755</u>	<u>10</u>	<u>747,734</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
<b>FUND BALANCE</b>				
Restricted	-	67,709	232,818	300,527
Assigned	394,783	-	-	394,783
Unassigned	1,285,324	-	-	1,285,324
Total fund balance	<u>1,680,107</u>	<u>67,709</u>	<u>232,818</u>	<u>1,980,634</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 1,685,176</u>	<u>\$ 810,464</u>	<u>\$ 232,828</u>	<u>\$ 2,728,468</u>

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2020**

<b>Total fund balance of governmental funds</b>	<u>\$ 1,980,634</u>
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.	<u>36,720</u>
Non-current assets related to pension benefits are collected but are not payable in the current period and, therefore, are not reported in the governmental funds. Net pension asset - IMRF	<u>3,868</u>
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 deferred in the governmental funds.	<u>100</u>
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 - IMRF	122,937
Deferred outflows of resources - TRS	125,842
Deferred outflows of resources - THIS	9,517
Deferred inflows of resources - IMRF	(76,159)
Deferred inflows of resources - TRS	(384,800)
Deferred inflows of resources - THIS	<u>(124,497)</u>
	<u>(327,160)</u>
Non-current liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
Compensated absences	(71,853)
Net pension liability - TRS	(19,961)
Total OPEB liability	(153,322)
Net OPEB liability	<u>(216,178)</u>
	<u>(461,314)</u>
<b>Net position of governmental activities</b>	<u>\$ 1,232,848</u>

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2020**

	<u>Special Revenue</u>			
	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>				
Local sources	\$ 114,055	\$ 127,139	\$ 28,944	\$ 270,138
State sources	67,331	629,743	1,295	698,369
Federal sources	-	2,392,400	-	2,392,400
Interest	3,902	2	522	4,426
On-behalf payments	432,645	-	-	432,645
Total revenues	<u>617,933</u>	<u>3,149,284</u>	<u>30,761</u>	<u>3,797,978</u>
<b>EXPENDITURES:</b>				
Instructional services:				
Salaries and benefits	5,819	1,823,901	-	1,829,720
Pension expense	146	76,655	-	76,801
OPEB expense	-	1,308	-	1,308
Purchased services	39,689	260,253	4,807	304,749
Supplies and materials	14,311	91,380	61	105,752
Other objects	-	98,923	-	98,923
Intergovernmental:				
Payments to other governments	59,496	771,910	-	831,406
Administrative:				
On-behalf payments	424,506	-	-	424,506
On-behalf payments - pension expense	8,139	-	-	8,139
Capital outlay	2,205	6,597	-	8,802
Total expenditures	<u>554,311</u>	<u>3,130,927</u>	<u>4,868</u>	<u>3,690,106</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>63,622</u>	<u>18,357</u>	<u>25,893</u>	<u>107,872</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	630	-	630
Transfers out	(630)	-	-	(630)
Total other financing sources (uses)	<u>(630)</u>	<u>630</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	62,992	18,987	25,893	107,872
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,617,115</u>	<u>48,722</u>	<u>206,925</u>	<u>1,872,762</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,680,107</u>	<u>\$ 67,709</u>	<u>\$ 232,818</u>	<u>\$ 1,980,634</u>

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2020**

<b>Net change in fund balance</b>	<u>\$ 107,872</u>
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	8,802
Depreciation and disposition losses	<u>(24,890)</u>
	<u>(16,088)</u>
<p>Some receivables will not be collected for several months after fiscal year end, so they are not considered as "available" revenues in the governmental funds, and they are instead counted as deferred inflows. They are, however, recorded as revenues in the Statement of Activities.</p>	
Current year unavailable revenue	100
Prior year unavailable revenue	<u>(18,985)</u>
	<u>(18,885)</u>
<p>The current year pension and OPEB contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the Statement of Net Position.</p>	
	<u>46,820</u>
<p>Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. They consist of:</p>	
Compensated absences	8,188
OPEB expense	(25,388)
OPEB expense - THIS	4,811
Pension expense - IMRF	(65,935)
Pension expense - TRS	<u>3,822</u>
	<u>(74,502)</u>
<b>Change in net position of governmental activities</b>	<u>\$ 45,217</u>

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2020**

	<b><u>Agency Funds</u></b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 25,152
Due from other governments	<u>717,835</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 742,987</u></b>
<b>LIABILITIES</b>	
Due to other governments	<b><u>\$ 742,987</u></b>

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Bureau/Henry/Stark Counties Regional Office of Education No. 28 operates under the School Code (Article 3 and 3A of Illinois Compiled Statutes, Chapter 105). The Regional Superintendent of Schools (Superintendent) serves as chief administrative officer of the Regional Office of Education No. 28 and is elected to the position for a four-year term pursuant to Article 3 of Illinois Compiled Statutes, Chapter 105. The principal financial duty of the Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The 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' 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.

For financial reporting purposes, Bureau/Henry/Stark Counties Regional Office of Education No. 28 has included all funds, organizations, agencies, boards, commissions, and authorities. The Regional Office of Education No. 28 has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Regional Office of Education No. 28 are such that exclusion would cause the Regional Office of Education No. 28's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Regional Office of Education No. 28 to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Regional Office of Education No. 28.

Bureau/Henry/Stark Counties Regional Office of Education No. 28 has determined that no other outside agency meets any of the above criteria and, therefore, no other agency has been included as a component unit in the financial statements. Furthermore, the Bureau/Henry/Stark Counties Regional Office of Education No. 28 does not consider itself to be a component unit of any other entity.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

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

**Basis of Presentation**

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

Governmental activities normally are supported by operating grants and contributions, charges for services and intergovernmental revenues.

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 users 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. Items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar revenues are recognized 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 are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Bureau/Henry/Stark Counties Regional Office of Education No. 28 considers revenues to be available if they are collected within 60 days after year end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Revenues received more than 60 days after the end of the current period are reported as unavailable in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

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

There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

It is the policy of the Bureau/Henry/Stark Counties Regional Office of Education No. 28 to have preference utilizing restricted funds first, then unrestricted. For unrestricted fund balance, committed funds are preferred to use first, then assigned, then unassigned funds (if any) as appropriate.

**Fund Accounting**

The accounts of Bureau/Henry/Stark Counties Regional Office of Education No. 28 are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures. The resources allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following summarizes the fund types used:

Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balances of the expendable financial resources and the related current liabilities are accounted for through governmental funds.

General Funds - General Funds are the general operating funds of the Regional Office of Education No. 28. These funds account for all financial resources except those required to be accounted for in another fund. A description of the general funds are as follows:

Local - To account for transition monies provided by the closing of the Educational Service Region. This fund also accounts for on-behalf payments from the State of Illinois and the counties to pay the salary and benefits of the Regional Superintendent, Assistant Regional Superintendent, and clerical staff.

Interest Office Expense - To account for the interest income retained by the Regional Office of Education No. 28 from the Distributive Fund.

Administrators Academy - To support professional development of administrators.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

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

Para-Professional - To provide training for teacher aides.

General State Aid - To provide general flexible state aid to schools for the support of educational services.

Standards Aligned Classroom - To support teacher teams working on alignment of a curriculum with standards.

Homeless Grant Enterprise - To ensure that homeless students receive the services they need to attend school on a regular basis despite being homeless.

Language Arts - Funds to pay for Language Arts workshops.

Math - Development money for a summer program for math teachers.

Lab Tech - To help the Regional Office of Education No. 28 in staying abreast of changing technology for the office.

Fine Arts - To provide instruction on cultural issues.

School Improvement - To provide state mandated services.

District Services - To account for receipts from school districts for establishing and performing educational enhancing activities.

Science - To provide support for science teachers.

Reading First Enterprise - This program delivers professional development opportunities for K-3 teachers, K-12 special education teachers and administrators that address the essential components of reading instruction, scientifically-based instructional programs and materials, instructional strategies, and assessment.

Registration - To transfer educators' licensure fees to ISBE.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

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

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

Bureau County Step Ahead - To assist at-risk, non-traditional youth no longer attending school with additional education, training, and employment opportunities. This will be accomplished by providing a comprehensive program including both occupational and academic components.

Henry County Step Ahead - To promote academic achievement, employability, leadership development skills, and occupational skills training for low-income Henry County youth aged 16-21 by helping youth obtain their GED through academic and work-based training and encouraging youth to become productive, contributing members of the community by acquiring the skills necessary to obtain unsubsidized employment and self-sufficiency.

General Operations - To account for monies from the State of Illinois for expenditures incurred providing program services to the various districts.

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

Salary - To account for grant money due to the counties for services provided.

McKinney Education for Homeless Children - The Homeless Youth Connection (HYC) provides services for the educational needs of 450 homeless PK-12 students in Rock Island, Bureau, Henry, and Stark counties. The goal of the program is to ensure that homeless students receive the services they need to attend school on a regular basis despite being homeless.

21st Century Community Learning Centers (Projects 13, 15, 19, 25) - Provides academic enrichment opportunities during the extended school day and extended school year. Through academic enrichment, students will receive support in developing and mastering their reading, writing, and math skills via additional learning opportunities, tutoring, and homework support.

Early Childhood Block Grant Prevention Initiative and Parental Training - To nurture infant/child and family development.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

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

Teacher Mentoring and Mentoring Pilot Program - To train experienced teachers to be mentors to new teachers.

Rural School Achievement Program - The purpose of this program is to provide financial assistance to rural districts to assist them in meeting their state's definition of adequate yearly progress (AYP).

Title II Teacher Quality Leadership - This program provides professional development training to teachers for improvement of instruction in the classroom.

Regional Safe Schools - To serve eligible students who are under suspension, expulsion, or expelled and readmitted for administrative transfer to an alternative setting. The education objectives are to improve behavior, attendance, and to receive academic credit leading to graduation or return to their home school.

Title I School Improvement and Accountability - To participate in the AdvancED Accreditation following the AdvancED standards and policies for the initial accreditation for a Regional Office of Education and shall receive accreditation by 2020.

Education Innovation and Research - To increase principal effectiveness in order to increase student achievement.

Supporting Effective Education and Development - To increase principal effectiveness in order to increase student achievement.

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

Institute Fund - This fund accounts for the Regional Office of Education No. 28's stewardship of the assets held in trust for the benefit of the Regional Office of Education No. 28's teachers. Fees are collected from registration and renewal of teachers' licenses. Monies are expended to conduct teachers' institutes, conferences, and workshops.

General Educational Development Fund - To account for the Regional Office of Education No. 28's administration of the GED Testing Program. Revenues are received from testing and diploma fees.

**BUREAU, HENRY, AND STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

Bus Driver Fund - To account for the Regional Office of Education No. 28's stewardship of the assets held in trust in connection with the Bus Driver Training Program.

Hearing Fund - To account for fees collected for expenditures incurred in publishing and filing petition requests.

Fiduciary Fund Types - Agency Funds are used to account for assets held by the Regional Office of Education No. 28 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The school districts within the Regional Office of Education No. 28's geographic responsibility have signed formal agreements which allow the Regional Office of Education No. 28 to retain any interest earned during the year.

A description of the Regional Office of Education No. 28's fiduciary funds is as follows:

Distributive Interest Fund - To account for the pass-through of interest earned on the distributive fund checking account.

