



STATE OF ILLINOIS

**ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1**

FINANCIAL AUDIT

For the Year Ended June 30, 2019

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



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**STATE OF ILLINOIS
ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1**

TABLE OF CONTENTS

	<u>Page</u>
OFFICIALS	1
FINANCIAL REPORT SUMMARY	2-3
FINANCIAL STATEMENT REPORT SUMMARY	4
 FINANCIAL SECTION	
Independent Auditors' Report	5-7
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 <i>Government Auditing Standards</i>	8-9
Schedule of Findings and Responses	10
Financial Statement Findings	11
Corrective Action Plan for Current Year Audit Findings	12
Summary Schedule of Prior Audit Findings Not Repeated	13
 BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Governmental Funds – Balance Sheet.....	16
Governmental Funds – Reconciliation of the Balance Sheet to the Statement of Net Position.....	17
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances	18
Governmental Funds – Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	19
Proprietary Funds – Statement of Net Position.....	20
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Fund Net Position.....	21
Proprietary Funds – Statement of Cash Flows.....	22
Fiduciary Funds – Statement of Fiduciary Net Position	23
Notes to Financial Statements.....	24-66

**STATE OF ILLINOIS
ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1**

TABLE OF CONTENTS (Continued)

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund - Schedule of Changes in the Net Pension Liability & Related Ratios	67
Illinois Municipal Retirement Fund – Schedule of Employer Contributions.....	68
Teachers’ Retirement System of the State of Illinois - Schedule of the Employer’s Proportionate Share of the Net Pension Liability	69
Teachers’ Retirement System of the State of Illinois – Schedule of Employer’s Contributions.....	70
Teachers’ Health Insurance Security Fund – Schedule of the Employer’s Proportionate Share of the Collective Net OPEB Liability	71
Teachers’ Health Insurance Security Fund – Schedule of Employer’s Contributions.....	72
Western Area School Health Benefit Plan – Schedule of Changes in the Total OPEB Liability and Related Ratios.....	73
 SUPPLEMENTAL INFORMATION	
General Fund:	
Combining Schedule of Accounts.....	74-75
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	76-77
 Education Fund:	
Combining Schedule of Accounts.....	78-81
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	82-85
Budgetary Comparison Schedules:	
Regional Office of Prevention Effectiveness Services (ROPES)	86
Truants Alternative and Optional Education	87
ROE/ISC Operations	88
McKinney Education for Homeless Children.....	89
Regional Safe Schools	90
Child and Family Connections.....	91
Regional Safe Schools Cooperative	92
Title II – Teacher Quality - Leadership	93
Foundational Services.....	94
Supporting Effective Educator Development.....	95
Education Innovation and Research Grant	96

**STATE OF ILLINOIS
ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1**

TABLE OF CONTENTS (Continued)

	<u>Page</u>
SUPPLEMENTAL INFORMATION (Continued)	
Nonmajor Special Revenue Funds:	
Combining Balance Sheet.....	97
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	98
Agency Funds:	
Statement of Changes in Assets and Liabilities.....	99

**STATE OF ILLINOIS
ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1**

OFFICIALS

Regional Superintendent
(Current and during audit period)

Jill Reis

Assistant Regional Superintendent
(Current and during audit period)

Julie Stratman

Offices are located at:

507 Vermont Street
Quincy, IL 62301

1267 East Washington
Pittsfield, IL 62363

110 N. West St.
Jacksonville, IL 62650

**STATE OF ILLINOIS
ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1**

FINANCIAL REPORT

SUMMARY

The financial 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 on internal controls do not contain scope limitations, disclaimers, or other significant nonstandard language.

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
None			

PRIOR AUDIT FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
None			

**STATE OF ILLINOIS
ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1**

FINANCIAL REPORT (Continued)

SUMMARY (Continued)

EXIT CONFERENCE

An informal exit conference was held on October 28, 2019. Attending were Jill Reis, Regional Superintendent; Heather Factor, Controller; Megan Cochran, Sikich LLP; and Megan Street, Sikich LLP.

