

State of Illinois
BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
FINANCIAL AUDIT
(In Accordance with the Uniform Guidance)
For the Year Ended June 30, 2018

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

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

OFFICIALS

Regional Superintendent
(During the audit period and current)

Ms. Angela Zarvell

Assistant Regional Superintendent
(During the audit period and current)

Ms. Kathy Marshall

Office is located at:

107 South State Street
Atkinson, Illinois 61235

**BUREAU/HENRY/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.

AUDITORS' REPORTS

The auditors' reports on compliance and internal control do not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	2	2
Repeated audit findings	1	2
Prior recommendations implemented or not repeated	1	0

Details of audit findings are included 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>
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FINDINGS (GOVERNMENT AUDITING STANDARDS)

2018-001	13	Controls Over Financial Statement Preparation	Material Weakness
2018-002	16	Delay of Audit	Noncompliance

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

2017-002	21	Controls Over Fund Accounting	Significant Deficiency
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PRIOR AUDIT FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

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

COMPLIANCE REPORT SUMMARY (CONTINUED)

EXIT CONFERENCE

Bureau/Henry/Stark Counties Regional Office of Education No. 28 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2018. Throughout the audit, meetings were held between auditors and Regional Office officials to discuss matters obtained in this report. Responses to the recommendations were provided by Angela Zarvell, Regional Superintendent on March 13, 2019.

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

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of Bureau/Henry/Stark Counties Regional Office of Education No. 28 was performed by Winkel, Parker & Foster, CPA PC.

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

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bureau/Henry/Stark Counties Regional Office of Education No. 28, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Bureau/Henry/Stark Counties Regional Office of Education No. 28's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bureau/Henry/Stark Counties Regional Office of Education No. 28, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 17 to the financial statements, Bureau/Henry/Stark Counties Regional Office of Education No. 28 adopted new accounting guidance related to Governmental Accounting Standard Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund - Schedule of Changes in the Net Pension (Asset) Liability and Related Ratios, Illinois Municipal Retirement Fund - Schedule of Employer Contributions, and Other Postemployment Benefits - Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 23 through 31 and 71 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling

such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2019 on our consideration of Bureau/Henry/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/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/Stark Counties Regional Office of Education No. 28's internal control over financial reporting and compliance.

ORIGINAL SIGNATURE ON FILE

Clinton, Iowa
April 9, 2019

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bureau/Henry/Stark Counties Regional Office of Education No. 28, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Bureau/Henry/Stark Counties Regional Office of Education No. 28's basic financial statements, and have issued our report thereon dated April 9, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control. Accordingly, we do not express an opinion on the effectiveness of Bureau/Henry/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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bureau/Henry/Stark Counties Regional Office of Education No. 28's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2018-002.

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

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

Purpose of this Report

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

ORIGINAL SIGNATURE ON FILE

Clinton, Iowa
April 9, 2019



**Winkel, Parker
& Foster, CPA PC**

Certified Public Accountants & Consultants

**INDEPENDENT AUDITORS' 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/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 Regional Office of Education No. 28's major federal programs for the year ended June 30, 2018. Bureau/Henry/Stark Counties Regional Office of Education No. 28's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Bureau/Henry/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 Bureau/Henry/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 Bureau/Henry/Stark Counties Regional Office of Education No. 28's compliance.

Opinion on Each Major Federal Program

In our opinion, Bureau/Henry/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, 2018.

Report on Internal Control Over Compliance

Management of Bureau/Henry/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 Bureau/Henry/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 Bureau/Henry/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.

ORIGINAL SIGNATURE ON FILE

Clinton, Iowa
April 9, 2019

**BUREAU/HENRY/STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 SECTION I - SUMMARY OF AUDITORS' RESULTS
 Year Ended June 30, 2018**

Financial Statements in Accordance with Generally Accepted Accounting Principles

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? x yes no
- Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes x no
- Significant deficiency(ies) identified? yes x none reported

Type of auditors' 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 x no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.287C</u>	<u>Twenty-First Century Community Learning Centers</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? yes x no

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2018**

FINDING 2018-001 - Controls Over Financial Statement Preparation (Repeat of findings 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1)

Criteria/Specific Requirement:

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

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

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

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2018**

FINDING 2018-001 - Controls Over Financial Statement Preparation (Repeat of findings 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1)(Continued)

Condition:

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

During review of the Regional Office of Education No. 28's financial information prepared by the ROE, it was noted that the ROE did not have adequate controls over the maintenance of records of due from other governments, accounts payable, due to other governments, and unavailable revenue. While the ROE did maintain records to indicate the balances of these accounts, material audit adjustments, including those required under GASB Statements No. 34, No. 68, No. 71, and No. 75 were proposed in order to ensure those balances were accurate.

Effect:

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

Cause:

According to the Regional Office of Education No. 28's management, they did not effectively detect all of the material adjustments needed in order to present financial statements in accordance with GAAP.

Auditors' Recommendation:

As part of internal control over the preparation of financial statements, including disclosures, the ROE should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the ROE's activities and operations.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2018**

FINDING 2018-001 - Controls Over Financial Statement Preparation (Repeat of findings 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1)(Continued)

Management's Response:

The Regional Office of Education #28 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. In the future, the Regional Office of Education #28 will contract services to assist in the preparation of financial statements.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2018**

FINDING 2018-002 - Delay of Audit

Criteria/Specific Requirement:

The Regional Office of Education No. 28 is subject to 105 ILCS 5/2-3.17a which requires the Auditor General's office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Governmental Auditing Standards.

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

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

Condition:

The Regional Office of Education No. 28 provided an actuary report at the start of their audit; however, it did not contain all of the information needed to support the ROE's OPEB balances and related disclosures. Subsequently, a revised actuary report was obtained.

Effect:

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

Cause:

According to the Regional Office of Education No. 28's management, the ROE was unaware that the actuary report originally provided did not contain all of the information needed to support the ROE's OPEB balances and related disclosures.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2018**

FINDING 2018-002 - Delay of Audit (Continued)

Auditors' Recommendation:

The Regional Office of Education No. 28 should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). Annual financial statements should be compiled on an accrual basis of accounting in accordance with GAAP. These financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31 deadline.

Management's Response:

This was the first year for implementation of the OPEB liability standard. The Regional Office of Education #28 did attempt to provide an actuary report. The Regional Office of Education #28 will have a report no later than August 31 in following years.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III - FEDERAL AWARD FINDINGS
Year Ended June 30, 2018**

Instances of Noncompliance:

None

Material Weaknesses:

None

Significant Deficiencies:

None noted

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2018**

FINDING 2018-001 - Controls Over Financial Statement Preparation (Repeat of findings 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1)

Condition:

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

During review of the Regional Office of Education No. 28's financial information prepared by the ROE, it was noted that the ROE did not have adequate controls over the maintenance of records of due from other governments, accounts payable, due to other governments, and unavailable revenue. While the ROE did maintain records to indicate the balances of these accounts, material audit adjustments, including those required under GASB Statements No. 34, No. 68, No. 71, and No. 75 were proposed in order to ensure those balances were accurate.

Plan:

The Regional Office of Education #28 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. In the future, the Regional Office of Education #28 will contract services to assist in the preparation of financial statements.

Anticipated Completion Date:

August 31, 2019

Contact Person Responsible for Corrective Action:

Ms. Angela Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2018**

FINDING 2018-002 - Delay of Audit

Condition:

The Regional Office of Education No. 28 provided an actuary report at the start of their audit; however, it did not contain all of the information needed to support the ROE's OPEB balances and related disclosures. Subsequently, a revised actuary report was obtained.

Plan:

The Regional Office of Education #28 will have a report no later than August 31 in following years.

Anticipated Completion Date:

August 31, 2019

Contact Person Responsible for Corrective Action:

Ms. Angela Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
June 30, 2018**

2017-002	Controls Over Fund Accounting	Not Repeated
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During the current audit, audit testing results indicated the Regional Office implemented corrective action and controls over fund accounting.

Management's Discussion and Analysis

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

The Regional Office of Education No. 28 for the Counties of Bureau, Henry and Stark provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2018. Readers are encouraged to consider this information in conjunction with the Regional Office of Education No. 28's financial statements which follow:

2018 Financial Highlights

General Fund revenues decreased from \$1,066,125 in fiscal year 2017 to \$777,739 in fiscal year 2018. General Fund expenditures also decreased from \$923,012 in fiscal year 2017 to \$716,821 in fiscal year 2018. The decreases were mostly attributable to a decrease in services in the District Services fund.

Education Fund revenues decreased from \$3,412,180 in fiscal year 2017 to \$3,096,729 in fiscal year 2018. Education Fund expenditures also decreased from \$3,546,239 in fiscal year 2017 to \$2,993,802 in fiscal year 2018. The decreases were attributable to the Education Fund being primarily made up of grants the Regional Office receives and this can vary greatly from year to year as some programs are discontinued while others see a funding increase.

Government-wide revenues decreased by approximately 18% from \$4,656,909 in fiscal year 2017 to \$3,803,309 in fiscal year 2018. Government-wide expenses decreased by approximately 15% from \$4,426,025 in fiscal year 2017 to \$3,741,815 in fiscal year 2018. Decreases are related to decreases in workshops, services and grant funding.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education No. 28's financial activities.

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the Regional Office of Education No. 28 as a whole and present an overall view of the Regional Office of Education No. 28's finances.

The fund financial statements report the Regional Office of Education No. 28's operations in more detail than the government-wide statements by providing information that is needed for a full understanding of the data provided in the basic financial statements.

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

Required Supplementary Information further explains and supports the financial statements with information about the pension (asset) liability, the OPEB liability, and relating contributions.

Supplementary Information provides detailed information about the combining and nonmajor funds and the federal awards expended.

REPORTING BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about Bureau/Henry/Stark Counties Regional Office of Education No. 28 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of Bureau/Henry/Stark Counties Regional Office of Education No. 28's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current years' revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid using generally accepted accounting principles and GASB 34.

