



**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, 2021**

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

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

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

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**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	1	1
Repeated audit findings	1	-
Prior recommendations implemented or not repeated	-	2

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>			
2021-001	14	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency

Findings and Questioned Costs (Federal Compliance)

None

Prior Audit Findings not Repeated (Government Auditing Standards)

None

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 finding and recommendation appearing in this report were discussed with Agency personnel at an informal exit conference on December 1, 2021. Attending from the Regional Office of Education No. 28 were Angela Zarvell, Regional Superintendent; and Misty Bruno, Bookkeeper; and from Adelfia LLC were Stella Marie Santos, Jennifer Roan, Maria Divina Valera, Partners. Response to the recommendation was provided by Angela Zarvell, Regional Superintendent, on March 29, 2022.

**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 cash basis 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, 2021, 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to 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 cash basis 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, 2021, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

Emphasis of Matter

As discussed in Note 14 to the financial statements, beginning with fiscal year 2021, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 has presented its financial statements in accordance with the cash basis of accounting described in Note 1 and adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Previous financial statements were presented in accordance with generally accepted accounting principles (GAAP). Our opinion is not modified with respect to these matters.

Other Matters

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, Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance is the responsibility of management and was derived from and relates 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, 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 on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2022 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
June 24, 2022



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

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 cash basis 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, 2021, 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 June 24, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Regional Office of Education No. 28's Response to Finding

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

Purpose of this Report

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

SIGNED ORIGINAL ON FILE

Chicago, Illinois
June 24, 2022



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited Bureau, Henry, and Stark Counties Regional Office of Education No. 28's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's major federal programs for the year ended June 30, 2021. 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, 2021.

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
June 24, 2022

**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, 2021**

Financial Statements in accordance with Cash Basis

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>Federal Assistance Listing 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, 2021**

FINDING 2021-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-001)

CRITERIA/SPECIFIC REQUIREMENT:

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

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

CONDITION:

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

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

EFFECT:

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-001) (Concluded)

CAUSE:

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

RECOMMENDATION:

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

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems including services provided by subservice organizations, at least annually.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 28's operations.
- Document its review of the SOC reports or perform alternative procedures to evaluate all significant issues to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 28, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

MANAGEMENT'S RESPONSE:

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
For the Year Ended June 30, 2021**

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, 2021**

Corrective Action Plan

FINDING 2021-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-001)

CONDITION:

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

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

PLAN:

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2021**

Corrective Action Plan (Concluded)

FINDING 2021-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-001) (Concluded)

ANTICIPATED DATE OF COMPLETION:

June 30, 2022

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, 2021**

None

BASIC FINANCIAL STATEMENTS

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
STATEMENT OF ACTIVITIES AND NET POSITION - CASH BASIS
As of and For the Year Ended June 30, 2021**

FUNCTIONS/PROGRAMS	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
Primary government:				
Governmental activities:				
Instructional services:				
Salaries and benefits	\$ 2,037,207	\$ -	\$ 1,807,889	\$ (229,318)
Purchased services	269,319	31,710	164,636	(72,973)
Supplies and materials	321,668	-	279,571	(42,097)
Other objects	97,330	-	86,977	(10,353)
Capital outlay	22,005	-	18,638	(3,367)
Intergovernmental:				
Payments to other governments	878,234	-	748,628	(129,606)
Total governmental activities	\$ 3,625,763	\$ 31,710	\$ 3,106,339	(487,714)
General receipts:				
Local sources				184,868
Interest				4,036
Total general receipts				188,904
CHANGE IN NET POSITION				(298,810)
NET POSITION, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)				1,600,631
NET POSITION, END OF YEAR				\$ 1,301,821
ASSETS				
Cash and cash equivalents				\$ 1,301,821
NET POSITION				
Unrestricted				\$ 1,084,039
Restricted for educational purposes				217,782
TOTAL NET POSITION				\$ 1,301,821

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

BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS
As of and For the Year Ended June 30, 2021

	<u>Special Revenue</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
RECEIPTS:				
Local sources	\$ 117,915	\$ 171,971	\$ 31,332	\$ 321,218
State sources	67,331	686,594	1,296	755,221
Federal sources	-	2,246,478	-	2,246,478
Interest	<u>3,658</u>	<u>-</u>	<u>378</u>	<u>4,036</u>
Total receipts	<u>188,904</u>	<u>3,105,043</u>	<u>33,006</u>	<u>3,326,953</u>
DISBURSEMENTS:				
Instructional services:				
Salaries and benefits	11,278	2,025,929	-	2,037,207
Purchased services	35,484	185,813	48,022	269,319
Supplies and materials	6,326	315,342	-	321,668
Other objects	-	97,330	-	97,330
Intergovernmental:				
Payments to other governments	36,524	841,710	-	878,234
Capital outlay	<u>1,010</u>	<u>20,995</u>	<u>-</u>	<u>22,005</u>
Total disbursements	<u>90,622</u>	<u>3,487,119</u>	<u>48,022</u>	<u>3,625,763</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>98,282</u>	<u>(382,076)</u>	<u>(15,016)</u>	<u>(298,810)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	6,794	-	6,794
Transfers out	<u>(6,794)</u>	<u>-</u>	<u>-</u>	<u>(6,794)</u>
Total other financing sources (uses)	<u>(6,794)</u>	<u>6,794</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE (DEFICIT)	91,488	(375,282)	(15,016)	(298,810)
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	<u>1,699,054</u>	<u>(331,221)</u>	<u>232,798</u>	<u>1,600,631</u>
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 1,790,542</u>	<u>\$ (706,503)</u>	<u>\$ 217,782</u>	<u>\$ 1,301,821</u>
CASH BASIS ASSETS - END OF YEAR				
Cash and cash equivalents	<u>\$ 1,790,542</u>	<u>\$ (706,503)</u>	<u>\$ 217,782</u>	<u>\$ 1,301,821</u>
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR				
Restricted	\$ -	\$ 193,644	\$ 217,782	\$ 411,426
Assigned	405,594	-	-	405,594
Unassigned	<u>1,384,948</u>	<u>(900,147)</u>	<u>-</u>	<u>484,801</u>
TOTAL FUND BALANCE (DEFICIT)	<u>\$ 1,790,542</u>	<u>\$ (706,503)</u>	<u>\$ 217,782</u>	<u>\$ 1,301,821</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 CASH BASIS ASSETS AND FIDUCIARY NET POSITION AND
CASH ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BASIS
FIDUCIARY NET POSITION - FIDUCIARY FUNDS
As of and For the Year Ended June 30, 2021**