**STATE OF ILLINOIS
ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1**

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1 was performed by Sikich LLP.

Based on their audit, the auditors expressed an unmodified opinion on the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1's basic financial statements.

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INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1, as of June 30, 2019, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents, 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 the 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.

The Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1 has not presented a management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1's basic financial statements. The combining schedules of accounts, budgetary comparison schedules, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2020 on our consideration of the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1'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 the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1'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 the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Springfield, Illinois
April 9, 2020

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**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, the business-type activities, each major fund, and the aggregate remaining fund information of the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1's basic financial statements and have issued our report thereon dated April 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1'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 the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1's internal control. Accordingly, we do not express an opinion on the effectiveness of the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Springfield, Illinois
April 9, 2020

**STATE OF ILLINOIS
ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1**

**SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2019**

Section I – Summary of Auditor’s Results

Financial Statements in accordance with GAAP

Type of auditor’s report issued:	<i>unmodified</i>	
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none noted
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

**STATE OF ILLINOIS
ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1**

**SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

None

**STATE OF ILLINOIS
ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1**

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2019**

Not Applicable

**STATE OF ILLINOIS
ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2019**

None

BASIC FINANCIAL STATEMENTS

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,100,119	\$ 108,471	\$ 2,208,590
Accounts receivable	-	510	510
Due from other governments	269,244	2,520	271,764
Investments	72,796	-	72,796
Prepaid expenses	4,129	-	4,129
Total current assets	<u>2,446,288</u>	<u>111,501</u>	<u>2,557,789</u>
Noncurrent assets:			
Capital assets, being depreciated, net	62,535	2,884	65,419
Total noncurrent assets	<u>62,535</u>	<u>2,884</u>	<u>65,419</u>
TOTAL ASSETS	<u>2,508,823</u>	<u>114,385</u>	<u>2,623,208</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	373,876	-	373,876
Deferred outflows related to OPEB	131,214	-	131,214
Total deferred outflows of resources	<u>505,090</u>	<u>-</u>	<u>505,090</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	50,377	494	50,871
Due to other governments	92,933	85	93,018
Unearned revenue	417,771	750	418,521
Total current liabilities	<u>561,081</u>	<u>1,329</u>	<u>562,410</u>
Noncurrent liabilities:			
Net pension liability	579,276	-	579,276
OPEB liabilities	315,147	-	315,147
Compensated absences	5,793	-	5,793
Total noncurrent liabilities	<u>900,216</u>	<u>-</u>	<u>900,216</u>
TOTAL LIABILITIES	<u>1,461,297</u>	<u>1,329</u>	<u>1,462,626</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	46,740	-	46,740
Deferred inflows related to OPEB	61,951	-	61,951
Total deferred inflows of resources	<u>108,691</u>	<u>-</u>	<u>108,691</u>
NET POSITION			
Investment in capital assets	62,535	2,884	65,419
Restricted for educational purposes	543,813	-	543,813
Unrestricted	837,577	110,172	947,749
TOTAL NET POSITION	<u>\$ 1,443,925</u>	<u>\$ 113,056</u>	<u>\$ 1,556,981</u>

See independent accountant's compilation report and accompanying notes.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