School Facility Occupation Tax - To account for 1 percent sales tax collected in Henry County for school facility maintenance and improvements to be distributed to the school districts within the county.

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the Regional Office of Education No. 28 receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted, matching requirements, in which the Regional Office of Education No. 28 must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the Regional Office of Education No. 28 on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

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

**Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources**

The following accounting policies are followed in preparing the balance sheet:

Cash and cash equivalents - For presentation in the financial statements, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Due from other governments - Due from other governments represents amounts due from the Illinois State Board of Education, other agencies, and districts.

Capital assets - Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements for governmental funds. Capital assets are recorded at cost at the time of acquisition or fair value at the date of donation. The Regional Office of Education No. 28 capitalizes items costing \$500 or more. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets.

Impairment of Long-Lived Assets - Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

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.

Unearned revenue - Unearned revenue arises when proceeds have been received but will be spent in a succeeding fiscal year.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plans, and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

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 in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the Statement of Net Position relate to pensions and OPEB and consist of the unamortized portion of the net difference between expected and actual experience, changes of assumptions, and the net difference between projected and actual earnings on plan investments.

**Governmental Fund Balance**

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

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

**BUREAU, HENRY, AND STARK COUNTIES**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Restricted Fund Balance - The portion of a governmental fund's net position that is subject to external enforceable legal restrictions. The following fund balances are restricted by grant agreements or contracts: General Operations, Truants Alternative Optional Education Program, Salary, McKinney Education for Homeless Children, Regional Safe Schools, and 21<sup>st</sup> Century Community Learning Centers Project 13. The following funds are restricted by Illinois Statute: Institute Fund, General Educational Development Fund, Bus Driver Fund, and Hearing Fund.

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

Assigned Fund Balance - The portion of a governmental fund's net position 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 balances: Administrators Academy, Para-Professional, Standards Aligned Classroom, Homeless Grant Enterprise, Language Arts, Math, Lab Tech, Fine Arts, School Improvement, Science, and Reading First Enterprise.

Unassigned Fund Balance - Available expendable resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the following: Local, Interest Office Expense, General State Aid, District Services, and Registration.

**Net position**

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

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation.

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.

**BUREAU, HENRY, AND STARK COUNTIES  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interfund Activity**

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

**Budgets and Budgetary Accounting**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 did not formally adopt a budget for the year ended June 30, 2020 and is not legally required to do so; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, the Illinois State Board of Education requires budgets for certain State and Federal programs. These budgets were used to prepare the Budgetary Comparison Schedules for the following programs: General Operations, Truants Alternative Optional Education Program, McKinney Education for Homeless Children, 21st Century Community Learning Centers Project 13, 21st Century Community Learning Centers Project 15, 21st Century Community Learning Centers Project 19, 21st Century Community Learning Centers Project 25, Early Childhood Block Grant Prevention Initiative and Parental Training, Title II Teacher Quality Leadership, Regional Safe Schools, Title I School Improvement and Accountability, Education Innovation and Research, and Supporting Effective Education Development.

**Revenue from Federal and State Grants**

Revenues from Federal and State grant awards are recorded net of the amount due to the State for the unused portion of the grant or the amount carried over to the following fiscal year project. Amounts due to the State are carried over to the following year project and are recorded as liabilities.

**BUREAU, HENRY, AND STARK COUNTIES  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interest Revenue**

Illinois State Board of Education funds received by the Regional Office of Education No. 28 for the Distributive Fund accrue interest for the period of time between the receipt of the funds and clearance of checks to the recipient. In accordance with an agreement dated May 24, 1988 with the school district boards served, interest earned on Distributive Fund deposits is transferred to the General Fund to offset wire service and other bank charges incurred by the Distributive Fund. Distributive Fund interest earned and related charges are recognized as revenues and expenditures in the General Fund.

**Compensated Absences**

Governmental Accounting Standards Board principles require employers to accrue a liability for future compensated leave benefits which meet certain conditions. The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation leave for Regional Office of Education No. 28 employees.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

Management has evaluated subsequent events through March 25, 2021, the date the financial statements were available to be issued.

**BUREAU, HENRY, AND STARK COUNTIES  
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**NOTE 2 - CASH AND CASH EQUIVALENTS**

Deposits

State regulations require that the Bureau/Henry/Stark Counties Regional Office of Education No. 28 deposit funds under its control into accounts insured by the federal government, secured by substantial collateral or pooled into investment trusts. All funds not needed for immediate disbursements are maintained in interest bearing accounts. The *Illinois Compiled Statutes* authorize the Regional Office of Education No. 28 to make deposits and invest in U.S. Government, State of Illinois, and municipal securities; certificates of deposit or time savings deposits insured by the FDIC; mortgage notes, bonds, or debentures issued by the Federal Housing Administration; bonds and other obligations of the Federal National Mortgage Association; commercial paper rated within the three highest classifications by at least two standard rating services; credit union shares; and the Illinois Public Treasurer's Investment Pool.

The Regional Office of Education No. 28 utilizes several different bank accounts for its various activities. The book balance of such accounts is \$1,600,901 at June 30, 2020, while the bank balance was \$1,818,109. Included in the bank balance is \$24,241 deposited in the Illinois Funds. The Illinois Funds portfolio includes: certificates of deposit issued by Illinois financial institutions, repurchase agreements backed by direct treasury obligations from primary government securities dealers, direct treasury obligations of the U.S. Government, and money market funds backed by full faith and credit obligations of the U.S. Government. The Regional Office of Education No. 28 owns no identifiable investment securities in the Illinois Funds; therefore, credit risk cannot be assessed for the Illinois Funds.

Custodial credit risk is the risk that in event of bank failure, the Regional Office of Education No. 28's deposits may not be returned to it. The Regional Office of Education No. 28 does not have a deposit policy for custodial credit risk. As of June 30, 2020, \$275,241 of the deposits made by the Regional Office of Education No. 28 were covered by the Federal Depository Insurance Corporation (FDIC), and \$1,542,868 was collateralized by securities pledged by the Regional Office of Education No. 28's financial institution on behalf of the Regional Office of Education No. 28.

*Credit Risk*

At June 30, 2020, the Illinois Funds Money Market Fund had a Standards 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 provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
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June 30, 2020**

**NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)**

*Interest Rate Risk*

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to 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 portfolio, with the exception of cash equivalents of U.S. Treasury securities. Further, certificates of deposit cannot exceed 10% of any single financial institution's total deposits.

A reconciliation of cash is as follows:

	<b>Carrying Amount</b>
Cash - Primary Government	\$ 1,575,749
Cash - Agency Funds	<u>25,152</u>
Total	<u>\$ 1,600,901</u>

**NOTE 3 - COMMON BANK ACCOUNT**

The Regional Office of Education No. 28 does not maintain separate bank accounts for all funds. The accounting records being maintained show the portion of the common checking account balance attributable to each participating fund.

**BUREAU, HENRY, AND STARK COUNTIES  
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**NOTE 4 - DUE FROM/TO OTHER GOVERNMENTS**

The Bureau/Henry/Stark Counties Regional Office of Education No. 28 has funds due from and to various other governmental units which consist of the following:

**Due From Other Governments**

General Fund	
Local governments	\$ 10,083
Education Fund	
Local governments	162,075
Illinois State Board of Education	423,624
Other Nonmajor Funds	
Local governments	10
Agency Funds	
Local governments	<u>717,835</u>
<b>Total</b>	<u><u>\$ 1,313,627</u></u>

**Due To Other Governments**

Education Fund	
Local governments	\$ 39,566
Agency Funds	
Local governments	<u>742,987</u>
<b>Total</b>	<u><u>\$ 782,553</u></u>

**NOTE 5 - DUE FROM/TO OTHER FUNDS**

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, as of June 30, 2020 were:

	<b><u>Due From</u></b>	<b><u>Due To</u></b>
General Fund		
General State Aid	\$ 375,000	\$ -
District Services	181,161	-
Registration	-	175
Education Fund		
Bureau County Step Ahead	-	4,062
Henry County Step Ahead	-	26,668
McKinney Education for Homeless Children	-	2,004

**BUREAU, HENRY, AND STARK COUNTIES  
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**NOTE 5 - DUE FROM/TO OTHER FUNDS (CONTINUED)**

21st Century Community Learning Centers - Project 13	\$	-	\$ 163,049
21st Century Community Learning Centers - Project 15		-	43,453
21st Century Community Learning Centers - Project 19		-	84,873
21st Century Community Learning Centers - Project 25		-	112,266
Education Innovation and Research		-	16,719
Supporting Effective Education Development		-	<u>102,892</u>
Total	<u>\$</u>	<u>556,161</u>	<u>\$ 556,161</u>

**NOTE 6 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2020 is as follows:

	<b>June 30, <u>2019</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>June 30, <u>2020</u></b>
Governmental Funds:				
Furniture and equipment	\$ 145,004	\$ 8,802	\$ (30,404)	\$ 123,402
Less: accumulated depreciation	<u>(92,196)</u>	<u>(18,861)</u>	<u>24,375</u>	<u>(86,682)</u>
Capital assets, net	<u>\$ 52,808</u>	<u>\$ (10,059)</u>	<u>\$ (6,029)</u>	<u>\$ 36,720</u>

Depreciation expense was charged as follows:

Governmental activities:

Instructional services:

Depreciation \$ 18,861

**NOTE 7 - COMPENSATED ABSENCES**

The Regional Office of Education No. 28 allows vacation time for employees to be accumulated. Vacation time is calculated from the first month in which the date of hire occurred. After one year of continuous service, employees are entitled to vacation pay based upon the years of service. Upon termination employees receive pay for unused vacation earned from the previous working year. In addition, employees will receive pay for any accrued vacation earned as of the date of termination. The Regional Office of Education No. 28 records a liability associated with compensated absences. At June 30, 2020, the balance in this account was \$71,853.

