



**STATE OF ILLINOIS
BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
FINANCIAL AUDIT
(In Accordance with the Uniform Guidance)
For the Year Ended June 30, 2019**

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

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

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REGIONAL OFFICE OF EDUCATION NO. 28**

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

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

Regional Superintendent
(current and during the audit period)

Ms. Angela Zarvell

Assistant Regional Superintendent
(current and during the audit period)

Ms. Kathy Marshall

Office is located at:

107 South State Street
Atkinson, Illinois 61235

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

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

AUDITOR’S REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>Findings (Government Auditing Standards)</i>			
2019-001	14	Controls over Financial Statement Preparation	Material Weakness
2019-002	17	Inadequate Controls Over Bank Reconciliation Process	Significant Deficiency

Findings and Questioned Costs (Federal Compliance)

None

Prior Audit Findings not Repeated (Government Auditing Standards)

2018-002	23	Delay of Audit	Noncompliance
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Prior Audit Findings not Repeated (Federal Compliance)

None

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

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on February 20, 2020. Attending from the Regional Office of Education No. 28 were Angela Zarvell, Regional Superintendent; and Misty Bruno, Bookkeeper; from the Office of the Auditor General were Jeanne Michaud and Rhonda Huff, Audit Managers; and from Adelfia LLC were Stella Marie Santos, Jennifer Roan, Maria Divina Valera, Partners. Responses to the recommendations were provided by Angela Zarvell, Regional Superintendent, on February 28, 2020.

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

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

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



INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability & Related Ratios, Illinois Municipal Retirement Fund – Schedule of Employer Contributions, Teachers’ Retirement System of the State of Illinois – Schedule of the Employer’s Proportionate Share of the Net Pension Liability & Schedule of Employer Contributions, Teachers’ Health Insurance Security Fund – Schedule of the Employer’s Proportionate Share of the Collective Net Other Postemployment Benefit Liability & Schedule of Employer Contributions, and Other Postemployment Benefits – Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 72 through 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2020 on our consideration of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bureau, Henry, and Stark Counties Regional Office of Education No. 28's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bureau, Henry, and Stark Counties Regional Office of Education No. 28's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
July 24, 2020



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bureau, Henry, and Stark Counties Regional Office of Education No. 28, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Bureau, Henry, and Stark Counties Regional Office of Education No. 28’s basic financial statements, and have issued our report thereon dated July 24, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bureau, Henry, and Stark Counties Regional Office of Education No. 28’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bureau, Henry, and Stark Counties Regional Office of Education No. 28’s internal control. Accordingly, we do not express an opinion on the effectiveness of Bureau, Henry, and Stark Counties Regional Office of Education No. 28’s internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2019-002 to be a significant deficiency.

Compliance and Other Matters

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

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
July 24, 2020



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited Bureau, Henry, and Stark Counties Regional Office of Education No. 28's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Regional Office of Education No. 28's major federal programs for the year ended June 30, 2019. The Bureau, Henry, and Stark Counties Regional Office of Education No. 28's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, the Bureau, Henry, and Stark Counties Regional Office of Education No. 28 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

SIGNED ORIGINAL ON FILE

Chicago, Illinois
July 24, 2020

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION I – SUMMARY OF AUDITOR’S RESULTS
For the Year Ended June 30, 2019**

Financial Statements in accordance with GAAP

Type of auditor’s report issued: *Unmodified*

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

Noncompliance material to financial statements noted? yes no

Federal Awards

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

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

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

Identification of major federal programs:

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

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

Auditee qualified as low-risk auditee? yes no

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

FINDING 2019-001 - Controls Over Financial Statement Preparation (Repeat of findings 18-001, 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1)

CRITERIA/SPECIFIC REQUIREMENT:

Bureau/Henry/Stark Counties Regional Office of Education No. 28 (ROE) is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). ROE internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skill, and experience to prepare and/or thoroughly review GAAP based financial statements to ensure they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

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 OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and OPEB expenses along with note disclosures and RSI 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.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

FINDING 2019-001 - Controls Over Financial Statement Preparation (Repeat of findings 18-001, 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1) (Continued)

CONDITION:

The Regional Office of Education No. 28 does not have sufficient internal controls over the financial reporting process. While the ROE maintains controls over the processing of most accounting transactions, controls over the preparation of the GAAP based financial statements are not sufficient for management or employees in the normal course of performing their assigned functions to prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner.

During our review of the Regional Office of Education No. 28's financial information prepared by the ROE, it was noted the ROE did not account for transactions related to pension and OPEB with the Teachers' Retirement Systems of the State of Illinois' (TRS) and Teachers' Health Insurance Security (THIS) Fund for ROE employees included in the plans. Accordingly, the ROE did not include the related disclosures and required supplementary information in the financial statements.

The following table presents the amounts not reported related to pension and OPEB:

	<u>Pension</u>	<u>OPEB</u>
Deferred Outflows related to Pensions	\$ 229,295	
Deferred Outflows related to OPEB		\$ 11,657
Net Pension Liability	(22,807)	
Net OPEB Liability		(232,952)
Deferred Inflows related to Pensions	(492,632)	
Deferred Inflows related to OPEB		(115,982)
Prior Period Adjustment on Net Position:		
TRs Net Pension Liability	290,489	
THIS Net OPEB Liability		337,107
Current Year Expense Adjustment	<u>\$ 4,345</u>	<u>\$ (170)</u>

The ROE also restated its net position as of July 1, 2018, to reflect TRS net pension liability of \$290,489 and THIS net OPEB liability of \$337,107.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

FINDING 2019-001 - Controls Over Financial Statement Preparation (Repeat of findings 18-001, 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1) (Concluded)

EFFECT:

The Regional Office of Education No. 28's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner.

CAUSE:

Regional Office of Education No. 28's management indicated the payroll transactions for the employees under TRS and THIS were processed by another school district and the ROE did not realize GASB Statement No. 68 and GASB Statement No. 75 were applicable to these employees.

RECOMMENDATION:

As part of internal control over the preparation of financial statements, including disclosures, the ROE should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate.

MANAGEMENT'S RESPONSE:

Regional Office of Education No. 28 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. In the future, Regional Office of Education No. 28 will assure that pension and OPEB transactions are included in the preparation of financial statements.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

FINDING 2019-002 – Inadequate Controls Over Bank Reconciliation Process

CRITERIA/SPECIFIC REQUIREMENT:

Effective internal control policies require complete and accurate accounting records of all transactions of the entity. Sound internal controls require bank reconciliations to be performed accurately and promptly. Reconciling items should be investigated immediately and adjustments made to the general ledger. Bank reconciliations should also be reviewed and approved by a person independent of the preparer in a timely manner.

CONDITION:

The Regional Office of Education No. 28 did not perform bank reconciliations timely for all of its bank accounts for nine out of twelve months. Nine out of twelve months (75 percent) were reconciled more than a month late.

EFFECT:

Failure to prepare bank reconciliations on a timely basis may lead to loss or misuse of assets due to improper control and monitoring of bank accounts. Delay in the preparation of bank reconciliations renders this internal control procedure ineffective for immediately detecting irregularities and inaccuracies in the financial records.

CAUSE:

Regional Office of Education No. 28's Officials indicated the bookkeeper left and the replacement started in February 2019. Additionally, due to the competing priorities of completing outstanding fiscal duties, the monthly bank reconciliations from March 2019 to May 2019 were not completed until August 2019.

RECOMMENDATION:

The Regional Office of Education No. 28 should prepare monthly bank reconciliations on a timely basis. This would ensure that the cash balance per ledger is correct and cash transactions are fully accounted for. The Regional Office of Education No. 28 should cross-train employees to avoid untimely processing of bank reconciliations and have a written policy on monthly performance of bank reconciliations.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

FINDING 2019-002 – Inadequate Controls Over Bank Reconciliation Process (Concluded)

MANAGEMENT’S RESPONSE:

Regional Office of Education No. 28 understands the nature of this finding. A vacancy and transition at the bookkeeper position resulted in delayed bank reconciliations.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
For the Year Ended June 30, 2019**

INSTANCES OF NONCOMPLIANCE:

None

SIGNIFICANT DEFICIENCIES:

None

MATERIAL WEAKNESSES:

None

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2019**

Corrective Action Plan

FINDING 2019-001 - Controls Over Financial Statement Preparation (Repeat of findings 18-001, 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1)

CONDITION:

The Regional Office of Education No. 28 does not have sufficient internal controls over the financial reporting process. While the ROE maintains controls over the processing of most accounting transactions, controls over the preparation of the GAAP based financial statements are not sufficient for management or employees in the normal course of performing their assigned functions to prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner.

During our review of the Regional Office of Education No. 28's financial information prepared by the ROE, it was noted the ROE did not account for transactions related to pension and OPEB with the Teachers' Retirement Systems of the State of Illinois' (TRS) and Teachers' Health Insurance Security (THIS) Fund for ROE employees included in the plans. Accordingly, the ROE did not include the related disclosures and required supplementary information in the financial statements.

The following table presents the amounts not reported related to pension and OPEB:

	<u>Pension</u>	<u>OPEB</u>
Deferred Outflows related to Pensions	\$ 229,295	
Deferred Outflows related to OPEB		\$ 11,657
Net Pension Liability	(22,807)	
Net OPEB Liability		(232,952)
Deferred Inflows related to Pensions	(492,632)	
Deferred Inflows related to OPEB		(115,982)
Prior Period Adjustment on Net Position:		
TRS Net Pension Liability	290,489	
THIS Net OPEB Liability		337,107
Current Year Expense Adjustment	<u>\$ 4,345</u>	<u>\$ (170)</u>

The ROE also restated its net position as of July 1, 2018, to reflect TRS net pension liability of \$290,489 and THIS net OPEB liability of \$337,107.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2019**

Corrective Action Plan (Continued)

FINDING 2019-001 - Controls Over Financial Statement Preparation (Repeat of findings 18-001, 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1) (Concluded)

PLAN:

Regional Office of Education No. 28 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. In the future, Regional Office of Education No. 28 will assure that pension and OPEB transactions are included in the preparation of financial statements.

ANTICIPATED DATE OF COMPLETION:

August 31, 2020

CONTACT PERSON:

Ms. Angela Zarvell, Regional Superintendent of Schools

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2019**

Corrective Action Plan (Concluded)

FINDING 2019-002 – Inadequate Controls Over Bank Reconciliation Process

CONDITION:

The Regional Office of Education No. 28 did not perform bank reconciliations timely for all of its bank accounts for nine out of twelve months. Nine out of twelve months (75 percent) were reconciled more than a month late.

PLAN:

The Regional Office of Education No. 28 will prepare bank reconciliations on a timely basis.

ANTICIPATED DATE OF COMPLETION:

Upon notification of finding.

CONTACT PERSON:

Ms. Angela Zarvell, Regional Superintendent of Schools

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2019**

2018-002

Delay of Audit

Not Repeated

During the current audit, the Regional Office of Education implemented corrective action and submitted their financial statements by August 31, 2019.