FUNCTIONS/PROGRAMS Primary Government:	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Governmental Activities:						
Instructional services:						
Salaries and benefits	\$ 1,379,409	\$ -	\$ 930,051	\$ (449,358)	\$ -	\$ (449,358)
Pension expense	161,304	-	56,942	(104,362)	-	(104,362)
OPEB expense	38,506	-	-	(38,506)	-	(38,506)
Purchased services	587,852	39,525	436,555	(111,772)	-	(111,772)
Supplies and materials	139,887	9,881	113,884	(16,122)	-	(16,122)
Other objects	72,750	33,237	37,961	(1,552)	-	(1,552)
Depreciation and disposition losses	13,362	-	-	(13,362)	-	(13,362)
Capital outlay	-	6,288	-	6,288	-	6,288
Intergovernmental:						
Payments to other governments	682,393	898	322,671	(358,824)	-	(358,824)
Administrative:						
On-behalf payments - Local	42,201	-	-	(42,201)	-	(42,201)
On-behalf payments - State	389,343	-	-	(389,343)	-	(389,343)
Total Governmental Activities	<u>3,507,007</u>	<u>89,829</u>	<u>1,898,064</u>	<u>(1,519,114)</u>	<u>-</u>	<u>(1,519,114)</u>
Business-Type Activities:						
Charges for services	14,744	16,723	-	-	1,979	1,979
Total Business-Type Activities	<u>14,744</u>	<u>16,723</u>	<u>-</u>	<u>-</u>	<u>1,979</u>	<u>1,979</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 3,521,751</u>	<u>\$ 106,552</u>	<u>\$ 1,898,064</u>	<u>(1,519,114)</u>	<u>1,979</u>	<u>(1,517,135)</u>
GENERAL REVENUES AND TRANSFERS:						
Local sources				388,102	-	388,102
State sources				768,167	-	768,167
On-behalf payments - Local				42,201	-	42,201
On-behalf payments - State				389,343	-	389,343
Investment earnings				14,776	493	15,269
Gain (loss) on asset disposition				(643)	-	(643)
Transfers in (out)				39	(39)	-
Total General Revenues and Transfers				<u>1,601,985</u>	<u>454</u>	<u>1,602,439</u>
CHANGE IN NET POSITION				<u>82,871</u>	<u>2,433</u>	<u>85,304</u>
NET POSITION - BEGINNING				<u>1,361,054</u>	<u>110,623</u>	<u>1,471,677</u>
NET POSITION - ENDING				<u>\$ 1,443,925</u>	<u>\$ 113,056</u>	<u>\$ 1,556,981</u>

See independent accountant's compilation report and accompanying notes.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2019

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,118,677	\$ 698,548	\$ 282,894	\$ -	\$ 2,100,119
Due from other funds	194,855	-	-	(194,855)	-
Due from other governments	6,376	262,108	760	-	269,244
Investments	64,989	-	7,807	-	72,796
Prepaid expenses	4,129	-	-	-	4,129
Total assets	1,389,026	960,656	291,461	(194,855)	2,446,288
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,389,026	\$ 960,656	\$ 291,461	\$ (194,855)	\$ 2,446,288
LIABILITIES					
Accounts payable and accrued expenses	\$ 47,034	\$ 3,167	\$ 176	\$ -	\$ 50,377
Due to other funds	-	194,855	-	(194,855)	-
Due to other governments	148	92,785	-	-	92,933
Unearned revenue	-	417,771	-	-	417,771
Total liabilities	47,182	708,578	176	(194,855)	561,081
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	450	56,456	30	-	56,936
FUND BALANCE					
Nonspendable	4,129	-	-	-	4,129
Restricted	-	252,078	291,255	-	543,333
Assigned	125,855	-	-	-	125,855
Unassigned	1,211,410	(56,456)	-	-	1,154,954
Total fund balance	1,341,394	195,622	291,255	-	1,828,271
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 1,389,026	\$ 960,656	\$ 291,461	\$ (194,855)	\$ 2,446,288

See independent accountant's compilation report and accompanying notes.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2019

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 1,828,271

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 62,535

Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are not considered "available" revenues and are deferred inflows of resources in the governmental funds.
Current year unavailable revenue 56,936

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Liability for compensated absences	\$ (5,793)	
IMRF net pension liability	(565,914)	
TRS net pension liability	(13,362)	
THIS net OPEB liability	(137,931)	
WAS total OPEB liability	<u>(177,216)</u>	(900,216)

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:

IMRF Deferred outflows of resources	362,603	
IMRF Deferred inflows of resources	(25,441)	
TRS Deferred outflows of resources	11,273	
TRS Deferred inflows of resources	(21,299)	
THIS Deferred outflows of resources	2,126	
THIS Deferred inflows of resources	(61,951)	
WAS Deferred outflows of resources	<u>129,088</u>	<u>396,399</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,443,925