**BUREAU, HENRY, AND STARK COUNTIES  
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**NOTE 8 - EMPLOYEE BENEFIT PLANS**

**Illinois Municipal Retirement System**

**IMRF Plan Description**

Bureau/Henry/Stark Counties Regional Office of Education No. 28's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. Bureau/Henry/Stark Counties Regional Office of Education No. 28's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

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

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

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

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**NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

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

**Employees Covered by Benefit Terms**

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

	<b>IMRF</b>
Retirees and beneficiaries currently receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	37
Active plan members	33
Total	77

**Contributions**

As set by statute, Bureau/Henry/Stark Counties Regional Office of Education No. 28'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. Bureau/Henry/Stark Counties Regional Office of Education No. 28's annual contribution rate for calendar year 2019 was 6.16%. For the fiscal year ended June 30, 2020, Bureau/Henry/Stark Counties Regional Office of Education No. 28 contributed \$81,537 to the plan. Bureau/Henry/Stark Counties Regional Office of Education No. 28 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension (Asset) Liability**

Bureau/Henry/Stark Counties Regional Office of Education No. 28's net pension (asset) liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

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

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

**BUREAU, HENRY, AND STARK COUNTIES  
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**NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	37%	5.75%
International Equities	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	
Private Equity		7.60%
Hedge Funds		N/A
Commodities		3.60%
Cash Equivalents	1%	1.85%
Total	100%	

**BUREAU, HENRY, AND STARK COUNTIES  
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**NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Single Discount Rate**

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

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

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

**Changes in the Net Pension (Asset) Liability**

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pensions Liability (Asset)</b>
	(A)	(B)	(A) - (B)
<b>Balances at December 31, 2018</b>	\$ 1,714,007	\$ 1,569,040	\$ 144,967
<b>Changes for the year:</b>			
Service Cost	124,386	-	124,386
Interest on the Total Pension Liability	127,437	-	127,437
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(8,429)	-	(8,429)
Changes of Assumptions	-	-	-
Contributions - Employer	-	77,681	(77,681)
Contributions - Employees	-	57,458	(57,458)
Net Investment Income	-	258,504	(258,504)
Benefit Payments, Including Refunds of Employee Contributions	(37,755)	(37,755)	-
Other (Net Transfer)	-	(1,414)	1,414
<b>Net Changes</b>	<u>205,639</u>	<u>354,474</u>	<u>(148,835)</u>
<b>Balances at December 31, 2019</b>	<u>\$ 1,919,646</u>	<u>\$ 1,923,514</u>	<u>\$ (3,868)</u>

**BUREAU, HENRY, AND STARK COUNTIES  
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**NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

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

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

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	(6.25%)	(7.25%)	(8.25%)
<b>Net Pension Liability (Asset)</b>	\$ 305,085	\$ (3,868)	\$ (252,717)

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

For the year ended June 30, 2020, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 recognized pension expense of \$105,363. At June 30, 2020, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 42,877	\$ 20,376
Net difference between projected and actual earnings on pension plan investments	-	38,845
Change of assumptions	37,951	16,938
Employer contributions subsequent to the measurement date	42,109	-
<b>Total</b>	<b><u>\$ 122,937</u></b>	<b><u>\$ 76,159</u></b>

\$42,109 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 (asset) liability in the reporting year ended June 30, 2021.

**BUREAU, HENRY, AND STARK COUNTIES  
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**NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<b>Year Ending December 31,</b>	<b>Net Deferred Outflows/(Inflows) of Resources</b>
2020	\$ 2,444
2021	4,809
2022	22,689
2023	(24,864)
2024	(409)
Thereafter	<u>-</u>
Total	<u>\$ 4,669</u>

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

**General Information about the Pension Plan**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

**Benefits provided**

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

**BUREAU, HENRY, AND STARK COUNTIES  
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**NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

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

Essentially all Tier I 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 II 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 III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

**Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Bureau/Henry/Stark Counties Regional Office of Education No. 28.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

***On-behalf contributions to TRS.*** The State of Illinois makes employer pension contributions on behalf of Bureau/Henry/Stark Counties Regional Office of Education No. 28. For the year ended June 30, 2020, State of Illinois contributions recognized by Bureau/Henry/Stark Counties Regional Office of Education No. 28 were based on the State's proportionate share of the collective net pension liability associated with Bureau/Henry/Stark Counties Regional Office of Education No. 28, and Bureau/Henry/Stark Counties Regional Office of Education No. 28 recognized revenue and expenditures of \$154,244 in pension contributions from the State of Illinois.

***2.2 formula contributions.*** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020, were \$825 and are deferred because they were paid after the June 30, 2019, measurement date.

***Federal and special trust fund contributions.*** When TRS members are paid from federal and special trust funds administered by Bureau/Henry/Stark Counties Regional Office of Education No. 28, there is a statutory requirement for Bureau/Henry/Stark Counties Regional Office of Education No. 28 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, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$24,183 were paid from federal and special trust funds that required employer contributions of \$2,578. These contributions are deferred because they were paid after the June 30, 2019 measurement date.

***Employer retirement cost contributions.*** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. Bureau/Henry/Stark Counties Regional Office of Education No. 28 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.

**BUREAU, HENRY, AND STARK COUNTIES  
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**NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, Bureau/Henry/Stark Counties Regional Office of Education No. 28 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, 2020, Bureau/Henry/Stark Counties Regional Office of Education No. 28 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 Bureau/Henry/Stark Counties Regional Office of Education No. 28 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 Bureau/Henry/Stark Counties Regional Office of Education No. 28 follows:

ROE's proportionate share of the net pension liability	\$ 19,961
State's proportionate share of the net pension liability associated with the ROE	<u>1,420,618</u>
Total	<u>\$ 1,440,579</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. Bureau/Henry/Stark Counties Regional Office of Education No. 28's proportion of the net pension liability was based on Bureau/Henry/Stark Counties Regional Office of Education No. 28's share of contributions to TRS for the measurement year ended June 30, 2019, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2019, Bureau/Henry/Stark Counties Regional Office of Education No. 28's proportion was .0000246106 percent, which was a decrease of .0000046497 percent from its proportion measured as of June 30, 2018.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
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**NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

For the year ended June 30, 2020, Bureau/Henry/Stark Counties Regional Office of Education No. 28 recognized pension expense of \$154,244 and revenue of \$154,244 for support provided by the State. For the year ended June 30, 2020, Bureau/Henry/Stark Counties Regional Office of Education No. 28 recognized pension income of \$3,822. At June 30, 2020, Bureau/Henry/Stark Counties Regional Office of Education No. 28 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 327	\$ -
Net difference between projected and actual earnings on pension plan investments	32	-
Change of assumptions	447	383
Changes in proportion and differences between employer contributions and proportionate share of contributions	121,633	384,417
Employer contributions subsequent to the measurement date	3,403	-
Total	\$ 125,842	\$ 384,800

\$3,403 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, 2021. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows in these reporting years:

<b>Year Ended June 30:</b>	<b>Amount</b>
2021	\$ (12,728)
2022	(87,676)
2023	(110,387)
2024	(51,301)
2025	(269)
Total	\$ (262,361)

**Actuarial assumptions**

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

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

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

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

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Discount Rate**

At June 30, 2019, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II 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 Bureau/Henry/Stark Counties Regional Office of Education No. 28's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents Bureau/Henry/Stark Counties Regional Office of Education No. 28's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what Bureau/Henry/Stark Counties Regional Office of Education No. 28'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.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	(6.00%)	(7.00%)	(8.00%)
ROE's proportionate share of the net pension liability	\$ 24,381	\$ 19,961	\$ 16,327

**TRS Fiduciary Net Position**

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
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**NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS**

**Plan Description**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statement No.'s 74 and 75 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

**Eligibility Provisions**

*Full-Time Employees - IMRF*

Tier I IMRF Full-Time employees:

- Age 55 with at least 8 years of service (Reduced Pension)
- Age 55 with at least 30 years of service (Reduced Pension)
- Age 55 with at least 35 years of service (Full Pension)
- Age 60 with at least 8 years of service (Full Pension)

Tier II IMRF Full-Time employees:

- Age 62 with at least 10 years of service (Reduced Pension)
- Age 62 with at least 30 years of service (Reduced Pension)
- Age 62 with at least 35 years of service (Full Pension)
- Age 67 with at least 10 years of service (Full Pension)

*Full-Time Employees – TRS*

Tier I TRS Full-Time employees:

- Age 55 with at least 20 years of service (Reduced Pension)
- Age 55 with at least 35 years of service (Full Pension)
- Age 60 with at least 10 years of service (Full Pension)
- Age 62 with at least 5 years of service (Full Pension)

Tier II TRS Full-Time employees:

- Age 62 with at least 10 years of service (Reduced Pension)
- Age 67 with at least 10 years of service (Full Pension)

TRS employees are not eligible to stay on Bureau/Henry/Stark Counties Regional Office of Education No. 28 insurance coverage upon retirement.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Benefits Provided**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. Bureau/Henry/Stark Counties Regional Office of Education No. 28 offers the Medical PPO Plan to full-time IMRF employees. Retirees pay the full cost of coverage. Coverage continues until the retiree stops paying for it. If a retiree has elected family coverage at the time of retirement, they are permitted to retain dependent coverage in retirement. If a retiree has elected single coverage at the time of retirement, dependent coverage cannot be granted. Eligible spouse/dependent coverage may continue should the Retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs.

**Membership**

At June 30, 2020 membership consisted of:

Inactive employees currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	36
<b>Total</b>	<b>36</b>

**Funding Policy and Contributions**

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

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

The contributions of \$5,833 from other Bureau/Henry/Stark Counties Regional Office of Education No. 28 resources and benefit payments of \$5,833 from other Bureau/Henry/Stark Counties Regional Office of Education No. 28 resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

**Total OPEB Liability**

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2020 actuarial valuation date and adjusted to the June 30, 2020 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

**BUREAU, HENRY, AND STARK COUNTIES  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Actuarial Assumptions**

Discount Rate used for the Total OPEB Liability	2.21%
Long-Term Expected Rate of Return on Plan Assets	N/A. OPEB obligation is unfunded
Long-Term Inflation Expectation	2.25%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	2.21%
Salary Increases	The salary increase assumption of 2.50% was based on a review of the IMRF Experience Study Report dated November 8, 2017.
Annual Blended Premiums	Premiums charged for coverage of retiree and spouse are \$6,168 and \$5,337, respectively.
Healthcare Trend Rates	Initial trend rate is based on the 2020 Segal Health Plan Cost Trend Survey. For fiscal years on and after 2020, trend starts at 6.80% for both non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 5.00%.
Retiree Contribution Rates	Same as Healthcare Trend Rates.
Retirement Rates	IMRF - Based on rates from IMRF Experience Study Report dated November 8, 2017; Age 60 for Tier I, Age 62 for Tier II. TRS – Based on rates from TRS Experience Study Report dated September 18, 2018; Age 60 for Tier I, Age 62 for Tier II.
Termination Rates and Disability Rates	IMRF - Based on a review of the IMRF Experience Study Report dated November 8, 2017. TRS - Based on rates from TRS Experience Study Report dated September 18, 2018.
Mortality Rates	RP-2014 with Blue Collar Adjustment and MP-2016 Improvement, weighted per IMRF Experience Study dated November 8, 2017; Age 85 for males, Age 88 for females.

All mortality rates are adjusted for retirement status. Spouses use the same mortality table as retirees.

**BUREAU, HENRY, AND STARK COUNTIES  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

For any active participant who will not meet the service requirement necessary to retire at assumed retirement ages, it is assumed they have prior service with a difference employer and therefore will be eligible to retire. In the current valuation, there are 4 participants impacted by this assumption.

Retirement rates were used to estimate assumed retirement ages. Termination and disability rates were used to estimate probabilities of working to retirement age. Mortality rates were used to estimate assumed ages at death.

**Assumption Changes**

Segal Consulting performed an actuarial experience study of the Teachers' Retirement System of the State of Illinois dated September 18, 2018. The TRS mortality, retirement, termination, and disability tables have been changed to reflect the rates in the update study.

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.50% to 2.21% for the current year. The underlying index is the Bond Buyer-20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index.

The assumed long-term inflation expectation has been decreased from 2.50% to 2.25%.

All assumptions were made in accordance with the Alternative Measurement Method for GASB 74/75.