	Custodial Fund
	<u>School Facility Occupation Tax</u>
ADDITIONS:	
Sales tax collections for other governments	\$ 3,410,781
Total additions	<u>3,410,781</u>
DEDUCTIONS:	
Payments of sales tax to other governments	3,411,051
Total deductions	<u>3,411,051</u>
CHANGE IN NET POSITION	(270)
NET POSITION, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	<u>270</u>
NET POSITION, END OF YEAR	<u>\$ -</u>
CASH BASIS ASSETS - END OF YEAR	
None	<u>\$ -</u>
NET POSITION	
None	<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, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Measurement Focus and Basis of Accounting section of this note, these financial statements are presented in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

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
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Statement of Activities and Net Position – Cash Basis demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts 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 receipts are reported instead as general receipts. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting

Bureau, Henry, and Stark Counties Regional Office of Education No. 28 maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the Regional Office of Education are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transaction or event are not reported. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under the terms of grant agreements, the Bureau, Henry, and Stark Counties Regional Office of Education No. 28 funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net position available to finance the program. It is the Bureau, Henry, and Stark Counties Regional Office of Education No. 28's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

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 which constitute its assets, net position or fund balance, receipts and disbursements. 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 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 bank account.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Special Revenue Fund - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than fiduciary and major capital projects) that are legally restricted to disbursement for specified purposes.

BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The ROE reports the following special revenue funds as major governmental funds:

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

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

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

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

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

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

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

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

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.

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.

Governor's Emergency Education Relief (GEER) - To provide resources for children enrolled in the prevention initiative program that are disproportionately impacted by COVID-19.

IL-Empower - To provide support to schools in need, as identified by the Illinois State Board of Education.

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, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Fiduciary Fund Types - Custodial 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.

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

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.

Cash and Cash Equivalents

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.

Governmental Fund Balance

In the governmental fund financial statements, cash basis fund balances classified as follows:

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.

Restricted Fund Balance - The portion of a governmental fund's net position that is subject to external enforceable legal restrictions. The following fund balances are restricted by grant agreements or contracts: General Operations, Truants Alternative Optional Education Program, Salary, Early Childhood Block Grant Prevention Initiative and Parental Training, Teacher Mentoring and Mentoring Pilot Program, and Regional Safe Schools. The following funds are restricted by Illinois Statute: Institute Fund, General Educational Development Fund, Bus Driver Fund, and Hearing Fund.

BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, Bureau County Step Ahead, Henry County Step Ahead, 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, Education Innovation and Research, Supporting Effective Education Development, and IL-Empower.

Cash Basis Net Position

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

Restricted net position - results when constraints placed on the use of cash balances are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - consists of cash balances not meeting the definition of the preceding category. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

Interfund Activity

Interfund activity is reported as either services provided, reimbursements or transfers. Services provided, deemed to be at market or near market rates, are treated as receipts and disbursements. 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.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021 and is not legally required to do so; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, the Illinois State Board of Education requires budgets for certain State and Federal programs. These budgets were used to prepare the Budgetary Comparison Schedules for the following programs: General Operations, Truants Alternative Optional Education Program, McKinney Education for Homeless Children, 21st Century Community Learning Centers Project 13, 21st Century Community Learning Centers Project 15, 21st Century Community Learning Centers Project 19, 21st Century Community Learning Centers Project 25, Early Childhood Block Grant Prevention Initiative and Parental Training, Title II Teacher Quality Leadership, Regional Safe Schools, Education Innovation and Research, Supporting Effective Education Development, and Governor's Emergency Education Relief.

Subsequent Events

Management has evaluated subsequent events through June 24, 2022, the date the financial statements were available to be issued.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

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 \$1,301,821 at June 30, 2021, while the bank balance was \$1,693,595. Included in the bank balance is \$49,217 deposited in the Illinois Funds. The Illinois Funds portfolio includes certificates of deposit issued by Illinois financial institutions, repurchase agreements backed by direct treasury obligations from primary government securities dealers, direct treasury obligations of the U.S. Government, and money market funds backed by full faith and credit obligations of the U.S. Government. The Regional Office of Education No. 28 owns no identifiable investment securities in the Illinois Funds; therefore, credit risk cannot be assessed for the Illinois Funds.

Custodial credit risk is the risk that in event of bank failure, the Regional Office of Education No. 28's deposits may not be returned to it. The Regional Office of Education No. 28 does not have a deposit policy for custodial credit risk. As of June 30, 2021, \$300,217 of the deposits made by the Regional Office of Education No. 28 were covered by the Federal Depository Insurance Corporation (FDIC), and \$1,393,378 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, 2021, the Illinois Funds Money Market Fund had a Standards and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Interest Rate Risk

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

Concentration of Credit Risk

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

A reconciliation of cash is as follows:

	Carrying <u>Amount</u>
Cash and Cash Equivalents - Primary Government	\$ 1,301,821
Cash - Custodial Funds	<u> -</u>
Total	<u>\$ 1,301,821</u>

NOTE 3 - COMMON BANK ACCOUNT

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 4 - 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 Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating 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:

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)

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

Employees Covered by Benefit Terms

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

	IMRF
Retirees and beneficiaries currently receiving benefits	9
Inactive plan members entitled to but not yet receiving benefits	30
Active plan members	37
Total	76

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 2020 was 7.09%. For the fiscal year ended June 30, 2021, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 contributed \$95,754 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.

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Benefits provided

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

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

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

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

Contributions

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2020, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the 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.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2021, were \$1,088.

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.

For the year ended June 30, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$27,923 were paid from federal and special trust funds that required employer contributions of \$2,907.