See independent accountant's compilation report and accompanying notes.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 440,560	\$ 465,420	\$ 48,368	\$ -	\$ 954,348
On-behalf payments - Local	42,201	-	-	-	42,201
State sources	768,167	885,767	1,494	-	1,655,428
On-behalf payments - State	293,761	-	-	-	293,761
Federal sources	-	531,827	-	-	531,827
Investment earnings	12,237	1,004	1,535	-	14,776
Total revenues	1,556,926	1,884,018	51,397	-	3,492,341
EXPENDITURES					
Instructional services:					
Salaries and benefits	484,789	908,648	-	-	1,393,437
Pension expense	31,307	58,208	-	-	89,515
OPEB expense	188	1,938	-	-	2,126
Purchased services	159,913	422,456	5,483	-	587,852
Supplies and materials	26,925	111,868	1,094	-	139,887
Other objects	5,138	46,897	20,715	-	72,750
Intergovernmental:					
Payments to other governments	372,577	309,816	-	-	682,393
Administrative:					
On-behalf payments - Local	42,201	-	-	-	42,201
On-behalf payments - State	293,761	-	-	-	293,761
Capital outlay	38,206	-	4,564	-	42,770
Total expenditures	1,455,005	1,859,831	31,856	-	3,346,692
EXCESSOF REVENUES OVER EXPENDITURES	101,921	24,187	19,541	-	145,649
OTHER FINANCING SOURCES (USES):					
Transfers in	-	10,213	-	(10,174)	39
Transfers out	(10,174)	-	-	10,174	-
Total other financing sources (uses)	(10,174)	10,213	-	-	39
NET CHANGE IN FUND BALANCE	91,747	34,400	19,541	-	145,688
FUND BALANCE - BEGINNING,	1,249,647	161,222	271,714	-	1,682,583
FUND BALANCE - ENDING	\$ 1,341,394	\$ 195,622	\$ 291,255	\$ -	\$ 1,828,271

See independent accountant's compilation report and accompanying notes.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ 145,688

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

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

Capital outlay	\$ 42,770	
Depreciation expense and disposition losses	<u>(14,005)</u>	28,765

Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.

Prior year unavailable revenue	(54,377)	
Current year unavailable revenue	<u>56,936</u>	2,559

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

Change in compensated absences	1,135	
TRS and IMRF pension expense	(71,789)	
THIS and WAS OPEB expense	<u>(23,487)</u>	<u>(94,141)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 82,871

See independent accountant's compilation report and accompanying notes.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities Enterprise Funds - Nonmajor		
	Local Workshops	Testing Center	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 77,875	\$ 30,596	\$ 108,471
Accounts receivable	510	-	510
Due from other governments	2,520	-	2,520
Total current assets	80,905	30,596	111,501
Noncurrent assets:			
Capital assets, being depreciated, net	190	2,694	2,884
Total noncurrent assets	190	2,694	2,884
TOTAL ASSETS	81,095	33,290	114,385
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
LIABILITIES			
Current liabilities:			
Accounts payable	494	-	494
Due to other governments	-	85	85
Unearned revenue	750	-	750
Total current liabilities	1,244	85	1,329
TOTAL LIABILITIES	1,244	85	1,329
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
NET POSITION			
Invested in capital assets	190	2,694	2,884
Unrestricted	79,661	30,511	110,172
TOTAL NET POSITION	\$ 79,851	\$ 33,205	\$ 113,056

See independent accountant's compilation report and accompanying notes.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds - Nonmajor		
	Local Workshops	Testing Center	Total
OPERATING REVENUES			
Charges for services	\$ 7,920	\$ 8,803	\$ 16,723
Total operating revenues	7,920	8,803	16,723
OPERATING EXPENSES			
Salaries and benefits	3,221	-	3,221
Purchased services	8,271	956	9,227
Supplies and materials	1,534	232	1,766
Depreciation	255	275	530
Total operating expenses	13,281	1,463	14,744
OPERATING INCOME (LOSS)	(5,361)	7,340	1,979
NONOPERATING REVENUE (EXPENSE)			
Investment earnings	337	156	493
Total nonoperating revenue (expense)	337	156	493
INCOME (LOSS) BEFORE TRANSFERS	(5,024)	7,496	2,472
TRANSFERS			
Transfers out	(39)	-	(39)
Total transfers	(39)	-	(39)
CHANGE IN NET POSITION	(5,063)	7,496	2,433
TOTAL NET POSITION - BEGINNING	84,914	25,709	110,623
TOTAL NET POSITION - ENDING	\$ 79,851	\$ 33,205	\$ 113,056