BASIC FINANCIAL STATEMENTS

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
STATEMENT OF NET POSITION
June 30, 2019**

	Primary Government Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,230,099
Accounts receivable	463
Due from other governments	828,231
Total current assets	2,058,793
Non-current assets:	
Capital assets, being depreciated, net	52,808
Total non-current assets	52,808
Total assets	2,111,601
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	502,741
Deferred outflows related to OPEB	15,821
Total deferred outflows of resources	518,562
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	2,721
Due to other governments	34,396
Unearned revenue	129,929
Total current liabilities	167,046
Non-current liabilities:	
Compensated absences	80,041
Net pension liability	167,774
OPEB liabilities	361,886
Total non-current liabilities	609,701
Total liabilities	776,747
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	546,639
Deferred inflows related to OPEB	119,146
Total deferred inflows of resources	665,785
NET POSITION	
Net investment in capital assets	52,808
Unrestricted	860,191
Restricted for educational purposes	274,632
Total net position	\$ 1,187,631

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

BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
Primary government:				
Governmental activities:				
Instructional services:				
Salaries and benefits	\$ 1,847,084	\$ -	\$ 1,817,562	\$ (29,522)
Pension expense	94,752	-	63,551	(31,201)
OPEB expense	24,609	-	-	(24,609)
Purchased services	325,509	25,832	254,204	(45,473)
Supplies and materials	129,086	261	127,102	(1,723)
Other objects	92,393	-	95,327	2,934
Capital outlay	-	-	15,888	15,888
Depreciation	18,679	-	-	(18,679)
Intergovernmental:				
Payments to other governments	857,932	-	803,922	(54,010)
Administrative:				
On-behalf payments	622,514	-	-	(622,514)
Total governmental activities	\$ 4,012,558	\$ 26,093	\$ 3,177,556	(808,909)
General revenues:				
Local sources				181,014
State sources				-
On-behalf payments				622,514
Total general revenue				803,528
CHANGE IN NET POSITION				(5,381)
NET POSITION, BEGINNING OF YEAR, AS RESTATED (NOTE 17)				1,193,012
NET POSITION, END OF YEAR				\$ 1,187,631

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019**

	<u>Special Revenue</u>			Total Governmental Funds
	General Fund	Education Fund	Other Nonmajor Funds	
ASSETS				
Cash and cash equivalents	\$ 829,995	\$ 193,524	\$ 206,580	\$ 1,230,099
Accounts receivable	248	-	215	463
Due from other governments	5,745	822,356	130	828,231
Due from other funds	786,374	-	-	786,374
Total assets	<u>1,622,362</u>	<u>1,015,880</u>	<u>206,925</u>	<u>2,845,167</u>
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,622,362</u>	<u>\$ 1,015,880</u>	<u>\$ 206,925</u>	<u>\$ 2,845,167</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 572	\$ 2,149	\$ -	\$ 2,721
Due to other governments	-	34,396	-	34,396
Due to other funds	175	786,199	-	786,374
Unearned revenue	4,500	125,429	-	129,929
Total liabilities	<u>5,247</u>	<u>948,173</u>	<u>-</u>	<u>953,420</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	18,985	-	18,985
FUND BALANCE				
Restricted	-	61,873	206,925	268,798
Assigned	388,845	-	-	388,845
Unassigned	1,228,270	(13,151)	-	1,215,119
Total fund balance	<u>1,617,115</u>	<u>48,722</u>	<u>206,925</u>	<u>1,872,762</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 1,622,362</u>	<u>\$ 1,015,880</u>	<u>\$ 206,925</u>	<u>\$ 2,845,167</u>

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2019**

Total fund balance of governmental funds	<u>\$ 1,872,762</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>52,808</u>
Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.	<u>18,985</u>
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:	
Deferred outflows of resources - IMRF	273,446
Deferred outflows of resources - TRS	229,295
Deferred outflows of resources - OPEB	4,164
Deferred outflows of resources - THIS	11,657
Deferred inflows of resources - IMRF	(54,007)
Deferred inflows of resources - TRS	(492,632)
Deferred inflows of resources - OPEB	(3,164)
Deferred inflows of resources - THIS	(115,982)
	<u>(147,223)</u>
Non-current liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
Compensated absences	(80,041)
Net pension liability - IMRF	(144,967)
Net pension liability - TRS	(22,807)
Total OPEB liability	(128,934)
Net OPEB liability	<u>(232,952)</u>
	<u>(609,701)</u>
Net position of governmental activities	<u><u>\$ 1,187,631</u></u>

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019**

	Special Revenue			Total Governmental Funds
	General Fund	Education Fund	Other Nonmajor Funds	
REVENUES:				
Local sources	\$ 112,643	\$ 131,747	\$ 26,093	\$ 270,483
State sources	66,732	697,660	1,389	765,781
Federal sources	1,639	2,366,463	-	2,368,102
On-behalf payments	459,539	-	-	459,539
Total revenues	<u>640,553</u>	<u>3,195,870</u>	<u>27,482</u>	<u>3,863,905</u>
EXPENDITURES:				
Instructional services:				
Salaries and benefits	13,241	1,818,944	-	1,832,185
Pension expense	91	73,382	121	73,594
OPEB expense	142	1,395	191	1,728
Purchased services	46,236	248,814	30,459	325,509
Supplies and materials	8,589	120,330	167	129,086
Other objects	-	92,245	148	92,393
Intergovernmental:				
Payments to other governments	52,783	805,149	-	857,932
Administrative:				
On-behalf payments	452,069	-	-	452,069
On-behalf payments - pension expense	7,470	-	-	7,470
Capital outlay	-	16,802	-	16,802
Total expenditures	<u>580,621</u>	<u>3,177,061</u>	<u>31,086</u>	<u>3,788,768</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>59,932</u>	<u>18,809</u>	<u>(3,604)</u>	<u>75,137</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,211	-	1,211
Transfers out	(1,211)	-	-	(1,211)
Total other financing sources (uses)	<u>(1,211)</u>	<u>1,211</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	58,721	20,020	(3,604)	75,137
FUND BALANCE, BEGINNING OF YEAR	<u>1,558,394</u>	<u>28,702</u>	<u>210,529</u>	<u>1,797,625</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,617,115</u>	<u>\$ 48,722</u>	<u>\$ 206,925</u>	<u>\$ 1,872,762</u>

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019**

Net change in fund balance	<u>\$ 75,137</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	16,802
Depreciation	<u>(18,679)</u>
	<u>(1,877)</u>
Some receivables will not be collected for several months after fiscal year end, so they are not considered as "available" revenues in the governmental funds, and they are instead counted as deferred inflows. They are, however, recorded as revenues in the Statement of Activities.	
Current year unavailable revenue	18,985
Prior year unavailable revenue	<u>(38,688)</u>
	<u>(19,703)</u>
The current year pension and OPEB contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the Statement of Net Position.	
	<u>41,071</u>
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. They consist of:	
Compensated absences	(20,971)
OPEB expense	(16,639)
OPEB expense - THIS	(1,898)
Pension expense - IMRF	(63,756)
Pension expense - TRS	3,255
	<u>(100,009)</u>
Change in net position of governmental activities	<u><u>\$ (5,381)</u></u>

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2019**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 23,759
Due from other governments	<u>845,709</u>
TOTAL ASSETS	<u><u>\$ 869,468</u></u>
LIABILITIES	
Due to other governments	<u><u>\$ 869,468</u></u>

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

The Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring of the safety, health and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses.

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

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

Basis of Presentation

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to users who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting

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

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Accounting

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

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

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

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

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

Administrators Academy - To support professional development of administrators.

Para-Professional - To provide training for teacher aides.

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Language Arts - Funds to pay for Language Arts workshops.

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

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

Fine Arts - To provide instruction on cultural issues.

School Improvement - To provide state mandated services.

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

Science - To provide support for science teachers.

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

Registration - To transfer educators' licensure fees to ISBE.

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

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

21st Century Community Learning Centers (Projects 10, 13, 15, 19, 25) - Provides academic enrichment opportunities during the extended school day and extended school year. Through academic enrichment, students will receive support in developing and mastering their reading, writing, and math skills via additional learning opportunities, tutoring, and homework support.

Early Childhood Block Grant Pre-K and Parental Training - To ensure that children start school ready to learn.

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

WIU Math and Science Partnership - A collaborative effort between the Regional Office of Education No. 28, Western Illinois University, and local high-needs LEAs to provide research based professional development to educators in the areas of math and science while integrating 21st Century Learning Skills and technology resources.

ISU Math and Science Partnership - A collaborative effort between the Regional Office of Education No. 28, Illinois State University, and local high-needs LEAs to provide research based professional development to educators in the areas of math and science while integrating 21st Century Learning Skills and technology resources.

Illinois Math and Science Partnership Project LP - A collaborative effort between the Regional Office of Education No. 28, Illinois State University, and Kewanee CUSD #229 to lead a statewide network that provides math and science professional development through a train-the-trainer model.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Prevention Initiative - To nurture infant/child and family development.

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

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Supervisory Fund - To account for monies from the State of Illinois for expenditures incurred providing supervisory services in the Counties.

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

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

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

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

Revenues - Exchange and Non-exchange Transactions

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

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

BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Deferred inflows of resources - Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the Statement of Net Position relate to pensions and OPEB and consist of the unamortized portion of the net difference between expected and actual experience, changes of assumptions, and the net difference between projected and actual earnings on plan investments.

Governmental Fund Balance

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Fund Balance - The portion of a governmental fund's net position that is subject to external enforceable legal restrictions. The following fund balances are restricted by grant agreements or contracts: General Operations, Salary, McKinney Education for Homeless Children, and Regional Safe Schools. The following funds are restricted by Illinois Statute: Institute Fund, General Educational Development Fund, Bus Driver Fund, and Hearing Fund.

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

Assigned Fund Balance - The portion of a governmental fund's net position to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts comprise assigned fund balances: Administrators Academy, Para-Professional, Standards Aligned Classroom, Homeless Grant Enterprise, Language Arts, Math, Lab Tech, Fine Arts, School Improvement, Science, and Reading First Enterprise.

Unassigned Fund Balance - Available expendable resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the following: Local, Interest Office Expense, General State Aid, District Services, Registration, Truants Alternative Optional Education Program, 21st Century Community Learning Centers (Projects 13, 15, 19, 25), Education Innovation and Research, and Supporting Effective Education Development.

Net Position

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

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

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Activity

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

Budgets and Budgetary Accounting

Bureau, Henry, and Stark Counties Regional Office of Education No. 28 did not formally adopt a budget for the year ended June 30, 2019 and is not legally required to do so; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, the Illinois State Board of Education requires budgets for certain State and Federal programs. These budgets were used to prepare the Budgetary Comparison Schedules for the following programs: General Operations, Truants Alternative Optional Education Program, McKinney Education for Homeless Children, 21st Century Community Learning Centers Project 13, 21st Century Community Learning Centers Project 15, 21st Century Community Learning Centers Project 19, 21st Century Community Learning Centers Project 25, Early Childhood Block Grant Pre-K and Parental Training, Early Childhood Block Grant Prevention Initiative and Parental Training, Title II Teacher Quality Leadership, Regional Safe Schools, Title I School Improvement and Accountability, Education Innovation and Research, Supporting Effective Education Development, and Prevention Initiative.

