

**STATE OF ILLINOIS  
KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

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

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



**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

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**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**OFFICIALS**

Regional Superintendent (Current and during the audit period).....Ms. Patricia Dal Santo  
Assistant Regional Superintendent (Current and during the audit period)..... Ms. Deanna Oliver

Office is located at:

28 N. First Street  
Geneva, Illinois 60134

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**FINANCIAL REPORT SUMMARY**

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

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

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

**SUMMARY OF FINDINGS AND RESPONSES**

<u>Item No.</u>	<u>Page(s)</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2021-001	10-11	Controls Over Financial Statement Preparation	Material Weakness

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

There were no prior findings that were not repeated for the year ended June 30, 2021.

**EXIT CONFERENCE**

The Kane County Regional Office of Education No. 31 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2021. Throughout the audit, numerous meetings were held between the auditors and Regional Office to discuss matters contained in this audit report. Response to the recommendation was provided by the Regional Office of Education on December 3, 2021.

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Kane County Regional Office of Education No. 31 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Kane County Regional Office of Education No. 31's basic financial statements.



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

(217) 235-4747  
www.westcpa.com

## **INDEPENDENT AUDITORS' REPORT**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

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

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kane County Regional Office of Education No. 31, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Kane County Regional Office of Education No. 31's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kane County Regional Office of Education No. 31, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Teachers' Retirement System of the State of Illinois – Schedule of Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of the State of Illinois – Schedule of Employer's Contributions, Illinois Municipal Retirement Fund – Schedule of Employer's Proportionate Share of Net Pension Liability, Illinois Municipal Retirement Fund – Schedule of Employer's Contributions, Teacher's Health Insurance Security Fund – Schedule of Employer Contributions, Teacher's Health Insurance Security Fund – Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability, Other Postemployment Benefits – Health Insurance Schedule of Changes in the Total OPEB Liability & Related Ratios, and Other Postemployment Benefits – Health Insurance Schedule of Employer's Contributions on pages 14a – 14j and 76 - 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kane County Regional Office of Education No. 31's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2022 on our consideration of the Kane County Regional Office of Education No. 31'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 Kane County Regional Office of Education No. 31'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 Kane County Regional Office of Education No. 31's internal control over financial reporting and compliance.

**SIGNED ORIGINAL ON FILE**

Mattoon, Illinois  
March 2, 2022



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P.O. Box 945  
Mattoon, Illinois 61938

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

**INDEPENDENT AUDITORS' REPORT**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kane County Regional Office of Education No. 31, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Kane County Regional Office of Education No. 31's basic financial statements, and have issued our report thereon dated March 2, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Kane County Regional Office of Education No. 31's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Kane County Regional Office of Education No. 31's internal control. Accordingly, we do not express an opinion on the effectiveness of the Kane County Regional Office of Education No. 31's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2021-001, that we consider to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Kane County Regional Office of Education No. 31's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Regional Office of Education No. 31's Response to the Finding**

The Kane County Regional Office of Education No. 31 response to the finding identified in our audit is described in the accompanying schedule of Findings and Responses. Kane County Regional Office of Education No. 31 response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 Kane County Regional Office of Education No. 31'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 Kane County Regional Office of Education No. 31's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Mattoon, Illinois  
March 2, 2022

## **SCHEDULE OF FINDINGS AND RESPONSES**

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

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

**Section I – Summary of Auditors' Results**

**Financial statements in accordance with GAAP**

Type of auditors' report issued:

UNMODIFIED

Internal control over financial reporting:

- Material weakness identified?

  X   yes           no

- Significant deficiency(ies) identified?

       yes      X   none reported

Noncompliance material to financial  
statements noted?

       yes      X   no

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

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

**Section II – Financial Statement Findings**

**Finding No. 2021-001 – Controls Over Financial Statement Preparation (Partially repeated from Finding 20-001)**

**Criteria/Specific Requirement:**

Effective June 25, 2021, Public Act 102-0025 allowed that a Regional Office of Education or Educational Service Center may utilize a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for audit. The Regional Office of Education No. 31 (ROE) has chosen to utilize the GAAP basis of accounting for financial statement reporting. The ROE is required to maintain a system of controls over the preparation of financial statements. The ROE's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP basis financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, require governments to record and present net accrued pension assets and liabilities, deferred outflows of resources, deferred inflows of resources, and pension expenses. These standards further prescribe the methods and assumptions that are to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of service.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, requires governments to record and present other postemployment benefits (OPEB) liabilities, deferred outflows of resources, deferred inflows of resources, and OPEB expenses along with note disclosures and required supplementary information. This standard further prescribes the methods and assumptions that are to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of service.

**Condition:**

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

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

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

**Section II – Financial Statement Finding (Continued)**

**Finding No. 2021-001 – Controls Over Financial Statement Preparation (Partially repeated from Finding 20-001) (Continued)**

**Condition (Continued):**

During review of the Regional Office of Education No. 31’s financial information prepared by the Regional Office, auditors noted the Regional Office’s financial information required an adjustment in pension and OPEB balances in order to present its financial statements in accordance with generally accepted accounting principles. Through inquiries and discussions with the ROE’s accounting personnel and Regional Superintendent, auditors noted that the ROE did not have adequate controls to record and report the ROE’s pension and OPEB balances in accordance with GAAP. Proposed adjusting entries were approved and accepted by Regional Office management.

**Effect:**

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

**Cause:**

Regional Office officials indicated the ROE began reporting and remitting pension and OPEB payments for another entity, thus causing the pension and OPEB balances of the other entity to be included with the ROE balances. It was determined that the ROE did not have a legal requirement to collect and remit payments; therefore, the liability and related account balances should not be reported by the Regional Office.

**Recommendation:**

As part of internal control over the preparation of financial statements, the ROE should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. Additionally, ROE management should consider Public Act 102-0025 to determine if changing to the cash or modified cash basis would be allowable or beneficial to the ROE and users of the ROE statements.

**Management’s Response:**

The ROE accepted proposed changes by the auditors after said auditors consulted with GASB to determine the most accurate representation of the ROE’s unique situation.

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

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

**Corrective Action Plan**

**Finding No. 2021-001 – Controls Over Financial Statement Preparation (Partially repeated from Finding 20-001)**

**Condition:**

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

During review of the Regional Office of Education No. 31’s financial information prepared by the Regional Office, auditors noted the Regional Office’s financial information required an adjustment in pension and OPEB balances in order to present its financial statements in accordance with generally accepted accounting principles. Through inquiries and discussions with the ROE’s accounting personnel and Regional Superintendent, auditors noted that the ROE did not have adequate controls to record and report the ROE’s pension and OPEB balances in accordance with GAAP. Proposed adjusting entries were approved and accepted by Regional Office management.

**Plan:**

The ROE will continue to abide by the suggestion of GASB experts until the unique situation is resolved. The ROE anticipates the situation will correct itself after the 2022 fiscal year expires.

**Anticipated Date of Completion:**

Calendar year 2022

**Name of Contact Person:**

Ms. Patricia Dal Santo, Regional Superintendent

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

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

There were no findings that were not repeated from the year ended June 30, 2020.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**Management's Discussion and Analysis  
June 30, 2021**

This discussion and analysis of the Kane County Regional Office of Education's financial report provides an overview of the financial activities for the year ended June 30, 2021 with comparative information for the year ended June 30, 2020. The intent of this discussion and analysis is to look at the Regional Office of Education's performance as a whole. Readers should review the financial statements and any notes to the basic financial statements to assist them in understanding the role of the Regional Office of Education, its operations and financial condition.

The purpose of the Kane County Regional Office of Education No. 31 is to promote quality education for the citizens of the Kane County Educational Service Region by acting as an advocate for education, providing leadership, performing regulatory functions as directed by the Illinois State Board of Education and the Illinois School Code, providing access to needed resources and disseminating information to school districts, educators, and the community.

**Mission**

The mission of the Kane County Regional Office of Education is to advocate for education, provide leadership, perform regulatory functions, and coordinate state and local services for educators, school districts and the community.

**Education Service Region**

The Kane County Regional Office of Education serves over 120,000 students. Our region includes nine (K-12) unit districts, two community college districts, 220+ public school buildings, and over 9,000 public/private school teachers.

**2021 Financial Highlights**

- General Fund revenues decreased from \$7,597,466 in fiscal year 2020 to \$7,520,678 in fiscal year 2021. General Fund expenditures decreased from \$6,266,204 in fiscal year 2020 to \$5,989,550 in fiscal year 2021. The decrease in revenue and the increase in expenses was primarily a result of the reduction in activities due to the pandemic.
- Education Fund revenues increased from \$1,274,215 in fiscal year 2020 to \$1,458,559 in fiscal year 2021. Expenditures increased from \$1,384,849 in fiscal year 2020 to \$1,643,448 in fiscal year 2021. The revenue increase was related to a timing variance of payments received from ISBE. Increases in expenditures were due to addition of several new grants and also the timing of Delinquent grant payments.
- Institute Fund revenues increased from \$188,705 in fiscal year 2020 to \$188,715 in fiscal year 2021. Expenditures in the Institute Fund increased from \$15,973 in fiscal year 2020 to \$17,940 in fiscal year 2021. The increase was primarily due to the cyclical nature of license renewal.

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**Management's Discussion and Analysis  
June 30, 2021**

- Enterprise Fund revenues increased from \$472,346 in fiscal year 2020 to \$643,666 in fiscal year 2021. Enterprise Fund expenses also increased from \$644,557 in fiscal year 2020 to \$871,153 in fiscal year 2021. Revenue and expenses increased as a pass-thru one-year partnership for district software purchase occurred as well as office improvements to allow return to work in person.
- Government-wide revenues increased from \$9,427,214 in fiscal year 2020 to \$10,063,681 in fiscal year 2021. Government-wide expenses decreased slightly from \$8,528,805 in fiscal year 2020 to \$8,523,259 in fiscal year 2021. The increased revenues are most notably related to timing of delayed grant funding from prior years and an increase in activity of the ALOP program and additional grant programs.

**Using This Annual Report**

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the Regional Office as a whole and present an overall view of the Regional Office's finances.

The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office's operations in more detail than the government-wide statements by providing information that is needed for a full understanding of the data provided in the basic financial statements.

Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with information about the Regional Office of Education No. 31's pension liability, proportionate share of the net pension liability and related contributions.

Supplementary Information provides detailed information about the major and nonmajor funds.

**Reporting Kane County Regional Office of Education No. 31's Financial Activities**

**Government-wide Financial Statements**

The government-wide financial statements report information about Kane County Regional Office of Education No. 31 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of Kane County Regional Office of Education No. 31's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid using generally accepted accounting principles and GASB 34.

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**Management's Discussion and Analysis  
June 30, 2021**

The two government-wide financial statements report the Regional Office's net position and how it has changed. Net position - the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources - is one way to measure the Regional Office's financial health or financial position. Over time, increases or decreases in net position can be an indicator of whether financial position is improving or deteriorating. To assess the Regional Office's overall condition, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level should be considered.

**Fund Financial Statements**

The fund financial statements provide more detailed information about Kane County Regional Office of Education No. 31's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. Kane County Regional Office of Education No. 31 established other funds to control and manage money for particular purposes.

Kane County Regional Office of Education No. 31 has three kinds of funds:

1) *Governmental funds*: Account for those funds through which most governmental functions of the Regional Office are financed. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at the year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that are available in the near future to finance the Regional Office's programs. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance.

2) *Proprietary funds*: Account for resources from fees charged directly to those entities or individuals that use its services. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements. The proprietary funds required financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.

3) *Fiduciary funds*: Account for assets held by the Regional Office in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Position.

**Government-wide Financial Analysis**

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Regional Office, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$12,637,920 as of June 30, 2021.

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**Management's Discussion and Analysis  
June 30, 2021**

The following table presents a summary of Kane County Regional Office of Education No. 31's net position for the fiscal year ended June 30, 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current assets	\$ 12,205,347	\$ 597,296	\$ 12,802,643
Capital assets, net	17,392	101,452	118,844
Net pension asset	<u>303,335</u>	<u>18,503</u>	<u>321,838</u>
Total assets	<u>12,526,074</u>	<u>717,251</u>	<u>13,243,325</u>
Deferred outflows of resources	<u>321,672</u>	<u>6,400</u>	<u>328,072</u>
Current liabilities	131,858	42,593	174,451
Noncurrent liabilities	263,857	-	263,857
Net pension liability	<u>26,268</u>	<u>-</u>	<u>26,268</u>
Total liabilities	<u>421,983</u>	<u>42,593</u>	<u>464,576</u>
Deferred inflows of resources	<u>444,164</u>	<u>24,737</u>	<u>468,901</u>
Net position:			
Net investment in capital assets	17,392	101,452	118,844
Restricted - other	2,228,096	166	2,228,262
Unrestricted	<u>9,736,111</u>	<u>554,703</u>	<u>10,290,814</u>
Total net position	<u>\$ 11,981,599</u>	<u>\$ 656,321</u>	<u>\$ 12,637,920</u>

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**Management's Discussion and Analysis  
June 30, 2021**

The following table presents a summary of Kane County Regional Office of Education No. 31's net position for the fiscal year ended June 30, 2020:

	Governmental Activities	Business-Type Activities	Total
Current assets	\$ 11,118,977	\$ 553,825	\$11,672,802
Capital assets, net	35,792	39,572	75,364
<b>Total assets</b>	<b>11,154,769</b>	<b>593,397</b>	<b>11,748,166</b>
Deferred outflows of resources	255,583	7,765	263,348
Current liabilities	206,170	71,311	277,481
Noncurrent liabilities	296,170	-	296,170
Net pension liability	69,924	3,106	73,030
<b>Total liabilities</b>	<b>572,264</b>	<b>74,417</b>	<b>646,681</b>
Deferred inflows of resources	256,377	14,170	270,547
Net position:			
Net investment in capital assets	31,792	39,572	71,364
Restricted - other	2,113,634	-	2,113,634
Unrestricted	8,436,285	473,003	8,909,288
<b>Total net position</b>	<b>\$ 10,581,711</b>	<b>\$ 512,575</b>	<b>\$11,094,286</b>

The Regional Office's net position increased by \$1,543,634 (13.9%) from fiscal year 2020. The increase was in part due to continued conservative usage of resources and seeking out new revenue opportunities. Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. Unrestricted net position was \$10,290,814 for the year ended June 30, 2021. The net position related to the Institute Fund, Education Fund and Nonmajor Special Revenue Funds are restricted for educational purposes.