See independent accountant's compilation report and accompanying notes.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds - Nonmajor		
	Local Workshops	Testing Center	Total
Cash Flows from Operating Activities:			
Receipts from customers	\$ 7,241	\$ 9,945	\$ 17,186
Payments to suppliers and providers of goods and services	(10,897)	(1,194)	(12,091)
Payments to employees	(3,221)	-	(3,221)
Net Cash Provided by (Used for) Operating Activities	<u>(6,877)</u>	<u>8,751</u>	<u>1,874</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	-	(2,969)	(2,969)
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>(2,969)</u>	<u>(2,969)</u>
Cash Flows from Noncapital Financing Activities:			
Cash transfers from other funds	(39)	-	(39)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(39)</u>	<u>-</u>	<u>(39)</u>
Cash Flows from Investing Activities:			
Interest income	337	156	493
Net Cash Provided by Investing Activities	<u>337</u>	<u>156</u>	<u>493</u>
Net increase (decrease) in cash and cash equivalents	(6,579)	5,938	(641)
Cash and cash equivalents - Beginning	84,454	24,658	109,112
Cash and cash equivalents - Ending	<u>\$ 77,875</u>	<u>\$ 30,596</u>	<u>\$ 108,471</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (5,361)	\$ 7,340	\$ 1,979
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	255	275	530
(Increase)/Decrease in assets:			
Accounts receivable	(510)	-	(510)
Due from other governments	(919)	1,142	223
Increase/(Decrease) in liabilities:			
Accounts payable	(1,092)	(91)	(1,183)
Due to other governments	-	85	85
Unearned revenue	750	-	750
Net cash provided by (used for) operating activities	<u>\$ (6,877)</u>	<u>\$ 8,751</u>	<u>\$ 1,874</u>

See independent accountant's compilation report and accompanying notes.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 JUNE 30, 2019

	Agency Fund
	School Facility Occupation Tax
ASSETS	
Cash and cash equivalents	\$ 2,794
Due from other governments	1,437,348
TOTAL ASSETS	\$ 1,440,142
LIABILITIES	
Due to other governments	\$ 1,440,142
TOTAL LIABILITIES	\$ 1,440,142

See independent accountant's compilation report and accompanying notes.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2019, the Regional Office of Education #1 implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations* and GASB No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The implementation of these standards did not have a significant effect on the Regional Office of Education #1's financial statements.

A. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through April 9, 2020 the date on which the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State-controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; serving as the official advisor and assistant of school officers and teachers; conducting teachers' institutes as well as aiding and encouraging the formation of other teachers' meetings and assisting in their management; evaluating the schools in the region; examining evidence of indebtedness; filing and keeping the returns of elections required to be returned to the Regional Superintendent's office; and filing and keeping the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #1's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions; and carrying out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurers' bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts within the region are properly bonded.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region or seeing that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2019, the Regional Office of Education #1 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #1. Such activities are reported as a single special revenue fund (Education Fund).

C. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #1's reporting entity includes all related organizations for which it exercises oversight responsibility.

The Regional Office of Education #1 has developed criteria to determine whether outside agencies with activities that benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #1 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the criteria of exercising oversight, scope of public service, and special financing relationships, and they are therefore excluded from the accompanying financial statements because the Regional Office of Education #1 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #1 is not aware of any entity that would exercise such oversight as to result in the Regional Office of Education #1 being considered a component unit of the entity.