The two government-wide financial statements report the Regional Office of Education No. 28's net position and how it has changed. Net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - is one way to measure the Regional Office of Education No. 28's financial health or financial position. Over time, increases or decreases in net position can be an indicator of whether financial position is improving or deteriorating. To assess the Regional Office of Education No. 28's overall condition, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

Fund Financial Statements

The fund financial statements provide more detailed information about Bureau/Henry/Stark Counties Regional Office of Education No. 28's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education No. 28 has established other funds to control and manage money for particular purposes.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 has two kinds of funds:

1) *Governmental funds*: Account for those funds through which most governmental functions of the Regional Office of Education No. 28 are financed. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Regional Office of Education No. 28's programs. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.

2) *Fiduciary funds*: Account for assets held by the Regional Office of Education No. 28 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statement includes a Statement of Fiduciary Net Position.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, when examined over time, as one indicator of the financial position of the Regional Office of Education No. 28. The net position at the end of fiscal year 2018 and 2017 totaled \$1,820,608 and \$1,857,306 (not restated), respectively. The analysis that follows provides a summary of the Regional Office of Education No. 28's net position as of June 30.

<u>2018</u>	Governmental Activities
Current assets	\$ 1,885,411
Non-current assets	<u>144,531</u>
Total assets	<u>2,029,942</u>
 Deferred outflows of resources	 <u>98,729</u>
Current liabilities	49,098
Non-current liabilities	<u>167,032</u>
Total liabilities	<u>216,130</u>
 Deferred inflows of resources	 <u>91,933</u>
Net position	
Net investment in capital assets	54,685
Unrestricted	1,398,158
Restricted for educational purposes	<u>367,765</u>
Total net position	<u>\$ 1,820,608</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

<u>2017 (not restated)</u>	<u>Governmental Activities</u>
Current assets	\$ 1,912,649
Non-current assets	<u>55,797</u>
Total assets	<u>1,968,446</u>
 Deferred outflows of resources	 <u>161,715</u>
 Current liabilities	 140,043
Non-current liabilities	<u>58,209</u>
Total liabilities	<u>198,252</u>
 Deferred inflows of resources	 <u>74,603</u>
 Net position	
Net investment in capital assets	55,797
Unrestricted	1,543,879
Restricted for educational purposes	<u>257,630</u>
 Total net position	 <u>\$ 1,857,306</u>

The Regional Office of Education No. 28's net position decreased by \$36,698 (2%) from fiscal year 2017 (not restated). The decrease was primarily due to the implementation of GASB Statement No. 75.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

Changes in net position. The following shows the changes in net position for the years ended June 30, 2018 and 2017.

<u>2018</u>	<u>Governmental Activities</u>
Revenues:	
Program revenues	
Charges for services	\$ 47,932
Operating grants and contributions	2,995,138
General revenues	
Local sources	228,486
On-behalf payments	<u>531,753</u>
Total revenues	<u>3,803,309</u>
Expenses:	
Instructional services:	
Salaries and benefits	1,424,266
Pension expense	47,767
OPEB expense	21,220
Purchased services	476,137
Supplies and materials	141,216
Other objects	62,159
Capital outlay	26,168
Depreciation	16,131
Intergovernmental:	
Payments to other governments	994,998
Administrative:	
On-behalf payments	523,940
On-behalf payments - pension expense	<u>7,813</u>
Total expenses	<u>3,741,815</u>
Change in net position	61,494
Net position, beginning of year, as restated (see Note 17)	<u>1,759,114</u>
Net position, end of year	<u>\$ 1,820,608</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

	Governmental Activities
<u>2017 (not restated)</u>	
Revenues:	
Program revenues	
Charges for services	\$ 32,208
Operating grants and contributions	3,548,576
General revenues	
Local sources	509,859
On-behalf payments	<u>566,266</u>
Total revenues	<u>4,656,909</u>
Expenses:	
Instructional services:	
Salaries and benefits	1,408,347
Pension expense	74,099
Purchased services	870,634
Supplies and materials	137,586
Other objects	44,431
Capital outlay	26,955
Depreciation and disposition losses	13,189
Intergovernmental:	
Payments to other governments	1,284,518
Administrative:	
On-behalf payments	561,663
On-behalf payments - pension expense	<u>4,603</u>
Total expenses	<u>4,426,025</u>
Change in net position	230,884
Net position, beginning of year	<u>1,626,422</u>
Net position, end of year	<u>\$ 1,857,306</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

Governmental Activities

Revenues for governmental activities were \$3,803,309 and \$4,656,909 and expenses were \$3,741,815 and \$4,426,025 for 2018 and 2017 (not restated), respectively. The decrease in program revenues and expenses were mainly due to a decrease in grant funding.

INDIVIDUAL FUND ANALYSIS

As previously noted, Bureau/Henry/Stark Counties Regional Office of Education No. 28 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office of Education No. 28's governmental funds reported combined fund balances of \$1,797,625, above last year's ending combined fund balances of \$1,613,492.

Governmental Fund Highlights

The General Fund fund balance increased from \$1,497,476 in 2017 to \$1,558,394 in 2018. The increase was mostly attributable to delivery of workshops and services.

The Education Fund fund balance increased from \$(74,225) in 2017 to \$28,702 in 2018. The Education Fund is primarily made up of grants the Regional Office receives and this can vary greatly from year to year as some programs are discontinued while others see a funding increase.

Fiduciary Fund Highlights

Fiduciary funds increased when compared to the prior year. Total assets and liabilities increased from \$554,564 in fiscal year 2017 to \$898,685 in fiscal year 2018. Transactions during fiscal year 2018 represent mainly transfers in and out of funds for the distributive fund and school facility occupation tax fund.

BUDGETARY HIGHLIGHTS

The Bureau/Henry/Stark Counties Regional Office of Education No. 28 annually prepares budgets for several funds which serve as a guideline for activities and expenditures. All grant budgets are prepared by the Regional Office of Education No. 28 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Additionally, the Regional Office of Education No. 28's funds are reported and included in this annual report.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

CAPITAL ASSETS

The Regional Office of Education No. 28's capital assets include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office of Education No. 28 maintains an inventory of capital assets which have been accumulated over time. For fiscal year 2018, total additions and retirements amounted to \$15,019 and \$0, respectively. Depreciation expense for fiscal year 2018 was \$16,131. The net investment in capital assets as of June 30, 2018 was \$54,685. Additional information on Bureau/Henry/Stark Counties Regional Office of Education No. 28's capital assets can be found in Note 6 on page 55 of this report.

ECONOMIC FACTORS BEARING ON BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28'S FUTURE

At the time these financial statements were prepared, the Bureau, Henry and Stark Counties Regional Office of Education No. 28 was aware of several existing circumstances that could affect its financial health in the future:

- Uncertainty and timing of state funding,
- Ability to acquire grant funding,
- Revenues/expenses associated with workshops and services.

CONTACTING BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28'S FINANCIAL MANAGEMENT

This financial report is designed to provide Bureau/Henry/Stark Counties Regional Office of Education No. 28's citizens, taxpayers, customers, and creditors with a general overview of Bureau/Henry/Stark Counties Regional Office of Education No. 28's finances and to demonstrate Bureau/Henry/Stark Counties Regional Office of Education No. 28's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Regional Superintendent of the Bureau/Henry/Stark Counties Regional Office of Education No. 28 at 107 South State Street, Atkinson, IL 61235. For a more detailed analysis and explanation of operations and programs, the complete fiscal year 2018 Annual Report is posted on the Bureau/Henry/Stark Counties Regional Office of Education No. 28's website at <http://www.bhsroe.org>.

BASIC FINANCIAL STATEMENTS

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
STATEMENT OF NET POSITION
June 30, 2018

	<u>Primary Government Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,236,500
Accounts receivable	125
Due from other governments	648,786
Total current assets	1,885,411
Non-current assets:	
Capital assets, being depreciated, net	54,685
Net pension asset	89,846
Total non-current assets	144,531
Total assets	2,029,942
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	98,729
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	4,388
Due to other governments	30,281
Unearned revenue	14,429
Total current liabilities	49,098
Non-current liabilities:	
Compensated absences	59,070
Total OPEB Liability	107,962
Total non-current liabilities	167,032
Total liabilities	216,130
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	88,600
Deferred inflows related to OPEB	3,333
Total deferred inflows of resources	91,933
NET POSITION	
Net investment in capital assets	54,685
Unrestricted	1,398,158
Restricted for educational purposes	367,765
Total net position	\$ 1,820,608

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

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Primary Government</u>
		<u>Services</u>	<u>Grants and</u>	<u>Governmental</u>
			<u>Contributions</u>	<u>Activities</u>
Primary government:				
Governmental activities:				
Instructional services:				
Salaries and benefits	\$ 1,424,266	\$ -	\$ 1,437,667	\$ 13,401
Pension expense	47,767	-	59,903	12,136
OPEB expense	21,220	-	-	(21,220)
Purchased services	476,137	46,973	329,465	(99,699)
Supplies and materials	141,216	959	134,781	(5,476)
Other objects	62,159	-	59,903	(2,256)
Capital outlay	26,168	-	29,951	3,783
Depreciation	16,131	-	-	(16,131)
Intergovernmental:				
Payments to other governments	994,998	-	943,468	(51,530)
Administrative:				
On-behalf payments	523,940	-	-	(523,940)
On-behalf payments - pension expense	7,813	-	-	(7,813)
Total governmental activities	<u>\$ 3,741,815</u>	<u>\$ 47,932</u>	<u>\$ 2,995,138</u>	<u>(698,745)</u>
General revenues:				
Local sources				228,486
On-behalf payments				<u>531,753</u>
Total general revenue				<u>760,239</u>
CHANGE IN NET POSITION				61,494
NET POSITION, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 17)				<u>1,759,114</u>
NET POSITION, END OF YEAR				<u>\$ 1,820,608</u>