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**Management's Discussion and Analysis  
June 30, 2021**

**Changes in Net Position**

The following shows the change in net position for the year ended June 30, 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ -	\$ 643,666	\$ 643,666
Operating grants and contributions	8,150,435	-	8,150,435
General revenues:			
Local sources	279,363	-	279,363
Interest	15,798	84	15,882
On-behalf payments	974,335	-	974,335
Total revenues	<u>9,419,931</u>	<u>643,750</u>	<u>10,063,681</u>
Expenses:			
Instructional services:			
Salaries and benefits	1,382,494	59,224	1,441,718
Purchased services	336,973	632,284	969,257
Supplies and materials	208,137	22,618	230,755
Other objects	456	7,189	7,645
Depreciation	18,400	21,744	40,144
Pension expense (benefit)	(78,169)	(5,597)	(83,766)
OPEB expense (benefit)	(86,776)	-	(86,776)
Intergovernmental:			
Payments to other governments	4,833,001	-	4,833,001
Capital outlay	63,255	133,691	196,946
Administrative:			
On-behalf payments	974,335	-	974,335
Total expenses	<u>7,652,106</u>	<u>871,153</u>	<u>8,523,259</u>
Excess (deficiency) of revenue over (under) expenditures	1,767,825	(227,403)	1,540,422
Transfers	<u>(371,149)</u>	<u>371,149</u>	<u>-</u>
Change in net position	1,396,676	143,746	1,540,422
Net position, beginning, restated	10,581,711	512,575	11,094,286
Prior period adjustment	3,212	-	3,212
As restated	<u>10,584,923</u>	<u>512,575</u>	<u>11,097,498</u>
Net position, ending	<u>\$ 11,981,599</u>	<u>\$ 656,321</u>	<u>\$ 12,637,920</u>

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**Management's Discussion and Analysis  
June 30, 2021**

The following shows the change in net position for the year ended June 30, 2020:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ -	\$ 472,346	\$ 472,346
Operating grants and contributions	7,545,996	-	7,545,996
General revenues:			
Local sources	364,806	-	364,806
Interest	114,966	2,028	116,994
On-behalf payments	927,072	-	927,072
Total revenues	<u>8,952,840</u>	<u>474,374</u>	<u>9,427,214</u>
<b>Expenses:</b>			
Instructional services:			
Salaries and benefits	1,396,753	58,771	1,455,524
Purchased services	482,441	507,064	989,505
Supplies and materials	80,368	20,789	101,157
Other objects	486	11,477	11,963
Depreciation	29,263	11,684	40,947
Pension expense	28,928	4,344	33,272
OPEB expense	45,078	-	45,078
Intergovernmental:			
Payments to other governments	4,823,212	-	4,823,212
Capital outlay	50,647	50,428	101,075
Administrative:			
On-behalf payments	927,072	-	927,072
Total expenses	<u>7,864,248</u>	<u>664,557</u>	<u>8,528,805</u>
Change in net position	1,088,592	(190,183)	898,409
Net position, beginning	<u>9,493,119</u>	<u>702,758</u>	<u>10,195,877</u>
Net position, ending	<u>\$ 10,581,711</u>	<u>\$ 512,575</u>	<u>\$ 11,094,286</u>

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**Management's Discussion and Analysis  
June 30, 2021**

**Governmental Activities**

Revenues for governmental activities were \$9,419,931 and \$8,952,840 and expenses were \$7,652,106 and \$7,864,248 for 2021 and 2020, respectively. The decrease in revenues and expenses were due to the limited interest earnings in the general fund programs.

**Business-Type Activities**

Revenues for business-type activities were \$643,750 and \$474,374 and expenses were \$871,153 and \$664,557 for 2021 and 2020, respectively. The increase in revenues and expenses were due to limited partnerships with our districts to provide to cooperatively purchase at a discount and increased professional development offerings.

**Individual Fund Analysis**

As previously noted, Kane County Regional Office of Education No. 31 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Kane County Regional Office of Education No. 31's governmental funds reported combined fund balances of \$12,070,725, above last year's ending fund balances of \$10,916,807.

**Governmental Fund Highlights**

The General Fund balance increased from \$9,056,527 in 2020 to \$9,847,156 in 2021. The increase in fund balance was mostly attributable to an increase and expansion of the ALOP program.

The Institute Fund balance increased from \$1,663,659 in 2020 to \$1,834,434 in 2021. The increase in fund balance was mostly attributable to being more efficient and conservative with program funds.

The Education Fund balance increased from \$<16,886> in 2020 to \$170,787 in 2021. The increase in fund balance was mostly attributable to timing of grant funding by the state. The Education Fund is primarily made up of grants the Regional Office receives and this can vary greatly from year to year as some programs are discontinued while others see funding increases and decreases.

**Proprietary Fund Highlights**

Business-Type Funds net position increased from \$512,575 in 2020 to \$656,321 in 2021. The primary reason for the increase is attributable to limited partnerships with our districts to provide to cooperatively purchase at a discount and increased professional development offerings.

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**Fiduciary Fund Highlights**

Total assets and liabilities decreased from \$117,760 in fiscal year 2020 to \$36,554 in fiscal year 2021. The decrease is attributable to the redefinition of Fiduciary funds.

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**Management's Discussion and Analysis  
June 30, 2021**

**Budgetary Highlights**

The Kane County Regional Office of Education No. 31 annually prepares budgets for several funds which serve as a guideline for activities and expenditures. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the County Board for their approval. The Office Operations Budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the Regional Office and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Additionally, the Regional Office funds are reported and included in our annual report. In addition, the Institute Fund is printed in a newspaper of general circulation in Kane County.

**Capital Assets and Long-Term Debt**

The Regional Office's capital assets include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office maintains an inventory of capital assets that have accumulated over time. For fiscal year 2021, total additions and retirements amounted to \$83,624 and \$0, respectively. Depreciation expense for fiscal year 2021 was \$40,144. Additional information on Kane County Regional Office of Education No. 31's capital assets is in Note 7 on page 47 of this report.

**Economic Factors Bearing on Kane County Regional Office of Education NO. 31's Future**

County Board support is expected to remain static for fiscal year 2021 but may decline in future years.

While the Regional Office is in search of additional revenue sources, it is also committed to providing as much support as it can to the districts it serves to take them to the next step in educational excellence.

The juvenile detention center licensing costs will continue to increase due to implementation of online curriculum evaluation and learning tools. A summer curriculum at the juvenile detention center was successful and will continue to be a part of Regional Office expenses as it grows.

Software support costs will be ongoing for the HLS inspection program rolled out in fiscal year 2015 with expected upgrades and adjustments implemented annually. The Regional Office also rolled out a similar program for the compliance reviews that are required by state mandate and expects to further expand the program in 2022.

The state budget struggle makes predictions for future revenue and expenditures difficult for all state funded organizations. The Regional Office anticipates state revenues related to the ALOP program to decrease due to the reduction of the defining factors used to calculate the ALOP allocation. Furthermore, the Regional Office expects to incur additional costs related to the COVID-19 pandemic.

**KANE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 31**

**Management's Discussion and Analysis  
June 30, 2021**

**Contacting Kane County Regional Office of Education No. 31's Financial Management**

This financial report is designed to provide Kane County Regional Office of Education No. 31's citizens, taxpayers, customers, and creditors with a general overview of Kane County Regional Office of Education No. 31's finances and to demonstrate Kane County Regional Office of Education No. 31's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kane County Regional Office of Education No. 31 at 28 N 1st Street, Geneva, IL 60134. For a more detailed analysis and explanation of operations and programs, the complete fiscal year 2021 Annual Report posted on the Kane County Regional Office of Education No. 31's website at <http://www.kaneroe.org>.

## **BASIC FINANCIAL STATEMENTS**

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Current assets:			
Cash and cash equivalents	\$ 11,372,824	\$ 558,781	\$ 11,931,605
Accounts receivable	29,350	32,325	61,675
Due from other governments	102,535	-	102,535
Prepaid expenses	43,510	6,190	49,700
Investments	657,128	-	657,128
Total current assets	12,205,347	597,296	12,802,643
Noncurrent assets:			
Capital assets, net	17,392	101,452	118,844
Net pension asset	303,335	18,503	321,838
Total noncurrent assets	320,727	119,955	440,682
Total assets	12,526,074	717,251	13,243,325
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	127,751	6,400	134,151
OPEB	193,921	-	193,921
Total deferred outflows of resources	321,672	6,400	328,072
<b>LIABILITIES</b>			
Current liabilities			
Accrued expenses	2,599	27,741	30,340
Payroll liabilities	108,045	3,332	111,377
Due to other governments	8,984	2,520	11,504
Unearned revenue	12,230	9,000	21,230
Total current liabilities	131,858	42,593	174,451
Noncurrent liabilities:			
Net pension liability	26,268	-	26,268
Other postemployment benefits obligation	227,248	-	227,248
Compensated absences	36,609	-	36,609
Total noncurrent liabilities	290,125	-	290,125
Total liabilities	421,983	42,593	464,576

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	405,861	24,737	430,598
OPEB	38,303	-	38,303
Total deferred inflows of resources	444,164	24,737	468,901
<b>NET POSITION</b>			
Net investment in capital assets	17,392	101,452	118,844
Restricted for educational purposes	2,225,372	-	2,225,372
Restricted for pension benefits	2,724	166	2,890
Unrestricted	9,736,111	554,703	10,290,814
Total net position	<u>\$ 11,981,599</u>	<u>\$ 656,321</u>	<u>\$ 12,637,920</u>

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Primary Government Business-Type Activities</u>	<u>Total</u>
Functions/programs:						
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 1,382,494	\$ -	\$ 1,490,164	\$ 107,670	\$ -	\$ 107,670
Purchased services	336,973	-	412,423	75,450	-	75,450
Supplies and materials	208,137	-	254,740	46,603	-	46,603
Capital outlay	63,255	-	77,418	14,163	-	14,163
Other objects	456	-	558	102	-	102
Depreciation	18,400	-	-	(18,400)	-	(18,400)
Pension expense (benefit)	(78,169)	-	-	78,169	-	78,169
OPEB expense (benefit)	(86,776)	-	-	86,776	-	86,776
Intergovernmental:						
Payments to other governments	4,833,001	-	5,915,132	1,082,131	-	1,082,131
Administrative:						
On-behalf payments	974,335	-	-	(974,335)	-	(974,335)
Total governmental activities	7,652,106	-	8,150,435	498,329	-	498,329
Business-type activities						
Operating	871,153	643,666	-	-	(227,487)	(227,487)
Total primary government	<u>\$ 8,523,259</u>	<u>\$ 643,666</u>	<u>\$ 8,150,435</u>	<u>498,329</u>	<u>(227,487)</u>	<u>270,842</u>

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government</u>	
			<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General revenues and transfers:					
General revenues:					
Local sources			279,363	-	279,363
On-behalf payments			974,335	-	974,335
Interest			15,798	84	15,882
Transfers			<u>(371,149)</u>	<u>371,149</u>	<u>-</u>
Total general revenues and transfers			<u>898,347</u>	<u>371,233</u>	<u>1,269,580</u>
Changes in net position			<u>1,396,676</u>	<u>143,746</u>	<u>1,540,422</u>
Net position at beginning of year:					
As previously reported			10,581,711	512,575	11,094,286
Prior period adjustment (see Note 18)			<u>3,212</u>	<u>-</u>	<u>3,212</u>
As restated			<u>10,584,923</u>	<u>512,575</u>	<u>11,097,498</u>
Net position at end of year			<u>\$ 11,981,599</u>	<u>\$ 656,321</u>	<u>\$ 12,637,920</u>

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,081,563	\$ 262,936	\$ 1,810,684
Accounts receivable	23,455	1,980	-
Due from other funds	102,802	-	-
Due from other governments	-	102,535	-
Prepaid items	19,760	-	23,750
Investments	<u>657,128</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 9,884,708</u>	<u>\$ 367,451</u>	<u>\$ 1,834,434</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)</b>			
Liabilities:			
Accrued expenditures	\$ 408	\$ 1,333	\$ -
Payroll liabilities	21,810	86,235	-
Due to other funds	-	102,802	-
Due to other governments	2,690	6,294	-
Unearned revenue	<u>12,000</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>36,908</u>	<u>196,664</u>	<u>-</u>
Deferred inflows of resources:			
Unavailable revenue	<u>644</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):			
Nonspendable	19,760	-	23,750
Restricted	-	172,590	1,810,684
Assigned	2,601,581	-	-
Unassigned	<u>7,225,815</u>	<u>(1,803)</u>	<u>-</u>
Total fund balances (deficit)	<u>9,847,156</u>	<u>170,787</u>	<u>1,834,434</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 9,884,708</u>	<u>\$ 367,451</u>	<u>\$ 1,834,434</u>

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<b>Nonmajor Special Revenue Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>	<u>          </u>	<u>          </u>
Cash and cash equivalents	\$ 217,641	\$ 11,372,824
Accounts receivable	3,915	29,350
Due from other funds	-	102,802
Due from other governments	-	102,535
Prepaid items	-	43,510
Investments	-	657,128
	<u>          </u>	<u>          </u>
Total assets	<u>\$ 221,556</u>	<u>\$ 12,308,149</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)</b>		
Liabilities:		
Accrued expenditures	\$ 858	\$ 2,599
Payroll liabilities	-	108,045
Due to other funds	-	102,802
Due to other governments	-	8,984
Unearned revenue	230	12,230
	<u>          </u>	<u>          </u>
Total liabilities	<u>1,088</u>	<u>234,660</u>
Deferred inflows of resources:		
Unavailable revenue	2,120	2,764
	<u>          </u>	<u>          </u>
Fund balances (deficit):		
Nonspendable	-	43,510
Restricted	218,348	2,201,622
Assigned	-	2,601,581
Unassigned	-	7,224,012
	<u>          </u>	<u>          </u>
Total fund balances (deficit)	<u>218,348</u>	<u>12,070,725</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 221,556</u>	<u>\$ 12,308,149</u>

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

Total fund balance - governmental funds \$ 12,070,725

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 funds. 17,392

The net pension asset is collected but not payable in the current period and, therefore, is not reported in the governmental funds. 303,335

Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are not considered "available" revenues and are deferred in the governmental funds. 2,764

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	\$	321,672
Deferred inflows of resources		<u>(444,164)</u>

Total (122,492)

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

Net pension liability	\$	(26,268)
Other postemployment benefits obligation		(227,248)
Compensated absences		<u>(36,609)</u>