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #1's nonfiduciary activities of the primary government. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education #1 has two business-type activities that rely on fees and charges for support.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Concluded)

The Regional Office of Education #1's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #1 accompanied by a total column. These statements are presented using an economic resources measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education #1's assets (including capital assets), deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges for services and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as payables, receivables, and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from other funds on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other financing sources/uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, transactions between governmental and business-type activities have not been eliminated.

The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent shortfalls in cash flow within grant programs and funds or to move unrestricted funding.

E. PROPRIETARY FUND FINANCIAL STATEMENTS

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

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. PROPRIETARY FUND FINANCIAL STATEMENTS (Concluded)

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

F. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

G. 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. 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 items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

The governmental funds financial statements focus on the measurement of spending, or “financial flow,” and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

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 to the Regional Office of Education #1; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable 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.

Under the terms of grant agreements, Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education #1 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is the Regional Office of Education #1’s policy to first apply restricted funds to such programs, and then unrestricted funds. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned funds if any.

H. FUND ACCOUNTING

The Regional Office of Education #1 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #1 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are reported. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and (2) total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #1 has presented all major funds that met the above qualifications.

The Regional Office of Education #1 reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Regional Office of Education #1 and is used to account for financial resources in the Region except those required to be accounted for and reported in another fund. The General Fund is always considered a major fund. The following accounts are included in the General Fund:

General Operations – Accounts for monies received for expenditures in connection with general administrative activities.

Fingerprinting – Accounts for local monies received from school districts to share the cost of criminal background checks for substitute teachers.

General State Aid – Maintains revenues received from the State Board of Education earned on a per child basis and administers related program expenditures.

Miscellaneous Fund – Represents accumulated unused grant funds from programs that no longer exist.

Copier Fund – Accounts for all expenditures related to copiers.

Postage Fund – Accounts for all expenditures related to postage.

School Directory – Accounts for school directory expenditures that are made available to all the districts in the Region.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

Lafayette Academy – This program serves students with attendance problems and/or dropouts. The program provides a full-time option for regular school attendance and offers modified instructional programs and other services designed to prevent students from dropping out of school.

Dental Sealant Fund – Accounts for the costs associated with providing the dental sealant program to Morgan and Scott County schools.

Pike County Film Coop – Financed in prior years by contributions from the six member schools within Pike County based on an amount equal to \$1.25 per enrolled student.

Major Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Major special revenue funds include the following:

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 as follows:

Regional Office of Prevention Effectiveness Services (ROPES) – This is a State grant to provide substance abuse prevention for youth ages 10-17 in Adams, Calhoun, Greene, Cass, and Morgan Counties.

Truants Alternative and Optional Education – This program provides truancy prevention programs and services for monitoring truants.

ROE/ISC Operations – This program accounts for monies for general and administrative expenditures.

State Free Lunch and Breakfast – This program is funded by State monies to provide free breakfast and lunch to eligible needy students enrolled in the Regional Safe Schools Program.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Continued)

National School Lunch Program – This program is funded by federal grants to provide reimbursement of meals through the school lunch program and free or reduced-price meals for students enrolled in the Regional Safe Schools Program.

National School Breakfast Program – This program provides breakfasts that meet federal requirements to all children in attendance at the Regional Safe School Program.

McKinney Education for Homeless Children – This program is to provide for a local homeless liaison to help homeless students in the Region.

Regional Safe Schools – This program provides activities for disruptive students who are eligible for suspension or expulsion.

Child and Family Connections – This program for preschool children with disabilities is funded by the Department of Human Services.

Tracy National Institute for School Leadership – This program provides school leadership training through the National Institute for School Leadership and is funded by a grant from the Tracy Family Foundation and a corporate donation.

Schools Against Fearful Environment (SAFE) – This program provides drug-free programs from the Sheriff's Department to local school districts.

Regional Safe Schools Cooperative – This program provides activities for disruptive students who are eligible for suspension or expulsion. The activities provide individually designed curriculum, social skills training, career exploration and work experience opportunities, and opportunities to work toward re-entry into the traditional programs, if appropriate.

Math Blast – This program provides weekly math problem-solving opportunities for students in partnership with local grocery stores.