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

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2018

		Special Revenue		
	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 948,117	\$ 77,770	\$ 210,613	\$ 1,236,500
Accounts receivable	125	-	-	125
Due from other governments	5,552	643,234	-	648,786
Due from other funds	606,857	-	-	606,857
Total assets	1,560,651	721,004	210,613	2,492,268
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,560,651	\$ 721,004	\$ 210,613	\$ 2,492,268
LIABILITIES				
Accounts payable and accrued expenses	\$ 2,082	\$ 2,222	\$ 84	\$ 4,388
Due to other governments	-	30,281	-	30,281
Due to other funds	175	606,682	-	606,857
Unearned revenue	-	14,429	-	14,429
Total liabilities	2,257	653,614	84	655,955
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	38,688	-	38,688
FUND BALANCE				
Restricted	-	62,758	210,529	273,287
Assigned	383,733	-	-	383,733
Unassigned	1,174,661	(34,056)	-	1,140,605
Total fund balance	1,558,394	28,702	210,529	1,797,625
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 1,560,651	\$ 721,004	\$ 210,613	\$ 2,492,268

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

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2018

Total fund balance of governmental funds (page 35)	\$ <u>1,797,625</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>54,685</u>
Non-current assets related to pension benefits are collected but are not payable in the current period and, therefore, are not reported in the governmental funds. Net pension asset	<u>89,846</u>
Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.	<u>38,688</u>
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:	
Deferred outflows of resources	98,729
Deferred inflows of resources	<u>(91,933)</u>
	<u>6,796</u>
Non-current liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Compensated absences Total OPEB liability	(59,070) <u>(107,962)</u> <u>(167,032)</u>
Net position of governmental activities (page 33)	\$ <u>1,820,608</u>

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

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	<u>Special Revenue</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
REVENUES:				
Local sources	\$ 156,974	\$ 124,846	\$ 47,932	\$ 329,752
State sources	66,732	903,579	1,335	971,646
Federal sources	22,280	2,068,304	-	2,090,584
On-behalf payments	<u>531,753</u>	<u>-</u>	<u>-</u>	<u>531,753</u>
Total revenues	<u>777,739</u>	<u>3,096,729</u>	<u>49,267</u>	<u>3,923,735</u>
EXPENDITURES:				
Instructional services:				
Salaries and benefits	-	1,428,865	-	1,428,865
Pension expense	-	63,287	-	63,287
Purchased services	119,296	328,323	28,518	476,137
Supplies and materials	9,512	131,250	454	141,216
Other objects	235	61,917	7	62,159
Intergovernmental:				
Payments to other governments	56,025	938,973	-	994,998
Administrative:				
On-behalf payments	523,940	-	-	523,940
On-behalf payments - pension expense	7,813	-	-	7,813
Capital outlay	<u>-</u>	<u>41,187</u>	<u>-</u>	<u>41,187</u>
Total expenditures	<u>716,821</u>	<u>2,993,802</u>	<u>28,979</u>	<u>3,739,602</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	60,918	102,927	20,288	184,133
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>1,497,476</u>	<u>(74,225)</u>	<u>190,241</u>	<u>1,613,492</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,558,394</u>	<u>\$ 28,702</u>	<u>\$ 210,529</u>	<u>\$ 1,797,625</u>

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

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2018

Net change in fund balance (page 37)	\$ <u>184,133</u>
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	15,019
Depreciation	<u>(16,131)</u>
	<u>(1,112)</u>
<p>Some receivables will not be collected for several months after fiscal year end, so they are not considered as "available" revenues in the governmental funds, and they are instead counted as deferred inflows. They are, however, recorded as revenues in the Statement of Activities.</p>	
Current year unavailable revenue	38,688
Prior year unavailable revenue	<u>(159,114)</u>
	<u>(120,426)</u>
<p>The current year pension contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the Statement of Net Position.</p>	
	<u>34,516</u>
<p>Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. They consist of:</p>	
Compensated absences	(3,518)
OPEB expense	(13,103)
Pension expense	<u>(18,996)</u>
	<u>(35,617)</u>
Change in net position of governmental activities (page 34)	\$ <u>61,494</u>

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

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 22,185
Due from other governments	<u>876,500</u>
TOTAL ASSETS	<u>\$ 898,685</u>
LIABILITIES	
Due to other governments	<u>\$ 898,685</u>

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

Basis of Presentation

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Measurement Focus and Basis of Accounting

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

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

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Accounting

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

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

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

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

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

Administrators Academy - To support professional development of administrators.

Para-Professional - To provide training for teacher aides.

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

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Language Arts - Funds to pay for Language Arts workshops.

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

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

Fine Arts - To provide instruction on cultural issues.

School Improvement - To provide state mandated services.

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

Science - To provide support for science teachers.

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

Registration - To transfer educators' licensure fees to ISBE.

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

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

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Distributive Fund - To account for the pass-through of State aid monies from the Regional Office of Education No. 28 to the various school districts within the Region. At any given point in time, total fund assets are equally offset by related liabilities including amounts due to the parties for whom the assets are being held. Agency funds have no fund equity and do not involve measurement of revenues, expenditures, or expenses.

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

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

Revenues - Exchange and Non-exchange Transactions

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balance

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

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

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: Bureau County Step Ahead, General Operations, Truants Alternative Optional Education Program, Salary, McKinney Education for Homeless Children, 21st Century Community Learning Centers Project 13, and Regional Safe Schools. The following funds are restricted by Illinois Statute: Institute Fund, General Educational Development Fund, Bus Driver Fund, Hearing Fund, and Supervisory Fund.

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

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

Unassigned Fund Balance - Available expendable resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the following: Local, Interest Office Expense, General State Aid, District Services, Registration, Henry County Step Ahead, 21st Century Community Learning Centers Project 10, Early Childhood Block Grant Pre-K and Parental Training, Early Childhood Block Grant Prevention Initiative and Parental Training, WIU Math and Science Partnership, ISU Math and Science Partnership, and Illinois Math and Science Partnership Project LP.

Net position

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

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Interfund Activity

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

Budgets and Budgetary Accounting

Bureau/Henry/Stark Counties Regional Office of Education No. 28 did not formally adopt a budget for the year ended June 30, 2018 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 25, Early Childhood Block Grant Pre-K and Parental Training, Early Childhood Block Grant Prevention Initiative and Parental Training, Illinois Math and Science Partnership Project LP, Title II Teacher Quality Leadership, Regional Safe Schools, Title I School Improvement and Accountability, Education Innovation and Research, Supporting Effective Education Development, and Prevention Initiative.

Revenue from Federal and State Grants

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest Revenue

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

Compensated Absences

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

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through April 9, 2019, the date the financial statements were available to be issued.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 2 - CASH AND CASH EQUIVALENTS

Deposits

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

The Regional Office of Education No. 28 utilizes several different bank accounts for its various activities. The book balance of such accounts is \$1,258,685 at June 30, 2018, while the bank balance was \$2,303,411. Included in the bank balance is \$10,439 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, 2018, \$260,439 of the deposits made by the Regional Office of Education No. 28 were covered by the Federal Depository Insurance Corporation (FDIC), and \$2,042,972 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, 2018, 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/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

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:

	<u>Carrying Amount</u>
Cash - Primary Government	\$ 1,236,500
Cash - Agency Funds	<u>22,185</u>
Total	<u><u>\$ 1,258,685</u></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.

NOTE 4 - DUE FROM/TO OTHER GOVERNMENTS

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

Due From Other Governments

General Fund	
Local governments	\$ 5,552
Education Fund	
Local governments	49,209
Illinois State Board of Education	594,025
Agency Funds	
Local governments	<u>876,500</u>
Total	<u><u>\$ 1,525,286</u></u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 4 - DUE FROM/TO OTHER GOVERNMENTS (CONTINUED)

Due To Other Governments

Education Fund	
Local governments	\$ 30,281
Agency Funds	
Local governments	<u>898,685</u>
Total	<u>\$ 928,966</u>

NOTE 5 - DUE FROM/TO OTHER FUNDS

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, as of June 30, 2018 were:

	<u>Due From</u>	<u>Due To</u>
General Fund		
Local	\$ 11,857	\$ -
District Services	595,000	-
Registration	-	175
Education Fund		
Bureau County Step Ahead	-	4,845
Henry County Step Ahead	-	12,007
Truants Alternative Optional Education Program	-	5,403
McKinney Education for Homeless Children	-	5,558
21st Century Community Learning Centers Project 10	-	103
21st Century Community Learning Centers Project 13	-	253,248
21st Century Community Learning Centers Project 15	-	98,960
21st Century Community Learning Centers Project 25	-	147,925
Early Childhood Block Grant Pre-K and Parental Training	-	54,737
WIU Math and Science Partnership	-	249
ISU Math and Science Partnership	-	249
Illinois Math and Science Partnership Project LP	-	1
Title II Teacher Quality Leadership	-	29
Title I School Improvement and Accountability	-	5,600
Education Innovation and Research	-	5,000
Supporting Effective Education Development	-	12,768
Total	<u>\$ 606,857</u>	<u>\$ 606,857</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 6 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2018 is as follows:

	<u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2018</u>
Governmental Funds:				
Furniture and equipment	\$ 155,862	\$ 15,019	\$ -	\$ 170,881
Less: accumulated depreciation	<u>(100,065)</u>	<u>(16,131)</u>	<u>-</u>	<u>(116,196)</u>
Capital assets, net	<u>\$ 55,797</u>	<u>\$ (1,112)</u>	<u>\$ -</u>	<u>\$ 54,685</u>

Depreciation expense was charged as follows:

Governmental activities:	
Instructional services:	
Depreciation	<u>\$ 16,131</u>

NOTE 7 - COMPENSATED ABSENCES

The Regional Office of Education No. 28 allows vacation time for employees to be accumulated. Vacation time is calculated from the first month in which the date of hire occurred. After one year of continuous service, employees are entitled to vacation pay based upon the years of service. Upon termination employees receive pay for unused vacation earned from the previous working year. In addition, employees will receive pay for any accrued vacation earned as of the date of termination. The Regional Office of Education No. 28 records a liability associated with compensated absences. At June 30, 2018, the balance in this account was \$59,070.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - EMPLOYEE BENEFIT PLAN

Illinois Municipal Retirement System

IMRF Plan Description

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

Benefits Provided

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

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

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

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - EMPLOYEE BENEFIT PLAN (CONTINUED)