Total (290,125)

Net position of governmental activities \$ 11,981,599

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICIT)**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>
Revenues:			
Local sources	\$ 55,841	\$ 14,200	\$ 187,497
State sources	6,702,630	1,025,159	-
Federal sources	-	419,200	-
Interest	14,571	-	1,218
On-behalf payments	<u>747,636</u>	<u>-</u>	<u>-</u>
Total revenues	<u>7,520,678</u>	<u>1,458,559</u>	<u>188,715</u>
Expenditures:			
Instructional services:			
Salaries and benefits	433,267	967,028	-
Purchased services	157,502	156,101	6,226
Supplies and materials	20,649	177,571	9,720
Other objects	-	-	42
Pension expense	32,453	39,559	-
On-behalf payments	747,636	-	-
OPEB expense	878	1,970	-
Intergovernmental:			
Payments to other governments	4,582,224	250,777	-
Capital outlay	10,861	50,442	1,952
Debt service:			
Repayment of long-term lease payable	4,000	-	-
Interest	<u>80</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,989,550</u>	<u>1,643,448</u>	<u>17,940</u>
Excess (deficiency) of revenues over expenditures	<u>1,531,128</u>	<u>(184,889)</u>	<u>170,775</u>
Other financing sources (uses):			
Transfers in	-	372,562	-
Transfers out	<u>(743,711)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(743,711)</u>	<u>372,562</u>	<u>-</u>
Net changes in fund balances (deficit)	<u>787,417</u>	<u>187,673</u>	<u>170,775</u>
Fund balances (deficit) at beginning of year:			
As previously reported	9,056,527	(16,886)	1,663,659
Prior period adjustment (see Note 18)	<u>3,212</u>	<u>-</u>	<u>-</u>
As adjusted	<u>9,059,739</u>	<u>(16,886)</u>	<u>1,663,659</u>
Fund balances at end of year	<u>\$ 9,847,156</u>	<u>\$ 170,787</u>	<u>\$ 1,834,434</u>

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (DEFICIT)  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021**

	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
Revenues:		
Local sources	\$ 19,061	\$ 276,599
State sources	3,446	7,731,235
Federal sources	-	419,200
Interest	9	15,798
On-behalf payments	-	<u>747,636</u>
Total revenues	<u>22,516</u>	<u>9,190,468</u>
Expenditures:		
Instructional services:		
Salaries and benefits	-	1,400,295
Purchased services	17,064	336,893
Supplies and materials	197	208,137
Other objects	414	456
Pension expense	-	72,012
On-behalf payments	-	747,636
OPEB expense	-	2,848
Intergovernmental:		
Payments to other governments	-	4,833,001
Capital outlay	-	63,255
Debt service:		
Repayment of long-term lease payable	-	4,000
Interest	-	<u>80</u>
Total expenditures	<u>17,675</u>	<u>7,668,613</u>
Excess (deficiency) of revenues over expenditures	<u>4,841</u>	<u>1,521,855</u>
Other financing sources (uses):		
Transfers in	-	372,562
Transfers out	-	<u>(743,711)</u>
Total other financing sources (uses)	<u>-</u>	<u>(371,149)</u>
Net changes in fund balances (deficit)	<u>4,841</u>	<u>1,150,706</u>
Fund balances (deficit) at beginning of year:		
As previously reported	213,507	10,916,807
Prior period adjustment (see Note 18)	-	<u>3,212</u>
As adjusted	<u>213,507</u>	<u>10,920,019</u>
Fund balances at end of year	<u>\$ 218,348</u>	<u>\$ 12,070,725</u>

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (DEFICIT) TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021**

Net changes in fund balance (deficit) - governmental funds \$ 1,150,706

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (18,400)

The issuance of long-term debt (capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Repayments of long-term lease payable 4,000

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

Decrease in compensated absences 17,801

The changes in the total pension liability and deferred outflows/inflows of resources related to pensions are only reported in the Statement of Activities. 150,181

The changes in the total other postemployment benefits obligation and deferred outflows/inflows of resources related to other postemployment benefits are only reported in the Statement of Activities. 89,624

Some revenues were not collected for several months after the Regional Office's fiscal year ended; they were not considered "available" revenues and were deferred in the governmental funds; however, they were recognized in the current year in the Statement of Activities. 2,764

Change in net position of governmental activities \$ 1,396,676

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	<u>Business-type Activities</u>			<u>Total</u>
	<u>ESC Professional Development</u>	<u>Criminal Background Investigation</u>	<u>Nonmajor Funds</u>	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 319,863	\$ 82,654	\$ 156,264	\$ 558,781
Accounts receivable	11,055	18,740	2,530	32,325
Prepaid expenses	<u>6,190</u>	<u>-</u>	<u>-</u>	<u>6,190</u>
Total current assets	<u>337,108</u>	<u>101,394</u>	<u>158,794</u>	<u>597,296</u>
Noncurrent assets:				
Capital assets, net	100,143	1,309	-	101,452
Net pension asset	<u>-</u>	<u>18,503</u>	<u>-</u>	<u>18,503</u>
Total noncurrent assets	<u>100,143</u>	<u>19,812</u>	<u>-</u>	<u>119,955</u>
Total assets	<u>437,251</u>	<u>121,206</u>	<u>158,794</u>	<u>717,251</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	<u>-</u>	<u>6,400</u>	<u>-</u>	<u>6,400</u>
<b>LIABILITIES</b>				
Current liabilities				
Accrued expenses	14,392	13,349	-	27,741
Payroll liabilities	-	3,332	-	3,332
Due to other governments	-	-	2,520	2,520
Unearned revenue	<u>8,025</u>	<u>-</u>	<u>975</u>	<u>9,000</u>
Total current liabilities	<u>22,417</u>	<u>16,681</u>	<u>3,495</u>	<u>42,593</u>

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021**

	<b>Business-type Activities</b>			<b>Total</b>
	<b>ESC Professional Development</b>	<b>Criminal Background Investigation</b>	<b>Nonmajor Funds</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	-	24,737	-	24,737
<b>NET POSITION</b>				
Net investment in capital assets	100,143	1,309	-	101,452
Restricted for pension benefits	-	166	-	166
Unrestricted	314,691	84,713	155,299	554,703
Net position	\$ 414,834	\$ 86,188	\$ 155,299	\$ 656,321

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<u>Business-type Activities</u>			<u>Total</u>
	<u>ESC Professional Development</u>	<u>Criminal Background Investigation</u>	<u>Nonmajor Funds</u>	
Operating revenues:				
Charges for services	\$ 233,435	\$ 125,958	\$ 284,273	\$ 643,666
Operating expenses:				
Instructional services:				
Salaries and benefits	-	47,030	12,194	59,224
Purchased services	295,772	91,700	244,812	632,284
Supplies and materials	18,032	141	4,445	22,618
Depreciation	16,511	5,233	-	21,744
Pension expense (benefit)	-	(5,597)	-	(5,597)
Other objects	5,488	1,403	298	7,189
Capital outlay	133,691	-	-	133,691
Total operating expenses	469,494	139,910	261,749	871,153
Operating income (loss)	(236,059)	(13,952)	22,524	(227,487)
Nonoperating revenues:				
Interest income	84	-	-	84
Income (loss) before transfers	(235,975)	(13,952)	22,524	(227,403)
Transfers in	371,149	-	-	371,149
Changes in net position	135,174	(13,952)	22,524	143,746
Net position at beginning of year	279,660	100,140	132,775	512,575
Net position at end of year	\$ 414,834	\$ 86,188	\$ 155,299	\$ 656,321

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<u>Business-type Activities</u>			<u>Total</u>
	<u>ESC Professional Development</u>	<u>Criminal Background Investigation</u>	<u>Nonmajor Funds</u>	
Cash flows from operating activities:				
Receipts from customers	\$ 245,441	\$ 115,218	\$ 260,404	\$ 621,063
Payments to suppliers and providers of goods and services	(466,806)	(88,960)	(250,678)	(806,444)
Payments to employees	<u>-</u>	<u>(50,754)</u>	<u>(12,194)</u>	<u>(62,948)</u>
Net cash provided by (used for) operating activities	(221,365)	(24,496)	(2,468)	(248,329)
Cash flows from noncapital financing activities				
Transfers from other funds	371,149	-	-	371,149
Cash flows from capital and related financing activities:				
Payments for purchases of capital assets	(83,624)	-	-	(83,624)
Cash flows from investing activities:				
Interest received	<u>84</u>	<u>-</u>	<u>-</u>	<u>84</u>
Net increase (decrease) in cash and cash equivalents	66,244	(24,496)	(2,468)	39,280
Cash and cash equivalents at beginning of year	<u>253,619</u>	<u>107,150</u>	<u>158,732</u>	<u>519,501</u>
Cash and cash equivalents at end of year	<u>\$ 319,863</u>	<u>\$ 82,654</u>	<u>\$ 156,264</u>	<u>\$ 558,781</u>

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<b>Business-type Activities</b>			
	<b>ESC Professional Development</b>	<b>Criminal Background Investigation</b>	<b>Nonmajor Funds</b>	<b>Total</b>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (236,059)	\$ (13,952)	\$ 22,524	\$ (227,487)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	16,511	5,233	-	21,744
Pension expense (benefit)	-	(5,597)	-	(5,597)
Cash contributions for pension liability	-	(4,080)	-	(4,080)
(Increase) decrease in:				
Accounts receivable	3,981	(10,740)	(465)	(7,224)
Prepaid expenses	3,033	-	-	3,033
Increase (decrease) in:				
Accrued expenses	(16,856)	13,263	(602)	(4,195)
Payroll liabilities	-	356	(521)	(165)
Due to other governments	-	(8,979)	(12,145)	(21,124)
Unearned revenue	8,025	-	(11,259)	(3,234)
Net cash provided by (used for) operating activities	\$ (221,365)	\$ (24,496)	\$ (2,468)	\$ (248,329)

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - CUSTODIAL FUNDS  
JUNE 30, 2021**

**ASSETS**

Cash and cash equivalents	<u>\$ 36,554</u>
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**NET POSITION**

Restricted for other entity	<u>\$ 36,554</u>
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The notes to the financial statements are an integral part of this statement.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - CUSTODIAL FUNDS  
YEAR ENDED JUNE 30, 2021**

Additions:	
State and federal funds collected for other entities	\$ 2,434,195
Funds held for other entity	<u>35,000</u>
Total additions	<u>2,469,195</u>
Deductions:	
State and federal funds distributed to other entities	2,434,195
Funds held for other entity	<u>59</u>
Total deductions	<u>2,434,254</u>
Changes in net position	<u>34,941</u>
Net position at beginning of year:	
As previously reported	-
Prior period adjustment (see Note 18)	<u>1,613</u>
As adjusted	<u>1,613</u>
Net position at end of year	<u><u>\$ 36,554</u></u>

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

**NOTES TO FINANCIAL STATEMENTS**

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Regional Office of Education No. 31's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

**A. Reporting Entity**

The Regional Office of Education No. 31 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Kane County.

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

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

The Regional Office of Education No. 31 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education No. 31 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management, or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding, and apportionment of the respective governing order. Therefore, no other agency has been included as a component unit of the Regional Office of Education No. 31's financial statements. In addition, the Regional Office of Education No. 31 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 31 being considered a component unit of the entity.

**B. Government-wide and Fund Financial Statements**

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Statement of Net Position includes all of the Regional Office of Education No. 31's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 31 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid expenses and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 31's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 31's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances, committed fund balances are used first, then assigned fund balances, then unassigned, if any.

Additionally, Regional Office of Education No. 31 reports fiduciary funds (custodial funds), which are used to account for state and federal funds collected on behalf of and distributed to other entities, and other funds collected on behalf of an entity.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**1. Governmental Funds**

The Regional Office of Education No. 31 reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the Regional Office of Education No. 31 and is used to account for all financial resources except those required to be accounted for and reported in another fund. This fund is available to pay general and administrative expenditures of the Regional Office of Education No. 31. Included in this fund are:

**Regional Program Development** - Accounts for monies received for, and payment of expenditures to provide for the general improvement and expansion of education within Kane County Regional Office of Education No. 31 including the educational program for the students at the Kane County Juvenile Justice Center (Youth Home Education).

**General State Aid** - Accounts for the grant monies received for, and payment of expenditures for Regional Learning Academy supplements.

**Youth Home Education** - Account for the grant monies received for, and payment of expenditures to provide an educational program for the students at the Kane County Juvenile Justice Center.

**Local Truancy** - Accounts for revenues from local sources to address the truancy problem in Kane County.

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

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

**Regional Safe Schools** - Accounts for the grant monies received for, and payment of expenditures of the alternative school program for at-risk youth, creating alternative placement for those students.

**Truants' Alternative and Optional Education Program (TAOEP)** - Accounts for grant monies received for, and payment of expenditures of the Truants' Alternative Program.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**1. Governmental Funds (Continued)**

**Special Revenue Funds (Continued)**

**Education Fund (Continued)**

**Title II – Teacher Quality - Leadership** - Accounts for grant monies received for, and payment of expenditures incurred in providing professional development training to teachers for improvement of instruction in the classroom.

**Title I – School Improvement and Accountability** - Accounts for the grant monies received for, and payment of expenditures of the Title I - Accountability grant. This grant provides school districts with funds to carry out their school improvement and corrective action responsibilities under Section 1116(c) of Title I while offering students in schools identified for improvement and corrective action the opportunity to transfer to another higher performing public school, including a public charter within the district.

**McKinney Education for Homeless Children** - Accounts for grant monies received for, and payment of expenditures to provide counseling and educational support to homeless children and their families. The programs are funded by a Federal Stewart B. McKinney Education for Homeless Children and Youth Grant administered through the Will County Regional Office of Education No. 56.

**ROE/ISC Operations** - Accounts for grant monies received for, and payment of expenditures in assisting schools in all areas of school improvement.

**Title I Delinquent** - Accounts for the revenues and expenditures associated with ongoing professional development for administrators and teachers for the improvement of students' reading.

**Regional Safe School (RSS) Cooperative Education** - In cooperation with Gifford Street High School, Kane County ROE will provide a program fostering enhanced experiences of employment related to their current CTE courses. A focus of the program will be on assisting students to locate career opportunities where advancement is possible.