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at July 1, 2019</b>	<b>\$ 128,934</b>
<b>Changes for the period:</b>	
Service cost	3,359
Interest	4,610
Changes of benefit terms	-
Difference between expected and actual experience	(2,537)
Changes of assumptions	24,789
Benefit payments	(5,833)
<b>Net changes</b>	<b>24,388</b>
<b>Balance at June 30, 2020</b>	<b>\$ 153,322</b>

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Discount Rate**

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the Bureau/Henry/Stark Counties Regional Office of Education No. 28, then only the municipal bond rate is used in determining the total OPEB liability.

If the postretirement plan is funded, cash flow projections are used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the total OPEB liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the total OPEB liability associated with those payments.

Projected benefit payments are determined during the valuation process based on the assumptions. The expected contributions are based on the funding policy of the plan.

**Municipal Bond Rate**

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown is the June 25, 2020 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yield of the bonds.

Changes of assumptions reflect a change in the discount rate from 3.50% in fiscal year 2019 to 2.21% in fiscal year 2020.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Sensitivity of the Discount Rate**

The following presents Bureau/Henry/Stark Counties Regional Office of Education No. 28's total OPEB liability calculated using a discount rate of 2.21%, as well as what the total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (3.21%) or 1-percentage-point lower (1.21%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	(1.21%)	(2.21%)	(3.21%)
Employer's total OPEB liability	\$ 175,291	\$ 153,322	\$ 135,491

**Sensitivity of the Healthcare Trend Rates**

The following presents Bureau/Henry/Stark Counties Regional Office of Education No. 28's total OPEB liability, calculated using the healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 6.80% in 2020 decreasing to an ultimate trend rate of 5.00% in 2029 for both non-Medicare coverage and post-Medicare coverage.

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Employer's total OPEB liability	\$ 134,965	\$ 153,322	\$ 175,505

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

For the year ending June 30, 2020, Bureau/Henry/Stark Counties Regional Office of Education No. 28 recognized OPEB expense of \$31,221. At June 30, 2020 Bureau/Henry/Stark Counties Regional Office of Education No. 28 reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
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June 30, 2020**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Teachers' Health Insurance Security Fund**

**THIS Plan Description**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 participates in the Teachers' Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Illinois Department of Central Management Services (CMS) as of July 1, 2013. 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 the 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 Bureau/Henry/Stark Counties Regional Office of Education No. 28. For the year ended June 30, 2020, State of Illinois contributions recognized by the Bureau/Henry/Stark Counties Regional Office of Education No. 28 were based on the State's proportionate share of the collective net OPEB liability associated with Bureau/Henry/Stark Counties Regional Office of Education No. 28, and recognized revenue and expenditures of \$12,542 in OPEB contributions from the State of Illinois.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Bureau/Henry/Stark Counties Regional Office of Education No. 28 contributions to the THIS Fund**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 also makes contributions to the THIS Fund. Bureau/Henry/Stark Counties Regional Office of Education No. 28 THIS Fund contribution was 0.92 percent during the year ended June 30, 2020, and 0.92 and 0.88 percent during the years ended June 30, 2019 and 2018, respectively. For the year ended June 30, 2020, Bureau/Henry/Stark Counties Regional Office of Education No. 28 paid \$1,308 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2019 and 2018, Bureau/Henry/Stark Counties Regional Office of Education No. 28 paid \$1,728 and \$1,845, respectively, which was 100 percent of the required contributions.

**Further information on the THIS Fund**

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

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 projected to the measurement date of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

<b>Inflation</b>	2.50%
<b>Salary increases</b>	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.
<b>Investment rate of return</b>	0%, net of OPEB plan investment expense, including inflation, for all plan years

**BUREAU, HENRY, AND STARK COUNTIES  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

<b>Healthcare cost trend rates</b>	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.
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Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

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

**Single Discount Rate**

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

Since the THIS fund is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.62 percent as of June 30, 2018, and 3.13 percent as of June 30, 2019.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Sensitivity of Bureau/Henry/Stark Counties Regional Office of Education No. 28's Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate**

The following presents Bureau/Henry/Stark Counties Regional Office of Education No. 28's proportionate share of the collective net OPEB liability, as well as what the ROE's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	(2.13%)	(3.13%)	(4.13%)
Regional Office of Education No.28's proportionate share of the collective net OPEB liability	\$ 259,904	\$ 216,178	\$ 181,613

**Sensitivity of Bureau/Henry/Stark Counties Regional Office of Education No. 28's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following table shows Bureau/Henry/Stark Counties Regional Office of Education No. 28's net OPEB liability as of June 30, 2019, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	<b>1% Decrease<sup>a</sup></b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase<sup>b</sup></b>
Regional Office of Education No. 28's proportionate share of the collective net OPEB liability	\$ 174,640	\$ 216,178	\$ 272,240

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

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

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

At June 30, 2020, Bureau/Henry/Stark Counties Regional Office of Education No. 28 reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to Bureau/Henry/Stark Counties Regional Office of Education No. 28. The amount recognized by Bureau/Henry/Stark Counties Regional Office of Education No. 28 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 Bureau/Henry/Stark Counties Regional Office of Education No. 28 were as follows:

Regional Office of Education No. 28's proportionate share of the collective net OPEB liability	\$ 216,178
State's proportionate share of the collective net OPEB liability	<u>286,411</u>
Total	<u>\$ 502,589</u>

The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019 measurement date. Bureau/Henry/Stark Counties Regional Office of Education No. 28's proportion of the collective net OPEB liability was based on a projection of Bureau/Henry/Stark Counties Regional Office of Education No. 28's long-term share of contributions to the OPEB plan relative to the projected contributions of Bureau/Henry/Stark Counties Regional Office of Education No. 28, actuarially determined. At June 30, 2019, Bureau/Henry/Stark Counties Regional Office of Education No. 28's proportion was 0.000781 percent, which was a decrease of 0.000103 percent from its proportion measured as of June 30, 2018 (0.000884 percent). The State's support and total are for disclosure purposes only.

For the year ended June 30, 2020, Bureau/Henry/Stark Counties Regional Office of Education No. 28 recognized OPEB expense of \$12,542 and revenue of \$12,542 for support provided by the State. For the year ended June 30, 2020, Bureau/Henry/Stark Counties Regional Office of Education No. 28 recognized OPEB benefit of \$4,811. At June 30, 2020, Bureau/Henry/Stark Counties Regional Office of Education No. 28 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 3,587
Net difference between projected and actual earnings on OPEB plan investments	-	7
Change of assumptions	82	24,781
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,127	96,122
Employer contributions subsequent to the measurement date	1,308	-
Total	\$ 9,517	\$ 124,497

\$1,308 reported as deferred outflows of resources related to OPEB resulting from Bureau/Henry/Stark Counties Regional Office of Education No. 28 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in Bureau/Henry/Stark Counties Regional Office of Education No. 28's OPEB expense as follows:

<b>Year Ended June 30:</b>	<b>Net Deferred Outflows/(Inflows) of Resources</b>
2021	\$ (20,238)
2022	(20,238)
2023	(20,237)
2024	(20,236)
2025	(19,293)
Thereafter	(16,046)
Total	\$ (116,288)

**THIS Fiduciary Net Position**

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

**NOTE 10 - LONG-TERM LIABILITIES**

	<b>Balance</b>			<b>Amounts Due</b>	
	<b>June 30, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance</b>	<b>Within One</b>
<b>Governmental Activities</b>	<b>June 30, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2020</b>	<b>Year</b>
Compensated absences	\$ 80,041	\$ 57,706	\$ 65,894	\$ 71,853	\$ -
Net pension liability	167,774	-	147,813	19,961	-
OPEB liabilities	<u>361,886</u>	<u>7,614</u>	<u>-</u>	<u>369,500</u>	<u>-</u>
	<u>\$ 609,701</u>	<u>\$ 65,320</u>	<u>\$ 213,707</u>	<u>\$ 461,314</u>	<u>\$ -</u>

**NOTE 11 - SALARIES AND OTHER CONTRIBUTIONS**

The salaries of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois. The salaries of all other employees of Bureau/Henry/Stark Counties Regional Office of Education No. 28 are paid through Henry County.

Bureau/Henry/Stark Counties Regional Office of Education No. 28, Bureau County and Stark County reimburse Henry County for salaries as well as the employer contributions made to postretirement medical plans (OPEB) and the Illinois Municipal Retirement Fund (IMRF).

**NOTE 12 - ON-BEHALF PAYMENTS**

The breakdown of the on-behalf payments by the State of Illinois for the Regional Superintendent and the Assistant Regional Superintendent of the Bureau/Henry/Stark Counties Regional Office of Education No. 28 are as follows:

Regional Superintendent - salary	\$ 114,648
Regional Superintendent - benefits (includes state paid insurance)	36,603
Assistant Regional Superintendent - salary	103,188
Assistant Regional Superintendent - benefits (includes state paid insurance)	32,232
County on-behalf payments	<u>145,974</u>
<b>Total on-behalf payments</b>	<u><u>\$ 432,645</u></u>

Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

**NOTE 12 - ON-BEHALF PAYMENTS (CONTINUED)**

The Bureau/Henry/Stark Counties Regional Office of Education No. 28 recorded the on-behalf payments as both revenues and expenditures in the General Fund.

Bureau/Henry/Stark Counties Regional Office of Education No. 28 also recorded \$154,244 in revenue and expenses as on-behalf payments from ISBE for Bureau/Henry/Stark Counties Regional Office of Education No. 28's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, Bureau/Henry/Stark Counties Regional Office of Education No. 28 recorded \$12,542 in revenue and expenses as on-behalf payments from Central Management Services (CMS) for the Regional Office's share of the State's THIS contributions in the Statement of Activities. Further, Bureau/Henry/Stark Counties Regional Office of Education No. 28 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois and county on-behalf payments	\$ 432,645
Bureau/Henry/Stark Counties Regional Office of Education No. 28's share of TRS pension expense	154,244
Bureau/Henry/Stark Counties Regional Office of Education No. 28's share of THIS OPEB expense	12,542
<b>Total on-behalf payments</b>	<b>\$ 599,431</b>

**NOTE 13 - DEFICIT FUND BALANCES**

At June 30, 2020, the following funds had deficit fund balances. They are expected to correct themselves in 2021, through payments from the State and transfers from local funds.

General Fund	
Registration	\$ (175)

**NOTE 14 - LEASE COMMITMENT**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 is committed under a lease agreement for a building facility located in Atkinson, IL. An agreement commencing on July 1, 2018 and extending to June 30, 2022 requires quarterly lease payments of \$7,500. Rental expense for the year ended June 30, 2020 was \$30,000 under this agreement.