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	6
Inactive Plan Members entitled to but not yet receiving benefits	25
Active Plan Members	32
Total	63

Contributions

As set by statute, Bureau/Henry/Stark Counties Regional Office of Education No. 28's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. Bureau/Henry/Stark Counties Regional Office of Education No. 28's annual contribution rate for calendar year 2017 was 7.57%. For the fiscal year ended June 30, 2018, Bureau/Henry/Stark Counties Regional Office of Education No. 28 contributed \$71,100 to the plan. Bureau/Henry/Stark Counties Regional Office of Education No. 28 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension (Asset) Liability

Bureau/Henry/Stark Counties Regional Office of Education No. 28's net pension (asset) liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF specific **Mortality** table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - EMPLOYEE BENEFIT PLAN (CONTINUED)

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

<u>Asset Class</u>	<u>Portfolio Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	6.85%
International Equity	18	6.75
Fixed Income	28	3.00
Real Estate	9	5.75
Alternative Investments	7	2.65-7.35
Cash Equivalents	1	2.25
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - EMPLOYEE BENEFIT PLAN (CONTINUED)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension (Asset) Liability

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension (Asset) Liability <u>(A) - (B)</u>
Balances at December 31, 2016	\$ 1,272,578	\$ 1,269,921	\$ 2,657
Changes for the year:			
Service cost	86,479	-	86,479
Interest on the total pension liability	97,722	-	97,722
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	67,565	-	67,565
Changes of assumptions	(41,429)	-	(41,429)
Contributions - employer	-	68,696	(68,696)
Contributions - employees	-	40,836	(40,836)
Net investment income	-	194,368	(194,368)
Benefit payments, including refunds of employee contributions	(26,570)	(26,570)	-
Other (net transfer)	-	(1,060)	1,060
Net changes	<u>183,767</u>	<u>276,270</u>	<u>(92,503)</u>
Balances at December 31, 2017	<u>\$ 1,456,345</u>	<u>\$ 1,546,191</u>	<u>\$ (89,846)</u>

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

The following presents the plan's net pension (asset) liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension (asset) liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease <u>(6.50%)</u>	Current Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
Net pension (asset) liability	\$ <u>146,153</u>	\$ <u>(89,846)</u>	\$ <u>(279,439)</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - EMPLOYEE BENEFIT PLAN (CONTINUED)

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

For the year ended June 30, 2018, Bureau/Henry/Stark Counties Regional Office of Education No. 28 recognized pension expense of \$55,580. At June 30, 2018, Bureau/Henry/Stark Counties Regional Office of Education No. 28 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 54,251	\$ 51,754
Changes of assumptions	9,962	33,265
Net difference between projected and actual earnings on pension plan investments	-	3,581
Total deferred amounts to be recognized in pension expense in future periods	64,213	88,600
Employer contributions subsequent to the measurement date	34,516	-
Total deferred amounts related to pensions	\$ 98,729	\$ 88,600

\$34,516 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset) liability in the reporting year ended June 30, 2019.

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

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2018	\$ 8,784
2019	3,793
2020	(19,858)
2021	(17,493)
2022	387
Total	\$ (24,387)

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

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

Eligibility Provisions

Full-Time Employees - IMRF

Tier I IMRF Full-Time employees:

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

Tier II IMRF Full-Time employees:

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

Full-Time Employees - TRS

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

Benefits Provided

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Membership

At June 30, 2018 membership consisted of:

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

Funding Policy and Contributions

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

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

The contributions of \$8,117 from other Bureau/Henry/Stark Counties Regional Office of Education No. 28 resources and benefit payments of \$8,117 from other Bureau/Henry/Stark Counties Regional Office of Education No. 28 resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

Total OPEB Liability

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2017 actuarial valuation date and adjusted to the June 30, 2018 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Actuarial Assumptions

Discount Rate used for the Total OPEB Liability	Beginning of the fiscal year was 3.58%, End of fiscal year was 3.87%
Long-Term Expected Rate of Return on Plan Assets	N/A. OPEB obligation is unfunded
High Quality 20 Year Tax-Exempt G.O. Bond Rate	Beginning of the fiscal year was 3.58%, End of fiscal year was 3.87%
Salary Increases	The salary increase assumption of 2.50% was based on a review of the IMRF December 31, 2017 Actuarial Valuation

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Annual Blended Premiums	Premiums charged for coverage of retiree and spouse are \$6,163 and \$5,288, respectively.
Healthcare Trend Rates	Initial trend rate is based on the 2019 Segal Health Plan Cost Trend Survey. For fiscal years on and after 2018, trend starts at 7.10% for both non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 5.00%.
Retiree Contribution Rates	Same as Healthcare Trend Rates.

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

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

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

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

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes in the Total OPEB Liability

	Total OPEB <u>Liability</u>
Balances at July 1, 2017	\$ 98,192
Changes for the period:	
Service cost	18,018
Interest	3,371
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(3,502)
Benefit payments	<u>(8,117)</u>
Net changes	<u>9,770</u>
 Balance at June 30, 2018	 <u>\$ 107,962</u>

Discount Rate

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

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The beginning of year rate shown is the June 29, 2017 rate and the end of the year rate is the June 28, 2018 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

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

Sensitivity of the Discount Rate

The following presents Bureau/Henry/Stark Counties Regional Office of Education No. 28's total OPEB liability calculated using a discount rate of 3.87%, as well as what the total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (4.87%) or 1-percentage-point lower (2.87%) than the current discount rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Employer's total OPEB liability	<u>\$ 122,221</u>	<u>\$ 107,962</u>	<u>\$ 96,219</u>

Sensitivity of the Healthcare Trend Rates

The following presents Bureau/Henry/Stark Counties Regional Office of Education No. 28's total OPEB liability, calculated using the healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 7.10% in 2018 decreasing to an ultimate trend rate of 5.00% in 2027 for both non-Medicare coverage and post-Medicare coverage.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's total OPEB liability	<u>\$ 95,098</u>	<u>\$ 107,962</u>	<u>\$ 123,437</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

For the year ending June 30, 2018, Bureau/Henry/Stark Counties Regional Office of Education No. 28 recognized OPEB expense of \$21,220. At June 30, 2018 Bureau/Henry/Stark Counties Regional Office of Education No. 28 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	3,333
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	-	-
	<hr/>	<hr/>
Total Deferred Amounts Related to OPEB	<u>\$ -</u>	<u>\$ 3,333</u>

Contributions subsequent to the measurement date may be recognized as a reduction to the total OPEB liability. The amount is not known as of the date of this report. Subsequent to the measurement date, the following amounts will be recognized in OPEB expense in the upcoming years:

<u>Year Ending June 30,</u>	<u>Net Deferred Inflows of Resources</u>
2019	\$ (169)
2020	(169)
2021	(169)
2022	(169)
2023	(169)
Thereafter	<hr/> (2,488)
Total	<u>\$ (3,333)</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 10 - LONG-TERM LIABILITIES

	<u>Balance June 30, 2017, as restated</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Compensated absences	\$ 55,552	\$ 47,577	\$ 44,059	\$ 59,070	\$ -
Total pension liability	2,657	-	2,657	-	-
Total OPEB liability	<u>98,192</u>	<u>9,770</u>	<u>-</u>	<u>107,962</u>	<u>-</u>
	<u>\$ 156,401</u>	<u>\$ 57,347</u>	<u>\$ 46,716</u>	<u>\$ 167,032</u>	<u>\$ -</u>

NOTE 11 - SALARIES AND OTHER CONTRIBUTIONS

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

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

NOTE 12 - ON-BEHALF PAYMENTS

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

Regional Superintendent - salary	\$ 110,208
Regional Superintendent - benefits (includes state paid insurance)	38,061
Assistant Regional Superintendent - salary	99,192
Assistant Regional Superintendent - benefits (includes state paid insurance)	32,641
County on-behalf payments	<u>251,651</u>
Total on-behalf payments	<u>\$ 531,753</u>

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

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 13 - DEFICIT FUND BALANCES

At June 30, 2018, the following funds had deficit fund balances. They are expected to correct themselves in 2019, through payments from the State and transfers from local funds.

General Fund	
Registration	\$ (175)
Education Fund	
Henry County Step Ahead	(132)
21st Century Community Learning Centers Project 10	(103)
Early Childhood Block Grant Pre-K and Parental Training	(33,261)
Early Childhood Block Grant Prevention Initiative and Parental Training	(61)
WIU Math and Science Partnership	(249)
ISU Math and Science Partnership	(249)
Illinois Math and Science Partnership Project LP	(1)

NOTE 14 - LEASE COMMITMENT

Bureau/Henry/Stark Counties Regional Office of Education No. 28 is committed under a lease agreement for a building facility located in Atkinson, IL. An agreement commencing on July 1, 2016 and extending to June 30, 2018 required quarterly lease payments of \$7,500. Rental expense for the year ended June 30, 2018 was \$30,000.

Bureau/Henry/Stark Counties Regional Office of Education No. 28 is committed under a lease agreement for a building facility located in Kewanee, IL. The agreement commenced on July 1, 2009 and automatically renews for successive one year periods unless either party has given written notice of intent not to renew sixty days prior to the expiration of the then-current term. The lease requires monthly lease payments of \$400. The lease was terminated during fiscal year 2018. Rental expense for the year ended June 30, 2018 was \$3,200 under this lease agreement.

NOTE 15 - RISK MANAGEMENT

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 16 - NEW PRONOUNCEMENTS

In 2018, Bureau/Henry/Stark Counties Regional Office of Education No. 28 implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*; GASB No. 81, *Irrevocable Split-Interest Agreements*; GASB No. 85, *Omnibus 2017*; and GASB No. 86, *Certain Debt Extinguishment Issues*. The Regional Office of Education No. 28 implemented these standards during the current year. The implementation of GASB Statement No. 75 establishes standards for measuring and recognizing OPEB liabilities, deferred outflows of resources, deferred inflows of resources, expenses, and expenditures and identifies the note disclosure and RSI reporting requirements. The implementation of GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance. The implementation of GASB Statement No. 85 addresses practice issues identified during the implementation and application of certain GASB statements such as issues related to blending component units, goodwill, fair value measurement and application and postemployment benefits. The implementation of GASB Statement No. 86 establishes uniform guidance for recognizing debt that is defeased in-substance, regardless of how cash and other monetary assets placed in an irrevocable trust for the purpose of extinguishing debt were acquired.