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.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, 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, or for sick leave days granted in excess of the normal annual allotment.

NOTE 5 - 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. Bureau, Henry, and Stark Counties Regional Office of Education No. 28 made employer contributions to the plan totaling \$279,161 for the year ended June 30, 2021.

Eligibility Provisions

Full-Time Employees - IMRF

Tier I IMRF Full-Time employees:

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

Tier II IMRF Full-Time employees:

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

Full-Time Employees – TRS

Tier I TRS Full-Time employees:

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

Tier II TRS Full-Time employees:

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

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

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 5 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

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, 2021 membership consisted of:

Inactive employees currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>25</u>
Total	25

Funding Policy and Contributions

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

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

The contributions of \$5,610 from other Bureau/Henry/Stark Counties Regional Office of Education No. 28 resources and benefit payments of \$5,610 from other Bureau/Henry/Stark Counties Regional Office of Education No. 28 resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 5 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

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. 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.

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, 2021, 2020, and 2019. For the year ended June 30, 2021, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 paid \$1,727 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2020 and 2019, Bureau, Henry, and Stark Counties Regional Office of Education No. 28 paid \$1,308 and \$1,728, respectively, which was 100 percent of the required contributions.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 5 - OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

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.”

NOTE 6 - 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 7 - ON-BEHALF PAYMENTS

The State of Illinois make on-behalf payments for the Regional Superintendent and the Assistant Regional Superintendent of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28. Bureau, Henry and Stark Counties also make contributions on-behalf of Bureau, Henry, and Stark Counties Regional Office of Education No. 28. The break out is as follows:

Regional Superintendent - salary	\$	117,288
Regional Superintendent - benefits (includes state paid insurance)		38,441
Assistant Regional Superintendent - salary		105,564
Assistant Regional Superintendent - benefits (includes state paid insurance)		38,298
ROE No. 28's share of TRS pension expense		157,350
State of Illinois THIS on-behalf payments		5,675
Total on-behalf payments	\$	462,616

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.

Because the Regional Office prepares their financial statements in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, the on-behalf payments are not reflected in the Regional Office's financial statements.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 8 - DEFICIT FUND BALANCES

At June 30, 2021, the following funds had deficit fund balances. They are expected to correct themselves in 2022, through payments from the State and transfers from local funds.

General Fund	
Registration	\$ (175)
Education Fund	
Bureau County Step Ahead	(5,660)
Henry County Step Ahead	(28,435)
McKinney Education for Homeless Children	(1,935)
21st Century Community Learning Centers Project 13	(326,463)
21st Century Community Learning Centers Project 15	(143,848)
21st Century Community Learning Centers Project 19	(118,876)
21st Century Community Learning Centers Project 25	(215,104)
Education Innovation and Research	(9,389)
Supporting Effective Education Development	(35,554)
IL-Empower	(14,883)

NOTE 9 - LEASE COMMITMENTS

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, 2021 was \$30,000 under this agreement. Bureau, Henry, and Stark Counties Regional Office of Education No. 28 made payments of \$7,000 during fiscal year 2021 and the remaining \$23,000 was paid on-behalf of the Regional Office of Education by local counties (see NOTE 7).

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 for its Regional Safe School program. The agreement commenced on August 12, 2020 and expired June 30, 2021. The lease required monthly lease payments of \$350, with the first month pro-rated to \$225. Rental expense for the year ended June 30, 2021 was \$3,725 under this lease agreement.

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, 2020 and expired June 30, 2021. The lease required monthly lease payments of \$450. Rental expense for the year ended June 30, 2021 was \$5,400 under this lease agreement.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 9 - LEASE COMMITMENTS (CONTINUED)

Future minimum lease payments under operating leases amounted to \$30,000 for fiscal year 2022 related to the building lease in Atkinson, IL.

NOTE 10 – COMMITMENT FOR 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, 2021, the balance in this account was \$73,101.

NOTE 11 - 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 12 - NEW PRONOUNCEMENTS

In 2021, the Bureau, Henry, and Stark Counties Regional Office of Education No. 28 implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and applicable sections of GASB No. 93, *Replacement of Interbank Offered Rates*. The implementation of GASB No. 84 changed the definition of fiduciary activity and established new financial reporting requirements for state and local governments. Implementation of GASB No. 84 resulted in a restatement to the Regional Office of Education No. 28's financial statements. The implementation of GASB No. 93 did not have a significant effect on the Regional Office of Education No. 28's financial statements.

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 13 – COVID-19

In March 2020, the COVID–19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28, remains uncertain. To date, the outbreak has not created a material disruption to the operations of the Bureau, Henry, and Stark Counties Regional Office of Education No. 28. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to the Bureau, Henry, and Stark Counties Regional Office of Education No. 28.

NOTE 14 – RESTATEMENT

On June 25, 2021, an amendment to 105 ILCS 5/2-3.17a was passed, which allows a Regional Office of Education to utilize the cash basis, modified cash basis or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for their annual audit. The amendment was effective immediately. As such, for the fiscal year ending June 30, 2021, the Bureau, Henry, and Stark Counties Regional Office of Education No. 28 has presented these financial statements in accordance with the cash basis of accounting. This is a change from the fiscal year 2020 presentation, which was reported using generally accepted accounting principles (GAAP). Beginning net position and fund balances were restated to retroactively report the change.

Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, was implemented during fiscal year 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity. Beginning net position was restated to retroactively report the change in net position.