**Elementary and Secondary School Emergency School Relief II (ESSER II)** - Accounts for grant monies received for, and payment of expenditures of the Elementary and Secondary School Emergency Relief II Fund (ESSER II). This grant provides emergency relief funds to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have, on elementary and secondary schools across the nation. Funds may be used for any purposes listed in section 18003(d) of the CARES Act and Section 313 of the CRRSA.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**1. Governmental Funds (Continued)**

**Special Revenue Funds (Continued)**

**Education Fund (Continued)**

**Elementary and Secondary Digital Professional Learning** - Accounts for grant monies received for, and payment of expenditures of the purpose of the Elementary and Secondary Relief Digital Professional Learning. This grant is to assist school districts in enabling digital-age teaching and learning. School districts may use funds to provide educators and parents with professional learning opportunities that drive digital-age learning, integrate technology across subject areas, and develop digital citizenship.

**COPS Office School Violence Prevention Program Award (COPS Grant)** - Accounts for an award for \$210,540 in federal funds over a three-year award period under the 2020 COPS Office School Violence Prevention Program (SVPP). Your agency may use SVPP award funds to improve security at schools and on school grounds within your jurisdiction through evidence-based school safety programs.

**Digital Equity Formula - Elementary and Secondary Relief** - Accounts for grant monies received for, and payment of expenditures to assist school districts in closing the digital divide and enabling digital-age teaching and learning. School districts may use funds to provide students with technology tools and home internet access necessary for technology-rich remote learning experiences.

**Elementary and Secondary School Emergency School Relief (ESSER)** - Accounts for grant monies received for, and payment of expenditures of the Elementary and Secondary School Emergency Relief Fund (ESSER). This grant provides emergency relief funds to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have, on elementary and secondary schools across the nation. Funds may be used for any purposes listed in section 18003(d) of the CARES Act.

**Institute Fund** - To account for the stewardship of the assets held for the benefit of the teachers. Fees are collected from registration of teachers' licenses. Monies are expended to conduct teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**1. Governmental Funds (Continued)**

**Special Revenue Funds (Continued)**

**Nonmajor Special Revenue Funds** - The Kane County Regional Office of Education No. 31 reported the following special revenue funds as nonmajor governmental funds:

**General Educational Development (GED)** - Accounts for the revenues and expenditures associated with the processing of applications for the high school level test of General Education Development and the issuance of diplomas upon the successful completion of the examination.

**Bus Driver Training** - Accounts for the revenues received from individuals and contractors to sponsor instructional training courses for school bus drivers.

**2. Proprietary Funds**

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

The Regional Office of Education No. 31 reports the following proprietary funds:

**Education Service Center (ESC) Professional Development** - Accounts for local monies received for, and payment of expenditures from workshops conducted by Kane County Regional Office of Education No. 31. Also accounts for local revenues and disbursements related to the Academy Program.

**Criminal Background Investigation** - Accounts for the fees received from the school districts to pay for the processing of fingerprinting the substitute teachers and expenditures incurred providing this service to the school districts.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**2. Proprietary Funds (Continued)**

**Nonmajor Proprietary Funds** - The Kane County Regional Office of Education No. 31 reported the following proprietary funds as nonmajor proprietary funds:

**Technology** - A collaboration between the Northeastern Illinois Regional Offices of Education to provide computer workshops for the teachers of Northern Illinois. This fund is locally funded by Area 1, which is comprised of Northeastern Illinois Regional Offices of Education.

**Kane County Library Resources Consortium** - Accounts for monies received for, and payment of expenditures for the Kane County Public Schools Library Resources program.

**Visual Media Cooperative** - Accounts for funds received and disbursed by the Regional Superintendent as administrative agent for the Kane County Visual Media Cooperative. The Visual Media Cooperative is a cooperative of school districts, which maintains a library of educational films. New and replacement films and videos are financed from rental charges to users.

**Kane County Human Resources Consortium** - Accounts for monies received for, and payment of expenditures for the Kane County Human Resources Consortium program.

**3. Fiduciary Funds**

Fiduciary funds are custodial funds that are used to account for assets held by the Regional Office of Education No. 31 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Regional Office of Education No. 31's custodial funds consist of the following:

**Distributive** - Accounts for state and federal funds appropriated to Valley Education for Employment System and to school districts which are paid through the Kane County Regional Office of Education No. 31. These proceeds are received and disbursed to these entities and accounted for in a trustee capacity.

**RSAC** - The Regional Office of Education No. 31 serves as a fiscal agent on behalf of the Illinois Association of Regional School Superintendents (IARSS) for the Raising Student Achievement Conference. As the committee chair for the conference is employed by the Regional Office, administrative services to coordinate the conference registrations and related expenditures of hosting the conference are the responsibility of the Regional Office of Education No. 31.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance**

**1. Deposits and Investments**

The Regional Office of Education No. 31 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of 90 days or less to be cash and cash equivalents. State regulations require that Regional Office of Education No. 31 deposit funds under its control into accounts insured by the federal governments, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education No. 31 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

**2. Interfund Transactions**

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

**3. Capital Assets**

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

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**3. Capital Assets (Continued)**

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

Assets	Years
Office equipment and furniture	3 - 5
Leasehold improvements	7

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

**4. Deferred Outflows of Resources and Deferred Inflows of Resources**

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

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

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**4. Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

**Deferred Inflows of Resources (Continued)**

For purposes of measuring the Regional Office of Education No. 31's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education No. 31's OPEB Plan and additions to/deductions from the Regional Office of Education No. 31's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 31's Plan. For this purpose, the Regional Office of Education No. 31's Plan recognizes benefit payments when due and payable in accordance with benefit terms. The Regional Office of Education No. 31's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the Regional Office of Education No. 31's single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

**5. Equity Classifications**

**Government-wide and Proprietary Fund Statements**

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

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

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

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)**

**5. Equity Classifications (Continued)**

**Governmental Fund Statements**

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

**Nonspendable Fund Balance** - the portion of a governmental fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. The Institute Fund, the Youth Home Education and the Regional Program Development Fund have nonspendable fund balance related to prepaid items, as these are not available to be spent.

**Restricted Fund Balance** - the portion of a governmental fund's fund balance that is subject to external enforceable legal restrictions. The following accounts' fund balances are restricted by grant agreements or contracts: Title II – Teacher Quality Leadership, Title I – School Improvement and Accountability, McKinney Education for Homeless Children, RSS Cooperative Education, and Title I Delinquent. The following funds are restricted by Illinois Statute: Institute, General Education Development, and Bus Driver Training.

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

**Assigned Fund Balance** - the portion of a governmental fund's fund balance to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts comprise assigned fund balance: Youth Home Education and Local Truancy.

**Unassigned Fund Balance** - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the Regional Program Development, General State Aid, Regional Safe Schools, ESSER II, and COPS Grant.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. New Accounting Pronouncement**

In June 2017, the GASB issued Statement No. 87, *Leases*. The most significant change in the new leasing guidance is the requirement for a lessee to recognize a lease liability and an intangible right-to-use asset, and a lessor to recognize a lease receivable and a deferred inflow of resources. Statement No. 87 is effective for fiscal years beginning after June 15, 2021. The Regional Office of Education No. 31 is currently evaluating the effect the adoption of Statement No. 87 is expected to have on its financial statements and related disclosures.

**2. USE OF ESTIMATES**

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

The Regional Office of Education No. 31, together with West 40 Intermediate Service Center No. 2, participates in the Teachers' Retirement System of the State of Illinois (TRS) defined benefit pension plan and the Teacher Health Insurance Security (THIS) Fund defined benefit postemployment healthcare plan. The TRS pension and THIS Fund postemployment benefit liabilities reported by the Regional Office of Education No. 31 are estimates of its share of the pension and postemployment benefit liabilities reported by the plans' actuaries. The Illinois Municipal Retirement Fund and other postemployment benefit liabilities are estimates based upon Kane County actuary reports. The Regional Office of Education No. 31 reimburses Kane County for salaries as well as the employer contributions made to postretirement medical plans (OPEB) and the Illinois Municipal Retirement Fund (IMRF). Management has allocated a portion of the Kane County actuarial provided liabilities to the Regional Office of Education No. 31 financial statements in order to reasonably associate the liabilities with the employees of the Regional Office of Education No. 31.

**3. BUDGETS AND BUDGETARY ACCOUNTING**

The Regional Office of Education No. 31 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board for approval as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgetary Comparison Schedules have been presented for the following grants: Regional Safe Schools, Truants Alternative and Optional Education, Title II – Teacher Quality Leadership, ROE/ISC Operations, Regional Safe Schools Educational Cooperative, ESSER II, Elementary and Secondary Digital Professional Learning, Digital Equity Formula - Elementary and Secondary Relief, and ESSER. A Budgetary Comparison Schedule was also prepared for the COPS Grant, which is a grant that is received directly from the federal government.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**4. DEPOSITS AND INVESTMENTS**

**A. Deposits**

At June 30, 2021, the carrying amount of the Regional Office of Education No. 31's deposits for the governmental activities, business-type activities, and fiduciary funds were \$11,372,824, \$558,781 and \$36,554, respectively. The bank balances, including certificates of deposit of \$657,128, totaled \$12,545,815, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education No. 31's name, and were, therefore, not exposed to custodial credit risk.

**B. Investments**

The Regional Office of Education No. 31's investments consisted of certificates of deposit with original maturity dates of more than three months. Certificates of deposit comprised the \$657,128 shown as investments for governmental activities. Certificates of deposit are considered deposits and, as such, are included in the deposits note (4A) above.

At June 30, 2021, the carrying amount of the Regional Office of Education No. 31's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$522,464. The bank balance invested in the Illinois Funds Money Market Fund was \$522,464. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 31's governmental activities.

**Credit Risk**

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**4. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (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 the funds. The investment policy of the Illinois Funds Money Market Fund states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

**Concentration of Credit Risk**

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

**5. RISK MANAGEMENT - CLAIMS AND JUDGMENTS**

The Regional Office of Education No. 31 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education No. 31 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

**6. CONTINGENCIES**

The Regional Office of Education No. 31 has received funding from federal and state grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education No. 31 believes any adjustments that may arise will be insignificant to the Regional Office of Education No. 31's operations.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**7. CAPITAL ASSETS**

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

	<u>Balance</u> <u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental activities:				
Capital assets being depreciated:				
Office equipment	\$ 166,904	\$ -	\$ -	\$ 166,904
Less accumulated depreciation for:				
Office equipment	<u>(131,112)</u>	<u>(18,400)</u>	<u>-</u>	<u>(149,512)</u>
Governmental activities capital assets, net	<u>\$ 35,792</u>	<u>\$ (18,400)</u>	<u>\$ -</u>	<u>\$ 17,392</u>
Business-type activities;				
Capital assets being depreciated:				
Office equipment	\$ 111,449	\$ 83,624	\$ -	\$ 195,073
Less accumulated depreciation for:				
Office equipment	<u>(71,877)</u>	<u>(21,744)</u>	<u>-</u>	<u>(93,621)</u>
Business-type activities capital assets, net	<u>\$ 39,572</u>	<u>\$ 61,880</u>	<u>\$ -</u>	<u>\$ 101,452</u>

Depreciation expense was charged to functions/programs of the Regional Office of Education No. 31 as follows:

Governmental activities:	
Instructional services	<u>\$ 18,400</u>
Business-type activities:	
Operating expenses	<u>\$ 21,744</u>

**8. NONCURRENT LIABILITIES**

**Compensated Absences**

The Regional Office of Education No. 31 provides vacation time to all employees except seasonal employees. 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 the termination. The Regional Office of Education No. 31 records a liability associated with compensated absences.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**8. NONCURRENT LIABILITIES (Continued)**

**Noncurrent Liability Activity**

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

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
Net pension liability - TRS	\$ 20,194	\$ 6,074	\$ -	\$ 26,268	\$ -
Net pension liability (asset) - IMRF	52,836	-	(374,674)	(321,838)	-
Net OPEB liability - THIS	217,226	-	(17,599)	199,627	-
Total OPEB liability - Health Insurance	24,534	3,087	-	27,621	-
Compensated absences	54,410	37,359	(55,160)	36,609	-
Capital lease liability	4,000	-	(4,000)	-	-
<b>Total</b>	<b><u>\$ 373,200</u></b>	<b><u>\$ 46,520</u></b>	<b><u>\$ (451,433)</u></b>	<b><u>\$ (31,713)</u></b>	<b><u>\$ -</u></b>

**9. RETIREMENT FUND COMMITMENTS**

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

**Plan Description**

The Regional Office of Education No. 31 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/fy2020>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**9. RETIREMENT FUND COMMITMENTS (Continued)**

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

**Benefits Provided**

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system services 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 consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

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

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

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

**Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2020, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 31.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**9. RETIREMENT FUND COMMITMENTS (Continued)**

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

**Contributions (Continued)**

*On behalf contributions to TRS* - The state of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 31. For the year ended June 30, 2021, state of Illinois contributions recognized by the Regional Office of Education No. 31 were based on the State's proportionate share of the pension expense associated with the Regional Office of Education No. 31, and the Regional Office of Education No. 31 recognized revenue and expenditures of \$219,123 in pension contributions from the state of Illinois.

*2.2 formula contributions* - Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2021, were \$1,381, and are deferred because they were paid after the June 30, 2020 measurement date.

*Federal and special trust fund contributions* - When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 31, there is a statutory requirement for the Regional Office of Education No. 31 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$16,906 were paid from federal and special trust funds that required employer contributions of \$1,724. These contributions are deferred because they were paid after the June 30, 2020 measurement date.