Revenue from Federal and State Grants

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

Interest Revenue

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Compensated Absences

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

Use of Estimates

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

Date of Management's Review

Management has evaluated subsequent events through July 24, 2020, the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

Deposits

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

The Regional Office of Education No. 28 utilizes several different bank accounts for its various activities. The book balance of such accounts is \$1,253,858 at June 30, 2019, while the bank balance was \$1,780,076. Included in the bank balance is \$11,577 deposited in the Illinois Funds.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 2 - CASH AND CASH EQUIVALENTS (CONCLUDED)

The Illinois Funds portfolio includes: certificates of deposit issued by Illinois financial institutions, repurchase agreements backed by direct treasury obligations from primary government securities dealers, direct treasury obligations of the U.S. Government, and money market funds backed by full faith and credit obligations of the U.S. Government. The Regional Office of Education No. 28 owns no identifiable investment securities in the Illinois Funds; therefore, credit risk cannot be assessed for the Illinois Funds.

Custodial credit risk is the risk that in event of bank failure, the Regional Office of Education No. 28's deposits may not be returned to it. The Regional Office of Education No. 28 does not have a deposit policy for custodial credit risk. As of June 30, 2019, \$261,577 of the deposits made by the Regional Office of Education No. 28 were covered by the Federal Depository Insurance Corporation (FDIC), and \$1,518,499 was collateralized by securities pledged by the Regional Office of Education No. 28's financial institution on behalf of the Regional Office of Education No. 28.

Credit Risk

At June 30, 2019, the Illinois Funds Money Market Fund had a Standards and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

Interest Rate Risk

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

Concentration of Credit Risk

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

A reconciliation of cash is as follows:

	Carrying Amount
Cash - Primary Government	\$1,230,099
Cash - Agency Funds	23,759
Total	<u>\$1,253,858</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 3 - COMMON BANK ACCOUNT

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

NOTE 4 - DUE FROM/TO OTHER GOVERNMENTS

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

Due From Other Governments

General Fund		
Local governments	\$	5,745
Education Fund		
Local governments		111,064
Illinois State Board of Education		711,292
Other Nonmajor Funds		
Local governments		130
Agency Funds		
Local governments		845,709
Total	\$	<u>1,673,940</u>

Due To Other Governments

Education Fund		
Local governments	\$	34,396
Agency Funds		
Local governments		869,468
Total	\$	<u>903,864</u>

NOTE 5 - DUE FROM/TO OTHER FUNDS

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, as of June 30, 2019 were:

Due From Other Funds

General Fund		
General State Aid	\$	375,000
District Services		411,374
Total	\$	<u>786,374</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 5 - DUE FROM/TO OTHER FUNDS (CONCLUDED)

Due To Other Funds

General Fund		
Registration	\$	175
Education Fund		
Bureau County Step Ahead		5,225
Henry County Step Ahead		22,077
Truants Alternative Optional Education Program		5,661
McKinney Education for Homeless Children		6,131
21st Century Community Learning Centers – Project 13		270,705
21st Century Community Learning Centers – Project 15		113,713
21st Century Community Learning Centers – Project 19		118,833
21st Century Community Learning Centers – Project 25		171,042
Rural School Achievement Program		4,287
Title I School Improvement and Accountability		763
Education Innovation and Research		6,306
Supporting Effective Education Development		61,456
Total	\$	<u>786,374</u>

NOTE 6 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2019 is as follows:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Governmental Funds:				
Furniture and equipment	\$ 170,881	\$ 16,802	\$ (42,679)	\$ 145,004
Less: accumulated depreciation	(116,196)	(18,679)	42,679	(92,196)
Capital assets, net	<u>\$ 54,685</u>	<u>\$ (1,877)</u>	<u>\$ -</u>	<u>\$ 52,808</u>

Depreciation expense was charged as follows:

Governmental activities: Instructional services: Depreciation	<u>\$ 18,679</u>
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NOTE 7 - COMPENSATED ABSENCES

The Regional Office of Education No. 28 allows vacation time for employees to be accumulated. Vacation time is calculated from the first month in which the date of hire occurred. After one year of continuous service, employees are entitled to vacation pay based upon the years of service. Upon termination employees receive pay for unused vacation earned from the previous working year. In addition, employees will receive pay for any accrued vacation earned as of the date of termination. The Regional Office of Education No. 28 records a liability associated with compensated absences. At June 30, 2019, the balance in this account was \$80,041.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - EMPLOYEE BENEFIT PLANS

Illinois Municipal Retirement System

IMRF Plan Description

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

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.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	7
Inactive Plan Members entitled to but not yet receiving benefits	29
Active Plan Members	36
Total	72

Contributions

As set by statute, Bureau, Henry, and Stark Counties Regional Office of Education No. 28's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. Bureau, Henry, and Stark Counties Regional Office of Education No. 28's annual contribution rate for calendar year 2018 was 6.79%. For the fiscal year ended June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 contributed \$79,974 to the plan. Bureau, Henry, and Stark Counties Regional Office of Education No. 28 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension (Asset) Liability

Bureau, Henry, and Stark Counties Regional Office of Education No. 28's net pension (asset) liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, 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 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF specific **Mortality** table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)

- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF- specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

<u>Asset Class</u>	<u>Portfolio Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	7.15%
International Equities	18	7.25
Fixed Income	28	3.75
Real Estate	9	6.25
Alternative Investments	7	
Private Equity		8.50
Hedge Funds		5.50
Commodities		3.20
Cash Equivalents	1	2.50
Total	100%	

Single Discount Rate

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension (Asset) Liability

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension (Asset) Liability <u>(A) - (B)</u>
Balances at December 31, 2017	\$ 1,456,345	\$ 1,546,191	\$ (89,846)
Changes for the year:			
Service cost	101,226	-	101,226
Interest on the total pension liability	111,541	-	111,541
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	24,440	-	24,440
Changes of assumptions	60,809	-	60,809
Contributions - employer	-	76,237	(76,237)
Contributions - employees	-	50,525	(50,525)
Net investment income	-	(62,411)	62,411
Benefit payments, including refunds of employee contributions	(40,354)	(40,354)	-
Other (net transfer)	-	(1,148)	1,148
Net changes	<u>257,662</u>	<u>22,849</u>	<u>234,813</u>
Balances at December 31, 2018	<u>\$ 1,714,007</u>	<u>\$ 1,569,040</u>	<u>\$ 144,967</u>

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

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

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Net pension (asset) liability	<u>\$ 424,191</u>	<u>\$ 144,967</u>	<u>\$ (79,720)</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)

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

For the year ended June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 recognized pension expense of \$105,477. At June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 60,784	\$ 28,906
Changes of assumptions	51,592	25,101
Net difference between projected and actual earnings on pension plan investments	<u>122,817</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in future periods	235,193	54,007
Employer contributions subsequent to the measurement date	<u>38,253</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 273,446</u></u>	<u><u>\$ 54,007</u></u>

\$38,253 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset) liability in the reporting year ended June 30, 2020.

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

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2019	\$ 56,099
2020	32,446
2021	34,811
2022	52,691
2023	5,139
Total	<u><u>\$ 181,186</u></u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

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

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2018>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits provided

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest 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. Disability and death benefits are also provided.

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 last 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.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the State of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2018, 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 Bureau, Henry, and Stark Counties Regional Office of Education No. 28.

On behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of Bureau, Henry, and Stark Counties Regional Office of Education No. 28. For the year ended June 30, 2019, State of Illinois contributions recognized by Bureau, Henry, and Stark Counties Regional Office of Education No. 28 were based on the State's proportionate share of the collective net pension liability associated with Bureau, Henry, and Stark Counties Regional Office of Education No. 28, and Bureau, Henry, and Stark Counties Regional Office of Education No. 28 recognized revenue and expenditures of \$146,732 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, 2019 were \$1,090, and are deferred because they were paid after the June 30, 2018 measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by Bureau, Henry, and Stark Counties Regional Office of Education No. 28, there is a statutory requirement for Bureau, Henry, and Stark Counties Regional Office of Education No. 28 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018. Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)

TRS has determined that beginning in the current fiscal year ended June 30, 2018, the actual contributions to the plan used as a basis of allocation no longer includes contributions paid from special trust or federal funds. In prior years, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS. Because of a change to the Illinois Pension Code (40 ILCS 5/16-158(c)), beginning July 1, 2017, employer contributions to the plan paid from special trust or federal funds are to be based upon a rate, expressed as a percentage of salary, equal to the total employer's normal cost. TRS now categorizes employer contributions from special trust or federal funds as employer specific liabilities under GASB Statement No. 68, paragraph 92.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$22,110 were paid from federal and special trust funds that required employer contributions of \$2,178. These contributions were deferred because they were paid after the June 30, 2018 measurement date.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. Bureau, Henry, and Stark Counties Regional Office of Education No. 28 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 did not make any employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent, for salary increases in excess of 3 percent, or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by Bureau, Henry, and Stark Counties Regional Office of Education No. 28 as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Bureau, Henry, and Stark Counties Regional Office of Education No. 28 follows:

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)

ROE's proportionate share of the net pension liability	\$ 22,807
State's proportionate share of the net pension liability associated with the ROE	<u>1,562,367</u>
Total	<u>\$1,585,174</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. Bureau, Henry, and Stark Counties Regional Office of Education No. 28's proportion of the net pension liability was based on Bureau, Henry, and Stark Counties Regional Office of Education No. 28's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2018, Bureau, Henry, and Stark Counties Regional Office of Education No. 28's proportion was .0000292603 percent, which was a decrease of .0008288090 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 recognized pension expense of \$146,732 and revenue of \$146,732 for support provided by the State. For the year ended June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 recognized pension income of \$3,255. At June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 458	\$ 5
Net difference between projected and actual earnings on pension plan investments	-	70
Change of assumptions	1,000	646
Changes in proportion and differences between employer contributions and proportionate share of contributions	226,747	491,911
Employer contributions subsequent to the measurement date	<u>1,090</u>	<u>-</u>
Total	<u>\$ 229,295</u>	<u>\$ 492,632</u>

\$1,090 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, 2020. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows in these reporting years:

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Year Ended	
June 30:	Amount
2020	\$ (4,697)
2021	(12,083)
2022	(87,121)
2023	(109,808)
2024	(50,718)
Total	\$ (264,427)

Actuarial assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	15.0%	6.7%
U.S. equities small/mid cap	2.0%	7.9%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.4%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.4%
International debt developed	2.2%	1.3%
Emerging international debt	2.6%	4.5%
Real estate	16.0%	5.4%
Real return	4.0%	1.8%
Absolute return	14.0%	3.9%
Private equity	15.0%	10.2%
Total	<u>100.0%</u>	