Bureau/Henry/Stark Counties Regional Office of Education No. 28 is committed under a lease agreement for a building facility located in Kewanee, IL. The agreement commenced on July 1, 2019 and expired June 30, 2020. The lease required monthly lease payments of \$450. Rental expense for the year ended June 30, 2020 was \$5,400 under this lease agreement.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

**NOTE 14 - LEASE COMMITMENT (CONTINUED)**

Future minimum lease payments under operating leases are as follows:

<b>Year Ending <u>June 30,</u></b>	<b>Future Minimum <u>Rental Payments</u></b>
2021	\$ 30,000
2022	30,000
Total	<u>\$ 60,000</u>

**NOTE 15 - RISK MANAGEMENT**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. Bureau/Henry/Stark Counties Regional Office of Education No. 28 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

**NOTE 16 - NEW PRONOUNCEMENTS**

In 2020, the Bureau/Henry/Stark Counties Regional Office of Education No. 28 implemented Governmental Accounting Standards Board (GASB) Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* and applicable sections of GASB No. 92, *Omnibus 2020*. The implementation of these standards did not have a significant effect on the Bureau/Henry/Stark Counties Regional Office of Education No. 28’s financial statements.

In 2020, the Bureau/Henry/Stark Counties Regional Office of Education No. 28 implemented also Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 95 extends the effective dates of certain accounting and financial reporting provisions that were first effective for reporting periods beginning after June 15, 2018. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF CHANGES IN THE NET  
PENSION (ASSET) LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
LAST SIX CALENDAR YEARS  
(UNAUDITED)**

Calendar year ended December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>						
Service cost	\$ 124,386	\$ 101,226	\$ 86,479	\$ 88,656	\$ 80,742	\$ 98,892
Interest on the total pension liability	127,437	111,541	97,722	90,009	80,828	71,794
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	(8,429)	24,440	67,565	(49,554)	(16,567)	(55,412)
Changes of assumptions	-	60,809	(41,429)	-	-	40,962
Benefit payments, including refunds of employee contributions	(37,755)	(40,354)	(26,570)	(23,796)	(29,288)	(24,570)
<b>Net change in total pension liability</b>	205,639	257,662	183,767	105,315	115,715	131,666
<b>Total pension liability - beginning</b>	1,714,007	1,456,345	1,272,578	1,167,263	1,051,548	919,882
<b>Total pension liability - ending (A)</b>	\$ 1,919,646	\$ 1,714,007	\$ 1,456,345	\$ 1,272,578	\$ 1,167,263	\$ 1,051,548
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 77,681	\$ 76,237	\$ 68,696	\$ 63,243	\$ 67,161	\$ 59,476
Contributions - employees	57,458	50,525	40,836	37,945	38,549	41,007
Net investment income	258,504	(62,411)	194,368	63,427	(49,586)	41,054
Benefit payments, including refunds of employee contributions	(37,755)	(40,354)	(26,570)	(23,796)	(29,288)	(24,570)
Other (net transfer)	(1,414)	(1,148)	(1,060)	(1,408)	6,979	(542)
<b>Net change in plan fiduciary net position</b>	354,474	22,849	276,270	139,411	33,815	116,425
<b>Plan fiduciary net position - beginning</b>	1,569,040	1,546,191	1,269,921	1,130,510	1,096,695	980,270
<b>Plan fiduciary net position - ending (B)</b>	\$ 1,923,514	\$ 1,569,040	\$ 1,546,191	\$ 1,269,921	\$ 1,130,510	\$ 1,096,695
<b>Net pension (asset) liability - ending (A) - (B)</b>	\$ (3,868)	\$ 144,967	\$ (89,846)	\$ 2,657	\$ 36,753	\$ (45,147)
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	100.20%	91.54%	106.17%	99.79%	96.85%	104.29%
<b>Covered payroll</b>	\$ 1,261,054	\$ 1,122,785	\$ 907,475	\$ 843,236	\$ 856,647	\$ 730,915
<b>Net pension (asset) liability as a percentage of covered payroll</b>	-0.31%	12.91%	-9.90%	0.32%	4.29%	-6.18%

**Notes to Schedule:**

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
LAST SIX FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2020	\$ 83,470	\$ 83,470	\$ -	\$ 1,261,249	6.62%
2019	79,974	79,974	-	1,235,438	6.47%
2018	71,100	71,100	-	991,612	7.17%
2017	63,267	63,267	-	839,598	7.54%
2016	66,199	66,199	-	862,928	7.67%
2015	56,374	60,124	(3,750)	754,276	7.97%

**Notes to Schedule:**

***Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate\****

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2019 Contribution Rates:**

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	24-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	For non-disabled retirees, an IMRF-specific Mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

***Other Information:***

Notes: There were no benefit changes during the year.

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

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

**BUREAU, HENRY, AND STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 28**  
**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE**  
**SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**  
**FOR THE YEAR ENDED JUNE 30, 2020\***  
**(UNAUDITED)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	0.0000246106%	0.0000292603%	0.0008580693%	0.0008318369%	0.0000837599%	0.0000231008%
State's proportionate share of the net pension liability	\$ 19,961	\$ 22,807	\$ 655,549	\$ 656,619	\$ 54,871	\$ 14,059
State's proportionate share of the net pension liability associated with the employer	<u>1,420,618</u>	<u>1,562,367</u>	<u>8,796,503</u>	<u>8,956,550</u>	<u>819,116</u>	<u>209,827</u>
Total	<u>\$ 1,440,579</u>	<u>\$ 1,585,174</u>	<u>\$ 9,452,052</u>	<u>\$ 9,613,169</u>	<u>\$ 873,987</u>	<u>\$ 223,886</u>
Employer's covered payroll	\$ 187,866	\$ 209,609	\$ 277,665	\$ 269,602	\$ 152,583	\$ 142,108
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.6%	10.9%	236.1%	243.6%	36.0%	9.9%
Plan fiduciary net position as a percentage of the total pension liability	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**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(UNAUDITED)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily-required contribution	\$ 3,403	\$ 3,268	\$ 3,779	\$ 35,352	\$ 32,215	\$ 2,935	\$ 824
Contributions in relation to the statutorily-required contribution	<u>3,403</u>	<u>3,268</u>	<u>3,779</u>	<u>35,352</u>	<u>32,215</u>	<u>2,935</u>	<u>824</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 204,250	\$ 187,866	\$ 209,609	\$ 277,665	\$ 269,602	\$ 152,583	\$ 142,108
Contributions as a percentage of covered payroll	1.67%	1.74%	1.80%	12.73%	11.95%	1.92%	0.58%

**Notes to Required Supplementary Information**

**Changes of assumptions**

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

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

For the 2014 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. However, salary increases were assumed to vary by age.

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

**BUREAU, HENRY, AND STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 28**  
**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE**  
**SHARE OF THE COLLECTIVE NET OPEB LIABILITY**  
**TEACHERS' HEALTH INSURANCE SECURITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020\***  
**(UNAUDITED)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's proportion of the collective net OPEB liability	0.000781%	0.000884%	0.001207%	0.001157%
Employer's proportionate share of the collective net OPEB liability	\$ 216,178	\$ 232,952	\$ 313,210	\$ 316,411
State's proportionate share of the collective net OPEB liability associated with the employer	286,411	312,880	411,255	438,777
Total	<u>\$ 502,589</u>	<u>\$ 545,832</u>	<u>\$ 724,465</u>	<u>\$ 755,188</u>
Employer's covered payroll	\$ 187,866	\$ 209,609	\$ 277,665	\$ 269,602
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	115.1%	111.1%	112.8%	117.4%
Plan fiduciary net position as a percentage of the total OPEB liability	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**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(UNAUDITED)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily-required contribution	\$ 1,308	\$ 1,728	\$ 1,845	\$ 2,332	\$ 2,157
Contributions in relation to the statutorily-required contribution	1,308	1,728	1,845	2,332	2,157
Contribution deficiency (excess)	<u>\$ -</u>				
Employer's covered payroll	\$ 142,210	\$ 187,866	\$ 209,609	\$ 277,665	\$ 269,602
Contributions as a percentage of covered payroll	0.92%	0.92%	0.88%	0.84%	0.80%

**Notes to Required Supplementary Information**

**Changes of assumptions**

For the 2019, 2018, and 2017 measurement years, the assumed investment rate of return was of 0 percent, including an inflation rate of 2.75 percent. Salary increases were assumed to vary by service credit and were the same for the 2019, 2018, and 2017 measurement years. For the 2019 measurement period, the actual trend was used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax. For the 2018 measurement period, the actual trend was used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for the Excise Tax. For the 2017 measurement period, actual trend was used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

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

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF CHANGES IN THE TOTAL  
OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFITS  
FOR THE YEAR ENDED JUNE 30, 2020  
(UNAUDITED)**

<b>Fiscal year ended June 30,</b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Total OPEB liability</b>			
Service cost	\$ 3,359	\$ 18,609	\$ 18,018
Interest	4,610	4,060	3,371
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(2,537)	-	-
Changes of assumptions	24,789	4,375	(3,502)
Benefit payments	(5,833)	(6,072)	(8,117)
<b>Net change in total OPEB liability</b>	<u>24,388</u>	<u>20,972</u>	<u>9,770</u>
<b>Total OPEB liability - beginning</b>	<u>128,934</u>	<u>107,962</u>	<u>98,192</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 153,322</u></u>	<u><u>\$ 128,934</u></u>	<u><u>\$ 107,962</u></u>
<b>Covered payroll</b>	\$ 1,474,851	\$ 1,191,059	\$ 999,408
<b>Total OPEB liability as a percentage of covered payroll</b>	10.40%	10.83%	10.80%

**Notes to Schedule:**

*Changes of Assumptions:*

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2020	2.21%
Year ended June 30, 2019	3.50%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

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

SUPPLEMENTAL INFORMATION

BUREAU, HENRY, AND STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND ACCOUNTS  
 June 30, 2020

	<u>Local</u>	<u>Interest Office Expense</u>	<u>Administrators Academy</u>	<u>Para- Professional</u>	<u>General State Aid</u>	<u>Standards Aligned Classroom</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 57,779	\$ 43,021	\$ 64,523	\$ 12,431	\$ 133,041	\$ 21,918
Accounts receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Due from other funds	-	-	-	-	375,000	-
Total assets	<u>57,779</u>	<u>43,021</u>	<u>64,523</u>	<u>12,431</u>	<u>508,041</u>	<u>21,918</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 57,779</u>	<u>\$ 43,021</u>	<u>\$ 64,523</u>	<u>\$ 12,431</u>	<u>\$ 508,041</u>	<u>\$ 21,918</u>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	-	-	-	-	-
<b>FUND BALANCE (DEFICIT)</b>						
Assigned	-	-	64,523	12,431	-	21,918
Unassigned	<u>57,779</u>	<u>43,021</u>	<u>-</u>	<u>-</u>	<u>508,041</u>	<u>-</u>
Total fund balance (deficit)	<u>57,779</u>	<u>43,021</u>	<u>64,523</u>	<u>12,431</u>	<u>508,041</u>	<u>21,918</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 57,779</u>	<u>\$ 43,021</u>	<u>\$ 64,523</u>	<u>\$ 12,431</u>	<u>\$ 508,041</u>	<u>\$ 21,918</u>

BUREAU, HENRY, AND STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND ACCOUNTS  
 June 30, 2020