	Governmental Activities	Fiduciary Fund		
Net position June 30, 2020, as previously reported	\$ 1,232,848	\$ -		
Change to cash basis of accounting	342,901	270		
Change to implement GASB No. 84	24,882	-		
Net position July 1, 2020, as restated	\$ 1,600,631	\$ 270		

	General Fund	Education Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Fund balance June 30, 2020, as previously reported	\$ 1,680,107	\$ 67,709	\$ 232,818	\$ 1,980,634
Change to cash basis of accounting	(5,935)	(398,930)	(20)	(404,885)
Change to implement GASB No. 84	24,882	-	-	24,882
Fund balance (deficit) July 1, 2020, as restated	\$ 1,699,054	\$ (331,221)	\$ 232,798	\$ 1,600,631

SUPPLEMENTAL INFORMATION

SCHEDULE 1

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - GENERAL FUND ACCOUNTS
 As of and For the Year Ended June 30, 2021

	<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>
RECEIPTS:						
Local sources	\$ -	\$ -	\$ 7,100	\$ 908	\$ -	\$ -
State sources	-	-	-	-	67,331	-
Interest	119	-	135	23	831	46
Total receipts	119	-	7,235	931	68,162	46
DISBURSEMENTS:						
Instructional services:						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Purchased services	-	-	3,547	330	3,598	-
Supplies and materials	-	-	148	-	1,037	-
Intergovernmental:						
Payments to other governments	-	-	-	-	3,926	-
Capital outlay	-	-	-	-	1,010	-
Total disbursements	-	-	3,695	330	9,571	-
EXCESS OF RECEIPTS OVER DISBURSEMENTS	119	-	3,540	601	58,591	46
OTHER FINANCING USES:						
Transfers out	-	-	-	-	-	-
CHANGE IN FUND BALANCE (DEFICIT)	119	-	3,540	601	58,591	46
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	57,779	43,021	64,523	12,431	508,041	21,918
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	\$ 57,898	\$ 43,021	\$ 68,063	\$ 13,032	\$ 566,632	\$ 21,964
CASH BASIS ASSETS - END OF YEAR	\$ 57,898	\$ 43,021	\$ 68,063	\$ 13,032	\$ 566,632	\$ 21,964
Cash and cash equivalents						
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ -	\$ 68,063	\$ 13,032	\$ -	\$ 21,964
Assigned	57,898	43,021	-	-	566,632	-
Unassigned	57,898	43,021	68,063	13,032	566,632	21,964
TOTAL FUND BALANCE (DEFICIT)	\$ 57,898	\$ 43,021	\$ 68,063	\$ 13,032	\$ 566,632	\$ 21,964

SCHEDULE 1

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - GENERAL FUND ACCOUNTS
 As of and For the Year Ended June 30, 2021

	Homeless Grant Enterprise	Language Arts	Math	Lab Tech	Fine Arts	School Improvement
RECEIPTS:						
Local sources	\$ -	\$ 5,870	\$ 2,602	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Interest	-	288	33	193	39	52
Total receipts	-	6,158	2,635	193	39	52
DISBURSEMENTS:						
Instructional services:						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Purchased services	-	527	205	-	-	-
Supplies and materials	-	125	1,305	-	-	-
Intergovernmental:						
Payments to other governments	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	-	652	1,510	-	-	-
EXCESS OF RECEIPTS OVER DISBURSEMENTS	-	5,506	1,125	193	39	52
OTHER FINANCING USES:						
Transfers out	-	-	-	-	-	-
CHANGE IN FUND BALANCE (DEFICIT)	-	5,506	1,125	193	39	52
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	21	135,406	15,402	93,417	19,067	25,426
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	21	140,912	16,527	93,610	19,106	25,478
CASH BASIS ASSETS - END OF YEAR	21	140,912	16,527	93,610	19,106	25,478
Cash and cash equivalents						
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR	21	140,912	16,527	93,610	19,106	25,478
Assigned	-	-	-	-	-	-
Unassigned	21	140,912	16,527	93,610	19,106	25,478
TOTAL FUND BALANCE (DEFICIT)	21	140,912	16,527	93,610	19,106	25,478

SCHEDULE 1

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - GENERAL FUND ACCOUNTS
 As of and For the Year Ended June 30, 2021

	District Services	Science	Reading First Enterprise	Registration	Total
RECEIPTS:					
Local sources	\$ 101,435	\$ -	\$ -	\$ -	\$ 117,915
State sources	-	-	-	-	67,331
Interest	1,885	7	7	-	3,658
Total receipts	103,320	7	7	-	188,904
DISBURSEMENTS:					
Instructional services:					
Salaries	10,418	-	-	-	10,418
Benefits	860	-	-	-	860
Purchased services	27,277	-	-	-	35,484
Supplies and materials	3,711	-	-	-	6,326
Intergovernmental:					
Payments to other governments	32,598	-	-	-	36,524
Capital outlay	-	-	-	-	1,010
Total disbursements	74,864	-	-	-	90,622
EXCESS OF RECEIPTS OVER DISBURSEMENTS	28,456	7	7	-	98,282
OTHER FINANCING USES:					
Transfers out	(6,794)	-	-	-	(6,794)
CHANGE IN FUND BALANCE (DEFICIT)	21,662	7	7	-	91,488
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	695,910	3,561	3,306	(175)	1,699,054
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	\$ 717,572	\$ 3,568	\$ 3,313	\$ (175)	\$ 1,790,542
CASH BASIS ASSETS - END OF YEAR	\$ 717,572	\$ 3,568	\$ 3,313	\$ (175)	\$ 1,790,542
Cash and cash equivalents					
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ 3,568	\$ 3,313	\$ -	\$ 405,594
Assigned	717,572	-	-	(175)	1,384,948
Unassigned	717,572	3,568	3,313	(175)	1,790,542
TOTAL FUND BALANCE (DEFICIT)					

SCHEDULE 2

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - EDUCATION FUND ACCOUNTS
 As of and For the Year Ended June 30, 2021