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

A one-time contribution is required for members granted sick leave days in excess of the normal allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the Regional Office of Education No. 31 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**9. RETIREMENT FUND COMMITMENTS (Continued)**

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

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

At June 30, 2021, the Regional Office of Education No. 31 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 26,268
State's proportionate share of the net pension liability associated with the employer	<u>2,057,477</u>
Total	<u><u>\$ 2,083,745</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to June 30, 2020. The Regional Office of Education No. 31's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2020, the Regional Office of Education No. 31's proportion was 0.000030 percent, which is an increase of 0.000005 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Regional Office of Education No. 31 recognized pension expense of \$219,123 and revenue of \$219,123 for support provided by the state. For the year ended June 30, 2021, the Regional Office of Education No. 31 recognized pension expense of \$14,028. At June 30, 2021, the Regional Office of Education No. 31 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**9. RETIREMENT FUND COMMITMENTS (Continued)**

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

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

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods:		
Differences between expected and actual experience	\$ 255	\$ 7
Changes of assumption	108	276
Net difference between projected and actual earnings on pension plan investments	784	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,577	45
Total deferred amounts to be recognized in pension expense in future periods	19,724	328
Pension contributions made subsequent to the measurement date	3,105	-
Total deferred amounts related to pensions	\$ 22,829	\$ 328

\$3,105 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources
2022	\$ 4,368
2023	4,523
2024	4,470
2025	4,313
2026	1,722
Total	\$ 19,396

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**9. RETIREMENT FUND COMMITMENTS (Continued)**

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

**Actuarial Assumptions**

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

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

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

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**9. RETIREMENT FUND COMMITMENTS (Continued)**

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

**Actuarial Assumptions (Continued)**

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

**Discount Rate**

At June 30, 2020, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2019 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
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**9. RETIREMENT FUND COMMITMENTS (Continued)**

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

**Sensitivity of the Regional Office of Education No. 31's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Regional Office of Education No. 31's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Regional Office of Education No. 31's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Lower (6.0%)	Current Discount Rate (7.0%)	1% Higher (8.0%)
Employer's proportionate share of the net pension liability	\$ 31,885	\$ 26,268	\$ 21,644

**TRS Fiduciary Net Position**

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

**B. Illinois Municipal Retirement Fund**

**Plan Description**

The Regional Office of Education No. 31's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and their beneficiaries. The Regional Office of Education No. 31'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 Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**9. RETIREMENT FUND COMMITMENTS (Continued)**

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

**Benefits Provided**

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

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

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

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

**Contributions**

As set by statute, the Regional Office of Education No. 31's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 31's annual contribution rate for calendar year 2020 was 8.04%. For the fiscal year ended June 30, 2021, the Regional Office of Education No. 31 contributed \$70,967 to the plan. The Regional Office of Education No. 31 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.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**9. RETIREMENT FUND COMMITMENTS (Continued)**

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

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

At December 31, 2020, the Regional Office of Education No. 31 reported a liability (asset) for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for County pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability (asset), the related County support, and the total portion of the net pension liability (asset) that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability (asset)	\$ (321,838)
County's proportionate share of the net pension liability (asset) associated with the employer	<u>(19,631,163)</u>
Total	<u>\$ (19,953,001)</u>

The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability (asset) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, and a measurement date of December 31, 2020. The Regional Office of Education No. 31's proportion of the net pension liability (asset) was based on the employer's share of contributions to IMRF for the measurement year ended December 31, 2020, relative to the projected contributions of all participating IMRF employers and the County during that period. At December 31, 2020, the Regional Office of Education No. 31's proportion was 1.612981 percent, which is a decrease of 0.092655 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Regional Office of Education No. 31 recognized a pension expense (benefit) of \$(97,794). At June 30, 2021, the Regional Office of Education No. 31 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
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**9. RETIREMENT FUND COMMITMENTS (Continued)**

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

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

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods:		
Differences between expected and actual experience	\$ 41,615	\$ 3,193
Changes of assumptions	31,535	44,657
Net difference between projected and actual earnings on pension plan investments	-	382,420
Total deferred amounts to be recognized in pension expense in future periods	73,150	430,270
Pension contributions made subsequent to the measurement date	38,172	-
Total deferred amounts related to pensions	\$ 111,322	\$ 430,270

\$38,172 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Net Deferred Inflows of Resources
2021	\$ (93,089)
2022	(44,614)
2023	(155,907)
2024	(63,510)
Total	\$ (357,120)

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**9. RETIREMENT FUND COMMITMENTS (Continued)**

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

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The Actuarial Cost Method used was Entry-Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation, pursuant to an experience study from years 2017 to 2019.
- Mortality - Nondisabled Retirees: Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 were used.
- Mortality - Disabled Retirees: Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- Mortality - Active Members: Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**9. RETIREMENT FUND COMMITMENTS (Continued)**

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

**Actuarial Assumptions (Continued)**

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	37.00 %	5.00 %
International equity	18.00	6.00
Fixed income	28.00	1.30
Real estate	9.00	6.20
Alternative investments	7.00	2.85-6.95
Cash equivalents	<u>1.00</u>	0.70
Total	<u>100.00 %</u>	

**Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2020. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Regional Office of Education No. 31's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Regional Office of Education's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the Regional Office of Education No. 31's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

	<u>1% Lower (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Higher (8.25%)</u>
Employer's proportionate share of the net pension liability (asset)	<u>\$ 259,469</u>	<u>\$ (321,838)</u>	<u>\$ (770,623)</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
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**9. RETIREMENT FUND COMMITMENTS (Continued)**

**C. Social Security**

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

**10. OTHER POSTEMPLOYMENT BENEFITS**

**A. Teacher Health Insurance Security Fund**

**Plan Description**

The Regional Office of Education No. 31 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

**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 Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state to contribute to the THIS Fund.

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**A. Teacher Health Insurance Security Fund (Continued)**

**On behalf contributions to the THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 31. For the year ended June 30, 2021, State of Illinois contributions recognized by the Regional Office of Education No. 31 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 31, and recognized revenue and expenditures of \$7,576 in OPEB contributions from the State of Illinois.

**Employer Contributions to the THIS Fund**

The Regional Office of Education No. 31 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year end June 30, 2021. For the year ended June 30, 2021, the Regional Office of Education No. 31 paid \$2,084 to the THIS Fund, which was 100 percent of the required contribution.

**Further information on the THIS Fund**

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

**Actuarial Assumptions**

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increases include a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years
Healthcare cost trend rate	Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years after 2021, trend starts at 8.25% for non-Medicare costs and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**A. Teacher Health Insurance Security Fund (Continued)**

**Actuarial Assumptions (Continued)**

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

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

**Single Discount Rate**

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

Since the THIS fund is financed on a pay-as-you go basis, 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 3.13 percent as of June 30, 2019, and 2.45 percent as of June 30, 2020.

**Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate.**

The following presents the Regional Office of Education No. 31's proportionate share of the collective net OPEB liability, as well as what the ROE's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.45 percent) or 1-percentage point higher (3.45 percent) than the current discount rate.

	1% Lower (1.45%)	Current Discount Rate (2.45%)	1% Higher (3.45%)
Employer's proportionate share of the collective net OPEB liability	\$ 239,923	\$ 199,627	\$ 167,702

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**A. Teacher Health Insurance Security Fund (Continued)**

**Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following table shows the Regional Office of Education No. 31's collective net OPEB liability as of June 30, 2020, using current trend rates and sensitivity trend rates that are either 1-percentage point higher or lower. The key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	1% Lower	Current Healthcare Trend	1% Higher
Employer's proportionate share of the collective net OPEB liability	<u>\$ 160,561</u>	<u>\$ 199,627</u>	<u>\$ 252,436</u>

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

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

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

At June 30, 2021, the Regional Office of Education No. 31 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 31. The amount recognized by the Regional Office of Education No. 31 as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Regional Office of Education No. 31 were as follows:

Employer's proportionate share of the collective net OPEB liability	\$ 199,627
State's proportionate share of the collective net OPEB liability associated with the employer	<u>271,822</u>
Total	<u>\$ 471,449</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**A. Teacher Health Insurance Security Fund (Continued)**

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

The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2019 and was rolled forward to the June 30, 2020 measurement date. The Regional Office of Education No. 31's proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 31's long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 31, actuarially determined. At June 30, 2020, the Regional Office of Education No. 31's proportion was 0.000747 percent, which was a decrease of 0.000038 from its proportion measured as of June 30, 2019 (0.000785 percent). The State's support and total are for disclosure purposes only.

For the year ended June 30, 2021, the Regional Office of Education No. 31 recognized OPEB expense of \$7,576 and revenue of \$7,576 for support provided by the State. For the year ended June 30, 2021, the Regional Office of Education No. 31 recognized OPEB expense (benefit) of \$(89,863). At June 30, 2021, the Regional Office of Education No. 31 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Amounts Related to OPEB</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred amounts to be recognized in OPEB expense in future periods:		
Differences between expected and actual experience	\$ -	\$ 5,304
Changes of assumptions	67	32,928
Net difference between projected and actual earnings on OPEB plan investments	-	6
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>191,770</u>	<u>65</u>
Total deferred amounts to be recognized in OPEB expense in future periods	191,837	38,303
Contributions subsequent to measurement date	<u>2,084</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 193,921</u>	<u>\$ 38,303</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**A. Teacher Health Insurance Security Fund (Continued)**

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

\$2,084 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education No. 31 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education No. 31's OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2022	\$ 31,005
2023	31,003
2024	30,999
2025	23,979
2026	13,401
Thereafter	<u>23,148</u>
Total	<u>\$ 153,535</u>

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

**B. Other Postemployment Benefits - Health Insurance**

**Plan Description**

In addition to providing the pension benefits described, Kane County provides postemployment health care benefits (OPEB) for retired Regional Office of Education No. 31 employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by Kane County and can be amended by Kane County through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes (ILCS). The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Regional Office of Education No. 31 governmental activities.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**B. Other Postemployment Benefits - Health Insurance (Continued)**

**Eligibility Provisions**

*Full-Time Employees*

Regular Plan Tier 1 (enrolled in IMRF prior to January 1, 2011):

At least 55 years old with at least 8 years of credited service (reduced pension)

At least 60 years old with at least 8 years of credited service (full pension)

Regular Plan Tier 2 (first enrolled in IMRF on or after January 1, 2011):

At least 62 years old and at least 10 years of credited service (reduced pension)

At least 67 years old and at least 10 years of credited service (full pension)

**Benefits Provided**

Kane County provides continued health insurance coverage at the blended employer rate to all eligible Regional Office of Education No. 31 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The Regional Office of Education No. 31 offers the health insurance plan to full-time IMRF employees. Retirees pay the full cost of coverage. Eligible spouse or dependent coverage may continue should the retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The spouse or dependent is responsible for the full cost of coverage.

**Membership**

At June 30, 2021 membership consisted of:

Inactive employees currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	23
Total	23

**Funding Policy**

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 \$0 from other Regional Office of Education No. 31 resources and benefit payments of \$0 from other Regional Office of Education No. 31 resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**B. Other Postemployment Benefits – Health Insurance (Continued)**

**Total OPEB Liability**

The total OPEB liability for the current fiscal year has been developed based on the June 30, 2021 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

**Actuarial Assumptions**

Discount Rate	2.18% - S&P Municipal Bond 20 - Year High-Grade Index
Long-term Expected Rate of Return of Plan Assets	N/A. OPEB obligation is unfunded.
Salary Increases	4.00% assumption
Healthcare Trend Rates	Current 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% and 6.30% for the PPO Plan and HMO IL Plan, respectively, and gradually decreases to an ultimate trend of 4.50%.
Retiree Contribution Trend	Same as healthcare Trend Rates.
Mortality	PubG.H-2010 Mortality Table - General
Disability Rates	None

**Changes in Total OPEB Liability**

Kane County Regional Office of Education No. 31 had a full actuarial valuation performed for the plan as of June 30, 2020. Fiscal Year 2021 valuation amounts have been updated for financial reporting purposes. The Benefit Payments amount includes the Implicit Rate Subsidy.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**B. Other Postemployment Benefits - Health Insurance (Continued)**

**Changes in Total OPEB Liability (Continued)**

	<u>Total OPEB Liability</u>
Balance as of June 30, 2020	\$ <u>24,534</u>
Changes in total OPEB liability:	
Service cost	1,464
Interest on total OPEB liability	653
Change in benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	970
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments	-
Administrative expenses	-
Other changes	-
Net changes	<u>3,087</u>
Balance as of June 30, 2021	\$ <u><u>27,621</u></u>

**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 the OPEB benefit, as is the case with Kane County Regional Office of Education No. 31, 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 net 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 net 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.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**B. Other Postemployment Benefits – Health Insurance (Continued)**

**Municipal Bond Rate**

The municipal bond rate assumption is based on the S&P Municipal Bond 20 Year High-Grade Rate Index. The rate is the June 30, 2021 rate.

**Sensitivity Testing of the Discount Rate**

The following presents the Regional Office of Education No. 31's total OPEB liability calculated using a discount rate of 2.18%, 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 (3.18%) or 1-percentage-lower (1.18%) than the current discount rate:

	1% Lower (1.18%)	Current Discount Rate (2.18%)	1% Higher (3.18%)
Employer's proportionate share of the total OPEB liability	\$ 29,448	\$ 27,621	\$ 25,892

**Sensitivity of the Healthcare Trend Rates**

The following presents the Regional Office of Education No. 31's total OPEB liability calculated using the healthcare cost trend rates as well as what the Regional Office of Education No. 31's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower than the current healthcare cost trend rates. The key trend rates are 6.80% and 6.30% in 2021 for the PPO Plan and HMO IL Plan, respectively, decreasing to an ultimate trend of 4.50% in 2035 for both the PPO Plan and HMO IL Plan.

	1% Lower	Current Healthcare Trend	1% Higher
Employer's proportionate share of the total net OPEB liability	\$ 25,193	\$ 27,621	\$ 30,425

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2021**

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**B. Other Postemployment Benefits – Health Insurance (Continued)**

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

For the year ended June 30, 2021, the Regional Office of Education No. 31 recognized OPEB expense of \$3,087. At June 30, 2021, the regional Office of Education No. 31 reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

**11. BOND**

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 31 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education No. 31 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

**12. OPERATING LEASE**

The Regional Office of Education No. 31 entered into an operating lease agreement for an office building that expires on July 31, 2030. The lease is payable in monthly installments that increase annually. Lease expense for the building for the fiscal year ended June 30, 2021 was \$92,536.

The following is a schedule of future minimum lease payments required under the operating lease:

2022	\$	108,874
2023		113,168
2024		116,980
2025		120,945
2026		125,068
Thereafter		<u>557,918</u>
 Total	 \$	 <u>1,142,953</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**13. INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2021, interfund receivables and payables were as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 102,802	\$ -
Education Fund	-	102,802
Totals	\$ 102,802	\$ 102,802

The interfund balances consisted of loans between individual funds that were used to cover cash shortages in the individual funds.