NOTE 17 - RESTATEMENT

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, was implemented during fiscal year 2018. The implementation of GASB Statement No. 75 establishes standards for measuring and recognizing OPEB liabilities, deferred outflows of resources, deferred inflows of resources, expenses, and expenditures and identifies the note disclosure and RSI reporting requirements. During the transition year, as permitted, beginning balances for deferred outflows of resources, and deferred inflows of resources will not be reported. Beginning net position for governmental activities was restated to retroactively report the beginning total OPEB liability.

Governmental activities net position	
Net position, July 1, 2017, as previously reported	\$ 1,857,306
Total OPEB liability at July 1, 2017	<u>(98,192)</u>
Net position, July 1, 2017, as restated	<u>\$ 1,759,114</u>

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

REQUIRED SUPPLEMENTARY INFORMATION
(Other than Management's Discussion and Analysis)

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

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

Notes to Schedule:

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST FOUR CALENDAR YEARS**

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

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2017 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	26-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST FOUR CALENDAR YEARS**

Notes to Schedule: (Continued)

Mortality:

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

Other Information:

Notes:

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 13, 2015, actuarial valuation; note two year lag between valuation and rate setting.

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

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF CHANGES IN THE TOTAL
OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS
For the Year Ended June 30, 2018

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

Notes to Schedule:

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

SUPPLEMENTARY INFORMATION

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND ACCOUNTS
June 30, 2018

SCHEDULE 1

	<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>
ASSETS						
Cash and cash equivalents	\$ 45,611	\$ 43,021	\$ 63,294	\$ 11,050	\$ 478,431	\$ 21,800
Accounts receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Due from other funds	11,857	-	-	-	-	-
Total assets	57,468	43,021	63,294	11,050	478,431	21,800
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 57,468	\$ 43,021	\$ 63,294	\$ 11,050	\$ 478,431	\$ 21,800
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Assigned	-	-	63,294	11,050	-	21,800
Unassigned	57,468	43,021	-	-	478,431	-
Total fund balance (deficit)	57,468	43,021	63,294	11,050	478,431	21,800
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 57,468	\$ 43,021	\$ 63,294	\$ 11,050	\$ 478,431	\$ 21,800

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND ACCOUNTS
June 30, 2018

SCHEDULE 1
(CONTINUED)

	<u>Homeless Grant Enterprise</u>	<u>Language Arts</u>	<u>Math</u>	<u>Lab Tech</u>	<u>Fine Arts</u>	<u>School Improvement</u>
ASSETS						
Cash and cash equivalents	\$ 21	\$ 127,343	\$ 12,073	\$ 92,915	\$ 18,964	\$ 25,289
Accounts receivable	-	125	-	-	-	-
Due from other governments	-	4,459	510	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	21	131,927	12,583	92,915	18,964	25,289
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 21	\$ 131,927	\$ 12,583	\$ 92,915	\$ 18,964	\$ 25,289
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ 940	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	-	940	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Assigned	21	130,987	12,583	92,915	18,964	25,289
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	21	130,987	12,583	92,915	18,964	25,289
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 21	\$ 131,927	\$ 12,583	\$ 92,915	\$ 18,964	\$ 25,289

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND ACCOUNTS
June 30, 2018

SCHEDULE 1
(CONTINUED)

	<u>District</u>	<u>Science</u>	<u>Reading First Enterprise</u>	<u>Registration</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 1,475	\$ 3,542	\$ 3,288	\$ -	\$ 948,117
Accounts receivable	-	-	-	-	125
Due from other governments	583	-	-	-	5,552
Due from other funds	<u>595,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>606,857</u>
Total assets	<u>597,058</u>	<u>3,542</u>	<u>3,288</u>	<u>-</u>	<u>1,560,651</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 597,058</u>	<u>\$ 3,542</u>	<u>\$ 3,288</u>	<u>\$ -</u>	<u>\$ 1,560,651</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 1,142	\$ -	\$ -	\$ -	\$ 2,082
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>175</u>
Total liabilities	<u>1,142</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>2,257</u>
DEFERRED INFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)					
Assigned	-	3,542	3,288	-	383,733
Unassigned	<u>595,916</u>	<u>-</u>	<u>-</u>	<u>(175)</u>	<u>1,174,661</u>
Total fund balance (deficit)	<u>595,916</u>	<u>3,542</u>	<u>3,288</u>	<u>(175)</u>	<u>1,558,394</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 597,058</u>	<u>\$ 3,542</u>	<u>\$ 3,288</u>	<u>\$ -</u>	<u>\$ 1,560,651</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
Year Ended June 30, 2018

SCHEDULE 2

	<u>Local</u>	<u>Interest Office Expense</u>	<u>Administrators Academy</u>	<u>Para- Professional</u>	<u>General State Aid</u>	<u>Standards Aligned Classroom</u>
REVENUES:						
Local sources	\$ 207	\$ -	\$ 5,893	\$ 2,429	\$ 982	\$ 46
State sources	-	-	-	-	66,732	-
Federal sources	-	-	-	-	-	-
On-behalf payments	531,753	-	-	-	-	-
Total revenues	<u>531,960</u>	<u>-</u>	<u>5,893</u>	<u>2,429</u>	<u>67,714</u>	<u>46</u>
EXPENDITURES:						
Instructional services:						
Purchased services	-	-	2,915	1,650	1,182	-
Supplies and materials	-	-	714	-	598	-
Other objects	-	-	-	-	-	-
Intergovernmental:						
Payments to other governments	85	-	402	-	13,250	-
Administrative:						
On-behalf payments	523,940	-	-	-	-	-
On-behalf payments - pension expense	7,813	-	-	-	-	-
Total expenditures	<u>531,838</u>	<u>-</u>	<u>4,031</u>	<u>1,650</u>	<u>15,030</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	122	-	1,862	779	52,684	46
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>57,346</u>	<u>43,021</u>	<u>61,432</u>	<u>10,271</u>	<u>425,747</u>	<u>21,754</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 57,468</u>	<u>\$ 43,021</u>	<u>\$ 63,294</u>	<u>\$ 11,050</u>	<u>\$ 478,431</u>	<u>\$ 21,800</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
Year Ended June 30, 2018

SCHEDULE 2
(CONTINUED)

	Homeless Grant Enterprise	Language Arts	Math	Lab Tech	Fine Arts	School Improvement
REVENUES:						
Local sources	\$ -	\$ 40,673	\$ 10,138	\$ 198	\$ 40	\$ 54
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-
Total revenues	-	40,673	10,138	198	40	54
EXPENDITURES:						
Instructional services:						
Purchased services	-	17,401	1,386	-	-	-
Supplies and materials	-	2,403	86	-	-	-
Other objects	-	-	-	-	-	-
Intergovernmental:						
Payments to other governments	-	5,775	100	-	-	-
Administrative:						
On-behalf payments	-	-	-	-	-	-
On-behalf payments - pension expense	-	-	-	-	-	-
Total expenditures	-	25,579	1,572	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	-	15,094	8,566	198	40	54
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	21	115,893	4,017	92,717	18,924	25,235
FUND BALANCE (DEFICIT), END OF YEAR	\$ 21	\$ 130,987	\$ 12,583	\$ 92,915	\$ 18,964	\$ 25,289

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
Year Ended June 30, 2018

SCHEDULE 2
(CONTINUED)

	<u>District Services</u>	<u>Science</u>	<u>Reading First Enterprise</u>	<u>Registration</u>	<u>Total</u>
REVENUES:					
Local sources	\$ 96,299	\$ 8	\$ 7	\$ -	\$ 156,974
State sources	-	-	-	-	66,732
Federal sources	22,280	-	-	-	22,280
On-behalf payments	-	-	-	-	531,753
Total revenues	<u>118,579</u>	<u>8</u>	<u>7</u>	<u>-</u>	<u>777,739</u>
EXPENDITURES:					
Instructional services:					
Purchased services	94,762	-	-	-	119,296
Supplies and materials	5,711	-	-	-	9,512
Other objects	235	-	-	-	235
Intergovernmental:					
Payments to other governments	36,413	-	-	-	56,025
Administrative:					
On-behalf payments	-	-	-	-	523,940
On-behalf payments - pension expense	-	-	-	-	7,813
Total expenditures	<u>137,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>716,821</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(18,542)	8	7	-	60,918
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>614,458</u>	<u>3,534</u>	<u>3,281</u>	<u>(175)</u>	<u>1,497,476</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 595,916</u>	<u>\$ 3,542</u>	<u>\$ 3,288</u>	<u>\$ (175)</u>	<u>\$ 1,558,394</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2018**

	<u>Bureau County Step Ahead</u>	<u>Henry County Step Ahead</u>	<u>General Operations</u>	<u>Truants Alternative Optional Education Program</u>	<u>Salary</u>	<u>McKinney Education for Homeless Children</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 56,281	\$ -	\$ 362	\$ -
Due from other governments	<u>5,713</u>	<u>14,150</u>	<u>-</u>	<u>6,338</u>	<u>-</u>	<u>5,978</u>
Total assets	5,713	14,150	56,281	6,338	362	5,978
DEFERRED OUTFLOWS OF RESOURCES						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,713</u>	<u>\$ 14,150</u>	<u>\$ 56,281</u>	<u>\$ 6,338</u>	<u>\$ 362</u>	<u>\$ 5,978</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ 394	\$ -	\$ -	\$ -	\$ -
Due to other governments	867	1,881	40	910	-	352
Due to other funds	4,845	12,007	-	5,403	-	5,558
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	5,712	14,282	40	6,313	-	5,910
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)						
Restricted	1	-	56,241	25	362	68
Unassigned	<u>-</u>	<u>(132)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	1	(132)	56,241	25	362	68
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 5,713</u>	<u>\$ 14,150</u>	<u>\$ 56,281</u>	<u>\$ 6,338</u>	<u>\$ 362</u>	<u>\$ 5,978</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2018