	Bureau County Step Ahead	Henry County Step Ahead	General Operations	Truants Alternative Optional Education Program	Salary
RECEIPTS:					
Local sources	\$ -	\$ 171,971	\$ -	\$ -	\$ -
State sources	-	-	114,385	97,457	-
Federal sources	59,980	-	-	-	-
Total receipts	59,980	171,971	114,385	97,457	-
DISBURSEMENTS:					
Instructional services:					
Salaries	37,216	109,762	97,149	59,235	-
Benefits	10,192	44,297	5,916	18,589	-
Purchased services	13,148	16,211	3,631	1,911	-
Supplies and materials	902	3,388	2,743	3,021	-
Other objects	-	-	13,448	7,803	-
Intergovernmental:					
Payment to other governments	120	80	-	-	-
Capital outlay	-	-	1,149	-	-
Total disbursements	61,578	173,738	124,036	90,559	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,598)	(1,767)	(9,651)	6,898	-
OTHER FINANCING SOURCES:					
Transfers in	-	-	-	-	-
CHANGE IN FUND BALANCE (DEFICIT)	(1,598)	(1,767)	(9,651)	6,898	-
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	(4,062)	(26,668)	65,349	17,508	364
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	\$ (5,660)	\$ (28,435)	\$ 55,698	\$ 24,406	\$ 364
CASH BASIS ASSETS - END OF YEAR					
Cash and cash equivalents	(5,660)	(28,435)	55,698	24,406	364
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ -	\$ 55,698	\$ 24,406	\$ 364
Restricted	(5,660)	(28,435)	-	-	-
Unassigned	(5,660)	(28,435)	55,698	24,406	364
TOTAL FUND BALANCE (DEFICIT)	\$ (5,660)	\$ (28,435)	\$ 55,698	\$ 24,406	\$ 364

SCHEDULE 2

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - EDUCATION FUND ACCOUNTS
 As of and For the Year Ended June 30, 2021

	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
RECEIPTS:					
Local sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	26,377	718,873	195,173	294,532	398,707
Total receipts	<u>26,377</u>	<u>718,873</u>	<u>195,173</u>	<u>294,532</u>	<u>398,707</u>
DISBURSEMENTS:					
Instructional services:					
Salaries	8,924	344,834	80,507	124,050	196,390
Benefits	3,526	97,421	23,699	38,080	72,485
Purchased services	1,254	25,649	11,721	8,020	15,427
Supplies and materials	11,721	101,089	58,426	27,193	51,425
Other objects	-	19,041	6,661	7,665	9,570
Intergovernmental:					
Payment to other governments	883	297,808	116,325	124,571	156,672
Capital outlay	-	-	-	-	-
Total disbursements	<u>26,308</u>	<u>885,842</u>	<u>297,339</u>	<u>329,579</u>	<u>501,969</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	69	(166,969)	(102,166)	(35,047)	(103,262)
OTHER FINANCING SOURCES:					
Transfers in	-	3,555	1,771	1,044	424
CHANGE IN FUND BALANCE (DEFICIT)	69	(163,414)	(100,395)	(34,003)	(102,838)
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	(2,004)	(163,049)	(43,453)	(84,873)	(112,266)
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (1,935)</u>	<u>\$ (326,463)</u>	<u>\$ (143,848)</u>	<u>\$ (118,876)</u>	<u>\$ (215,104)</u>
CASH BASIS ASSETS - END OF YEAR					
Cash and cash equivalents	<u>\$ (1,935)</u>	<u>\$ (326,463)</u>	<u>\$ (143,848)</u>	<u>\$ (118,876)</u>	<u>\$ (215,104)</u>
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR					
Restricted	-	-	-	-	-
Unassigned	(1,935)	(326,463)	(143,848)	(118,876)	(215,104)
TOTAL FUND BALANCE (DEFICIT)	<u>\$ (1,935)</u>	<u>\$ (326,463)</u>	<u>\$ (143,848)</u>	<u>\$ (118,876)</u>	<u>\$ (215,104)</u>

SCHEDULE 2

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - EDUCATION FUND ACCOUNTS
 As of and For the Year Ended June 30, 2021

	Early Childhood Block Grant Prevention Initiative and Parental Training	Teacher Mentoring and Mentoring Pilot Program	Rural School Achievement Program	Title II Teacher Quality Leadership	Regional Safe Schools
RECEIPTS:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	403,354	-	-	-	71,398
Federal sources	-	-	2,895	500	-
Total receipts	<u>403,354</u>	<u>-</u>	<u>2,895</u>	<u>500</u>	<u>71,398</u>
Instructional services:					
Salaries	252,463	-	-	-	29,946
Benefits	115,897	-	-	-	6,597
Purchased services	17,942	-	467	-	493
Supplies and materials	22,682	-	-	-	20,973
Other objects	21,807	-	-	-	11,335
Intergovernmental:					
Payment to other governments	-	-	2,428	500	-
Capital outlay	-	-	-	-	2,985
Total disbursements	<u>430,791</u>	<u>-</u>	<u>2,895</u>	<u>500</u>	<u>72,329</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(27,437)	-	-	-	(931)
OTHER FINANCING SOURCES:					
Transfers in	-	-	-	-	-
CHANGE IN FUND BALANCE (DEFICIT)	(27,437)	-	-	-	(931)
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	125,183	3,565	-	-	12,796
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 97,746</u>	<u>\$ 3,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,865</u>
CASH BASIS ASSETS - END OF YEAR					
Cash and cash equivalents	<u>\$ 97,746</u>	<u>\$ 3,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,865</u>
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR					
Restricted	\$ 97,746	\$ 3,565	\$ -	\$ -	\$ 11,865
Unassigned	-	-	-	-	-
TOTAL FUND BALANCE (DEFICIT)	<u>\$ 97,746</u>	<u>\$ 3,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,865</u>

SCHEDULE 2

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - EDUCATION FUND ACCOUNTS
 As of and For the Year Ended June 30, 2021