Discount Rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2017 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, 2018 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially-funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Bureau, Henry, and Stark Counties Regional Office of Education No. 28's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents Bureau, Henry, and Stark Counties Regional Office of Education No. 28's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what Bureau, Henry, and Stark Counties Regional Office of Education No. 28's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONCLUDED)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Regional Office of Education No. 28's proportionate share of the net pension liability	\$ 27,970	\$ 22,807	\$ 18,649

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2018 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Change in Accounting Estimate

Beginning with the June 30, 2019 disclosure year (June 30, 2018 measurement year), employer contributions on federally-funded salaries are treated as specific liabilities. Only the 0.58 percent and contributions paid by the State for the 2017-2018 school year were used to allocate Bureau, Henry, and Stark Counties Regional Office of Education No. 28's share of the net pension liability. Therefore, 0.58 percent contributions for the 2018-2019 school year were paid subsequent to the measurement date and should be deferred. In previous years, federal contributions were also used to allocate Bureau, Henry, and Stark Counties Regional Office of Education No. 28's share of the net pension liability.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS

Plan Description

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

Eligibility Provisions

Full-Time Employees - IMRF

Tier I IMRF Full-Time employees:

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

Tier II IMRF Full-Time employees:

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

Full-Time Employees - TRS

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

Benefits Provided

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

Membership

At June 30, 2019 membership consisted of:

	IMRF
Inactive employees currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	30
Total	30

Funding Policy and Contributions

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
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June 30, 2019**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

The contributions of \$6,072 from other Bureau, Henry, and Stark Counties Regional Office of Education No. 28 resources and benefit payments of \$6,072 from other Bureau, Henry, and Stark Counties Regional Office of Education No. 28 resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

Total OPEB Liability

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2017 actuarial valuation date and adjusted to the June 30, 2019 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Actuarial Assumptions

Discount Rate used for the Total OPEB Liability	3.50%
Long-Term Expected Rate of Return on Plan Assets	N/A. OPEB obligation is unfunded
Long-Term Inflation Expectation	2.50%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.50%
Salary Increases	The salary increase assumption of 2.50% was based on a review of the IMRF December 31, 2017 Actuarial Valuation.
Annual Blended Premiums	Premiums charged for coverage of retiree and spouse are \$6,163 and \$5,288, respectively.
Healthcare Trend Rates	Initial trend rate is based on the 2018 Segal Health Plan Cost Trend Survey. For fiscal years on and after 2019, trend starts at 6.87% for both non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 5.00%.
Retiree Contribution Rates	Same as Healthcare Trend Rates.

IMRF Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates. Spouse Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generationally using MP-2016 Improvement Rates.

The retirement rates disclosed in the IMRF December 31, 2017 Actuarial Valuation were used to estimate the single retirement ages pursuant to the Alternative Measurement Method for GASB 74/75.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
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June 30, 2019**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

For any active participant who will not meet the service requirement necessary to retire at the single retirement ages, it is assumed they have prior service with a different employer and therefore will be eligible to retire. In the current valuation, there are 3 participants impacted by this assumption.

The mortality rates were used to estimate the single age at death per participant pursuant to the Alternative Measurement Method for GASB 74/75.

The probability of working to the assumed retirement age was determined based on the underlying termination rates pursuant to the Alternative Measurement Method for GASB 74/75.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at July 1, 2018	\$ 107,962
Changes for the period:	
Service cost	18,609
Interest	4,060
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	4,375
Benefit payments	(6,072)
Net changes	20,972
Balance at June 30, 2019	\$ 128,934

Discount Rate

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
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June 30, 2019**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

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

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown is the June 27, 2019 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

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

Changes of assumptions reflect a change in the discount rate from 3.87% in fiscal year 2018 to 3.50% in fiscal year 2019.

Sensitivity of the Discount Rate

The following presents Bureau, Henry, and Stark Counties Regional Office of Education No. 28's total OPEB liability calculated using a discount rate of 3.50%, 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 (4.50%) or 1-percentage-point lower (2.50%) than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Employer's total OPEB liability	\$ 145,378	\$ 128,934	\$ 115,374

Sensitivity of the Healthcare Trend Rates

The following presents Bureau, Henry, and Stark Counties Regional Office of Education No. 28's total OPEB liability, calculated using the healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 6.87% in 2019 decreasing to an ultimate trend rate of 5.00% in 2027 for both non-Medicare coverage and post-Medicare coverage.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's total OPEB liability	\$ 114,041	\$ 128,934	\$ 146,877

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

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

For the year ending June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 recognized OPEB expense of \$22,711. At June 30, 2019 Bureau, Henry, and Stark Counties Regional Office of Education No. 28 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	4,164	3,164
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	-	-
Total Deferred Amounts Related to OPEB	\$ 4,164	\$ 3,164

Subsequent to the measurement date, the following amounts will be recognized in OPEB expense in the upcoming years:

Years Ending June 30,	Net Deferred Outflows of Resources
2020	\$ 42
2021	42
2022	42
2023	42
2024	42
Thereafter	790
Total	\$ 1,000

Teachers' Health Insurance Security Fund

THIS Plan Description

Bureau, Henry, and Stark Counties Regional Office of Education No. 28 participates in the Teachers' Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple- employer defined benefit postemployment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Illinois Department of Central Management Services (CMS) as of July 1, 2013. The CMS administers the plan with the cooperation of the TRS.

Benefits Provided

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

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

On-behalf Contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of Bureau, Henry, and Stark Counties Regional Office of Education No. 28. For the year ended June 30, 2019, State of Illinois contributions recognized by the Bureau, Henry, and Stark Counties Regional Office of Education No. 28 were based on the State's proportionate share of the collective net OPEB liability associated with Bureau, Henry, and Stark Counties Regional Office of Education No. 28, and recognized revenue and expenditures of \$16,243 in OPEB contributions from the State of Illinois.

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

Bureau, Henry, and Stark Counties Regional Office of Education No. 28 also makes contributions to the THIS Fund. Bureau, Henry, and Stark Counties Regional Office of Education No. 28 THIS Fund contribution was 0.92 percent during the year ended June 30, 2019 and 0.88 and 0.84 percent during the years ended June 30, 2018 and June 30, 2017, respectively. For the year ended June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 paid \$1,728 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2018 and June 30, 2017, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 paid \$1,845 and \$2,332, respectively, which was 100 percent of the required contributions.

Further information on the THIS Fund

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

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-2014.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

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).

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 3.56 percent as of June 30, 2017, and 3.62 percent as of June 30, 2018.

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

The following presents Bureau, Henry, and Stark Counties Regional Office of Education No. 28's proportionate share of the collective net OPEB liability, as well as what the ROE's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
Regional Office of Education No. 28's proportionate share of the collective net OPEB liability	\$ 280,033	\$ 232,952	\$ 195,688

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

The following table shows Bureau, Henry, and Stark Counties Regional Office of Education No. 28's net OPEB liability as of June 30, 2018, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Trend Rates	1% Increase (b)
Regional Office of Education No. 28's proportionate share of the collective net OPEB liability	\$ 188,842	\$ 232,952	\$ 292,251

- a** *One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate rate of 3.86% in 2026 for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.*

- b** *One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.86% in 2026, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.*

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

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

At June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to Bureau, Henry, and Stark Counties Regional Office of Education No. 28. The amount recognized by Bureau, Henry, and Stark Counties Regional Office of Education No. 28 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 Bureau, Henry, and Stark Counties Regional Office of Education No. 28 were as follows:

Regional Office of Education No. 28's proportionate share of the collective net OPEB liability	\$ 232,952
State's proportionate share of the collective net OPEB liability associated with the employer	<u>312,880</u>
Total	<u>\$ 545,832</u>

The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and was rolled forward to the June 30, 2018 measurement date. Bureau, Henry, and Stark Counties Regional Office of Education No. 28's proportion of the collective net OPEB liability was based on a projection of Bureau, Henry, and Stark Counties Regional Office of Education No. 28's long-term share of contributions to the OPEB plan relative to the projected contributions of Bureau, Henry, and Stark Counties Regional Office of Education No. 28, actuarially determined. At June 30, 2018, Bureau, Henry, and Stark Counties Regional Office of Education No. 28's proportion was 0.000884 percent, which was a decrease of 0.000323 percent from its proportion measured as of June 30, 2017 (0.001207 percent). The State's support and total are for disclosure purposes only.

For the year ended June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 recognized OPEB expense of \$16,243 and revenue of \$16,243 for support provided by the State. For the year ended June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 recognized OPEB expense of \$1,898. At June 30, 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONCLUDED)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 836
Net difference between projected and actual earnings on OPEB plan investments	-	7
Changes of assumptions	-	33,922
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,929	81,217
Employer contributions subsequent to the measurement date	1,728	-
Total	<u>\$ 11,657</u>	<u>\$ 115,982</u>

\$1,728 reported as deferred outflows of resources related to OPEB resulting from Bureau, Henry, and Stark Counties Regional Office of Education No. 28 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in Bureau, Henry, and Stark Counties Regional Office of Education No. 28's OPEB expense as follows:

<u>Years Ending June 30,</u>	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2020	\$ (16,772)
2021	(16,772)
2022	(16,772)
2023	(16,772)
2024	(16,770)
Thereafter	(22,195)
Total	<u>\$ (106,053)</u>

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2018, is available in the separately issued THIS Financial Report.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 10 - LONG-TERM LIABILITIES

	Balance June 30, 2018, As Restated	Additions	Deletions	Balance June 30, 2019	Amounts Due Within One Year
Governmental Activities					
Compensated absences	\$ 59,070	\$ 66,862	\$ 45,891	\$ 80,041	\$ -
Net pension liability	655,549	-	487,775	167,774	-
OPEB liabilities	421,172	-	59,286	361,886	-
	<u>\$ 1,135,791</u>	<u>\$ 66,862</u>	<u>\$ 592,952</u>	<u>\$ 609,701</u>	<u>\$ -</u>

NOTE 11 - SALARIES AND OTHER CONTRIBUTIONS

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

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

NOTE 12 -ON-BEHALF PAYMENTS

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

Regional Superintendent - salary	\$ 112,512
Regional Superintendent - benefits (includes state paid insurance)	37,701
Assistant Regional Superintendent - salary	101,256
Assistant Regional Superintendent - benefits (includes state paid insurance)	34,535
County on-behalf payments	173,535
Total on-behalf payments	<u><u>\$ 459,539</u></u>

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 12 -ON-BEHALF PAYMENTS (CONCLUDED)

Bureau, Henry, and Stark Counties Regional Office of Education No. 28 also recorded \$146,732 in revenue and expenses as on-behalf payments from ISBE for Bureau, Henry, and Stark Counties Regional Office of Education No. 28's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 recorded \$16,243 in revenue and expenses as on-behalf payments from Central Management Services (CMS) for the Regional Office's share of the State's THIS contributions in the Statement of Activities. Further, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois and county on-behalf payments	\$ 459,539
Bureau, Henry, and Stark Counties Regional Office of Education No. 28's share of TRS pension expense	146,732
Bureau, Henry, and Stark Counties Regional Office of Education No. 28's share of THIS OPEB expense	<u>16,243</u>
Total on-behalf payments	<u><u>\$ 622,514</u></u>

NOTE 13 - DEFICIT FUND BALANCES

At June 30, 2019, the following funds had deficit fund balances. They are expected to correct themselves in 2020, through payments from the State and transfers from local funds.