Title II – Teacher Quality – Leadership – This program accounts for the proceeds of a grant from the Illinois State Board of Education to improve teacher effectiveness in the classroom.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Concluded)

Early Childhood Education Initiative – This program is intended to have a learning impact on preschool age children to increase their ability to succeed in school.

Foundational Services – Provides ISBE developed and approved content to local school districts. Services are provided through professional development workshops, targeted networking sessions, and technical assistance.

Reading: A Healthy Start – By partnering with medical providers, this program seeks to develop critical early reading skills in children and encourages families to read together.

Tracy Partners to Lead – This is a grant from the Tracy Family Foundation used to support the Partners to Lead project, which aims to increase principal effectiveness in high need schools.

Adams County Academic Success Initiative – This privately funded grant initiative is designed to assist schools in meeting five key goals: students perform on grade level, students regularly attend school, students graduate from high school, students improve test scores, and parents are more involved in their child’s education. The main focus has been on the 7 Habits of Highly Effective People and the annual Quincy Conference.

Supporting Effective Educator Development – This federal grant is focused on increasing principal effectiveness in areas that lead to increases in student achievement in rural, suburban, or urban schools.

Education Innovation and Research Grant – This federal grant is focused on increasing principal effectiveness in areas that lead to increases in student achievement, particularly in rural and high-need schools.

IL-Empower – This program promotes collaboration and peer-to-peer learning as vehicles for educator-led and state-supported school improvement.

The Regional Office of Education #1 reports the following Nonmajor Special Revenue Funds:

General Education Development (GED) – Illinois law requires the Regional Superintendent of Schools to administer the GED test. Testing fees provide testing materials and staff salaries.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Concluded)

GOVERNMENTAL FUNDS (Concluded)

Bus Driver Training – Experienced bus drivers must take a two-hour refresher course annually, while all new drivers must take an eight-hour course in bus driver safety and first aid prescribed by the Illinois State Board of Education and administered by the Regional Office.

Institute – This fund accounts for fees collected for the registration and renewal of teaching certificates. These fees are used to defray administrative expenses incidental to teachers' institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers or to defray the expense of any general or special meeting of teachers or school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

PROPRIETARY FUNDS

Proprietary funds account for revenues and expenses related to services provided to organizations within the region on a cost-reimbursement basis. Enterprise funds are proprietary funds that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to external entities or the general public on a continuing basis should be financed or recovered primarily through user charges. The Regional Office of Education #1 reports the following enterprise funds:

The Regional Office of Education #1 reports the following nonmajor enterprise funds:

Local Workshops – This program accounts for monies received for the general operations of workshops and the administrator's academy.

Testing Center – This fund is used to account for the activity of the new testing center located at the Regional Office of Education #1.

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the Regional Office of Education #1 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Regional Office of Education #1 reports the following agency fund:

School Facility Occupation Tax – This fund accounts for the assets held by the Regional Office of Education #1 to be distributed to local school districts. Monies are received from the State Comptroller for the School Facilities Occupation Tax and are disbursed to the school districts.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. GOVERNMENTAL FUND BALANCES

Governmental fund equity is classified as 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, due to either its form or legal restrictions. The Regional Office of Education #1’s Fingerprinting fund has 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 nonmajor special revenue funds are restricted by Illinois Statute: General Education Development, Bus Driver Training, and Institute Funds. The following Education Fund accounts are restricted by grantor or donor restrictions: Regional Office of Prevention Effectiveness Services (ROPES), Early Childhood Education Initiative and Adams County Academic Success Initiative.

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. The Regional Office of Education #1 has no committed fund balances.

Assigned Fund Balance – The portion of a governmental fund’s net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following General Fund accounts have assigned fund balances: Fingerprinting, School Directory, Lafayette Academy, Dental Sealants Fund, and Pike County Film Coop.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The fund balances of the following General Fund accounts are unassigned: General Operations, General State Aid, Miscellaneous Fund, Copier Fund, and Postage Fund. The following Education Fund accounts have an unassigned fund deficit: Truants Alternative and Optional Education, Schools Against Fearful Environment (SAFE), Regional Safe Schools Cooperative, and IL-Empower.