	Homeless Grant Enterprise	Language Arts	Math	Lab Tech	Fine Arts	School Improvement
<b>ASSETS</b>						
Cash and cash equivalents	\$ 21	\$ 135,406	\$ 15,402	\$ 93,417	\$ 19,067	\$ 25,426
Accounts receivable	-	350	-	-	-	-
Due from other governments	-	345	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	21	136,101	15,402	93,417	19,067	25,426
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 21	\$ 136,101	\$ 15,402	\$ 93,417	\$ 19,067	\$ 25,426
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	290	-	-	-	-
Total liabilities	-	290	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	100	-	-	-	-
<b>FUND BALANCE (DEFICIT)</b>						
Assigned	21	135,711	15,402	93,417	19,067	25,426
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	21	135,711	15,402	93,417	19,067	25,426
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>	\$ 21	\$ 136,101	\$ 15,402	\$ 93,417	\$ 19,067	\$ 25,426

BUREAU, HENRY, AND STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND ACCOUNTS  
 June 30, 2020

	District Services	Science	Reading First Enterprise	Registration	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 489,867	\$ 3,561	\$ 3,306	-	\$ 1,118,186
Accounts receivable	396	-	-	-	746
Due from other governments	9,738	-	-	-	10,083
Due from other funds	181,161	-	-	-	556,161
Total assets	681,162	3,561	3,306	-	1,685,176
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
None	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 681,162</u>	<u>\$ 3,561</u>	<u>\$ 3,306</u>	<u>\$ -</u>	<u>\$ 1,685,176</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 4	\$ -	\$ -	\$ -	\$ 4
Due to other funds	-	-	-	175	175
Unearned revenue	4,500	-	-	-	4,790
Total liabilities	4,504	-	-	175	4,969
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	100
<b>FUND BALANCE (DEFICIT)</b>					
Assigned	-	3,561	3,306	-	394,783
Unassigned	676,658	-	-	(175)	1,285,324
Total fund balance (deficit)	676,658	3,561	3,306	(175)	1,680,107
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 681,162</u>	<u>\$ 3,561</u>	<u>\$ 3,306</u>	<u>\$ -</u>	<u>\$ 1,685,176</u>

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
For the Year Ended June 30, 2020**

	<u>Local</u>	<u>Interest Office Expense</u>	<u>Administrators Academy</u>	<u>Para- Professional</u>	<u>General State Aid</u>	<u>Standards Aligned Classroom</u>
<b>REVENUES:</b>						
Local sources	\$ 13	-	\$ 7,433	\$ 1,005	-	-
State sources	-	-	-	-	67,331	-
Interest	178	-	208	41	488	72
On-behalf payments	432,645	-	-	-	-	-
Total revenues	<u>432,836</u>	<u>-</u>	<u>7,641</u>	<u>1,046</u>	<u>67,819</u>	<u>72</u>
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Pension expense	-	-	-	-	-	-
OPEB expense	-	-	-	-	-	-
Purchased services	-	-	5,334	824	4,304	-
Supplies and materials	-	-	729	-	3,256	-
Intergovernmental:						
Payments to other governments	-	-	350	-	47,138	-
Administrative:						
On-behalf payments	424,506	-	-	-	-	-
On-behalf payments - pension expense	8,139	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>432,645</u>	<u>-</u>	<u>6,413</u>	<u>824</u>	<u>54,698</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	191	-	1,228	222	13,121	72
<b>OTHER FINANCING USES:</b>						
Transfers out	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	191	-	1,228	222	13,121	72
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	57,588	43,021	63,295	12,209	494,920	21,846
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 57,779</u>	<u>\$ 43,021</u>	<u>\$ 64,523</u>	<u>\$ 12,431</u>	<u>\$ 508,041</u>	<u>\$ 21,918</u>

SCHEDULE 2

BUREAU, HENRY, AND STARK COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 For the Year Ended June 30, 2020

	Homeless Grant Enterprise	Language Arts	Math	Lab Tech	Fine Arts	School Improvement
<b>REVENUES:</b>						
Local sources	\$ -	\$ 13,904	\$ 1,450	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Interest	-	441	50	308	63	84
On-behalf payments	-	-	-	-	-	-
Total revenues	-	<u>14,345</u>	<u>1,500</u>	<u>308</u>	<u>63</u>	<u>84</u>
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Pension expense	-	-	-	-	-	-
OPEB expense	-	-	-	-	-	-
Purchased services	-	8,320	1,096	-	-	-
Supplies and materials	-	498	43	-	-	-
Intergovernmental:						
Payments to other governments	-	1,950	-	-	-	-
Administrative:						
On-behalf payments	-	-	-	-	-	-
On-behalf payments - pension expense	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	<u>10,768</u>	<u>1,139</u>	-	-	-
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	3,577	361	308	63	84
<b>OTHER FINANCING USES:</b>						
Transfers out	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	3,577	361	308	63	84
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	21	132,134	15,041	93,109	19,004	25,342
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	\$ 21	\$ 135,711	\$ 15,402	\$ 93,417	\$ 19,067	\$ 25,426

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
For the Year Ended June 30, 2020**

	<u>District Services</u>	<u>Science</u>	<u>Reading First Enterprise</u>	<u>Registration</u>	<u>Total</u>
<b>REVENUES:</b>					
Local sources	\$ 90,250	\$ -	\$ -	\$ -	\$ 114,055
State sources	-	-	-	-	67,331
Interest	1,946	12	11	-	3,902
On-behalf payments	-	-	-	-	432,645
Total revenues	<u>92,196</u>	<u>12</u>	<u>11</u>	<u>-</u>	<u>617,933</u>
<b>EXPENDITURES:</b>					
Instructional services:					
Salaries	5,244	-	-	-	5,244
Benefits	575	-	-	-	575
Pension expense	146	-	-	-	146
OPEB expense	-	-	-	-	-
Purchased services	19,811	-	-	-	39,689
Supplies and materials	9,785	-	-	-	14,311
Intergovernmental:					
Payments to other governments	10,058	-	-	-	59,496
Administrative:					
On-behalf payments	-	-	-	-	424,506
On-behalf payments - pension expense	-	-	-	-	8,139
Capital outlay	2,205	-	-	-	2,205
Total expenditures	<u>47,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>554,311</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	44,372	12	11	-	63,622
<b>OTHER FINANCING USES:</b>					
Transfers out	(630)	-	-	-	(630)
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	43,742	12	11	-	62,992
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	632,916	3,549	3,295	(175)	1,617,115
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 676,658</u>	<u>\$ 3,561</u>	<u>\$ 3,306</u>	<u>\$ (175)</u>	<u>\$ 1,680,107</u>

**BUREAU, HENRY, STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2020**

	<u>Bureau County Step Ahead</u>	<u>Henry County Step Ahead</u>	<u>General Operations</u>	<u>Truants Alternative Optional Education Program</u>	<u>Salary</u>	<u>McKinney Education for Homeless Children</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 65,349	\$ 17,508	\$ 364	\$ -
Due from other governments	5,135	29,760	-	-	-	2,706
Total assets	<u>5,135</u>	<u>29,760</u>	<u>65,349</u>	<u>17,508</u>	<u>364</u>	<u>2,706</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 5,135</u>	<u>\$ 29,760</u>	<u>\$ 65,349</u>	<u>\$ 17,508</u>	<u>\$ 364</u>	<u>\$ 2,706</u>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ -	\$ -	\$ 16	\$ 10	\$ -	\$ -
Due to other governments	1,073	3,092	32	1,620	-	634
Due to other funds	4,062	26,668	-	-	-	2,004
Unearned revenue	-	-	9,603	15,853	-	-
Total liabilities	<u>5,135</u>	<u>29,760</u>	<u>9,651</u>	<u>17,483</u>	<u>-</u>	<u>2,638</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>FUND BALANCE</b>						
Restricted	-	-	55,698	25	364	68
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 5,135</u>	<u>\$ 29,760</u>	<u>\$ 65,349</u>	<u>\$ 17,508</u>	<u>\$ 364</u>	<u>\$ 2,706</u>

BUREAU, HENRY, STARK COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2020

		21st Century Community Learning Centers Project 13	21st Century Community Learning Centers Project 15	21st Century Community Learning Centers Project 19	21st Century Community Learning Centers Project 25	Early Childhood Block Grant Prevention Initiative and Parental Training	Teacher Mentoring and Mentoring Pilot Program
<b>ASSETS</b>							
Cash and cash equivalents	\$	-	-	-	-	125,183	\$ 3,565
Due from other governments		171,161	45,788	89,305	117,120	-	-
Total assets		<u>171,161</u>	<u>45,788</u>	<u>89,305</u>	<u>117,120</u>	<u>125,183</u>	<u>3,565</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
None		-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		<u>\$ 171,161</u>	<u>\$ 45,788</u>	<u>\$ 89,305</u>	<u>\$ 117,120</u>	<u>\$ 125,183</u>	<u>\$ 3,565</u>
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	\$	261	9	12	96	85	-
Due to other governments		7,535	2,326	4,420	4,758	8,696	-
Due to other funds		163,049	43,453	84,873	112,266	-	-
Unearned revenue		-	-	-	-	116,402	3,565
Total liabilities		<u>170,845</u>	<u>45,788</u>	<u>89,305</u>	<u>117,120</u>	<u>125,183</u>	<u>3,565</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
None		-	-	-	-	-	-
<b>FUND BALANCE</b>							
Restricted		316	-	-	-	-	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		<u>\$ 171,161</u>	<u>\$ 45,788</u>	<u>\$ 89,305</u>	<u>\$ 117,120</u>	<u>\$ 125,183</u>	<u>\$ 3,565</u>

BUREAU, HENRY, STARK COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2020

		Rural School Achievement Program	Title II Teacher Quality Leadership	Regional Safe Schools	Title I School Improvement and Accountability	Education Innovation and Research	Supporting Effective Education Development	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$	-	-	12,796	-	-	-	224,765
Due from other governments		250	-	-	-	16,877	107,597	585,699
Total assets		<u>250</u>	<u>-</u>	<u>12,796</u>	<u>-</u>	<u>16,877</u>	<u>107,597</u>	<u>810,464</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
None		-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 12,796</u>	<u>\$ -</u>	<u>\$ 16,877</u>	<u>\$ 107,597</u>	<u>\$ 810,464</u>
<b>LIABILITIES</b>								
Accounts payable and accrued expenses	\$	-	-	8	-	-	-	497
Due to other governments		-	250	267	-	158	4,705	39,566
Due to other funds		-	-	-	-	16,719	102,892	555,986
Unearned revenue		-	-	1,283	-	-	-	146,706
Total liabilities		<u>-</u>	<u>250</u>	<u>1,558</u>	<u>-</u>	<u>16,877</u>	<u>107,597</u>	<u>742,755</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
None		-	-	-	-	-	-	-
<b>FUND BALANCE</b>								
Restricted		-	-	11,238	-	-	-	67,709
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 12,796</u>	<u>\$ -</u>	<u>\$ 16,877</u>	<u>\$ 107,597</u>	<u>\$ 810,464</u>