**14. DUE FROM/DUE TO OTHER GOVERNMENTS**

The Regional Office of Education No. 31's General Fund, Education Fund, and Proprietary Funds had funds due from/to various other governmental units which consisted of the following at June 30, 2021:

Due from other governments:	
Education Fund:	
Local government	\$ 10,851
Federal government	37,889
Illinois State Board of Education	53,795
Total due from other governments	\$ 102,535
Due to other governments:	
General Fund:	
Local government	\$ 2,690
Education Fund:	
Local government	6,294
Proprietary Fund:	
Local government	2,520
Total due to other governments	\$ 11,504

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**15. ON-BEHALF PAYMENTS**

The Regional Office of Education No. 31 received on-behalf payments for employee salaries and benefits from the State of Illinois and Kane County for the following items:

Kane County:	
Salaries and benefits	\$ 324,806
Purchased services	<u>145,998</u>
Total Kane County	<u><u>\$ 470,804</u></u>
State of Illinois:	
Regional Superintendent-salary	\$ 122,592
Regional Superintendent-benefits (includes State paid insurance)	36,978
Assistant Regional Superintendent-salary	110,328
Assistant Regional Superintendent-benefits (includes State paid insurance)	<u>6,934</u>
Total State of Illinois	<u><u>\$ 276,832</u></u>

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

The Regional Office of Education No. 31 also recorded \$219,123 in revenue and expenses as on-behalf payments from ISBE for the Regional Office of Education No. 31's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. The Regional Office of Education No. 31 recorded \$7,576 in revenue and expenses as on behalf payments from the State for the Regional Office of Education No. 31's share of the State's Teachers' Health Insurance Security (THIS) OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 31 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

Kane County and State of Illinois on-behalf payments	\$ 747,636
ROE 31's share of TRS pension expense	219,123
ROE 31's share of THIS OPEB expense	<u>7,576</u>
Total	<u><u>\$ 974,335</u></u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**16. DEFICIT FUND BALANCE/NET POSITION**

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

Education Fund:	
Regional Safe Schools	\$ 1,477
ESSER II	99
COPS Grant	227

The Regional Office of Education No. 31 intends to reduce these deficits by reducing expenditures in future periods.

**17. SCHEDULE OF TRANSFERS**

During the year ended June 30, 2021, the Regional Office of Education No. 31 reported the following transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 743,711
Education Fund	372,562	-
Proprietary Fund	<u>371,149</u>	<u>-</u>
Totals	<u>\$ 743,711</u>	<u>\$ 743,711</u>

The transfers were made to cover cash shortfalls in Education and Proprietary Funds.

**18. PRIOR PERIOD RESTATEMENT**

Effective July 1, 2020, the Regional Office of Education No. 31 implemented the provisions of GASB Statement No. 84, *Fiduciary Activities* (GASB 84). This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and therefore should be reported as such. The statement defines types of fiduciary funds, eliminating agency funds and replacing them with custodial funds. Under this guidance, all fiduciary funds will now report a net position and a statement of change in net position. Implementation of this standard resulted in reclassification of Juvenile Drug Court Fund and the Regional Board of Trustees Fund from fiduciary activities (agency funds) to governmental activities. Additionally, the Distributive Fund and RSAC Fund (agency funds) are classified as custodial funds under the new standard. The prior period adjustments required by the implementation of GASB 84 are summarized below:

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**18. PRIOR PERIOD RESTATEMENT (Continued)**

	June 30, 2020, as Previously Reported	GASB 84 Adjustment	June 30, 2020, as Restated
Government-wide financial statements:			
Statement of net position:			
Governmental activities:			
Cash and cash equivalents	\$ 9,923,375	\$ 3,212	\$ 9,926,587
Net position	10,581,711	3,212	10,584,923
Fund financial statements:			
Governmental funds:			
Balance sheet:			
General Fund:			
Cash and cash equivalents	7,777,900	3,212	7,781,112
Fund balance	9,056,527	3,212	9,059,739
Fiduciary funds:			
Statement of net position:			
Cash and cash equivalents	4,825	(3,212)	1,613
Due from other governments	112,935	(112,935)	-
Due to other governments	116,147	(116,147)	-
Net position	-	1,613	1,613

**REQUIRED SUPPLEMENTARY INFORMATION**

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE  
OF NET PENSION LIABILITY (UNAUDITED)  
YEAR ENDED JUNE 30, 2021**

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

	<u>2020</u>	<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	0.000030 %	0.000025 %	0.000026 %	0.000012 %	0.000012 %	0.000012 %	0.000012 %
Employer's proportionate share of the net pension liability	\$ 26,268	\$ 20,194	\$ 20,158	\$ 9,532	\$ 9,591	\$ 7,810	\$ 7,243
State's proportionate share of the net pension liability associated with the employer	<u>2,057,477</u>	<u>1,437,202</u>	<u>1,380,925</u>	<u>656,206</u>	<u>643,947</u>	<u>413,041</u>	<u>450,131</u>
Total	<u>\$ 2,083,745</u>	<u>\$ 1,457,396</u>	<u>\$ 1,401,083</u>	<u>\$ 665,738</u>	<u>\$ 653,538</u>	<u>\$ 420,851</u>	<u>\$ 457,374</u>
Employer's covered payroll	\$ 189,291	\$ 192,914	\$ 185,257	\$ 88,620	\$ 81,128	\$ 130,302	\$ 132,400
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	13.88 %	10.47 %	10.88 %	10.76 %	11.82 %	5.99 %	5.47 %
Plan fiduciary net position as a percentage of the total pension liability	37.8 %	39.6 %	40.0 %	39.3 %	36.4 %	41.5 %	43.0 %

**Notes to Schedule**

**Changes of Assumptions**

For the 2020, 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 and were consistent in 2019 and 2020. These actuarial assumptions were based on an experience study dated September 18, 2018.

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

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS (UNAUDITED)  
YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018, 2017, 2016, 2015, AND 2014**

<b>Year Ended June 30,</b>	<b>Statutorily Required Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2021	\$ 3,074	\$ 3,105	\$ (31)	\$ 325,660	0.95 %
2020	1,098	15,110	(14,012)	189,291	7.98
2019	1,119	1,119	-	192,914	0.58
2018	1,074	1,083	(9)	185,257	0.58
2017	514	514	-	88,620	0.58
2016	471	471	-	81,128	0.58
2015	417	417	-	130,302	0.32
2014	425	425	-	132,400	0.32

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE  
OF NET PENSION LIABILITY (UNAUDITED)  
YEAR ENDED JUNE 30, 2021**

(Amounts presented are for the years ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, and 2014)

	<u>2020</u>	<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 (asset)	1.612981 %	1.705635 %	1.783455 %	1.827754 %	2.002703 %	1.738796 %	1.819980 %
Employer's proportionate share of the net pension liability (asset)	\$ (321,838)	\$ 52,836	\$ 516,956	\$ (84,028)	\$ 436,457	\$ 470,114	\$ 137,876
County's proportionate share of the net pension liability (asset) associated with the employer	<u>(19,631,163)</u>	<u>3,044,889</u>	<u>28,348,506</u>	<u>(4,513,327)</u>	<u>21,356,951</u>	<u>26,566,664</u>	<u>7,437,833</u>
Total	<u><u>\$(19,953,001)</u></u>	<u><u>\$ 3,097,725</u></u>	<u><u>\$ 28,865,462</u></u>	<u><u>\$ (4,597,355)</u></u>	<u><u>\$ 21,793,408</u></u>	<u><u>\$ 27,036,778</u></u>	<u><u>\$ 7,575,709</u></u>
Employer's covered payroll	\$ 848,520	\$ 851,582	\$ 883,319	\$ 920,006	\$ 988,385	\$ 872,443	\$ 836,704
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(37.93)%	6.20 %	58.52 %	(9.13)%	44.16 %	53.88 %	16.48 %
Plan fiduciary net position as a percentage of the total pension liability (asset)	106.71 %	98.92 %	89.38 %	101.82 %	91.20 %	88.69 %	96.59 %

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

Changes in assumptions:

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS (UNAUDITED)  
YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018, 2017, 2016, and 2015)**

<u>Year Ended June 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2021	\$ 70,967	\$ 70,967	\$ -	\$ 868,574	8.17 %
2020	66,325	66,325	-	1,070,872	6.19
2019	70,258	70,258	-	1,025,205	6.85
2018	89,560	89,560	-	1,112,588	8.05
2017	99,449	99,449	-	1,104,003	9.01
2016	98,424	98,424	-	1,069,716	9.20
2015	101,359	101,359	-	1,036,071	9.78

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

**Notes to Schedule**

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

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

*Methods and Assumptions Used to Determine 2020 Contribution Rates:*

Actuarial Cost Method: Aggregate entry age normal  
 Amortization Method: Level percentage of payroll, closed  
 Remaining Amortization Period: 23-year closed period  
 Asset Valuation Method: 5-year smoothed market; 20% corridor

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS (UNAUDITED)  
YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018, 2017, 2016, and 2015)**

Wage Growth:	3.25%
Price Inflation:	2.50%
Salary Increases:	3.35% to 14.25%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality:	<p>For non-disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience.</p> <p>For disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.</p> <p>For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.</p>

Other Information:

There were no benefit changes during the year.

Based on Valuation Assumptions used in the December 31, 2018, actuarial valuation; note two year lag between valuation and rate setting.

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
TEACHER'S HEALTH INSURANCE SECURITY FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)  
YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018, 2017, AND 2016**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily-required contribution	\$ 2,084	\$ 1,741	\$ 1,775	\$ 1,630	\$ 744	\$ 649
Contributions in relation to the statutorily- required contribution	<u>2,084</u>	<u>1,741</u>	<u>1,775</u>	<u>1,630</u>	<u>744</u>	<u>649</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 325,660	\$ 189,291	\$ 192,914	\$ 185,257	\$ 88,620	\$ 81,125
Contributions as a percentage of covered payroll	0.64 %	0.92 %	0.92 %	0.88 %	0.84 %	0.80 %

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
TEACHER'S HEALTH INSURANCE SECURITY FUND  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF  
THE COLLECTIVE NET OPEB LIABILITY (UNAUDITED)  
YEAR ENDED JUNE 30, 2021**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's proportion of the collective net OPEB liability	0.000747 %	0.000785 %	0.000782 %	0.000385 %	0.000348 %
Employer's proportionate share of the collective net OPEB liability	\$ 199,627	\$ 217,226	\$ 205,896	\$ 99,972	\$ 95,212
State's proportionate share of the collective net OPEB liability associated with the employer	<u>271,822</u>	<u>294,201</u>	<u>276,419</u>	<u>131,207</u>	<u>132,019</u>
Total	<u>\$ 471,449</u>	<u>\$ 511,427</u>	<u>\$ 482,315</u>	<u>\$ 231,179</u>	<u>\$ 227,231</u>
Covered payroll	\$ 189,291	\$ 192,914	\$ 185,257	\$ 88,620	\$ 81,125
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	105.46 %	112.60 %	111.14 %	112.81 %	117.36 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.70 %	0.25 %	(0.07)%	(0.17)%	(0.22)%

The amounts presented for each fiscal year were determined as of the prior fiscal year end.

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

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
TEACHER'S HEALTH INSURANCE SECURITY FUND  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF  
THE COLLECTIVE NET OPEB LIABILITY (UNAUDITED)  
YEAR ENDED JUNE 30, 2021**

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

**Notes to Required Supplementary Information**

**Changes of Benefit Terms**

In the June 30, 2019 actuarial valuation, there are no changes of benefit terms from the prior period.

**Change of Assumptions**

For the 2020 and 2019 measurement years, the assumed investment rate of return was 0.0%, including an inflation rate of 2.50%. Salary increases were assumed to depend on service and range from 9.50% at one year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

For the 2018 and 2017 measurement years, the assumed investment rate of return was 0.0%, including an inflation rate of 2.75%. Salary increases were assumed to depend on service and range from 9.25% at one year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
OTHER POST EMPLOYMENT BENEFITS-HEALTH INSURANCE  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
AND RELATED RATIOS (UNAUDITED)  
JUNE 30, 2021, 2020, 2019, AND 2018**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:				
Service cost	\$ 1,464	\$ 1,331	\$ 1,337	\$ 1,248
Interest	653	680	659	-
Differences between expected and actual experience	-	11	-	-
Changes in assumptions	970	177	398	-
Benefit payments	-	-	(664)	(1,093)
Other changes	-	(2,030)	187	22,293
	<u>3,087</u>	<u>169</u>	<u>1,917</u>	<u>22,448</u>
Net change in total OPEB liability				
Total OPEB liability at beginning of year	<u>24,534</u>	<u>24,365</u>	<u>22,448</u>	<u>-</u>
Total OPEB liability at end of year	<u>\$ 27,621</u>	<u>\$ 24,534</u>	<u>\$ 24,365</u>	<u>\$ 22,448</u>
Covered payroll	<u>\$ 1,135,437</u>	<u>\$ 1,135,437</u>	<u>\$ 1,234,651</u>	<u>\$ 1,221,435</u>
Employer total OPEB liability as a percentage of covered payroll	<u>2.43 %</u>	<u>2.16 %</u>	<u>1.97 %</u>	<u>1.84 %</u>

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.