General Fund	
Registration	\$ (175)
Education Fund	
Truants Alternative Optional Education Program	(6,620)
21st Century Community Learning Centers Project 13	(326)
21st Century Community Learning Centers Project 15	(375)
21st Century Community Learning Centers Project 19	(66)
21st Century Community Learning Centers Project 25	(381)
Education Innovation and Research	(452)
Supporting Effective Education Development	(4,931)

NOTE 14 - LEASE COMMITMENT

Bureau, Henry, and Stark Counties Regional Office of Education No. 28 is committed under a lease agreement for a building facility located in Atkinson, IL. An agreement commencing on July 1, 2018 and extending to June 30, 2022 requires quarterly lease payments of \$7,500. Rental expense for the year ended June 30, 2019 was \$30,000 under this agreement.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2019**

NOTE 14 - LEASE COMMITMENT (CONCLUDED)

Bureau, Henry, and Stark Counties Regional Office of Education No. 28 is committed under a lease agreement for a building facility located in Kewanee, IL. The agreement commenced on July 1, 2018 and expired June 30, 2019. The lease required monthly lease payments of \$450. Rental expense for the year ended June 30, 2019 was \$5,400 under this lease agreement.

Future minimum lease payments under operating leases are as follows:

Years Ending June 30,	Future Minimum Rental Payments
2020	\$ 30,000
2021	30,000
2022	30,000
Total	<u>\$ 90,000</u>

NOTE 15 - RISK MANAGEMENT

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

NOTE 16 - NEW PRONOUNCEMENTS

In 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations* and GASB No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The implementation of these standards did not have a significant effect on the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's financial statements.

NOTE 17 - RESTATEMENT

In 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 restated opening net position in order to reflect liabilities associated with the Teachers' Retirement System of the State of Illinois' (TRS) net pension liability and Teachers' Health Insurance Security's (THIS) net OPEB liability. The changes are as follows:

**BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2019**

NOTE 17 - RESTATEMENT (CONCLUDED)

	Governmental Activities
Net position, June 30, 2018, as previously reported	\$ 1,820,608
Effect of restatement related to TRS net pension liability	(290,489)
Effect of restatement related to THIS net OPEB liability	(337,107)
Net position, July 1, 2018, as restated	\$ 1,193,012

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to Schedule:

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

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

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2018	\$ 76,237	\$ 76,237	\$ -	\$1,122,785	6.79%
2017	68,696	68,696	-	907,475	7.57%
2016	63,243	63,243	-	843,236	7.50%
2015	67,161	67,161	-	856,647	7.84%
2014	51,237	59,476	(8,239)	730,915	8.14%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2018 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	25-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75%
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

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

Mortality:

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation; note two-year lag between valuation and rate settings.

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2019***
(UNAUDITED)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	0.0000292603%	0.0008580693%	0.0008318369%	0.000837599%	0.0000231008%
Employer's proportionate share of the net pension liability	\$ 22,807	\$ 655,549	\$ 656,619	\$ 54,871	\$ 14,059
State's proportionate share of the net pension liability associated with the employer	<u>1,562,367</u>	<u>8,796,503</u>	<u>8,956,550</u>	<u>819,116</u>	<u>209,827</u>
Total	<u>\$ 1,585,174</u>	<u>\$ 9,452,052</u>	<u>\$ 9,613,169</u>	<u>\$ 873,987</u>	<u>\$ 223,886</u>
Employer's covered payroll	\$ 209,609	\$ 277,665	\$ 269,602	\$ 152,583	\$ 142,108
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.9%	236.1%	243.6%	36.0%	9.9%
Plan fiduciary net position as a percentage of the total pension liability	40.0%	39.3%	36.4%	41.5%	43.0%

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

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily-required contribution	\$ 1,090	\$ 3,779	\$ 35,352	\$ 32,215	\$ 2,935	\$ 824
Contributions in relation to the statutorily-required contribution	<u>1,090</u>	<u>3,779</u>	<u>35,352</u>	<u>32,215</u>	<u>2,935</u>	<u>824</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 187,866	\$ 209,609	\$ 277,665	\$ 269,602	\$ 152,583	\$ 142,108
Contributions as a percentage of covered payroll	0.58%	1.80%	12.73%	11.95%	1.92%	0.58%

Notes to Required Supplementary Information

Changes of assumptions

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

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

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

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

BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE COLLECTIVE NET OPEB LIABILITY
TEACHERS' HEALTH INSURANCE SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2019*
(UNAUDITED)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's proportion of the collective net OPEB liability	0.000884%	0.001207%	0.001157%
Employer's proportionate share of the collective net OPEB liability	\$ 232,952	\$ 313,210	\$ 316,411
State's proportionate share of the collective net OPEB liability associated with the employer	<u>312,880</u>	<u>411,255</u>	<u>438,777</u>
Total	<u>\$ 545,832</u>	<u>\$ 724,465</u>	<u>\$ 755,188</u>
Employer's covered payroll	\$ 209,609	\$ 277,665	\$ 269,602
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	111.1%	112.8%	117.4%
Plan fiduciary net position as a percentage of the total OPEB liability	(0.07%)	(0.17%)	(0.22%)

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' HEALTH INSURANCE SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)

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

† These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information which is available is presented.

Notes to This Required Supplementary Information

Changes of Benefit Terms

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

Changes of Assumptions

For the purpose of developing changes in OPEB Liability for GASB 74/75 reporting, there have been no changes in assumptions from the prior period.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF CHANGES IN THE TOTAL
OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS**

**For the Year Ended June 30, 2019
(UNAUDITED)**

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

Notes to Schedule:

Changes of Assumptions:

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

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

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

SUPPLEMENTAL INFORMATION

BUREAU, HENRY AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND ACCOUNTS
 June 30, 2019

	Local	Interest Office Expense	Administrators Academy	Para-Professional	General State Aid	Standards Aligned Classroom
ASSETS						
Cash and cash equivalents	\$ 57,588	\$ 43,021	\$ 63,085	\$ 12,209	\$ 119,920	\$ 21,846
Accounts receivable	-	-	-	-	-	-
Due from other governments	-	-	210	-	-	-
Due from other funds	-	-	-	-	375,000	-
Total assets	<u>57,588</u>	<u>43,021</u>	<u>63,295</u>	<u>12,209</u>	<u>494,920</u>	<u>21,846</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 57,588</u>	<u>\$ 43,021</u>	<u>\$ 63,295</u>	<u>\$ 12,209</u>	<u>\$ 494,920</u>	<u>\$ 21,846</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Assigned	-	-	63,295	12,209	-	21,846
Unassigned	<u>57,588</u>	<u>43,021</u>	-	-	<u>494,920</u>	-
Total fund balance (deficit)	<u>57,588</u>	<u>43,021</u>	<u>63,295</u>	<u>12,209</u>	<u>494,920</u>	<u>21,846</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 57,588</u>	<u>\$ 43,021</u>	<u>\$ 63,295</u>	<u>\$ 12,209</u>	<u>\$ 494,920</u>	<u>\$ 21,846</u>

BUREAU, HENRY AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND ACCOUNTS
 June 30, 2019

	Homeless Grant Enterprise	Language Arts	Math	Lab Tech	Fine Arts	School Improvement
ASSETS						
Cash and cash equivalents	\$ 21	\$ 131,174	\$ 14,571	\$ 93,109	\$ 19,004	\$ 25,342
Accounts receivable	-	-	-	-	-	-
Due from other governments	-	960	470	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	21	132,134	15,041	93,109	19,004	25,342
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	21	132,134	15,041	93,109	19,004	25,342
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Assigned	21	132,134	15,041	93,109	19,004	25,342
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	21	132,134	15,041	93,109	19,004	25,342
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	21	132,134	15,041	93,109	19,004	25,342

BUREAU, HENRY AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND ACCOUNTS
 June 30, 2019

	<u>District Services</u>	<u>Science</u>	<u>Reading First Enterprise</u>	<u>Registration</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 222,261	\$ 3,549	\$ 3,295	\$ -	\$ 829,995
Accounts receivable	248	-	-	-	248
Due from other governments	4,105	-	-	-	5,745
Due from other funds	411,374	-	-	-	786,374
Total assets	<u>637,988</u>	<u>3,549</u>	<u>3,295</u>	<u>-</u>	<u>1,622,362</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 637,988</u>	<u>\$ 3,549</u>	<u>\$ 3,295</u>	<u>\$ -</u>	<u>\$ 1,622,362</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 572	\$ -	\$ -	\$ -	\$ 572
Due to other funds	-	-	-	175	175
Unearned revenue	4,500	-	-	-	4,500
Total liabilities	<u>5,072</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>5,247</u>
DEFERRED INFLOWS OF RESOURCES					
None	-	-	-	-	-
FUND BALANCE (DEFICIT)					
Assigned	-	3,549	3,295	-	388,845
Unassigned	632,916	-	-	(175)	1,228,270
Total fund balance (deficit)	<u>632,916</u>	<u>3,549</u>	<u>3,295</u>	<u>(175)</u>	<u>1,617,115</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 637,988</u>	<u>\$ 3,549</u>	<u>\$ 3,295</u>	<u>\$ -</u>	<u>\$ 1,622,362</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO.28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2019**

	<u>Local</u>	<u>Interest Office Expense</u>	<u>Administrators Academy</u>	<u>Para- Professional</u>	<u>General State Aid</u>	<u>Standards Aligned Classroom</u>
REVENUES:						
Local sources	\$ 205	\$ -	\$ 4,347	\$ 2,260	\$ 1,062	\$ 46
State sources	-	-	-	-	66,732	-
Federal sources	-	-	-	-	-	-
On-behalf payments	459,539	-	-	-	-	-
Total revenues	<u>459,744</u>	<u>-</u>	<u>4,347</u>	<u>2,260</u>	<u>67,794</u>	<u>46</u>
EXPENDITURES:						
Instructional services:						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Pension expense	-	-	-	-	-	-
OPEB expense	-	-	-	-	-	-
Purchased services	-	-	3,767	1,101	644	-
Supplies and materials	85	-	579	-	122	-
Intergovernmental:						
Payments to other governments	-	-	-	-	50,539	-
Administrative:						
On-behalf payments	452,069	-	-	-	-	-
On-behalf payments - pension expense	7,470	-	-	-	-	-
Total expenditures	<u>459,624</u>	<u>-</u>	<u>4,346</u>	<u>1,101</u>	<u>51,305</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	120	-	1	1,159	16,489	46
OTHER FINANCING USES:						
Transfers out	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	120	-	1	1,159	16,489	46
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	57,468	43,021	63,294	11,050	478,431	21,800
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 57,588</u>	<u>\$ 43,021</u>	<u>\$ 63,295</u>	<u>\$ 12,209</u>	<u>\$ 494,920</u>	<u>\$ 21,846</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO.28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2019**