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2020**

	<u>Bureau County Step Ahead</u>	<u>Henry County Step Ahead</u>	<u>General Operations</u>	<u>Truants Alternative Optional Education Program</u>	<u>McKinney Education for Homeless Children</u>
<b>REVENUES:</b>					
Local sources	\$ -	\$ 127,139	\$ -	\$ -	\$ -
State sources	-	-	104,773	73,259	-
Federal sources	69,970	-	-	-	18,335
Interest	-	-	-	-	-
Total revenues	<u>69,970</u>	<u>127,139</u>	<u>104,773</u>	<u>73,259</u>	<u>18,335</u>
<b>EXPENDITURES:</b>					
Instructional services:					
Salaries	44,007	79,476	79,887	44,973	11,065
Benefits	11,096	19,705	1,261	9,276	2,661
Pension expense	3,052	4,723	449	1,733	723
OPEB expense	-	-	723	-	-
Purchased services	11,585	22,141	8,962	4,187	2,117
Supplies and materials	110	994	1,751	69	1,449
Other objects	-	-	9,541	6,056	-
Intergovernmental:					
Payment to other governments	120	100	-	320	320
Capital outlay	-	-	2,199	-	-
Total expenditures	<u>69,970</u>	<u>127,139</u>	<u>104,773</u>	<u>66,614</u>	<u>18,335</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	6,645	2
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	-	-	6,645	2
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	-	-	55,698	(6,620)	362
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,698</u>	<u>\$ 25</u>	<u>\$ 364</u>

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2020**

	21st Century Community Learning Centers <u>Project 13</u>	21st Century Community Learning Centers <u>Project 15</u>	21st Century Community Learning Centers <u>Project 19</u>	21st Century Community Learning Centers <u>Project 25</u>	Early Childhood Block Grant Prevention Initiative and <u>Parental Training</u>	Teacher Mentoring and Mentoring Pilot <u>Program</u>
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	387,397	-
Federal sources	708,742	280,758	349,201	465,550	-	-
Interest	-	-	-	-	-	-
Total revenues	<u>708,742</u>	<u>280,758</u>	<u>349,201</u>	<u>465,550</u>	<u>387,397</u>	<u>-</u>
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	327,547	93,455	144,683	199,524	218,146	-
Benefits	81,427	26,667	36,987	63,184	76,353	-
Pension expense	17,138	4,933	7,535	10,148	13,299	-
OPEB expense	-	-	-	-	-	-
Purchased services	38,092	17,483	14,746	21,733	35,525	-
Supplies and materials	36,026	10,068	14,043	20,579	4,705	-
Other objects	16,638	5,847	7,513	8,309	39,913	-
Intergovernmental:						
Payment to other governments	191,232	122,016	123,628	141,692	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>708,100</u>	<u>280,469</u>	<u>349,135</u>	<u>465,169</u>	<u>387,941</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	642	289	66	381	(544)	-
<b>OTHER FINANCING SOURCES:</b>						
Transfers in	-	86	-	-	544	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	642	375	66	381	-	-
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	(326)	(375)	(66)	(381)	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2020**

	<u>Rural School Achievement Program</u>	<u>Title II Teacher Quality Leadership</u>	<u>Regional Safe Schools</u>	<u>Title I School Improvement and Accountability</u>	<u>Education Innovation and Research</u>	<u>Supporting Effective Education Development</u>	<u>Totals</u>
<b>REVENUES:</b>							
Local sources	-	-	-	-	-	-	127,139
State sources	-	-	64,314	-	-	-	629,743
Federal sources	4,916	740	-	5,500	70,009	418,679	2,392,400
Interest	-	-	-	-	-	-	2
Total revenues	<u>4,916</u>	<u>740</u>	<u>64,314</u>	<u>5,500</u>	<u>70,009</u>	<u>418,679</u>	<u>3,149,284</u>
<b>EXPENDITURES:</b>							
Instructional services:							
Salaries	-	-	49,561	-	8,470	174,380	1,475,174
Benefits	-	-	2,630	-	648	16,832	348,727
Pension expense	-	-	1,057	-	-	11,865	76,655
OPEB expense	-	-	348	-	-	237	1,308
Purchased services	518	-	119	5,500	2,472	75,073	260,253
Supplies and materials	-	-	-	-	204	1,382	91,380
Other objects	-	-	5,106	-	-	-	98,923
Intergovernmental:							
Payment to other governments	-	740	-	-	57,763	133,979	771,910
Capital outlay	4,398	-	-	-	-	-	6,597
Total expenditures	<u>4,916</u>	<u>740</u>	<u>58,821</u>	<u>5,500</u>	<u>69,557</u>	<u>413,748</u>	<u>3,130,927</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	5,493	-	452	4,931	18,357
<b>OTHER FINANCING SOURCES:</b>							
Transfers in	-	-	-	-	-	-	630
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	-	5,493	-	452	4,931	18,987
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	-	-	5,745	-	(452)	(4,931)	48,722
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,709</u>

SCHEDULE 5

BUREAU, HENRY, AND STARK COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 28  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 For the Year Ended June 30, 2020

	General Operations			Truants Alternative Optional Education Program		
	Budgeted Original	Actual Final	Variance with Final Budget	Budgeted Original	Actual Final	Variance with Final Budget
<b>REVENUES:</b>						
State sources	\$ 114,376	\$ 104,773	\$ (9,603)	\$ 89,962	\$ 73,259	\$ (16,703)
Federal sources	-	-	-	-	-	-
Total revenues	114,376	104,773	(9,603)	89,962	73,259	(16,703)
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	90,500	79,887	613	57,178	44,973	9,834
Benefits	4,001	1,261	1,231	13,172	9,276	6,168
Pension expense	-	449	(449)	-	1,733	(1,733)
OPEB expense	-	723	(723)	-	-	-
Purchased services	14,875	8,962	5,913	8,839	4,187	5,912
Supplies and materials	2,500	1,751	749	2,850	69	8,993
Other objects	500	9,541	2,468	7,373	6,056	(6,056)
Intergovernmental:						
Payments to other governments	-	-	-	550	320	230
Capital outlay	2,000	2,199	(199)	-	-	-
Total expenditures	114,376	104,773	9,603	89,962	66,614	23,348
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ -	\$ 6,645	\$ 6,645
<b>OTHER FINANCING SOURCES:</b>						
Transfers in	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>					6,645	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>		55,698			(6,620)	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>		\$ 55,698			\$ 25	

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2020**

		McKinney Education for Homeless Children				21st Century Community Learning Centers Project 13				
		Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts		Variance with Final Budget
		Original	Final	Original	Final	Original	Final	Original	Final	Final Budget
<b>REVENUES:</b>										
State sources		-	-	-	-	-	-	-	-	-
Federal sources		21,250	21,250	18,335	18,335	999,520	999,520	708,742	708,742	(290,778)
		<u>21,250</u>	<u>21,250</u>	<u>18,335</u>	<u>18,335</u>	<u>999,520</u>	<u>999,520</u>	<u>708,742</u>	<u>708,742</u>	<u>(290,778)</u>
Total revenues										
<b>EXPENDITURES:</b>										
Instructional services:										
Salaries		8,451	8,451	11,065	11,065	372,697	381,337	327,547	327,547	53,790
Benefits		2,315	2,315	2,661	2,661	113,167	116,727	81,427	81,427	35,300
Pension expense		-	-	723	723	-	-	17,138	17,138	(17,138)
OPEB expense		-	-	-	-	-	-	-	-	-
Purchased services		4,581	4,581	2,117	2,117	74,766	66,579	38,092	38,092	28,487
Supplies and materials		4,403	4,403	1,449	1,449	84,147	69,418	36,026	36,026	33,392
Other objects		-	-	-	-	-	18,324	16,638	16,638	1,686
Intergovernmental:										
Payments to other governments		1,500	1,500	320	320	354,743	347,135	191,232	191,232	155,903
Capital outlay		-	-	-	-	-	-	-	-	-
		<u>21,250</u>	<u>21,250</u>	<u>18,335</u>	<u>18,335</u>	<u>999,520</u>	<u>999,520</u>	<u>708,100</u>	<u>708,100</u>	<u>291,420</u>
Total expenditures										
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>		-	-	-	-	-	-	642	642	642
<b>OTHER FINANCING SOURCES:</b>										
Transfers in		-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>										
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>										
				68	68			(326)	(326)	(326)
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>										
				-	-			-	-	-
				68	68			642	642	642

SCHEDULE 5

BUREAU, HENRY, AND STARK COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 28  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 For the Year Ended June 30, 2020

	21st Century Community Learning Centers Project 15				21st Century Community Learning Centers Project 19			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	350,000	350,000	280,758	(69,242)	449,723	449,723	349,201	(100,522)
Total revenues	350,000	350,000	280,758	(69,242)	449,723	449,723	349,201	(100,522)
<b>EXPENDITURES:</b>								
Instructional services:								
Salaries	123,309	116,739	93,455	23,284	157,067	169,027	144,683	24,344
Benefits	38,174	41,840	26,667	15,173	43,696	48,095	36,987	11,108
Pension expense	-	-	4,933	(4,933)	-	-	7,535	(7,535)
OPEB expense	-	-	-	-	-	-	-	-
Purchased services	35,831	37,760	17,483	20,277	31,165	32,935	14,746	18,189
Supplies and materials	32,851	27,369	10,068	17,301	41,921	38,539	14,043	24,496
Other objects	-	6,457	5,847	610	-	8,335	7,513	822
Intergovernmental:								
Payments to other governments	119,835	119,835	122,016	(2,181)	175,874	152,792	123,628	29,164
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	350,000	350,000	280,469	69,531	449,723	449,723	349,135	100,588
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	\$ -	\$ 289	\$ 289	\$ -	\$ -	\$ 66	\$ 66
<b>OTHER FINANCING SOURCES:</b>								
Transfers in	-	-	86	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			375				66	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			(375)				(66)	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			\$ -				\$ -	

SCHEDULE 5

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2020**

	21st Century Community Learning Centers Project 25				Early Childhood Block Grant Prevention Initiative and Parental Training						
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts		Variance with Final Budget		
	Original	Final	-	Final	Original	Final	-	Final	-	Final	
<b>REVENUES:</b>											
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	535,354	535,354	-	465,550	423,448	430,953	-	387,397	-	-	(43,556)
Total revenues	535,354	535,354	-	465,550	423,448	430,953	-	387,397	-	-	(43,556)
<b>EXPENDITURES:</b>											
Instructional services:											
Salaries	222,758	228,508	199,524	28,984	245,163	216,102	218,146	218,146	-	-	(2,044)
Benefits	71,291	73,455	63,184	10,271	98,307	114,279	76,353	76,353	-	-	37,926
Pension expense	-	-	10,148	(10,148)	-	-	13,299	13,299	-	-	(13,299)
OPEB expense	-	-	-	-	-	-	-	-	-	-	-
Purchased services	29,319	29,449	21,733	7,716	70,507	59,195	35,525	35,525	-	-	23,670
Supplies and materials	47,553	30,053	20,579	9,474	8,871	7,000	4,705	4,705	-	-	2,295
Other objects	-	9,456	8,309	1,147	-	33,777	39,913	39,913	-	-	(6,136)
Intergovernmental:											
Payments to other governments	164,433	164,433	141,692	22,741	600	600	-	-	-	-	600
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	535,354	535,354	465,169	70,185	423,448	430,953	387,941	387,941	-	-	43,012
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	381	381	-	-	-	(544)	-	-	(544)
<b>OTHER FINANCING SOURCES:</b>											
Transfers in	-	-	-	-	-	-	544	544	-	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>											
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>											
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>											