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
OTHER POST EMPLOYMENT BENEFITS-HEALTH INSURANCE  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS (UNAUDITED)  
YEARS ENDED JUNE 30, 2021, 2020, 2019, AND 2018**

<u>Year Ended June 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2021	N/A	\$ -	N/A	\$ 1,135,437	0.00 %
2020	N/A	-	N/A	1,135,437	0.00
2019	N/A	-	N/A	1,221,435	0.00
2018	N/A	-	N/A	1,234,651	0.00

**Note to Schedule**

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

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

**SUPPLEMENTARY INFORMATION**

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
COMBINING SCHEDULE OF BALANCE SHEET ACCOUNTS  
GENERAL FUND  
JUNE 30, 2021**

	<u>Regional Program Development</u>	<u>General State Aid</u>	<u>Youth Home Education</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 543,752	\$ 5,938,648	\$ 2,572,004
Accounts receivable	10,000	-	-
Due from other funds	-	102,802	-
Prepaid items	8,226	-	11,534
Investments	<u>-</u>	<u>657,128</u>	<u>-</u>
Total assets	<u>\$ 561,978</u>	<u>\$ 6,698,578</u>	<u>\$ 2,583,538</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accrued expenditures	\$ 408	\$ -	\$ -
Payroll liabilities	-	11,417	10,393
Due to other governments	2,690	-	-
Unearned revenue	<u>12,000</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>15,098</u>	<u>11,417</u>	<u>10,393</u>
Deferred inflows of resources:			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	8,226	-	11,534
Assigned	-	-	2,561,611
Unassigned	<u>538,654</u>	<u>6,687,161</u>	<u>-</u>
Total fund balances	<u>546,880</u>	<u>6,687,161</u>	<u>2,573,145</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 561,978</u>	<u>\$ 6,698,578</u>	<u>\$ 2,583,538</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
COMBINING SCHEDULE OF BALANCE SHEET ACCOUNTS  
GENERAL FUND  
JUNE 30, 2021**

	<b>Local Truancy</b>	<b>Total</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 27,159	\$ 9,081,563
Accounts receivable	13,455	23,455
Due from other funds	-	102,802
Prepaid items	-	19,760
Investments	-	657,128
Total assets	\$ 40,614	\$ 9,884,708
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accrued expenditures	\$ -	\$ 408
Payroll liabilities	-	21,810
Due to other governments	-	2,690
Unearned revenue	-	12,000
Total liabilities	-	36,908
Deferred inflows of resources:		
Unavailable revenue	644	644
Fund balances:		
Nonspendable	-	19,760
Assigned	39,970	2,601,581
Unassigned	-	7,225,815
Total fund balances	39,970	9,847,156
Total liabilities, deferred inflows of resources and fund balances	\$ 40,614	\$ 9,884,708

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
YEAR ENDED JUNE 30, 2021**

	<u>Regional Program Development</u>	<u>General State Aid</u>	<u>Youth Home Education</u>
Revenues:			
Local sources	\$ 41,780	\$ 2,500	\$ -
State sources	-	5,970,436	732,194
Interest	4,803	9,215	553
On-behalf payments	<u>-</u>	<u>747,636</u>	<u>-</u>
Total revenues	<u>46,583</u>	<u>6,729,787</u>	<u>732,747</u>
Expenditures:			
Instructional services:			
Salaries and benefits	-	194,942	238,325
Purchased services	135,945	8,183	12,827
Supplies and materials	18,114	1,947	588
Pension expense	3,895	13,357	15,201
On-behalf payments	-	747,636	-
OPEB expense	878	-	-
Intergovernmental:			
Payments to other governments	-	4,582,224	-
Capital outlay	10,861	-	-
Debt service:			
Repayment of long-term lease payable	4,000	-	-
Interest	<u>80</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>173,773</u>	<u>5,548,289</u>	<u>266,941</u>
Excess (deficiency) of revenues over expenditures	(127,190)	1,181,498	465,806
Other financing uses:			
Transfers out	<u>-</u>	<u>(588,046)</u>	<u>-</u>
Net changes in fund balances	<u>(127,190)</u>	<u>593,452</u>	<u>465,806</u>
Fund balances at beginning of year:			
As previously reported	670,858	6,093,709	2,107,339
Prior period adjustment	<u>3,212</u>	<u>-</u>	<u>-</u>
As adjusted	<u>674,070</u>	<u>6,093,709</u>	<u>2,107,339</u>
Fund balances at end of year	<u>\$ 546,880</u>	<u>\$ 6,687,161</u>	<u>\$ 2,573,145</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
YEAR ENDED JUNE 30, 2021**

	<u>Local Truancy</u>	<u>Total</u>
Revenues:		
Local sources	\$ 11,561	\$ 55,841
State sources	-	6,702,630
Interest	-	14,571
On-behalf payments	-	<u>747,636</u>
Total revenues	<u>11,561</u>	<u>7,520,678</u>
Expenditures:		
Instructional services:		
Salaries and benefits	-	433,267
Purchased services	547	157,502
Supplies and materials	-	20,649
Pension expense	-	32,453
On-behalf payments	-	747,636
OPEB expense	-	878
Intergovernmental:		
Payments to other governments	-	4,582,224
Capital outlay	-	10,861
Debt service:		
Repayment of long-term lease payable	-	4,000
Interest	-	<u>80</u>
Total expenditures	<u>547</u>	<u>5,989,550</u>
Excess (deficiency) of revenues over expenditures	11,014	1,531,128
Other financing uses:		
Transfers out	<u>(155,665)</u>	<u>(743,711)</u>
Net changes in fund balances	<u>(144,651)</u>	<u>787,417</u>
Fund balances at beginning of year:		
As previously reported	184,621	9,056,527
Prior period adjustment	<u>-</u>	<u>3,212</u>
As adjusted	<u>184,621</u>	<u>9,059,739</u>
Fund balances at end of year	<u>\$ 39,970</u>	<u>\$ 9,847,156</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
COMBINING SCHEDULE OF BALANCE SHEET ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2021**

	<u>Regional Safe Schools</u>	<u>Truants Alternative/ Optional Education</u>	<u>Title II - Teacher Quality Leadership</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,445	\$ 57,874	\$ 6,679
Accounts receivable	-	-	-
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 9,445</u>	<u>\$ 57,874</u>	<u>\$ 6,679</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities:			
Accrued expenditures	\$ -	\$ 53	\$ -
Payroll liabilities	4,628	57,821	-
Due to other funds	-	-	-
Due to other governments	<u>6,294</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>10,922</u>	<u>57,874</u>	<u>-</u>
Fund balances (deficits):			
Restricted	-	-	6,679
Unassigned	<u>(1,477)</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>(1,477)</u>	<u>-</u>	<u>6,679</u>
Total liabilities and fund balances (deficits)	<u>\$ 9,445</u>	<u>\$ 57,874</u>	<u>\$ 6,679</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
COMBINING SCHEDULE OF BALANCE SHEET ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2021**

	<b><u>Title I - School Improvement and Accountability</u></b>	<b><u>McKinney Education for Homeless Children</u></b>	<b><u>ROE/ISC Operations</u></b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 75,311	\$ 94,529	\$ 18,524
Accounts receivable	-	-	-
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 75,311</u>	<u>\$ 94,529</u>	<u>\$ 18,524</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities:			
Accrued expenditures	\$ -	\$ 326	\$ 178
Payroll liabilities	2,472	2,968	18,346
Due to other funds	-	-	-
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,472</u>	<u>3,294</u>	<u>18,524</u>
Fund balances (deficits):			
Restricted	72,839	91,235	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>72,839</u>	<u>91,235</u>	<u>-</u>
Total liabilities and fund balances (deficits)	<u>\$ 75,311</u>	<u>\$ 94,529</u>	<u>\$ 18,524</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
COMBINING SCHEDULE OF BALANCE SHEET ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2021**

<b>ASSETS</b>	<u><b>Title I Delinquent</b></u>	<u><b>RSS Cooperative Education</b></u>	<u><b>ESSER II</b></u>
Cash and cash equivalents	\$ -	\$ 574	\$ -
Accounts receivable	-	-	-
Due from other governments	<u>10,851</u>	<u>-</u>	<u>14,964</u>
Total assets	<u><u>\$ 10,851</u></u>	<u><u>\$ 574</u></u>	<u><u>\$ 14,964</u></u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities:			
Accrued expenditures	\$ 776	\$ -	\$ -
Payroll liabilities	-	-	-
Due to other funds	8,812	-	15,063
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>9,588</u>	<u>-</u>	<u>15,063</u>
Fund balances (deficits):			
Restricted	1,263	574	-
Unassigned	<u>-</u>	<u>-</u>	<u>(99)</u>
Total fund balances (deficits)	<u>1,263</u>	<u>574</u>	<u>(99)</u>
Total liabilities and fund balances (deficits)	<u><u>\$ 10,851</u></u>	<u><u>\$ 574</u></u>	<u><u>\$ 14,964</u></u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
COMBINING SCHEDULE OF BALANCE SHEET ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2021**

	<b>Elementary and Secondary Digital Professional Learning</b>	<b>COPS Grant</b>	<b>Digital Equity Formula - Elementary and Secondary Relief</b>
<b>ASSETS</b>	<u>          </u>	<u>          </u>	<u>          </u>
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable	-	1,980	-
Due from other governments	<u>6,100</u>	<u>37,889</u>	<u>32,731</u>
Total assets	<u>\$ 6,100</u>	<u>\$ 39,869</u>	<u>\$ 32,731</u>
 <b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities:			
Accrued expenditures	\$ -	\$ -	\$ -
Payroll liabilities	-	-	-
Due to other funds	6,100	40,096	32,731
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>6,100</u>	<u>40,096</u>	<u>32,731</u>
Fund balances (deficits):			
Restricted	-	-	-
Unassigned	<u>-</u>	<u>(227)</u>	<u>-</u>
Total fund balances (deficits)	<u>-</u>	<u>(227)</u>	<u>-</u>
Total liabilities and fund balances (deficits)	<u>\$ 6,100</u>	<u>\$ 39,869</u>	<u>\$ 32,731</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
COMBINING SCHEDULE OF BALANCE SHEET ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2021**

	<b>ESSER</b>	<b>Totals</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 262,936
Accounts receivable	-	1,980
Due from other governments	-	102,535
Total assets	\$ -	\$ 367,451
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>		
Liabilities:		
Accrued expenditures	\$ -	\$ 1,333
Payroll liabilities	-	86,235
Due to other funds	-	102,802
Due to other governments	-	6,294
Total liabilities	-	196,664
Fund balances (deficits):		
Restricted	-	172,590
Unassigned	-	(1,803)
Total fund balances (deficits)	-	170,787
Total liabilities and fund balances (deficits)	\$ -	\$ 367,451

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (DEFICITS)  
 EDUCATION FUND ACCOUNTS  
 YEAR ENDED JUNE 30, 2021**

	<u>Regional Safe Schools</u>	<u>Truants Alternative/ Optional Education</u>	<u>Tile II - Teacher Quality Leadership</u>
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	336,560	328,516	-
Federal sources	-	-	5,392
	<u>-</u>	<u>-</u>	<u>5,392</u>
Total revenues	<u>336,560</u>	<u>328,516</u>	<u>5,392</u>
Expenditures:			
Instructional services:			
Salaries and benefits	79,958	336,410	-
Purchased services	4,902	14,046	5,392
Supplies and materials	-	293	-
Pension expense	358	17,948	-
OPEB expense	565	-	-
Intergovernmental:			
Payments to other governments	250,777	-	-
Capital outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>336,560</u>	<u>368,697</u>	<u>5,392</u>
Excess (deficiency) of revenues over expenditures	-	(40,181)	-
Other financing sources:			
Transfers in	-	155,665	-
	<u>-</u>	<u>155,665</u>	<u>-</u>
Net changes in fund balances (deficits)	-	115,484	-
Fund balances (deficits) at beginning of year	<u>(1,477)</u>	<u>(115,484)</u>	<u>6,679</u>
Fund balances (deficits) at end of year	<u><u>\$ (1,477)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,679</u></u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (DEFICITS)  
EDUCATION FUND ACCOUNTS  
YEAR ENDED JUNE 30, 2021**

	<u>Title I - School Improvement and Accountability</u>	<u>McKinney Education for Homeless Children</u>	<u>ROE/ISC Operations</u>
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	298,326
Federal sources	-	122,608	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	122,608	298,326
	<hr/>	<hr/>	<hr/>
Expenditures:			
Instructional services:			
Salaries and benefits	98,301	52,434	318,775
Purchased services	6,778	9,745	59,016
Supplies and materials	-	13,053	10
Pension expense	3,081	3,887	14,285
OPEB expense	470	-	935
Intergovernmental:			
Payments to other governments	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	108,630	79,119	393,021
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	(108,630)	43,489	(94,695)
Other financing sources:			
Transfers in	-	-	216,897
	<hr/>	<hr/>	<hr/>
Net changes in fund balances (deficits)	(108,630)	43,489	122,202
Fund balances (deficits) at beginning of year	181,469	47,746	(122,202)
	<hr/>	<hr/>	<hr/>
Fund balances (deficits) at end of year	<u>\$ 72,839</u>	<u>\$ 91,235</u>	<u>\$ -</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (DEFICITS)  
 EDUCATION FUND ACCOUNTS  
 YEAR ENDED JUNE 30, 2021**

	<u>Title I</u> <u>Delinquent</u>	<u>RSS</u> <u>Cooperative</u> <u>Education</u>	<u>ESSER II</u>
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	61,757	-
Federal sources	<u>164,434</u>	<u>-</u>	<u>14,964</u>
Total revenues	<u>164,434</u>	<u>61,757</u>	<u>14,964</u>
Expenditures:			
Instructional services:			
Salaries and benefits	(670)	61,757	15,063
Purchased services	48,245	-	-
Supplies and materials	50,963	-	-
Pension expense	-	-	-
OPEB expense	-	-	-
Intergovernmental:			
Payments to other governments	-	-	-
Capital outlay	<u>50,442</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>148,980</u>	<u>61,757</u>	<u>15,063</u>
Excess (deficiency) of revenues over expenditures	15,454	-	(99)
Other financing sources:			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances (deficits)	15,454	-	(99)
Fund balances (deficits) at beginning of year	<u>(14,191)</u>	<u>574</u>	<u>-</u>
Fund balances (deficits) at end of year	<u>\$ 1,263</u>	<u>\$ 574</u>	<u>\$ (99)</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (DEFICITS)  
 EDUCATION FUND ACCOUNTS  
 YEAR ENDED JUNE 30, 2021**

	<b>Elementary and Secondary Digital Professional Learning</b>	<b>COPS Grant</b>	<b>Digital Equity Formula - Elementary and Secondary Relief</b>
	<u>        </u>	<u>        </u>	<u>        </u>
Revenues:			
Local sources	\$ -	\$ 14,200	\$ -
State sources	-	-	-
Federal sources	<u>6,100</u>	<u>37,889</u>	<u>54,658</u>
Total revenues	<u>6,100</u>	<u>52,089</u>	<u>54,658</u>
Expenditures:			
Instructional services:			
Salaries and benefits	-	-	-
Purchased services	6,100	227	-
Supplies and materials	-	52,089	54,658
Pension expense	-	-	-
OPEB expense	-	-	-
Intergovernmental:			
Payments to other governments	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>6,100</u>	<u>52,316</u>	<u>54,658</u>
Excess (deficiency) of revenues over expenditures	-	(227)	-
Other financing sources:			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances (deficits)	-	(227)	-
Fund balances (deficits) at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) at end of year	<u><u>\$ -</u></u>	<u><u>\$ (227)</u></u>	<u><u>\$ -</u></u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (DEFICITS)  
 EDUCATION FUND ACCOUNTS  
 YEAR ENDED JUNE 30, 2021**

	<b>ESSER</b>	<b>Totals</b>
Revenues:		
Local sources	\$ -	\$ 14,200
State sources	-	1,025,159
Federal sources	13,155	419,200
Total revenues	13,155	1,458,559
Expenditures:		
Instructional services:		
Salaries and benefits	5,000	967,028
Purchased services	1,650	156,101
Supplies and materials	6,505	177,571
Pension expense	-	39,559
OPEB expense	-	1,970
Intergovernmental:		
Payments to other governments	-	250,777
Capital outlay	-	50,442
Total expenditures	13,155	1,643,448
Excess (deficiency) of revenues over expenditures	-	(184,889)
Other financing sources:		
Transfers in	-	372,562
Net changes in fund balances (deficits)	-	187,673
Fund balances (deficits) at beginning of year	-	(16,886)
Fund balances (deficits) at end of year	\$ -	\$ 170,787