		<u>Homeless Grant Enterprise</u>	<u>Language Arts</u>	<u>Math</u>	<u>Lab Tech</u>	<u>Fine Arts</u>	<u>School Improvement</u>
REVENUES:							
Local sources	\$	-	\$ 19,436	\$ 4,391	\$ 194	\$ 40	\$ 53
State sources		-	-	-	-	-	-
Federal sources		-	-	-	-	-	-
On-behalf payments		-	-	-	-	-	-
Total revenues		-	<u>19,436</u>	<u>4,391</u>	<u>194</u>	<u>40</u>	<u>53</u>
EXPENDITURES:							
Instructional services:							
Salaries		-	-	-	-	-	-
Benefits		-	-	-	-	-	-
Pension expense		-	-	-	-	-	-
OPEB expense		-	-	-	-	-	-
Purchased services		-	15,971	1,837	-	-	-
Supplies and materials		-	1,943	96	-	-	-
Intergovernmental:							
Payments to other governments		-	375	-	-	-	-
Administrative:							
On-behalf payments		-	-	-	-	-	-
On-behalf payments - pension expense		-	-	-	-	-	-
Total expenditures		-	<u>18,289</u>	<u>1,933</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		-	1,147	2,458	194	40	53
OTHER FINANCING USES:							
Transfers out		-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)		-	1,147	2,458	194	40	53
FUND BALANCE (DEFICIT), BEGINNING OF YEAR		21	130,987	12,583	92,915	18,964	25,289
FUND BALANCE (DEFICIT), END OF YEAR		<u>\$ 21</u>	<u>\$ 132,134</u>	<u>\$ 15,041</u>	<u>\$ 93,109</u>	<u>\$ 19,004</u>	<u>\$ 25,342</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO.28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2019**

	District Services	Science	Reading First Enterprise	Registration	Total
REVENUES:					
Local sources	\$ 80,595	\$ 7	\$ 7	-	\$ 112,643
State sources	-	-	-	-	66,732
Federal sources	1,639	-	-	-	1,639
On-behalf payments	-	-	-	-	459,539
Total revenues	<u>82,234</u>	<u>7</u>	<u>7</u>	<u>-</u>	<u>640,553</u>
EXPENDITURES:					
Instructional services:					
Salaries	11,889	-	-	-	11,889
Benefits	1,352	-	-	-	1,352
Pension expense	91	-	-	-	91
OPEB expense	142	-	-	-	142
Purchased services	22,916	-	-	-	46,236
Supplies and materials	5,764	-	-	-	8,589
Intergovernmental:					
Payments to other governments	1,869	-	-	-	52,783
Administrative:					
On-behalf payments	-	-	-	-	452,069
On-behalf payments - pension expense	-	-	-	-	7,470
Total expenditures	<u>44,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>580,621</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	38,211	7	7	-	59,932
OTHER FINANCING USES:					
Transfers out	(1,211)	-	-	-	(1,211)
NET CHANGE IN FUND BALANCE (DEFICIT)	37,000	7	7	-	58,721
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	595,916	3,542	3,288	(175)	1,558,394
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 632,916</u>	<u>\$ 3,549</u>	<u>\$ 3,295</u>	<u>\$ (175)</u>	<u>\$ 1,617,115</u>

BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2019

	Bureau County Step Ahead	Henry County Step Ahead	General Operations	Truants Alternative Optional Education Program	McKinney Education for Homeless Children
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 55,698	\$ -	\$ 362
Due from other governments	6,374	24,285	-	6,645	-
Total assets	6,374	24,285	55,698	6,645	362
	-	-	-	-	-
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,374	\$ 24,285	\$ 55,698	\$ 6,645	\$ 362
LIABILITIES					
Accounts payable and accrued expenses	\$ 145	\$ -	\$ -	\$ -	\$ -
Due to other governments	1,004	2,208	-	959	438
Due to other funds	5,225	22,077	-	5,661	6,131
Unearned revenue	-	-	-	-	-
Total liabilities	6,374	24,285	-	6,620	6,569
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	6,645	-
FUND BALANCE (DEFICIT)					
Restricted	-	-	55,698	-	362
Unassigned	-	-	-	(6,620)	-
Total fund balance (deficit)	-	-	55,698	(6,620)	362
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 6,374	\$ 24,285	\$ 55,698	\$ 6,645	\$ 362

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2019**

		21st Century Community Learning Centers <u>Project 10</u>	21st Century Community Learning Centers <u>Project 13</u>	21st Century Community Learning Centers <u>Project 15</u>	21st Century Community Learning Centers <u>Project 19</u>	21st Century Community Learning Centers <u>Project 25</u>	Early Childhood Block Grant Pre-K and Parental Training
ASSETS							
Cash and cash equivalents	\$	-	-	-	-	-	-
Due from other governments		280,820	280,820	118,262	121,162	177,929	-
Total assets		<u>280,820</u>	<u>280,820</u>	<u>118,262</u>	<u>121,162</u>	<u>177,929</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES							
None		-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		<u>\$ 280,820</u>	<u>\$ 280,820</u>	<u>\$ 118,262</u>	<u>\$ 121,162</u>	<u>\$ 177,929</u>	<u>\$ -</u>
LIABILITIES							
Accounts payable and accrued expenses	\$	-	497	470	115	698	-
Due to other governments		-	9,302	4,079	2,214	6,189	-
Due to other funds		-	270,705	113,713	118,833	171,042	-
Unearned revenue		-	-	-	-	-	-
Total liabilities		<u>-</u>	<u>280,504</u>	<u>118,262</u>	<u>121,162</u>	<u>177,929</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue		-	642	375	66	381	-
FUND BALANCE (DEFICIT)							
Restricted		-	-	-	-	-	-
Unassigned		-	(326)	(375)	(66)	(381)	-
Total fund balance (deficit)		<u>-</u>	<u>(326)</u>	<u>(375)</u>	<u>(66)</u>	<u>(381)</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)		<u>\$ -</u>	<u>\$ 280,820</u>	<u>\$ 118,262</u>	<u>\$ 121,162</u>	<u>\$ 177,929</u>	<u>\$ -</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2019**

		Early Childhood Block Grant Prevention Initiative and Parental Training	WIU Math and Science Partnership	ISU Math and Science Partnership	Illinois Math and Science Partnership Project LP	Teacher Mentoring and Mentoring Pilot Program	Rural School Achievement Program
ASSETS							
Cash and cash equivalents	\$	128,154	-	-	-	3,565	-
Due from other governments		-	-	-	-	-	4,287
Total assets		<u>128,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,565</u>	<u>4,287</u>
DEFERRED OUTFLOWS OF RESOURCES							
None		-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$	<u>128,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,565</u>	<u>4,287</u>
LIABILITIES							
Accounts payable and accrued expenses	\$	224	-	-	-	-	-
Due to other governments		6,066	-	-	-	-	-
Due to other funds		-	-	-	-	-	4,287
Unearned revenue		121,864	-	-	-	3,565	-
Total liabilities		<u>128,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,565</u>	<u>4,287</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue		-	-	-	-	-	-
FUND BALANCE (DEFICIT)							
Restricted		-	-	-	-	-	-
Unassigned		-	-	-	-	-	-
Total fund balance (deficit)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)	\$	<u>128,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,565</u>	<u>4,287</u>

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2019

	Title II Teacher Quality Leadership	Regional Safe Schools	Title I School Improvement and Accountability	Education Innovation and Research	Supporting Effective Education Development	Prevention Initiative	Totals
ASSETS							
Cash and cash equivalents	-	5,745	-	-	-	-	193,524
Due from other governments	-	5,493	981	6,338	63,143	-	822,356
Total assets	-	11,238	981	6,338	63,143	-	1,015,880
DEFERRED OUTFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ 11,238</u>	<u>\$ 981</u>	<u>\$ 6,338</u>	<u>\$ 63,143</u>	<u>\$ -</u>	<u>\$ 1,015,880</u>
LIABILITIES							
Accounts payable and accrued expenses	-	-	-	-	-	-	2,149
Due to other governments	-	-	218	32	1,687	-	34,396
Due to other funds	-	-	763	6,306	61,456	-	786,199
Unearned revenue	-	-	-	-	-	-	125,429
Total liabilities	-	-	981	6,338	63,143	-	948,173
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	5,493	-	452	4,931	-	18,985
FUND BALANCE (DEFICIT)							
Restricted	-	5,745	-	-	-	-	61,873
Unassigned	-	-	-	(452)	(4,931)	-	(13,151)
Total fund balance (deficit)	-	5,745	-	(452)	(4,931)	-	48,722
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ 11,238</u>	<u>\$ 981</u>	<u>\$ 6,338</u>	<u>\$ 63,143</u>	<u>\$ -</u>	<u>\$ 1,015,880</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	<u>Bureau County Step Ahead</u>	<u>Henry County Step Ahead</u>	<u>General Operations</u>	<u>Tuants Alternative Optional Education Program</u>	<u>Salary</u>	<u>McKinney Education for Homeless Children</u>
REVENUES:						
Local sources	\$ -	\$ 131,747	\$ -	\$ -	\$ -	\$ -
State sources	-	-	114,427	80,197	-	-
Federal sources	67,125	-	-	-	-	23,215
Total revenues	<u>67,125</u>	<u>131,747</u>	<u>114,427</u>	<u>80,197</u>	<u>-</u>	<u>23,215</u>
EXPENDITURES:						
Instructional services:						
Salaries	38,319	79,268	83,773	57,671	-	10,184
Benefits	10,149	17,702	1,331	11,480	-	2,693
Pension expense	2,451	5,102	478	2,166	-	674
OPEB expense	-	-	757	-	-	-
Purchased services	15,460	24,285	14,507	7,383	-	2,928
Supplies and materials	587	5,230	2,064	835	-	6,416
Other objects	-	-	9,811	7,147	-	-
Intergovernmental:						
Payment to other governments	160	160	-	160	-	320
Capital outlay	-	-	2,249	-	-	-
Total expenditures	<u>67,126</u>	<u>131,747</u>	<u>114,970</u>	<u>86,842</u>	<u>-</u>	<u>23,215</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1)	-	(543)	(6,645)	-	-
OTHER FINANCING SOURCES:						
Transfers in	-	132	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	(1)	132	(543)	(6,645)	-	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	1	(132)	56,241	25	362	68
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,698</u>	<u>\$ (6,620)</u>	<u>\$ 362</u>	<u>\$ 68</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	21st Century Community Learning Centers <u>Project 10</u>	21st Century Community Learning Centers <u>Project 13</u>	21st Century Community Learning Centers <u>Project 15</u>	21st Century Community Learning Centers <u>Project 19</u>	21st Century Community Learning Centers <u>Project 25</u>	Early Childhood Block Grant Pre-K and Parental Training
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	40,972
Federal sources	-	784,609	416,145	316,700	483,763	-
Total revenues	-	784,609	416,145	316,700	483,763	40,972
EXPENDITURES:						
Instructional services:						
Salaries	-	339,849	147,656	127,804	210,584	4,292
Benefits	-	85,989	32,954	27,900	50,210	1,129
Pension expense	-	17,987	8,107	6,641	10,265	286
OPEB expense	-	-	-	-	-	-
Purchased services	-	41,836	24,647	10,794	22,086	1,292
Supplies and materials	-	33,776	26,374	15,340	18,898	-
Other objects	-	15,915	9,021	5,519	9,037	779
Intergovernmental:						
Payment to other governments	-	249,899	167,761	120,588	163,064	-
Capital outlay	-	-	-	2,180	-	-
Total expenditures	-	785,251	416,520	316,766	484,144	7,778
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)/EXPENDITURES	-	(642)	(375)	(66)	(381)	33,194
OTHER FINANCING SOURCES:						
Transfers in	103	-	-	-	-	67
NET CHANGE IN FUND BALANCE (DEFICIT)	103	(642)	(375)	(66)	(381)	33,261
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(103)	316	-	-	-	(33,261)
FUND BALANCE (DEFICIT), END OF YEAR	\$ -	\$ (326)	\$ (375)	\$ (66)	\$ (381)	\$ -