	Education Innovation and Research	Supporting Effective Education Development	Governor's Emergency Education Relief	IL-Empower	Totals
RECEIPTS:					
Local sources	\$ -	\$ -	\$ -	\$ -	171,971
State sources	-	-	-	-	686,594
Federal sources	53,864	478,195	17,382	-	2,246,478
Total receipts	53,864	478,195	17,382	-	3,105,043
DISBURSEMENTS:					
Instructional services:					
Salaries	12,963	199,625	-	-	1,553,064
Benefits	1,467	34,699	-	-	472,865
Purchased services	134	68,762	1,043	-	185,813
Supplies and materials	-	1,733	10,046	-	315,342
Other objects	-	-	-	-	97,330
Intergovernmental:					
Payment to other governments	31,970	97,898	-	14,883	841,710
Capital outlay	-	8,140	6,293	-	20,995
Total disbursements	46,534	410,857	17,382	14,883	3,487,119
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	7,330	67,338	-	(14,883)	(382,076)
OTHER FINANCING SOURCES:					
Transfers in	-	-	-	-	6,794
CHANGE IN FUND BALANCE (DEFICIT)	7,330	67,338	-	(14,883)	(375,282)
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	(16,719)	(102,892)	-	-	(331,221)
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	\$ (9,389)	\$ (35,554)	\$ -	\$ (14,883)	\$ (706,503)
CASH BASIS ASSETS - END OF YEAR	\$ (9,389)	\$ (35,554)	\$ -	\$ (14,883)	\$ (706,503)
Cash and cash equivalents					
CASH BASIS FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ 193,644
Restricted	(9,389)	(35,554)	-	(14,883)	(900,147)
Unassigned	(9,389)	(35,554)	-	(14,883)	(706,503)
TOTAL FUND BALANCE (DEFICIT)					

SCHEDULE 3

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULES
 For the Year Ended June 30, 2021

	General Operations			Truants Alternative Optional Education Program				
	Budgeted Original	Budgeted Final	Actual Amounts	Variance with Final Budget	Budgeted Original	Budgeted Final	Actual Amounts	Variance with Final Budget
RECEIPTS:								
State sources	\$ 114,385	\$ 114,385	\$ 114,385	\$ -	\$ 89,962	\$ 89,962	\$ 97,457	\$ 7,495
Federal sources	-	-	-	-	-	-	-	-
Total receipts	<u>114,385</u>	<u>114,385</u>	<u>114,385</u>	<u>-</u>	<u>89,962</u>	<u>89,962</u>	<u>97,457</u>	<u>7,495</u>
DISBURSEMENTS:								
Instructional services:								
Salaries	92,500	87,024	97,149	(10,125)	58,038	55,784	59,235	(3,451)
Benefits	2,846	6,773	5,916	857	18,289	19,463	18,589	874
Purchased services	11,274	3,000	3,631	(631)	10,494	2,519	1,911	608
Supplies and materials	4,265	1,500	2,743	(1,243)	3,141	3,000	3,021	(21)
Other objects	1,000	14,888	13,448	1,440	-	9,196	7,803	1,393
Intergovernmental:								
Payments to other governments	-	-	-	-	-	-	-	-
Capital outlay	2,500	1,200	1,149	51	-	-	-	-
Total disbursements	<u>114,385</u>	<u>114,385</u>	<u>124,036</u>	<u>(9,651)</u>	<u>89,962</u>	<u>89,962</u>	<u>90,559</u>	<u>(597)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	(9,651)	\$ (9,651)	\$ -	\$ -	6,898	\$ 6,898
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	-	-	-	-	-
CHANGE IN FUND BALANCE (DEFICIT)			(9,651)	6,898				
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)			65,349				17,508	
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR (DEFICIT), END OF YEAR			\$ 55,698				\$ 24,406	

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULES
For the Year Ended June 30, 2021**

	McKinney Education for Homeless Children				21st Century Community Learning Centers Project 13				
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts		
	Original	Final	Final	Final	Original	Final	Final	Final	
RECEIPTS:									
State sources	-	-	-	-	-	-	-	-	-
Federal sources	20,352	47,987	26,377	(21,610)	999,520	1,333,575	718,873	(614,702)	-
Total receipts	<u>20,352</u>	<u>47,987</u>	<u>26,377</u>	<u>(21,610)</u>	<u>999,520</u>	<u>1,333,575</u>	<u>718,873</u>	<u>(614,702)</u>	<u>-</u>
DISBURSEMENTS:									
Instructional services:									
Salaries	9,568	14,352	8,924	5,428	361,026	412,022	344,834	67,188	-
Benefits	3,589	5,383	3,526	1,857	137,099	142,758	97,421	45,337	-
Purchased services	2,191	5,063	1,254	3,809	66,651	76,434	25,649	50,785	-
Supplies and materials	4,904	21,789	11,721	10,068	70,264	227,960	101,089	126,871	-
Other objects	-	-	-	-	25,845	34,876	19,041	15,835	-
Intergovernmental:									
Payments to other governments	100	1,400	883	517	338,635	439,525	297,808	141,717	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total disbursements	<u>20,352</u>	<u>47,987</u>	<u>26,308</u>	<u>21,679</u>	<u>999,520</u>	<u>1,333,575</u>	<u>885,842</u>	<u>447,733</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69</u>	<u>\$ 69</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (166,969)</u>	<u>\$ (166,969)</u>	<u>\$ (166,969)</u>
OTHER FINANCING SOURCES:									
Transfers in	-	-	-	-	-	-	3,555	-	-
CHANGE IN FUND BALANCE (DEFICIT)									
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)			69	(163,414)					
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR (DEFICIT), END OF YEAR			<u>(2,004)</u>	<u>(163,049)</u>					<u>\$ (326,463)</u>

SCHEDULE 3

BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULES
For the Year Ended June 30, 2021

	21st Century Community Learning Centers Project 15				21st Century Community Learning Centers Project 19			
	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget
RECEIPTS:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	350,000	491,545	195,173	(296,372)	449,723	569,021	294,532	(274,489)
Total receipts	<u>350,000</u>	<u>491,545</u>	<u>195,173</u>	<u>(296,372)</u>	<u>449,723</u>	<u>569,021</u>	<u>294,532</u>	<u>(274,489)</u>
DISBURSEMENTS:								
Instructional services:								
Salaries	115,968	145,336	80,507	64,829	164,554	205,978	124,050	81,928
Benefits	43,392	50,279	23,699	26,580	57,233	64,738	38,080	26,658
Purchased services	33,331	36,607	11,721	24,886	32,685	38,909	8,020	30,889
Supplies and materials	29,420	94,624	58,426	36,198	33,916	61,491	27,193	34,298
Other objects	8,304	13,300	6,661	6,639	11,543	15,100	7,665	7,435
Intergovernmental:								
Payments to other governments	119,585	151,399	116,325	35,074	149,792	182,805	124,571	58,234
Capital outlay	-	-	-	-	-	-	-	-
Total disbursements	<u>350,000</u>	<u>491,545</u>	<u>297,339</u>	<u>194,206</u>	<u>449,723</u>	<u>569,021</u>	<u>329,579</u>	<u>239,442</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER)/DISBURSEMENTS	<u>\$ -</u>	<u>\$ -</u>	<u>(102,166)</u>	<u>\$ (102,166)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(35,047)</u>	<u>\$ (35,047)</u>
OTHER FINANCING SOURCES:								
Transfers in			1,771				1,044	
CHANGE IN FUND BALANCE (DEFICIT)			(100,395)				(34,003)	
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)			(43,453)				(84,873)	
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR (DEFICIT), END OF YEAR			<u>\$ (143,848)</u>				<u>\$ (118,876)</u>	