	21st Century Community Learning Centers Project 10	21st Century Community Learning Centers Project 13	21st Century Community Learning Centers Project 15	21st Century Community Learning Centers Project 25	Early Childhood Block Grant Pre-K and Parental Training	Early Childhood Block Grant Prevention Initiative and Parental Training
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,214
Due from other governments	-	264,734	102,658	153,568	55,712	-
Total assets	-	264,734	102,658	153,568	55,712	8,214
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 264,734	\$ 102,658	\$ 153,568	\$ 55,712	\$ 8,214
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ 1,082	\$ 198	\$ 344	\$ -	\$ 204
Due to other governments	-	10,088	3,500	5,299	1,041	4,378
Due to other funds	103	253,248	98,960	147,925	54,737	-
Unearned revenue	-	-	-	-	-	3,693
Total liabilities	103	264,418	102,658	153,568	55,778	8,275
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	33,195	-
FUND BALANCE (DEFICIT)						
Restricted	-	316	-	-	-	-
Unassigned	(103)	-	-	-	(33,261)	(61)
Total fund balance (deficit)	(103)	316	-	-	(33,261)	(61)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ -	\$ 264,734	\$ 102,658	\$ 153,568	\$ 55,712	\$ 8,214

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2018

	WIU Math and Science Partnership	ISU Math and Science Partnership	Illinois Math and Science Partnership Project LP	Teacher Mentoring and Mentoring Pilot Program	Title II Teacher Quality Leadership	Regional Safe Schools
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 3,565	\$ -	\$ 273
Due from other governments	-	-	-	-	29	10,986
Total assets	-	-	-	3,565	29	11,259
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ 3,565	\$ 29	\$ 11,259
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-	21
Due to other funds	249	249	1	-	29	-
Unearned revenue	-	-	-	3,565	-	-
Total liabilities	249	249	1	3,565	29	21
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	5,493
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	-	5,745
Unassigned	(249)	(249)	(1)	-	-	-
Total fund balance (deficit)	(249)	(249)	(1)	-	-	5,745
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ -	\$ -	\$ -	\$ 3,565	\$ 29	\$ 11,259

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2018

	<u>Title I School Improvement and Accountability</u>	<u>Education Innovation and Research</u>	<u>Supporting Effective Education Development</u>	<u>Prevention Initiative</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 9,075	\$ 77,770
Due from other governments	<u>5,600</u>	<u>5,000</u>	<u>12,768</u>	<u>-</u>	<u>643,234</u>
Total assets	5,600	5,000	12,768	9,075	721,004
DEFERRED OUTFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,600</u>	<u>\$ 5,000</u>	<u>\$ 12,768</u>	<u>\$ 9,075</u>	<u>\$ 721,004</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 2,222
Due to other governments	-	-	-	1,904	30,281
Due to other funds	5,600	5,000	12,768	-	606,682
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,171</u>	<u>14,429</u>
Total liabilities	<u>5,600</u>	<u>5,000</u>	<u>12,768</u>	<u>9,075</u>	<u>653,614</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,688</u>
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	-	62,758
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,056)</u>
Total fund balance (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,702</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 5,600</u>	<u>\$ 5,000</u>	<u>\$ 12,768</u>	<u>\$ 9,075</u>	<u>\$ 721,004</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

SCHEDULE 4

	<u>Bureau County Step Ahead</u>	<u>Henry County Step Ahead</u>	<u>General Operations</u>	<u>Truants Alternative Optional Education Program</u>	<u>Salary</u>	<u>McKinney Education for Homeless Children</u>
REVENUES:						
Local sources	\$ -	\$ 124,845	\$ -	\$ -	\$ 1	\$ -
State sources	-	-	114,330	105,254	-	-
Federal sources	62,197	-	-	-	-	31,409
Total revenues	62,197	124,845	114,330	105,254	1	31,409
EXPENDITURES:						
Instructional services:						
Salaries	37,477	77,856	1,197	51,494	-	11,501
Benefits	9,992	14,589	92	8,597	-	2,683
Pension expense	2,649	5,578	-	1,982	-	812
Purchased services	11,689	20,764	6,238	7,111	-	9,555
Supplies and materials	389	3,483	4,618	1,522	-	4,983
Other objects	-	-	3,470	2,191	-	-
Intergovernmental:						
Payment to other governments	-	450	96,916	-	-	1,875
Capital outlay	-	2,125	1,799	-	-	-
Total expenditures	62,196	124,845	114,330	72,897	-	31,409
NET CHANGE IN FUND BALANCE (DEFICIT)	1	-	-	32,357	1	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	-	(132)	56,241	(32,332)	361	68
FUND BALANCE (DEFICIT), END OF YEAR	\$ 1	\$ (132)	\$ 56,241	\$ 25	\$ 362	\$ 68

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

SCHEDULE 4
(CONTINUED)

	21st Century Community Learning Centers <u>Project 10</u>	21st Century Community Learning Centers <u>Project 13</u>	21st Century Community Learning Centers <u>Project 15</u>	21st Century Community Learning Centers <u>Project 25</u>	Early Childhood Block Grant Pre-K and Parental <u>Training</u>	Early Childhood Block Grant Prevention Initiative and <u>Parental Training</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	304,303	254,728
Federal sources	-	777,924	425,080	458,496	-	-
Total revenues	-	777,924	425,080	458,496	304,303	254,728
EXPENDITURES:						
Instructional services:						
Salaries	-	326,057	140,637	185,506	47,133	155,570
Benefits	-	64,760	34,157	45,247	8,192	50,023
Pension expense	-	17,815	8,761	10,588	3,293	10,414
Purchased services	-	50,523	32,301	20,036	22,299	23,342
Supplies and materials	-	50,684	25,819	20,196	8,247	9,453
Other objects	-	19,754	9,944	10,321	7,651	5,692
Intergovernmental:						
Payment to other governments	-	217,371	173,320	166,602	196,959	235
Capital outlay	-	30,960	-	-	2,307	-
Total expenditures	-	777,924	424,939	458,496	296,081	254,729
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	141	-	8,222	(1)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(103)	316	(141)	-	(41,483)	(60)
FUND BALANCE (DEFICIT), END OF YEAR	\$ (103)	\$ 316	\$ -	\$ -	\$ (33,261)	\$ (61)

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

SCHEDULE 4
(CONTINUED)

	<u>WIU</u>	<u>ISU</u>	<u>Illinois</u>	<u>Teacher</u>	<u>Title II</u>	<u>Regional</u>
	<u>Math and</u>	<u>Math and</u>	<u>Math and</u>	<u>Mentoring</u>	<u>Teacher</u>	<u>Safe</u>
	<u>Science</u>	<u>Science</u>	<u>Science</u>	<u>and</u>	<u>Quality</u>	<u>Schools</u>
	<u>Partnership</u>	<u>Partnership</u>	<u>Partnership</u>	<u>Pilot</u>	<u>Leadership</u>	<u>Schools</u>
	<u>Program</u>	<u>Program</u>	<u>Project LP</u>	<u>Program</u>	<u>Program</u>	<u>Program</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	93,123
Federal sources	-	-	277,171	-	1,229	-
Total revenues	-	-	277,171	-	1,229	93,123
EXPENDITURES:						
Instructional services:						
Salaries	-	-	112,000	-	-	8,797
Benefits	-	-	14,571	-	-	672
Pension expense	-	-	-	-	-	346
Purchased services	-	-	93,285	-	1,229	17,218
Supplies and materials	-	-	10	-	-	-
Other objects	-	-	-	-	-	2,012
Intergovernmental:						
Payment to other governments	-	-	22,306	-	-	36,871
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	242,172	-	1,229	65,916
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	34,999	-	-	27,207
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(249)	(249)	(35,000)	-	-	(21,462)
FUND BALANCE (DEFICIT), END OF YEAR	\$ (249)	\$ (249)	\$ (1)	\$ -	\$ -	\$ 5,745

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

SCHEDULE 4
(CONTINUED)

	<u>Title I School</u> <u>Improvement</u> <u>and</u> <u>Accountability</u>	<u>Education</u> <u>Innovation</u> <u>and</u> <u>Research</u>	<u>Supporting</u> <u>Effective</u> <u>Education</u> <u>Development</u>	<u>Prevention</u> <u>Initiative</u>	<u>Totals</u>
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 124,846
State sources	-	-	-	31,841	903,579
Federal sources	5,600	7,564	21,634	-	2,068,304
Total revenues	5,600	7,564	21,634	31,841	3,096,729
EXPENDITURES:					
Instructional services:					
Salaries	-	-	866	15,985	1,172,076
Benefits	-	-	281	2,933	256,789
Pension expense	-	-	-	1,049	63,287
Purchased services	5,600	-	1,953	5,180	328,323
Supplies and materials	-	-	30	1,816	131,250
Other objects	-	-	-	882	61,917
Intergovernmental:					
Payment to other governments	-	7,564	18,504	-	938,973
Capital outlay	-	-	-	3,996	41,187
Total expenditures	5,600	7,564	21,634	31,841	2,993,802
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-	-	102,927
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	-	-	-	-	(74,225)
FUND BALANCE (DEFICIT), END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ 28,702