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 REGIONAL SAFE SCHOOLS (2021)  
 YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
State sources	\$ 336,560	\$ 336,560	\$ 336,560
Expenditures:			
Instructional services:			
Salaries and benefits	80,211	80,211	79,958
Purchased services	22,902	22,902	4,902
Supplies and materials	2,128	2,128	-
Pension expense	-	-	358
OPEB expense	-	-	565
Intergovernmental:			
Payments to other governments	<u>231,319</u>	<u>231,319</u>	<u>250,777</u>
Total expenditures	<u>336,560</u>	<u>336,560</u>	<u>336,560</u>
Net change in fund balance (deficit)	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance (deficit) at beginning of year			<u>(1,477)</u>
Fund balance (deficit) at end of year			<u>\$ (1,477)</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 TRUANTS ALTERNATIVE AND OPTIONAL EDUCATION (2021)  
 YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
State sources	\$ 328,516	\$ 328,516	\$ 328,516
Expenditures:			
Instructional services:			
Salaries and benefits	307,160	307,160	336,410
Purchased services	20,731	20,731	14,046
Supplies and materials	625	625	293
Pension expense	<u>-</u>	<u>-</u>	<u>17,948</u>
Total expenditures	<u>328,516</u>	<u>328,516</u>	<u>368,697</u>
Excess (deficiency) of revenues over expenditures	-	-	(40,181)
Other financing sources:			
Transfers in	<u>-</u>	<u>-</u>	<u>155,665</u>
Net change in fund balance (deficit)	<u>\$ -</u>	<u>\$ -</u>	115,484
Fund balance (deficit) at beginning of year			<u>(115,484)</u>
Fund balance (deficit) at end of year			<u>\$ -</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNT**  
**TITLE II - TEACHER QUALITY LEADERSHIP (2021)**  
**YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
Federal sources	\$ 5,392	\$ 5,392	\$ 5,392
Expenditures:			
Instructional services:			
Purchased services	<u>5,392</u>	<u>5,392</u>	<u>5,392</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance at beginning of year			<u>6,679</u>
Fund balance at end of year			<u>\$ 6,679</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 ROE/ISC OPERATIONS (2021)  
 YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
State sources	\$ 298,326	\$ 298,326	\$ 298,326
Expenditures:			
Instructional services:			
Salaries and benefits	237,097	237,097	318,775
Purchased services	54,229	54,229	59,016
Supplies and materials	7,000	7,000	10
Pension expense	-	-	14,285
OPEB expense	-	-	935
Total expenditures	<u>298,326</u>	<u>298,326</u>	<u>393,021</u>
Excess (deficiency) of revenues over expenditures	-	-	(94,695)
Other financing sources:			
Transfers in	<u>-</u>	<u>-</u>	<u>216,897</u>
Net change in fund balance (deficit)	<u>\$ -</u>	<u>\$ -</u>	122,202
Fund balance (deficit) at beginning of year			<u>(122,202)</u>
Fund balance (deficit) at end of year			<u>\$ -</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 REGIONAL SAFE SCHOOLS EDUCATIONAL COOPERATIVE (2021)  
 YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
State sources	\$ 61,757	\$ 61,757	\$ 61,757
Expenditures:			
Instructional services:			
Salaries and benefits	<u>61,757</u>	<u>61,757</u>	<u>61,757</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance at beginning of year			<u>574</u>
Fund balance at end of year			<u>\$ 574</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 ESSER II (2021)  
 YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
Federal sources	\$ 70,533	\$ 70,533	\$ 14,964
Expenditures:			
Instructional services:			
Salaries and benefits	14,424	14,424	15,063
Purchased services	33,234	33,234	-
Supplies and materials	4,875	4,875	-
Capital outlay	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Total expenditures	<u>70,533</u>	<u>70,533</u>	<u>15,063</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(99)
Fund balance at beginning of year			<u>-</u>
Fund balance (deficit) at end of year			<u>\$ (99)</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 ELEMENTARY AND SECONDARY DIGITAL  
 PROFESSIONAL LEARNING (2021)  
 YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
Federal sources	\$ 6,100	\$ 6,100	\$ 6,100
Expenditures:			
Instructional services:			
Purchased services	<u>6,100</u>	<u>6,100</u>	<u>6,100</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance at beginning of year			<u>-</u>
Fund balance at end of year			<u>\$ -</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 COPS GRANT (2021)  
 YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
Local sources	\$ 70,180	\$ 70,180	\$ 14,200
Federal sources	<u>210,540</u>	<u>210,540</u>	<u>37,889</u>
Total revenues	<u>280,720</u>	<u>280,720</u>	<u>52,089</u>
Expenditures:			
Instructional services:			
Purchased services	67,720	67,720	227
Supplies and materials	<u>213,000</u>	<u>213,000</u>	<u>52,089</u>
Total expenditures	<u>280,720</u>	<u>280,720</u>	<u>52,316</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(227)
Fund balance at beginning of year			<u>-</u>
Fund balance (deficit) at end of year			<u>\$ (227)</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 DIGITAL EQUITY FORMULA - ELEMENTARY  
 AND SECONDARY RELIEF (2021)  
 YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
Federal sources	\$ 85,714	\$ 85,714	\$ 54,658
Expenditures:			
Instructional services:			
Purchased services	16,372	16,372	-
Supplies and materials	<u>69,342</u>	<u>69,342</u>	<u>54,658</u>
Total expenditures	<u>85,714</u>	<u>85,714</u>	<u>54,658</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance at beginning of year			<u>-</u>
Fund balance at end of year			<u>\$ -</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 ESSER (2021)  
 YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
Federal sources	\$ 15,080	\$ 15,080	\$ 13,155
Expenditures:			
Instructional services:			
Salaries and benefits	5,000	5,000	5,000
Purchased services	1,500	1,500	1,650
Supplies and materials	1,730	8,580	6,505
Capital outlay	<u>6,850</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>15,080</u>	<u>15,080</u>	<u>13,155</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance at beginning of year			<u>-</u>
Fund balance at end of year			<u>\$ -</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2021**

	<b>General Education Development</b>	<b>Bus Driver Training</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 137,477	\$ 80,164	\$ 217,641
Accounts receivable	<u>575</u>	<u>3,340</u>	<u>3,915</u>
Total assets	<u>\$ 138,052</u>	<u>\$ 83,504</u>	<u>\$ 221,556</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accrued expenditures	\$ 858	\$ -	\$ 858
Unearned revenue	<u>-</u>	<u>230</u>	<u>230</u>
Total liabilities	858	230	1,088
Deferred inflows of resources:			
Unavailable revenue	-	2,120	2,120
Fund balances:			
Restricted	<u>137,194</u>	<u>81,154</u>	<u>218,348</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 138,052</u>	<u>\$ 83,504</u>	<u>\$ 221,556</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2021**

	<b>General Education Development</b>	<b>Bus Driver Training</b>	<b>Total</b>
Revenues:			
Local sources	\$ 7,015	\$ 12,046	\$ 19,061
State sources	-	3,446	3,446
Interest	-	9	9
	<u>7,015</u>	<u>15,501</u>	<u>22,516</u>
Total revenues			
Expenditures:			
Purchased services	868	16,196	17,064
Supplies and materials	-	197	197
Other objects	178	236	414
	<u>1,046</u>	<u>16,629</u>	<u>17,675</u>
Total expenditures			
Net changes in fund balances	5,969	(1,128)	4,841
Fund balances at beginning of year	<u>131,225</u>	<u>82,282</u>	<u>213,507</u>
Fund balances at end of year	<u>\$ 137,194</u>	<u>\$ 81,154</u>	<u>\$ 218,348</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 JUNE 30, 2021**

	<b>Technology</b>	<b>Kane County Library Resources Consortium</b>	<b>Visual Media Cooperative</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 63,712	\$ 7,406	\$ 13,880
Accounts receivable	2,530	-	-
Total current assets	66,242	7,406	13,880
Noncurrent assets:			
Capital assets, net	-	-	-
Total assets	66,242	7,406	13,880
<b>LIABILITIES</b>			
Current liabilities:			
Due to other governments	-	-	2,520
Unearned revenue	975	-	-
Total current liabilities	975	-	2,520
<b>NET POSITION</b>			
Unrestricted	\$ 65,267	\$ 7,406	\$ 11,360

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 JUNE 30, 2021**

	<b>Kane County Human Resources Consortium</b>	<b>Total</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 71,266	\$ 156,264
Accounts receivable	<u>-</u>	<u>2,530</u>
Total current assets	71,266	158,794
Noncurrent assets:		
Capital assets, net	<u>-</u>	<u>-</u>
Total assets	<u>71,266</u>	<u>158,794</u>
<b>LIABILITIES</b>		
Current liabilities:		
Due to other governments	-	2,520
Unearned revenue	<u>-</u>	<u>975</u>
Total current liabilities	<u>-</u>	<u>3,495</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 71,266</u>	<u>\$ 155,299</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2021**

	<u>Technology</u>	<u>Kane County Library Resources Consortium</u>	<u>Visual Media Cooperative</u>
Operating revenues:			
Charges for services	\$ 115,390	\$ 89,256	\$ 12,145
Operating expenses:			
Salaries and benefits	194	-	-
Purchased services	92,248	89,256	8,100
Supplies and materials	400	-	4,045
Other objects	298	-	-
Total operating expenses	<u>93,140</u>	<u>89,256</u>	<u>12,145</u>
Operating income	22,250	-	-
Net position at beginning of year	<u>43,017</u>	<u>7,406</u>	<u>11,360</u>
Net position at end of year	<u>\$ 65,267</u>	<u>\$ 7,406</u>	<u>\$ 11,360</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2021**

	<b>Kane County Human Resources Consortium</b>	<b>Total</b>
	<u>          </u>	<u>          </u>
Operating revenues:		
Charges for services	\$ 67,482	\$ 284,273
Operating expenses:		
Salaries and benefits	12,000	12,194
Purchased services	55,208	244,812
Supplies and materials	-	4,445
Other objects	-	298
Total operating expenses	<u>67,208</u>	<u>261,749</u>
Operating income	274	22,524
Net position at beginning of year	<u>70,992</u>	<u>132,775</u>
Net position at end of year	<u>\$ 71,266</u>	<u>\$ 155,299</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021**

	<u>Technology</u>	<u>Kane County Library Resources Consortium</u>	<u>Visual Media Cooperative</u>
Cash flows from operating activities:			
Receipts from customers	\$ 103,666	\$ 89,256	\$ -
Payments to suppliers and providers of goods and services	(94,069)	(89,256)	(12,145)
Payments to employees	<u>(194)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) operating activities	9,403	-	(12,145)
Cash and cash equivalents at beginning of year	<u>54,309</u>	<u>7,406</u>	<u>26,025</u>
Cash and cash equivalents at end of year	<u>\$ 63,712</u>	<u>\$ 7,406</u>	<u>\$ 13,880</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income	\$ 22,250	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
(Increase) in accounts receivable	(465)	-	-
(Decrease) in accrued expenses	(602)	-	-
(Decrease) in payroll liabilities	(521)	-	-
(Decrease) in due to other governments	-	-	(12,145)
(Decrease) in unearned revenue	<u>(11,259)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ 9,403</u>	<u>\$ -</u>	<u>\$ (12,145)</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2021**

	<b>Kane County Human Resources Consortium</b>	<b>Total</b>
	<u>          </u>	<u>          </u>
Cash flows from operating activities:		
Receipts from customers	\$ 67,482	\$ 260,404
Payments to suppliers and providers of goods and services	(55,208)	(250,678)
Payments to employees	<u>(12,000)</u>	<u>(12,194)</u>
Net cash provided by (used for) operating activities	274	(2,468)
Cash and cash equivalents at beginning of year	<u>70,992</u>	<u>158,732</u>
Cash and cash equivalents at end of year	<u>\$ 71,266</u>	<u>\$ 156,264</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:		
Operating income	\$ 274	\$ 22,524
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
(Increase) in accounts receivable	-	(465)
(Decrease) in accrued expenses	-	(602)
(Decrease) in payroll liabilities	-	(521)
(Decrease) in due to other governments	-	(12,145)
(Decrease) in unearned revenue	<u>-</u>	<u>(11,259)</u>
Net cash provided by (used for) operating activities	<u>\$ 274</u>	<u>\$ (2,468)</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO. 31  
 COMBINING STATEMENT OF FIDUCIARY NET  
 POSITION - CUSTODIAL FUNDS  
 JUNE 30, 2021**

	<u>Distributive</u>	<u>RSAC</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 36,554</u>	<u>\$ 36,554</u>
<b>NET POSITION</b>			
Restricted for other entity	<u>\$ -</u>	<u>\$ 36,554</u>	<u>\$ 36,554</u>

**KANE COUNTY REGIONAL OFFICE OF EDUCATION NO.  
31 COMBINING STATEMENT OF CHANGES IN FIDUCIARY  
NET POSITION - CUSTODIAL FUNDS  
YEAR ENDED JUNE 30, 2021**

	<u>Distributive</u>	<u>RSAC</u>	<u>Total</u>
Additions:			
State and federal funds collected for other entities	\$ 2,434,195	\$ -	\$ 2,434,195
Funds held for other entity	<u>-</u>	<u>35,000</u>	<u>35,000</u>
Total additions	<u>2,434,195</u>	<u>35,000</u>	<u>2,469,195</u>
Deductions:			
State and federal funds distributed to other entities	2,434,195	-	2,434,195
Funds held for other entity	<u>-</u>	<u>59</u>	<u>59</u>
Total deductions	<u>2,434,195</u>	<u>59</u>	<u>2,434,254</u>
Changes in net position	<u>-</u>	<u>34,941</u>	<u>34,941</u>
Net position at beginning of year:			
As previously reported	-	-	-
Prior period adjustment (see Note 18)	<u>-</u>	<u>1,613</u>	<u>1,613</u>
As adjusted	<u>-</u>	<u>1,613</u>	<u>1,613</u>
Net position at end of year	<u>\$ -</u>	<u>\$ 36,554</u>	<u>\$ 36,554</u>