SCHEDULE 3

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULES
 For the Year Ended June 30, 2021

	21st Century Community Learning Centers Project 25				Early Childhood Block Grant Prevention Initiative and Parental Training			
	Budgeted Original	Budgeted Final	Actual Amounts	Variance with Final Budget	Budgeted Original	Budgeted Final	Actual Amounts	Variance with Final Budget
RECEIPTS:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ 427,945	\$ 427,945	\$ 403,354	\$ (24,591)
Federal sources	535,354	633,608	398,707	(234,901)	-	-	-	-
Total receipts	535,354	633,608	398,707	(234,901)	427,945	427,945	403,354	(24,591)
DISBURSEMENTS:								
Instructional services:								
Salaries	219,717	242,597	196,390	46,207	252,388	252,388	252,463	(75)
Benefits	92,402	98,184	72,485	25,699	107,753	107,753	115,897	(8,144)
Purchased services	29,572	29,777	15,427	14,350	55,243	18,893	17,942	951
Supplies and materials	17,553	81,709	51,425	30,284	11,811	18,686	22,682	(3,996)
Other objects	11,677	15,408	9,570	5,838	-	29,475	21,807	7,668
Intergovernmental:								
Payments to other governments	164,433	165,933	156,672	9,261	750	750	-	750
Capital outlay	-	-	-	-	-	-	-	-
Total disbursements	535,354	633,608	501,969	131,639	427,945	427,945	430,791	(2,846)
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER)/DISBURSEMENTS	\$ -	\$ -	(103,262)	\$ (103,262)	\$ -	\$ -	(27,437)	\$ (27,437)
OTHER FINANCING SOURCES:								
Transfers in			424					
CHANGE IN FUND BALANCE (DEFICIT)							(27,437)	
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)							125,183	
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR (DEFICIT), END OF YEAR			\$ (215,104)				\$ 97,746	

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULES
For the Year Ended June 30, 2021**

	Title II Teacher Quality Leadership				Regional Safe Schools			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Final Budget	Variance with Final Budget	Original	Final	Variance with Final Budget	
RECEIPTS:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ 65,934	\$ 65,934	\$ 71,398	\$ 5,464
Federal sources	737	980	500	(480)	-	-	-	-
Total receipts	<u>737</u>	<u>980</u>	<u>500</u>	<u>(480)</u>	<u>65,934</u>	<u>65,934</u>	<u>71,398</u>	<u>5,464</u>
DISBURSEMENTS:								
Instructional services:								
Salaries	-	-	-	-	59,476	24,806	29,946	(5,140)
Benefits	-	-	-	-	5,929	5,032	6,597	(1,565)
Purchased services	-	-	-	-	205	437	493	(56)
Supplies and materials	-	-	-	-	324	22,288	20,973	1,315
Other objects	-	-	-	-	-	10,386	11,335	(949)
Intergovernmental:								
Payments to other governments	737	980	500	480	-	-	-	-
Capital outlay	-	-	-	-	-	2,985	2,985	-
Total disbursements	<u>737</u>	<u>980</u>	<u>500</u>	<u>480</u>	<u>65,934</u>	<u>65,934</u>	<u>72,329</u>	<u>(6,395)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER)/DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (931)	\$ (931)
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	-	-	-	-	-
							(931)	
CHANGE IN FUND BALANCE (DEFICIT)								
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)								
								12,796
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR (DEFICIT), END OF YEAR								<u>\$ 11,865</u>

SCHEDULE 3

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULES
 For the Year Ended June 30, 2021

	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
RECEIPTS:						
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	79,395	53,864	(25,531)	241,344	478,195	170,851
Total receipts	<u>79,395</u>	<u>53,864</u>	<u>(25,531)</u>	<u>241,344</u>	<u>478,195</u>	<u>170,851</u>
DISBURSEMENTS:						
Instructional services:						
Salaries	25,000	12,963	12,037	174,868	199,625	4,904
Benefits	-	1,467	(1,467)	31,476	34,699	2,116
Purchased services	6,933	134	6,799	35,000	68,762	(2,762)
Supplies and materials	-	-	-	-	1,733	(1,733)
Other objects	-	-	-	-	-	-
Intergovernmental:						
Payments to other governments	47,462	31,970	15,492	-	97,898	(97,898)
Capital outlay	-	-	-	-	8,140	(8,140)
Total disbursements	<u>79,395</u>	<u>46,534</u>	<u>32,861</u>	<u>241,344</u>	<u>410,857</u>	<u>(103,513)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER)/DISBURSEMENTS	\$ -	\$ 7,330	\$ 7,330	\$ -	\$ 67,338	\$ 67,338
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	-	-
CHANGE IN FUND BALANCE (DEFICIT)						
		7,330			67,338	
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)		(16,719)			(102,892)	
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR (DEFICIT), END OF YEAR		<u>\$ (9,389)</u>			<u>\$ (35,554)</u>	

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULES
 For the Year Ended June 30, 2021