SCHEDULE 5

BUREAU, HENRY, AND STARK COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 28  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 For the Year Ended June 30, 2020

	Title II Teacher Quality Leadership				Regional Safe Schools			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Final	Variance with Final Budget	Original	Final	Variance with Final Budget	
<b>REVENUES:</b>								
State sources	\$ -	\$ -	\$ -	\$ -	\$ 65,568	\$ 65,568	\$ 64,314	\$ (1,254)
Federal sources	983	983	740	(243)	-	-	-	-
Total revenues	983	983	740	(243)	65,568	65,568	64,314	(1,254)
<b>EXPENDITURES:</b>								
Instructional services:								
Salaries	-	-	-	-	50,607	53,827	49,561	4,266
Benefits	-	-	-	-	4,097	5,291	2,630	2,661
Pension expense	-	-	-	-	-	-	1,057	(1,057)
OPEB expense	-	-	-	-	-	-	348	(348)
Purchased services	983	983	-	983	10,864	228	119	109
Supplies and materials	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	6,222	5,106	1,116
Intergovernmental:								
Payments to other governments	-	-	740	(740)	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	983	983	740	243	65,568	65,568	58,821	6,747
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,493	\$ 5,493
<b>OTHER FINANCING SOURCES:</b>								
Transfers in	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>								
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>								
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>								

SCHEDULE 5

BUREAU, HENRY, AND STARK COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 28  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 For the Year Ended June 30, 2020

	Title I School Improvement and Accountability			Education Innovation and Research		
	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget
<b>REVENUES:</b>						
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	7,500	5,500	(2,000)	90,920	70,009	(20,911)
Total revenues	7,500	5,500	(2,000)	90,920	70,009	(20,911)
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	950	-	950	9,900	8,470	1,430
Benefits	140	-	140	1,782	648	1,134
Pension expense	-	-	-	-	-	-
OPEB expense	-	-	-	-	-	-
Purchased services	6,410	5,500	910	12,988	2,472	10,516
Supplies and materials	-	-	-	2,000	204	1,796
Other objects	-	-	-	-	-	-
Intergovernmental:						
Payments to other governments	-	-	-	64,250	57,763	6,487
Capital outlay	-	-	-	-	-	-
Total expenditures	7,500	5,500	2,000	90,920	69,557	21,363
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ -	\$ 452	\$ 452
<b>OTHER FINANCING SOURCES:</b>						
Transfers in	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>					452	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>					(452)	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>					\$ -	

SCHEDULE 5

BUREAU, HENRY, AND STARK COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 28  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 For the Year Ended June 30, 2020

	Supporting Effective Education Development			Variance with Final Budget
	Budgeted Amounts Original	Final	Actual Amounts	
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	611,906	611,906	418,679	(193,227)
Total revenues	611,906	611,906	418,679	(193,227)
<b>EXPENDITURES:</b>				
Instructional services:				
Salaries	182,900	182,900	174,380	8,520
Benefits	34,356	34,356	16,832	17,524
Pension expense	-	-	11,865	(11,865)
OPEB expense	-	-	237	(237)
Purchased services	36,650	36,650	75,073	(38,423)
Supplies and materials	6,000	6,000	1,382	4,618
Other objects	-	-	-	-
Intergovernmental:				
Payments to other governments	352,000	352,000	133,979	218,021
Capital outlay	-	-	-	-
Total expenditures	611,906	611,906	413,748	198,158
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	\$ -	4,931	\$ 4,931
<b>OTHER FINANCING SOURCES:</b>				
Transfers in			-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			4,931	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			(4,931)	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			\$ -	

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2020**

	<u>Institute Fund</u>	<u>General Educational Development Fund</u>	<u>Bus Driver Fund</u>	<u>Hearing Fund</u>	<u>Totals</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 188,168	\$ 13,871	\$ 25,929	\$ 4,830	\$ 232,798
Accounts receivable	-	20	-	-	20
Due from other governments	-	-	10	-	10
Total assets	<u>188,168</u>	<u>13,891</u>	<u>25,939</u>	<u>4,830</u>	<u>232,828</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
None	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 188,168</u>	<u>\$ 13,891</u>	<u>\$ 25,939</u>	<u>\$ 4,830</u>	<u>\$ 232,828</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ -	\$ -	\$ 10	\$ -	\$ 10
<b>DEFERRED INFLOWS OF RESOURCES</b>					
None	-	-	-	-	-
<b>FUND BALANCE</b>					
Restricted	<u>188,168</u>	<u>13,891</u>	<u>25,929</u>	<u>4,830</u>	<u>232,818</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 188,168</u>	<u>\$ 13,891</u>	<u>\$ 25,939</u>	<u>\$ 4,830</u>	<u>\$ 232,828</u>

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2020**

	<u>Institute Fund</u>	<u>General Educational Development Fund</u>	<u>Bus Driver Fund</u>	<u>Hearing Fund</u>	<u>Totals</u>
<b>REVENUES:</b>					
Local sources	\$ 24,116	\$ 2,318	\$ 2,510	\$ -	\$ 28,944
State sources	-	-	1,295	-	1,295
Interest	436	26	50	10	522
Total revenues	<u>24,552</u>	<u>2,344</u>	<u>3,855</u>	<u>10</u>	<u>30,761</u>
<b>EXPENDITURES:</b>					
Instructional services:					
Purchased services	2,570	-	2,237	-	4,807
Supplies and materials	-	61	-	-	61
Total expenditures	<u>2,570</u>	<u>61</u>	<u>2,237</u>	<u>-</u>	<u>4,868</u>
<b>NET CHANGE IN FUND BALANCE</b>	21,982	2,283	1,618	10	25,893
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>166,186</u>	<u>11,608</u>	<u>24,311</u>	<u>4,820</u>	<u>206,925</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 188,168</u>	<u>\$ 13,891</u>	<u>\$ 25,929</u>	<u>\$ 4,830</u>	<u>\$ 232,818</u>

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
June 30, 2020**

	<b>Distributive Interest Fund</b>	<b>School Facility Occupation Tax</b>	<b>Total</b>
<b>ASSETS</b>			
Cash (overdraft) and cash equivalents	\$ 24,883	\$ 269	\$ 25,152
Due from other governments	<u>-</u>	<u>717,835</u>	<u>717,835</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 24,883</u></b>	<b><u>\$ 718,104</u></b>	<b><u>\$ 742,987</u></b>
<b>LIABILITIES</b>			
Due to other governments	<u>\$ 24,883</u>	<u>\$ 718,104</u>	<u>\$ 742,987</u>

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES  
AGENCY FUNDS  
For the Year Ended June 30, 2020**

	<u>Balance, June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2020</u>
<b>DISTRIBUTIVE INTEREST FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 23,760	\$ 1,123	\$ -	\$ 24,883
<b>LIABILITIES</b>				
Due to other governments	\$ 23,760	\$ 1,123	\$ -	\$ 24,883
<b>SCHOOL FACILITY OCCUPATION TAX</b>				
<b>ASSETS</b>				
Cash (overdraft) and cash equivalents	\$ (1)	\$ 3,218,122	\$ 3,217,852	\$ 269
Due from other governments	<u>845,709</u>	<u>717,835</u>	<u>845,709</u>	<u>717,835</u>
<b>TOTAL ASSETS</b>	<u>\$ 845,708</u>	<u>\$ 3,935,957</u>	<u>\$ 4,063,561</u>	<u>\$ 718,104</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 845,708	\$ 3,935,957	\$ 4,063,561	\$ 718,104
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 23,759	\$ 3,219,245	\$ 3,217,852	\$ 25,152
Due from other governments	<u>845,709</u>	<u>717,835</u>	<u>845,709</u>	<u>717,835</u>
<b>TOTAL ASSETS</b>	<u>\$ 869,468</u>	<u>\$ 3,937,080</u>	<u>\$ 4,063,561</u>	<u>\$ 742,987</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 869,468	\$ 3,937,080	\$ 4,063,561	\$ 742,987

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES  
For the Year Ended June 30, 2020**

		<b>School Facility Occupation Tax</b>
AlWood CUSD #224	\$	142,581
Annawan CUSD #226		120,477
Cambridge CUSD #227		189,903
Colona Elementary SD #190		172,727
Erie CUSD #1		1,705
Galva CUSD #224		193,164
Geneseo CUSD #228		1,003,501
Kewanee CUSD #229		738,420
Orion CUSD #223		375,398
PLT CUSD #3		1,748
ROWVA CUSD #208		322
United Township HSD #30		67,796
Wethersfield CUSD #230		210,110
<b>Total</b>	<b>\$</b>	<b>3,217,852</b>

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2020**

Federal Grantor/Pass-Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>U.S. Department of Education</b>			
<b>Direct Program</b>			
<b>Rural Education</b>			
Rural Education Achievement Award	84.358A	S358A192343	\$ 4,916
<b>Passed-Through Illinois State Board of Education</b>			
<b>Title I Grants to Local Educational Agencies</b>			
Title I School Improvement and Accountability	84.010A	S101A170013	5,500
<b>Passed-Through Illinois State Board of Education</b>			
<b>Twenty-First Century Community Learning Centers</b>			
Twenty-First Century Community Learning Centers	M 84.287C	19-4421-13	115,320
Twenty-First Century Community Learning Centers	M 84.287C	19-4421-15	88,587
Twenty-First Century Community Learning Centers	M 84.287C	19-4421-19	43,228
Twenty-First Century Community Learning Centers	M 84.287C	19-4421-25	58,737
Twenty-First Century Community Learning Centers	M 84.287C	20-4421-13	592,780
Twenty-First Century Community Learning Centers	M 84.287C	20-4421-15	191,796
Twenty-First Century Community Learning Centers	M 84.287C	20-4421-19	305,907
Twenty-First Century Community Learning Centers	M 84.287C	20-4421-25	406,432
			<u>1,802,787</u>
<b>Improving Teacher Quality State Grants</b>			
Title II Teacher Quality Leadership	84.367A	20-4935-02	740
<b>Passed-Through Lee/Ogle/Whiteside Counties Regional Office of Education No. 47</b>			
<b>Education for Homeless Children and Youth</b>			
McKinney Education for Homeless Children	84.196A	20-4920-00	18,335
<b>Passed-Through DuPage County Regional Office of Education No. 19</b>			
<b>Education Innovation and Research</b>			
	84.411C	U411C170142	69,557
<b>Passed-Through Illinois State University</b>			
<b>Supporting Effective Educator Development Program</b>			
Supporting Effective Education Development	M 84.423A	A18-0059-S006	413,748
Total U.S. Department of Education			<u>2,315,583</u>
<b>U.S. Department of Labor</b>			
<b>Passed-Through Business Employment Skills Team, Inc. Workforce Investment Act (WIA) Youth Activities</b>			
WIA - Bureau County Step Ahead Program	17.259	19-003	69,970
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 2,385,553</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

**BUREAU, HENRY, AND STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2020**

**NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Bureau/Henry/Stark Counties Regional Office of Education No. 28 under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Regional Office of Education No. 28, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Regional Office of Education No. 28.

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

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Bureau/Henry/Stark Counties Regional Office of Education No. 28 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.