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	Early Childhood Block Grant Prevention Initiative and Parental Training	WIU Math and Science Partnership	ISU Math and Science Partnership	Illinois Math and Science Partnership Project L.P.	Teacher Mentoring and Mentoring Pilot Program	Rural School Achievement Program
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	310,954	-	-	-	-	17,098
Federal sources	-	-	-	-	-	17,098
Total revenues	<u>310,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,098</u>
EXPENDITURES:						
Instructional services:						
Salaries	176,957	-	-	-	-	14,727
Benefits	59,352	-	-	-	-	307
Pension expense	8,837	-	-	-	-	-
OPEB expense	-	-	-	-	-	-
Purchased services	27,899	-	-	-	-	366
Supplies and materials	6,389	-	-	-	-	-
Other objects	25,474	-	-	-	-	-
Intergovernmental:						
Payment to other governments	-	-	-	-	-	-
Capital outlay	6,395	-	-	-	-	1,698
Total expenditures	<u>311,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,098</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(349)	-	-	-	-	-
OTHER FINANCING SOURCES:						
Transfers in	410	249	249	1	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	61	249	249	1	-	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(61)	(249)	(249)	(1)	-	-
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	<u>Title II Teacher Quality Leadership</u>	<u>Regional Safe Schools</u>	<u>Title I School Improvement and Accountability</u>	<u>Education Innovation and Research</u>	<u>Supporting Effective Education Development</u>	<u>Prevention Initiative</u>	<u>Totals</u>
REVENUES:							
Local sources	-	-	-	-	-	-	\$ 131,747
State sources	-	65,916	-	-	-	85,194	697,660
Federal sources	983	-	6,921	20,235	229,669	-	2,366,463
Total revenues	<u>983</u>	<u>65,916</u>	<u>6,921</u>	<u>20,235</u>	<u>229,669</u>	<u>85,194</u>	<u>3,195,870</u>
EXPENDITURES:							
Instructional services:							
Salaries	-	47,398	855	8,368	96,131	49,276	1,493,112
Benefits	-	2,700	65	536	7,573	13,762	325,832
Pension expense	-	975	53	35	4,431	4,894	73,382
OPEB expense	-	339	-	56	243	-	1,395
Purchased services	983	7,195	5,948	2,482	30,808	7,915	248,814
Supplies and materials	-	-	-	152	1,435	2,834	120,330
Other objects	-	7,309	-	-	-	2,233	92,245
Intergovernmental:							
Payment to other governments	-	-	-	9,058	93,979	-	805,149
Capital outlay	-	-	-	-	-	4,280	16,802
Total expenditures	<u>983</u>	<u>65,916</u>	<u>6,921</u>	<u>20,687</u>	<u>234,600</u>	<u>85,194</u>	<u>3,177,061</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(452)	(4,931)	-	18,809
OTHER FINANCING SOURCES:							
Transfers in	-	-	-	-	-	-	1,211
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-	(452)	(4,931)	-	20,020
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	-	5,745	-	-	-	-	28,702
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ 5,745</u>	<u>\$ -</u>	<u>\$ (452)</u>	<u>\$ (4,931)</u>	<u>\$ -</u>	<u>\$ 48,722</u>

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 For the Year Ended June 30, 2019

	General Operations			Truants Alternative Optional Education Program				
	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget
REVENUES:								
State sources	\$ 114,427	\$ 114,427	\$ 114,427	\$ -	\$ 79,870	\$ 79,870	\$ 80,197	\$ 327
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>114,427</u>	<u>114,427</u>	<u>114,427</u>	<u>-</u>	<u>79,870</u>	<u>79,870</u>	<u>80,197</u>	<u>327</u>
EXPENDITURES:								
Instructional services:								
Salaries	-	81,940	83,773	(1,833)	-	49,985	57,671	(7,686)
Benefits	-	3,803	1,331	2,472	-	12,897	11,480	1,417
Pension expense	-	-	478	(478)	-	-	2,166	(2,166)
OPEB expense	-	-	757	(757)	-	-	-	-
Purchased services	6,588	13,474	14,507	(1,033)	7,910	8,165	7,383	782
Supplies and materials	3,000	2,500	2,064	436	1,493	1,395	835	560
Other objects	500	10,710	9,811	899	-	7,203	7,147	56
Intergovernmental:								
Payments to other governments	102,339	-	-	-	70,467	225	160	65
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>2,249</u>	<u>(249)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>114,427</u>	<u>114,427</u>	<u>114,970</u>	<u>(543)</u>	<u>79,870</u>	<u>79,870</u>	<u>86,842</u>	<u>(6,972)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	(543)	(543)	\$ -	\$ -	(6,645)	(6,645)
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)			(543)	(543)			(6,645)	(6,645)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>56,241</u>				<u>25</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 55,698</u>				<u>\$ (6,620)</u>	

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 For the Year Ended June 30, 2019

	McKinney Education for Homeless Children			21st Century Community Learning Centers Project 13		
	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget
REVENUES:						
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	20,334	23,215	(1,989)	999,520	784,609	(214,911)
Total revenues	20,334	23,215	(1,989)	999,520	784,609	(214,911)
EXPENDITURES:						
Instructional services:						
Salaries	-	10,184	1,151	371,492	339,849	31,643
Benefits	-	2,693	1,148	111,815	85,989	25,826
Pension expense	-	674	(674)	-	17,987	(17,987)
OPEB expense	-	-	-	-	-	-
Purchased services	4,570	2,928	24	71,731	41,836	29,895
Supplies and materials	3,107	6,416	340	81,701	33,776	47,925
Other objects	-	-	-	-	15,915	3,123
Intergovernmental:						
Payments to other governments	12,657	320	-	362,781	249,899	93,884
Capital outlay	-	-	-	-	-	-
Total expenditures	20,334	23,215	1,989	999,520	785,251	214,269
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ (642)	\$ (642)
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)						
					(642)	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR		68			316	
FUND BALANCE (DEFICIT), END OF YEAR		\$ 68			\$ (326)	

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 For the Year Ended June 30, 2019

	21st Century Community Learning Centers Project 15			21st Century Community Learning Centers Project 19		
	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget
REVENUES:						
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	499,090	416,145	(82,945)	449,723	316,700	(133,023)
Total revenues	499,090	416,145	(82,945)	449,723	316,700	(133,023)
EXPENDITURES:						
Instructional services:						
Salaries	155,324	147,656	7,668	148,004	127,804	20,200
Benefits	56,213	32,954	23,259	43,883	27,900	15,983
Pension expense	-	8,107	(8,107)	-	6,641	(6,641)
OPEB expense	-	-	-	-	-	-
Purchased services	42,076	24,647	17,429	31,981	10,794	21,187
Supplies and materials	40,493	26,374	14,119	38,341	15,340	23,001
Other objects	-	9,021	(227)	-	5,519	2,321
Intergovernmental:						
Payments to other governments	204,984	167,761	28,429	184,714	120,588	56,286
Capital outlay	-	-	-	2,800	2,180	620
Total expenditures	499,090	416,520	82,570	449,723	316,766	132,957
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	(375)	(375)	\$ -	(66)	(66)
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)		(375)			(66)	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR		-			-	
FUND BALANCE (DEFICIT), END OF YEAR		\$ (375)			\$ (66)	

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 For the Year Ended June 30, 2019

	21st Century Community Learning Centers Project 25			Early Childhood Block Grant Pre-K and Parental Training		
	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget
REVENUES:						
State sources	\$ -	\$ -	\$ -	\$ 315,238	\$ 40,972	\$ (274,266)
Federal sources	535,354	483,763	(51,591)	-	-	-
Total revenues	535,354	483,763	(51,591)	315,238	40,972	(274,266)
EXPENDITURES:						
Instructional services:						
Salaries	212,105	210,584	11,311	-	4,292	(4,292)
Benefits	72,648	50,210	23,203	-	1,129	(1,129)
Pension expense	-	10,265	(10,265)	-	286	(286)
OPEB expense	-	-	-	-	-	-
Purchased services	28,767	22,086	8,777	28,918	1,292	27,626
Supplies and materials	34,350	18,898	15,452	5,100	-	5,100
Other objects	-	9,037	1,363	9,534	779	8,755
Intergovernmental:						
Payments to other governments	187,484	163,064	1,369	270,686	-	270,686
Capital outlay	-	-	-	1,000	-	1,000
Total expenditures	535,354	484,144	51,210	315,238	7,778	307,460
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ (381)	\$ (381)	\$ -	\$ 33,194	\$ 33,194
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	67	67
NET CHANGE IN FUND BALANCE (DEFICIT)					33,261	33,261
FUND BALANCE (DEFICIT), BEGINNING OF YEAR					(33,261)	(33,261)
FUND BALANCE (DEFICIT), END OF YEAR		\$ (381)			\$ -	\$ -

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 For the Year Ended June 30, 2019

	Early Childhood Block Grant Prevention Initiative and Parental Training			Title II Teacher Quality Leadership		
	Budgeted Original	Budgeted Final	Variance with Final Budget	Budgeted Original	Budgeted Final	Variance with Final Budget
REVENUES:						
State sources	\$ 423,448	\$ 423,448	\$ 310,954	\$ -	\$ -	\$ -
Federal sources	-	-	-	983	983	983
Total revenues	423,448	423,448	310,954	983	983	983
EXPENDITURES:						
Instructional services:						
Salaries	-	200,999	176,957	-	-	-
Benefits	-	80,211	59,352	-	-	-
Pension expense	-	-	8,837	-	-	-
OPEB expense	-	-	-	-	-	-
Purchased services	67,570	68,816	27,899	983	983	983
Supplies and materials	19,807	19,807	6,389	-	-	-
Other objects	10,990	46,515	25,474	-	-	-
Intergovernmental:						
Payments to other governments	318,681	700	700	-	-	-
Capital outlay	6,400	6,400	6,395	-	-	-
Total expenditures	423,448	423,448	311,303	983	983	983
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	(349)	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES:						
Transfers in			410			-
NET CHANGE IN FUND BALANCE (DEFICIT)			61			-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(61)			-
FUND BALANCE (DEFICIT), END OF YEAR			\$ -			\$ -