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2018

	General Operations				Truants Alternative Optional Education Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ 104,405	\$ 114,330	\$ 114,330	\$ -	\$ 79,870	\$ 79,870	\$ 105,254	\$ 25,384
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>104,405</u>	<u>114,330</u>	<u>114,330</u>	<u>-</u>	<u>79,870</u>	<u>79,870</u>	<u>105,254</u>	<u>25,384</u>
EXPENDITURES:								
Instructional services:								
Salaries	-	-	1,197	(1,197)	-	-	51,494	(51,494)
Benefits	-	-	92	(92)	-	-	8,597	(8,597)
Pension expense	-	-	-	-	-	-	1,982	(1,982)
Purchased services	6,513	6,513	6,238	275	5,897	6,987	7,111	(124)
Supplies and materials	4,500	4,500	4,618	(118)	1,525	1,525	1,522	3
Other objects	3,625	3,925	3,470	455	2,433	2,433	2,191	242
Intergovernmental:								
Payments to other governments	87,767	97,392	96,916	476	70,015	68,925	-	68,925
Capital outlay	2,000	2,000	1,799	201	-	-	-	-
Total expenditures	<u>104,405</u>	<u>114,330</u>	<u>114,330</u>	<u>-</u>	<u>79,870</u>	<u>79,870</u>	<u>72,897</u>	<u>6,973</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			-				32,357	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>56,241</u>				<u>(32,332)</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 56,241</u>				<u>\$ 25</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2018

	McKinney Education for Homeless Children				21st Century Community Learning Centers Project 13			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	20,820	28,000	31,409	3,409	999,520	999,520	777,924	(221,596)
Total revenues	20,820	28,000	31,409	3,409	999,520	999,520	777,924	(221,596)
EXPENDITURES:								
Instructional services:								
Salaries	-	-	11,501	(11,501)	344,677	344,677	326,057	18,620
Benefits	-	-	2,683	(2,683)	108,894	108,894	64,760	44,134
Pension expense	-	-	812	(812)	-	-	17,815	(17,815)
Purchased services	5,005	8,210	9,555	(1,345)	65,701	64,638	50,523	14,115
Supplies and materials	3,433	5,108	4,983	125	59,508	59,508	50,684	8,824
Other objects	-	-	-	-	29,500	29,500	19,754	9,746
Intergovernmental:								
Payments to other governments	12,382	14,682	1,875	12,807	358,281	360,165	217,371	142,794
Capital outlay	-	-	-	-	32,959	32,138	30,960	1,178
Total expenditures	20,820	28,000	31,409	(3,409)	999,520	999,520	777,924	221,596
NET CHANGE IN FUND BALANCE (DEFICIT)			-				-	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			68				316	
FUND BALANCE (DEFICIT), END OF YEAR			\$ 68				\$ 316	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2018

	21st Century Community Learning Centers Project 15				21st Century Community Learning Centers Project 25			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	499,090	499,090	425,080	(74,010)	535,354	535,354	458,496	(76,858)
Total revenues	499,090	499,090	425,080	(74,010)	535,354	535,354	458,496	(76,858)
EXPENDITURES:								
Instructional services:								
Salaries	144,269	144,269	140,637	3,632	194,977	194,977	185,506	9,471
Benefits	46,646	46,646	34,157	12,489	63,228	63,228	45,247	17,981
Pension expense	-	-	8,761	(8,761)	-	-	10,588	(10,588)
Purchased services	38,986	39,736	32,301	7,435	34,192	33,192	20,036	13,156
Supplies and materials	36,255	36,255	25,819	10,436	32,535	32,535	20,196	12,339
Other objects	15,200	15,200	9,944	5,256	13,938	13,938	10,321	3,617
Intergovernmental:								
Payments to other governments	217,734	216,984	173,320	43,664	196,484	197,484	166,602	30,882
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	499,090	499,090	424,939	74,151	535,354	535,354	458,496	76,858
NET CHANGE IN FUND BALANCE (DEFICIT)			141				-	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(141)				-	
FUND BALANCE (DEFICIT), END OF YEAR			\$ -				\$ -	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2018

	Early Childhood Block Grant Pre-K and Parental Training				Early Childhood Block Grant Prevention Initiative and Parental Training			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ 315,238	\$ 315,238	\$ 304,303	\$ (10,935)	\$ 294,078	\$ 294,078	\$ 254,728	\$ (39,350)
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>315,238</u>	<u>315,238</u>	<u>304,303</u>	<u>(10,935)</u>	<u>294,078</u>	<u>294,078</u>	<u>254,728</u>	<u>(39,350)</u>
EXPENDITURES:								
Instructional services:								
Salaries	-	-	47,133	(47,133)	-	-	155,570	(155,570)
Benefits	-	-	8,192	(8,192)	-	-	50,023	(50,023)
Pension expense	-	-	3,293	(3,293)	-	-	10,414	(10,414)
Purchased services	28,918	28,918	22,299	6,619	37,553	39,053	23,342	15,711
Supplies and materials	5,100	5,100	8,247	(3,147)	5,837	5,837	9,453	(3,616)
Other objects	9,534	9,534	7,651	1,883	8,174	8,174	5,692	2,482
Intergovernmental:								
Payments to other governments	270,686	270,686	196,959	73,727	242,514	241,014	235	240,779
Capital outlay	1,000	1,000	2,307	(1,307)	-	-	-	-
Total expenditures	<u>315,238</u>	<u>315,238</u>	<u>296,081</u>	<u>19,157</u>	<u>294,078</u>	<u>294,078</u>	<u>254,729</u>	<u>39,349</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			8,222				(1)	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(41,483)				(60)	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (33,261)</u>				<u>\$ (61)</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2018

	Illinois Math and Science Partnership Project LP				Title II Teacher Quality Leadership			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	946,435	946,435	277,171	(669,264)	1,229	1,229	1,229	-
Total revenues	946,435	946,435	277,171	(669,264)	1,229	1,229	1,229	-
EXPENDITURES:								
Instructional services:								
Salaries	-	-	112,000	(112,000)	-	-	-	-
Benefits	-	-	14,571	(14,571)	-	-	-	-
Pension expense	-	-	-	-	-	-	-	-
Purchased services	330,109	358,530	93,285	265,245	1,229	1,229	1,229	-
Supplies and materials	10,334	45,490	10	45,480	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Intergovernmental:								
Payments to other governments	605,992	542,415	22,306	520,109	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	946,435	946,435	242,172	704,263	1,229	1,229	1,229	-
NET CHANGE IN FUND BALANCE (DEFICIT)			34,999				-	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(35,000)				-	
FUND BALANCE (DEFICIT), END OF YEAR			\$ (1)				\$ -	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2018

	Regional Safe Schools				Title I School Improvement and Accountability			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ 65,916	\$ 65,916	\$ 93,123	\$ 27,207	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	-	7,500	7,500	5,600	(1,900)
Total revenues	65,916	65,916	93,123	27,207	7,500	7,500	5,600	(1,900)
EXPENDITURES:								
Instructional services:								
Salaries	-	-	8,797	(8,797)	-	-	-	-
Benefits	-	-	672	(672)	-	-	-	-
Pension expense	-	-	346	(346)	-	-	-	-
Purchased services	12,148	12,148	17,218	(5,070)	7,500	7,500	5,600	1,900
Supplies and materials	-	-	-	-	-	-	-	-
Other objects	2,012	2,012	2,012	-	-	-	-	-
Intergovernmental:								
Payments to other governments	51,756	51,756	36,871	14,885	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	65,916	65,916	65,916	-	7,500	7,500	5,600	1,900
NET CHANGE IN FUND BALANCE (DEFICIT)			27,207				-	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(21,462)				-	
FUND BALANCE (DEFICIT), END OF YEAR			\$ 5,745				\$ -	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2018

	Education Innovation and Research				Supporting Effective Education Development			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	17,000	17,000	7,564	(9,436)	167,000	167,000	21,634	(145,366)
Total revenues	17,000	17,000	7,564	(9,436)	167,000	167,000	21,634	(145,366)
EXPENDITURES:								
Instructional services:								
Salaries	-	-	-	-	-	-	866	(866)
Benefits	-	-	-	-	-	-	281	(281)
Pension expense	-	-	-	-	-	-	-	-
Purchased services	-	-	-	-	10,000	10,000	1,953	8,047
Supplies and materials	-	-	-	-	-	-	30	(30)
Other objects	-	-	-	-	-	-	-	-
Intergovernmental:								
Payments to other governments	17,000	17,000	7,564	9,436	157,000	157,000	18,504	138,496
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	17,000	17,000	7,564	9,436	167,000	167,000	21,634	145,366
NET CHANGE IN FUND BALANCE (DEFICIT)				-				-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR				-				-
FUND BALANCE (DEFICIT), END OF YEAR				\$ -				\$ -

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2018

	Prevention Initiative			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
State sources	\$ 117,035	\$ 117,035	\$ 31,841	\$ (85,194)
Federal sources	-	-	-	-
Total revenues	<u>117,035</u>	<u>117,035</u>	<u>31,841</u>	<u>(85,194)</u>
EXPENDITURES:				
Instructional services:				
Salaries	-	-	15,985	(15,985)
Benefits	-	-	2,933	(2,933)
Pension expense	-	-	1,049	(1,049)
Purchased services	7,017	13,477	5,180	8,297
Supplies and materials	1,500	4,160	1,816	2,344
Other objects	-	3,238	882	2,356
Intergovernmental:				
Payments to other governments	102,518	87,308	-	87,308
Capital outlay	<u>6,000</u>	<u>8,852</u>	<u>3,996</u>	<u>4,856</u>
Total expenditures	<u>117,035</u>	<u>117,035</u>	<u>31,841</u>	<u>85,194</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			-	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			-	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2018**

	<u>Institute Fund</u>	<u>General Educational Development Fund</u>	<u>Bus Driver Fund</u>	<u>Hearing Fund</u>	<u>Supervisory Fund</u>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ 174,614	\$ 8,270	\$ 22,666	\$ 4,810	\$ 253	\$ 210,613
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 174,614</u>	<u>\$ 8,270</u>	<u>\$ 22,666</u>	<u>\$ 4,810</u>	<u>\$ 253</u>	<u>\$ 210,613</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 84	\$ 84
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE						
Restricted	<u>174,614</u>	<u>8,270</u>	<u>22,666</u>	<u>4,810</u>	<u>169</u>	<u>210,529</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 174,614</u>	<u>\$ 8,270</u>	<u>\$ 22,666</u>	<u>\$ 4,810</u>	<u>\$ 253</u>	<u>\$ 210,613</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2018