Governor's Emergency Education Relief			
	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Final Budget
RECEIPTS:			
State sources	-	-	\$ -
Federal sources	17,382	17,382	-
Total receipts	17,382	17,382	-
DISBURSEMENTS:			
Instructional services:			
Salaries	-	-	-
Benefits	-	-	-
Purchased services	1,043	1,043	-
Supplies and materials	10,046	10,046	-
Other objects	-	-	-
Intergovernmental:			
Payments to other governments	-	-	-
Capital outlay	6,293	6,293	-
Total disbursements	17,382	17,382	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES:			
Transfers in		-	
CHANGE IN FUND BALANCE (DEFICIT)		-	
CASH BASIS FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)		-	
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR (DEFICIT), END OF YEAR		\$ -	

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
 As of and For the Year Ended June 30, 2021

	Insitute <u>Fund</u>	General Educational Development <u>Fund</u>	Bus Driver <u>Fund</u>	Hearing <u>Fund</u>	<u>Totals</u>
RECEIPTS:					
Local sources	\$ 24,922	\$ 2,460	\$ 2,950	\$ 1,000	\$ 31,332
State sources	-	-	1,296	-	1,296
Interest	300	25	45	8	378
Total receipts	<u>25,222</u>	<u>2,485</u>	<u>4,291</u>	<u>1,008</u>	<u>33,006</u>
DISBURSEMENTS:					
Instructional services:					
Purchased services	<u>44,655</u>	-	2,687	680	48,022
CHANGE IN FUND BALANCE	<u>(19,433)</u>	<u>2,485</u>	<u>1,604</u>	<u>328</u>	<u>(15,016)</u>
CASH BASIS FUND BALANCE, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	<u>188,168</u>	<u>13,871</u>	<u>25,929</u>	<u>4,830</u>	<u>232,798</u>
CASH BASIS FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 168,735</u>	<u>\$ 16,356</u>	<u>\$ 27,533</u>	<u>\$ 5,158</u>	<u>\$ 217,782</u>
CASH BASIS ASSETS - END OF YEAR					
Cash and cash equivalents	<u>\$ 168,735</u>	<u>\$ 16,356</u>	<u>\$ 27,533</u>	<u>\$ 5,158</u>	<u>\$ 217,782</u>
CASH BASIS FUND BALANCE - END OF YEAR					
Restricted	<u>\$ 168,735</u>	<u>\$ 16,356</u>	<u>\$ 27,533</u>	<u>\$ 5,158</u>	<u>\$ 217,782</u>

**BUREAU, HENRY, AND STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF CASH DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
For the Year Ended June 30, 2021**

		<u>School Facility Occupation Tax</u>
Erie CUSD #1	\$	1,718
PLT CUSD #3		2,590
United Township HSD #30		71,033
Colona Elementary SD #190		178,587
ROWVA CUSD #208		1,225
Orion CUSD #223		395,498
Galva CUSD #224		209,535
AlWood CUSD #224		150,698
Annawan CUSD #226		127,842
Cambridge CUSD #227		198,710
Geneseo CUSD #228		1,072,311
Kewanee CUSD #229		782,597
Wethersfield CUSD #230		218,707
Total	\$	<u><u>3,411,051</u></u>

SCHEDULE 6

BUREAU, HENRY, AND STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor, Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education			
Direct Program			
Rural Education			
Rural Education Achievement Award	84.358A	S358A201273	\$ 2,895
Passed-Through Illinois State Board of Education			
Twenty-First Century Community Learning Centers			
Twenty-First Century Community Learning Centers	(M) 84.287C	20-4421-13	72,685
Twenty-First Century Community Learning Centers	(M) 84.287C	20-4421-15	16,659
Twenty-First Century Community Learning Centers	(M) 84.287C	20-4421-19	24,518
Twenty-First Century Community Learning Centers	(M) 84.287C	20-4421-25	30,668
Twenty-First Century Community Learning Centers	(M) 84.287C	21-4421-13	801,805
Twenty-First Century Community Learning Centers	(M) 84.287C	21-4421-15	276,574
Twenty-First Century Community Learning Centers	(M) 84.287C	21-4421-19	299,586
Twenty-First Century Community Learning Centers	(M) 84.287C	21-4421-25	466,023
			<u>1,988,518</u>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			
Title II Teacher Quality Leadership	84.367A	21-4935-02	250
			<u>250</u>
COVID-19 Governor's Emergency Education Relief (GEER) Fund			
COVID-19 Governor's Emergency Education Relief	84.425C	21-4998-EC	17,382
Supporting Effective Instruction State Grants			
IL-Empower	84.367A	N/A	14,883
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	21-4920-00	25,674
Passed-Through DuPage County Regional Office of Education No. 19			
Education Innovation and Research	84.411C	U411C170142	46,376
Passed-Through Illinois State University			
Supporting Effective Educator Development Program			
Supporting Effective Education Development	(M) 84.423A	A18-0059-S006	406,152
Total U.S. Department of Education			<u>2,502,130</u>
U.S. Department of Labor			
Passed-Through Business Employment Skills Team, Inc.			
Workforce Innovation and Opportunity (WIOA) Youth Activities			
WIOA - Bureau County Step Ahead Program	17.259	20-003	60,505
Total U.S. Department of Labor			<u>60,505</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,562,635</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, 2021**

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, and Stark Counties Regional Office of Education No. 28 under programs of the federal government for the year ended June 30, 2021. 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 basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. 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.

NOTE 3 – CHANGE IN REPORTING BASIS

For the fiscal year ended June 30, 2021, the Bureau, Henry, and Stark Counties Regional Office of Education No. 28 has presented the Schedule in accordance with the cash basis of accounting. This is a change from the fiscal year 2020 presentation, which was reported using generally accepted accounting principles (GAAP). The following federal expenditures reported in the fiscal year 2021 cash basis financial statements are excluded in the fiscal year 2021 cash basis Schedule as they were already reported in the fiscal year 2020 Schedule on an accrual basis:

Program Title	Federal Assistance Listing	Amount
Twenty First Century Learning Centers	84.287C	\$19,417
Title II Teacher Quality Leadership	84.367A	250
Education for Homeless Children and Youth	84.196A	634
Education Innovation and Research	84.411C	158
Supporting Effective Education Development	84.423A	4,705
Workforce Innovation and Opportunity (WIOA)		
Youth Activities	17.259	1,073
Total		<u>\$26,237</u>