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 For the Year Ended June 30, 2019

	Regional Safe Schools			Title I School Improvement and Accountability		
	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget
REVENUES:						
State sources	\$ 65,916	\$ 65,916	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	7,500	6,921	(579)
Total revenues	65,916	65,916	-	7,500	6,921	(579)
EXPENDITURES:						
Instructional services:						
Salaries	-	47,398	1,170	-	1,330	475
Benefits	-	2,700	1,062	-	192	127
Pension expense	-	975	(975)	-	53	(53)
OPEB expense	-	339	(339)	-	-	-
Purchased services	10,817	7,195	(918)	7,500	5,978	30
Supplies and materials	-	-	-	-	-	-
Other objects	-	7,309	-	-	-	-
Intergovernmental:						
Payments to other governments	55,099	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	65,916	65,916	-	7,500	6,921	579
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-	-	-	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR		5,745				
FUND BALANCE (DEFICIT), END OF YEAR	\$ -	\$ 5,745		\$ -	\$ -	

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 For the Year Ended June 30, 2019

	Education Innovation and Research			Supporting Effective Education Development		
	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget
REVENUES:						
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	69,000	20,235	(48,765)	93,152	229,669	(280,856)
Total revenues	69,000	20,235	(48,765)	93,152	229,669	(280,856)
EXPENDITURES:						
Instructional services:						
Salaries	14,000	8,368	5,632	34,885	96,131	78,637
Benefits	-	536	(536)	-	7,573	26,729
Pension expense	-	35	(35)	-	4,431	(4,431)
OPEB expense	-	56	(56)	-	243	(243)
Purchased services	10,000	2,482	7,518	14,828	30,808	12,482
Supplies and materials	-	152	(152)	-	1,435	2,065
Other objects	-	-	-	-	-	-
Intergovernmental:						
Payments to other governments	45,000	9,058	35,942	43,439	93,979	160,686
Capital outlay	-	-	-	-	-	-
Total expenditures	69,000	20,687	48,313	93,152	234,600	275,925
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	(452)	(452)	\$ -	(4,931)	(4,931)
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)		(452)			(4,931)	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR		-			-	
FUND BALANCE (DEFICIT), END OF YEAR		\$ (452)			\$ (4,931)	

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 For the Year Ended June 30, 2019

	Prevention Initiative			Variance with Final Budget
	Budgeted Amounts Original	Final	Actual Amounts	
REVENUES:				
State sources	\$ 117,035	\$ 117,035	\$ 85,194	\$ (31,841)
Federal sources	-	-	-	-
Total revenues	117,035	117,035	85,194	(31,841)
EXPENDITURES:				
Instructional services:				
Salaries	-	-	49,276	(49,276)
Benefits	-	-	13,762	(13,762)
Pension expense	-	-	4,894	(4,894)
OPEB expense	-	-	-	-
Purchased services	7,017	13,477	7,915	5,562
Supplies and materials	1,500	4,160	2,834	1,326
Other objects	-	3,238	2,233	1,005
Intergovernmental:				
Payments to other governments	102,518	87,308	-	87,308
Capital outlay	6,000	8,852	4,280	4,572
Total expenditures	117,035	117,035	85,194	31,841
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES:				
Transfers in			-	-
NET CHANGE IN FUND BALANCE (DEFICIT)			-	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			-	-
FUND BALANCE (DEFICIT), END OF YEAR			\$ -	\$ -

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING-BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2019

	Institute Fund	General Educational Development Fund	Bus Driver Fund	Hearing Fund	Supervisory Fund	Totals
ASSETS						
Cash and cash equivalents	\$ 166,186	\$ 11,393	\$ 24,181	\$ 4,820	\$ -	\$ 206,580
Accounts receivable	-	215	-	-	-	215
Due from other governments	-	-	130	-	-	130
Total assets	166,186	11,608	24,311	4,820	-	206,925
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 166,186</u>	<u>\$ 11,608</u>	<u>\$ 24,311</u>	<u>\$ 4,820</u>	<u>\$ -</u>	<u>\$ 206,925</u>
LIABILITIES						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE						
Restricted	166,186	11,608	24,311	4,820	-	206,925
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 166,186</u>	<u>\$ 11,608</u>	<u>\$ 24,311</u>	<u>\$ 4,820</u>	<u>\$ -</u>	<u>\$ 206,925</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2019**

	<u>Institute Fund</u>	<u>General Educational Development Fund</u>	<u>Bus Driver Fund</u>	<u>Hearing Fund</u>	<u>Supervisory Fund</u>	<u>Totals</u>
REVENUES:						
Local sources	\$ 19,869	\$ 3,397	\$ 2,817	\$ 10	\$ -	\$ 26,093
State sources	-	-	1,389	-	-	1,389
Total revenues	<u>19,869</u>	<u>3,397</u>	<u>4,206</u>	<u>10</u>	<u>-</u>	<u>27,482</u>
EXPENDITURES:						
Instructional services:						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Pension expense	121	-	-	-	-	121
OPEB expense	191	-	-	-	-	191
Purchased services	27,729	-	2,561	-	169	30,459
Supplies and materials	108	59	-	-	-	167
Other objects	148	-	-	-	-	148
Total expenditures	<u>28,297</u>	<u>59</u>	<u>2,561</u>	<u>-</u>	<u>169</u>	<u>31,086</u>
NET CHANGE IN FUND BALANCE	(8,428)	3,338	1,645	10	(169)	(3,604)
FUND BALANCE, BEGINNING OF YEAR	<u>174,614</u>	<u>8,270</u>	<u>22,666</u>	<u>4,810</u>	<u>169</u>	<u>210,529</u>
FUND BALANCE, END OF YEAR	<u>\$ 166,186</u>	<u>\$ 11,608</u>	<u>\$ 24,311</u>	<u>\$ 4,820</u>	<u>\$ -</u>	<u>\$ 206,925</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2019**

	Distributive Interest Fund	School Facility Occupation Tax	Total
ASSETS			
Cash (overdraft) and cash equivalents	\$ 23,760	\$ (1)	\$ 23,759
Due from other governments	-	845,709	845,709
TOTAL ASSETS	\$ 23,760	\$ 845,708	\$ 869,468
LIABILITIES			
Due to other governments	\$ 23,760	\$ 845,708	\$ 869,468

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2019**

	<u>Balance, June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2019</u>
DISTRIBUTIVE INTEREST FUND				
ASSETS				
Cash and cash equivalents	\$ 22,186	\$ 1,574	\$ -	\$ 23,760
LIABILITIES				
Due to other governments	\$ 22,186	\$ 1,574	\$ -	\$ 23,760
SCHOOL FACILITY OCCUPATION TAX				
ASSETS				
Cash (overdraft) and cash equivalents	\$ (1)	\$ 3,263,618	\$ 3,263,618	\$ (1)
Due from other governments	876,500	845,709	876,500	845,709
TOTAL ASSETS	<u>\$ 876,499</u>	<u>\$ 4,109,327</u>	<u>\$ 4,140,118</u>	<u>\$ 845,708</u>
LIABILITIES				
Due to other governments	\$ 876,499	\$ 4,109,327	\$ 4,140,118	\$ 845,708
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 22,185	\$ 3,265,192	\$ 3,263,618	\$ 23,759
Due from other governments	876,500	845,709	876,500	845,709
TOTAL ASSETS	<u>\$ 898,685</u>	<u>\$ 4,110,901</u>	<u>\$ 4,140,118</u>	<u>\$ 869,468</u>
LIABILITIES				
Due to other governments	\$ 898,685	\$ 4,110,901	\$ 4,140,118	\$ 869,468

BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
For the Year Ended June 30, 2019

<u>Program</u>	<u>Erie</u> CUSD #1	<u>PLT</u> CUSD #3	<u>United</u> Township HSD #30	<u>Colona</u> Elementary SD #190	<u>ROWVA</u> CUSD #208	<u>Orion</u> CUSD #223	<u>Galva</u> CUSD #224
School Facility Occupation Tax	\$ 1,997	\$ 1,815	\$ 64,607	\$ 179,068	\$ 470	\$ 392,626	\$ 198,166

BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
For the Year Ended June 30, 2019

<u>Program</u>	<u>AIWood</u> CUSD #225	<u>Annawan</u> CUSD #226	<u>Cambridge</u> CUSD #227	<u>Geneseo</u> CUSD #228	<u>Kewanee</u> CUSD #229	<u>Wethersfield</u> CUSD #230	<u>Total</u>
School Facility Occupation Tax	\$ 150,126	\$ 117,908	\$ 189,773	\$ 1,012,831	\$ 736,900	\$ 217,331	\$ 3,263,618

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019**

Federal Grantor/Pass- Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education			
Direct Program			
Rural Education			
Rural Education Achievement Award	84.358A	S358A180213	\$ 17,098
Passed-Through Illinois State Board of Education			
Title I Grants to Local Educational Agencies			
Title I - School Improvement and Accountability	84.010A	S010A170013	6,921
Passed-Through Boone/Winnebago Counties Regional Office of Education No. 4			
Title I Grants to Local Educational Agencies			
Title I - School Improvement (SSOS)	84.010A	18-4331-SS	1,639
			<u>8,560</u>
Passed-Through Illinois State Board of Education			
Twenty-First Century Community Learning Centers			
Twenty-First Century Community Learning Centers	M 84.287C	18-4421-13	99,185
Twenty-First Century Community Learning Centers	M 84.287C	18-4421-15	81,304
Twenty-First Century Community Learning Centers	M 84.287C	18-4421-25	50,059
Twenty-First Century Community Learning Centers	M 84.287C	19-4421-13	686,066
Twenty-First Century Community Learning Centers	M 84.287C	19-4421-15	335,216
Twenty-First Century Community Learning Centers	M 84.287C	19-4421-19	316,766
Twenty-First Century Community Learning Centers	M 84.287C	19-4421-25	434,085
			<u>2,002,681</u>
Supporting Effective Instruction State Grants			
Title II - Teacher Quality Leadership	84.367A	19-4935-02	983
Passed-Through Lee/Ogle/Whiteside Counties Regional Office of Education No. 47			
Education for Homeless Children and Youth			
McKinney Education for Homeless Children	84.196A	19-4920-00	23,215
Passed-Through DuPage County Regional Office of Education No. 19			
Education Innovation and Research			
	84.411C	U411C170142	20,687
Passed-Through Illinois State University			
Supporting Effective Educator Development Program			
Supporting Effective Education Development	M 84.423A	A18-0059-S006	234,600
Total U.S. Department of Education			<u>2,307,824</u>
U.S. Department of Labor			
Passed-Through Business Employment Skills Team, Inc.			
Workforce Innovation and Opportunity (WIOA) Youth Activities			
WIA - Bureau County Step Ahead Program	17.259	18-003	67,125
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,374,949</u>

(M) Program was audited as a major program

The accompanying notes are an integral part of this schedule.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019**

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Bureau/Henry/Stark Counties Regional Office of Education No. 28 under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Regional Office of Education No. 28, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Regional Office of Education No. 28.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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