SCHEDULE 7

	<u>Institute Fund</u>	<u>General Educational Development Fund</u>	<u>Bus Driver Fund</u>	<u>Hearing Fund</u>	<u>Supervisory Fund</u>	<u>Totals</u>
REVENUES:						
Local sources	\$ 41,522	\$ 3,118	\$ 3,283	\$ 9	\$ -	\$ 47,932
State sources	-	-	1,335	-	-	1,335
Total revenues	<u>41,522</u>	<u>3,118</u>	<u>4,618</u>	<u>9</u>	<u>-</u>	<u>49,267</u>
EXPENDITURES:						
Instructional services:						
Purchased services	25,870	-	2,511	-	137	28,518
Supplies and materials	220	130	-	-	104	454
Other objects	7	-	-	-	-	7
Total expenditures	<u>26,097</u>	<u>130</u>	<u>2,511</u>	<u>-</u>	<u>241</u>	<u>28,979</u>
NET CHANGE IN FUND BALANCE	15,425	2,988	2,107	9	(241)	20,288
FUND BALANCE, BEGINNING OF YEAR	<u>159,189</u>	<u>5,282</u>	<u>20,559</u>	<u>4,801</u>	<u>410</u>	<u>190,241</u>
FUND BALANCE, END OF YEAR	<u>\$ 174,614</u>	<u>\$ 8,270</u>	<u>\$ 22,666</u>	<u>\$ 4,810</u>	<u>\$ 169</u>	<u>\$ 210,529</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2018

	<u>Distributive Fund</u>	<u>Distributive Interest Fund</u>	<u>School Facility Occupation Tax</u>	<u>Total</u>
ASSETS				
Cash (overdraft) and cash equivalents	\$ -	\$ 22,186	\$ (1)	\$ 22,185
Due from other governments	-	-	876,500	876,500
	<u>-</u>	<u>22,186</u>	<u>876,499</u>	<u>898,685</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 22,186</u>	<u>\$ 876,499</u>	<u>\$ 898,685</u>
LIABILITIES				
Due to other governments	<u>\$ -</u>	<u>\$ 22,186</u>	<u>\$ 876,499</u>	<u>\$ 898,685</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2018

	<u>Balance, June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2018</u>
DISTRIBUTIVE FUND				
ASSETS				
Cash and cash equivalents	\$ -	\$ 186,205	\$ 186,205	\$ -
LIABILITIES				
Due to other governments	\$ -	\$ 186,205	\$ 186,205	\$ -
DISTRIBUTIVE INTEREST FUND				
ASSETS				
Cash and cash equivalents	\$ 22,410	\$ 1,175	\$ 1,399	\$ 22,186
LIABILITIES				
Due to other governments	\$ 22,410	\$ 1,175	\$ 1,399	\$ 22,186
SCHOOL FACILITY OCCUPATION TAX				
ASSETS				
Cash (overdraft) and cash equivalents	\$ (1)	\$ 3,171,070	\$ 3,171,070	\$ (1)
Due from other governments	532,155	876,500	532,155	876,500
TOTAL ASSETS	<u>\$ 532,154</u>	<u>\$ 4,047,570</u>	<u>\$ 3,703,225</u>	<u>\$ 876,499</u>
LIABILITIES				
Due to other governments	\$ 532,154	\$ 4,047,570	\$ 3,703,225	\$ 876,499
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 22,409	\$ 3,358,450	\$ 3,358,674	\$ 22,185
Due from other governments	532,155	876,500	532,155	876,500
TOTAL ASSETS	<u>\$ 554,564</u>	<u>\$ 4,234,950</u>	<u>\$ 3,890,829</u>	<u>\$ 898,685</u>
LIABILITIES				
Due to other governments	\$ 554,564	\$ 4,234,950	\$ 3,890,829	\$ 898,685

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
 TREASURERS AND OTHER ENTITIES
 Year Ended June 30, 2018

SCHEDULE 10

<u>Program</u>	<u>Bradford CUSD #1</u>	<u>Erie CUSD #1</u>	<u>PLT CUSD #3</u>	<u>United Township HSD #30</u>	<u>LADD G.S. SD #94</u>	<u>Stark County CUSD #100</u>	<u>Colona Elementary SD #190</u>
Education Extraordinary 3105	\$ 8,073	\$ -	\$ -	\$ -	\$ 12,870	\$ -	\$ -
Education Personnel 3110	7,277	-	-	-	15,740	-	-
Orphanage Group 3120	1,021	-	-	-	-	-	-
Illinois Free Lunch 3360	137	-	-	-	364	124	-
Transportation Regular 3500	17,117	-	-	-	20,399	-	-
Transportation Special Education 3510	14,139	-	-	-	16,336	-	-
Early Childhood Block Grant 3705	13,050	-	-	-	26,302	-	-
Low Income 4300	-	-	-	-	27,806	-	-
Title II - Teacher Quality 4932	-	-	-	-	4,531	-	-
School Facility Occupation Tax	-	1,730	1,345	58,042	-	-	176,231
Other	-	-	-	-	-	-	-
Totals	<u>\$ 60,814</u>	<u>\$ 1,730</u>	<u>\$ 1,345</u>	<u>\$ 58,042</u>	<u>\$ 124,348</u>	<u>\$ 124</u>	<u>\$ 176,231</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
 TREASURERS AND OTHER ENTITIES
 Year Ended June 30, 2018

SCHEDULE 10
 (CONTINUED)

<u>Program</u>	<u>ROWVA</u> <u>CUSD #208</u>	<u>Orion</u> <u>CUSD #223</u>	<u>Galva</u> <u>CUSD #224</u>	<u>AIWood</u> <u>CUSD #225</u>	<u>Annawan</u> <u>CUSD #226</u>	<u>Cambridge</u> <u>CUSD #227</u>
Education Extraordinary 3105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Education Personnel 3110	-	-	-	-	-	-
Orphanage Group 3120	-	-	-	-	-	-
Illinois Free Lunch 3360	-	-	93	-	-	-
Transportation Regular 3500	-	-	-	-	-	-
Transportation Special Education 3510	-	-	-	-	-	-
Early Childhood Block Grant 3705	-	-	-	-	-	-
Low Income 4300	-	-	-	-	-	-
Title II - Teacher Quality 4932	-	-	-	-	-	-
School Facility Occupation Tax	698	384,173	201,448	147,248	113,089	184,605
Other	-	-	-	-	-	-
Totals	<u>\$ 698</u>	<u>\$ 384,173</u>	<u>\$ 201,541</u>	<u>\$ 147,248</u>	<u>\$ 113,089</u>	<u>\$ 184,605</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
 TREASURERS AND OTHER ENTITIES
 Year Ended June 30, 2018

SCHEDULE 10
 (CONTINUED)

<u>Program</u>	<u>Geneseo CUSD #228</u>	<u>Kewanee CUSD #229</u>	<u>Wethersfield CUSD #230</u>	<u>Princeton H.S. SD #500</u>	<u>Regional Office of Education</u>	<u>Total</u>
Education Extraordinary 3105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,943
Education Personnel 3110	-	-	-	-	-	23,017
Orphanage Group 3120	-	-	-	-	-	1,021
Illinois Free Lunch 3360	-	769	-	57	-	1,544
Transportation Regular 3500	-	-	-	-	-	37,516
Transportation Special Education 3510	-	-	-	-	-	30,475
Early Childhood Block Grant 3705	-	-	-	-	-	39,352
Low Income 4300	-	-	-	-	-	27,806
Title II - Teacher Quality 4932	-	-	-	-	-	4,531
School Facility Occupation Tax	982,393	706,312	213,756	-	-	3,171,070
Other	-	-	-	-	1,399	1,399
Totals	<u>\$ 982,393</u>	<u>\$ 707,081</u>	<u>\$ 213,756</u>	<u>\$ 57</u>	<u>\$ 1,399</u>	<u>\$ 3,358,674</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor, Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education			
Passed-Through Illinois State Board of Education			
Title I Grants to Local Educational Agencies			
Title I School Improvement and Accountability	84.010A	S010A170013	\$ 5,600
Passed-Through Boone/Winnebago Counties Regional Office of Education No. 4			
Title I Grants to Local Educational Agencies			
Title I - School Improvement (SSOS)	84.010A	18-4331-SS	<u>22,280</u>
			<u>27,880</u>
Passed-Through Illinois State Board of Education			
Twenty-First Century Community Learning Centers			
Twenty-First Century Community Learning Centers	84.287C	17-4421-13	77,518
Twenty-First Century Community Learning Centers	84.287C	17-4421-15	97,623
Twenty-First Century Community Learning Centers	84.287C	17-4421-25	56,498
Twenty-First Century Community Learning Centers	84.287C	18-4421-13	700,406
Twenty-First Century Community Learning Centers	84.287C	18-4421-15	327,316
Twenty-First Century Community Learning Centers	84.287C	18-4421-25	401,998
(M) Total Twenty-First Century Community Learning Centers			<u>1,661,359</u>
Mathematics and Science Partnerships			
Mathematics and Science Partnerships	84.366B	17-4936-LP	<u>242,171</u>
Improving Teacher Quality State Grants			
Title II Teacher Quality Leadership	84.367A	18-4935-02	<u>1,229</u>
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	18-4920-00	<u>31,409</u>
Passed-Through DuPage County Regional Office of Education No. 19			
Education Innovation and Research			
	84.411C	U411C170142	<u>7,564</u>
Passed-Through Illinois State University			
Supporting Effective Educator Development Program			
Supporting Effective Education Development	84.423A	U423A170072	<u>21,634</u>
Total U.S. Department of Education			<u>1,993,246</u>
U.S. Department of Labor			
Passed-Through Business Employment Skills Team, Inc.			
Workforce Investment Act (WIA) Youth Activities			
WIA - Bureau County Step Ahead Program	17.259	17-003	<u>62,196</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,055,442</u>

(M) Program was audited as a major program

The accompanying notes are an integral part of this schedule.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018**

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Bureau/Henry/Stark Counties Regional Office of Education No. 28 under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Regional Office of Education No. 28, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Regional Office of Education No. 28.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

This information is an integral part of the accompanying schedule.