J. NET POSITION

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

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

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. NET POSITION (Concluded)

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.

K. CASH AND CASH EQUIVALENTS

The Regional Office of Education #1 considers cash on hand, checking accounts, savings accounts, money market accounts, and investments with an original maturity date of less than three months to be cash and cash equivalents. As of June 30, 2019, cash and cash equivalents consisted of cash on deposit and invested in the Illinois Funds Money Market Fund.

L. ESTIMATES

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

M. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than one year are reported at historical cost or estimated historical cost in the government-wide financial statements. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Office equipment and furniture	5-10 years
Computer equipment	3 years
Software and licenses	2 years

In the governmental fund financial statements, capital assets are reported as capital outlay expenditures when acquired.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES AND RELATING LIABILITIES

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.

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

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portion of components of the net pension and OPEB liabilities that will reduce pension and OPEB expense in future years.

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 Teachers’ Retirement System of the State of Illinois (TRS) and additions to/deductions from IMRF’s and TRS’ fiduciary net position have been determined on the same basis as they are reported by IMRF and TRS. 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 Regional Office of Education #1’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education #1’s OPEB Plan and additions to/deductions from the Regional Office of Education #1’s fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education #1’s Plan. For this purpose, the Regional Office of Education #1’s Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

O. COMPENSATED ABSENCES

Full-time employees can earn from 10 to 20 vacation days for a full year of service. Prior to June 14, 2018, up to ten days of accumulated vacation time was allowed to be carried forward. Effective June 14, 2018 the vacation policy was amended. New employees will not be allowed to carry over vacation days nor will unused vacation days be paid out at the end of the year or upon termination. Employees with carryover balances from prior years will not be able to carryover additional vacation days starting on June 14, 2018; the only carryover allowed is their balance as of the prior year that has not been used subsequent to that date. The allowed carryover will be paid as of the date of termination.

Employee vacation pay is recorded when paid. At June 30, 2019, the liability for unused vacation days was \$5,793, and is shown on the Statement of Net Position.

A full-time employee is entitled to two personal leave days per year. Any unused personal leave days may be rolled into sick days at the end of the fiscal year. Employees receive up to 12 sick days annually. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore no liability is accrued.

P. BUDGET INFORMATION

The Regional Office of Education #1 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted, nor are they required to be. Certain programs within the General Fund and Special Revenue Funds do not have separate budgets.

Comparisons of budgeted and actual results are presented as supplementary information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Regional Office of Prevention Effectiveness Services (ROPES), Truants Alternative and Optional Education, ROE/ISC Operations, McKinney Education for Homeless Children, Regional Safe Schools, Child and Family Connections, Regional Safe Schools Cooperative, Title II – Teacher Quality – Leadership, Foundational Services, Education Innovation and Research Grant, and Supporting Effective Educator Development.

NOTE 2 – DEPOSITS AND INVESTMENTS

The Regional Office of Education #1 is permitted to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7. It is the policy of the Regional Office to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Regional Office and conforming to all State statutes governing the investment of public funds. This policy includes all funds under the care and control of the Regional Superintendent of Schools.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

A. DEPOSITS

At June 30, 2019, the carrying amount of the Regional Office of Education #1's government-wide and agency fund deposits were \$2,208,590 and \$2,794, respectively, and the bank balances were \$2,416,821 and \$2,794, respectively. Of the total bank balances as of June 30, 2019, \$507,599 was insured by Federal Depository Insurance Corporation and \$1,912,016 was collateralized by securities pledged by the Regional Office of Education #1's financial institution in the name of the Regional Office and held at third party institution.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the Regional Office's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #1's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office.

B. INVESTMENTS

The Regional Office of Education #1 has a formal investment policy that permits it to invest only in certain instruments, including, among others, securities guaranteed by the full faith and credit of the United States of America as to principal and interest; bonds, notes, and similar obligations of the United States of America; interest-bearing deposits or other direct obligations of any bank as defined by the Illinois Banking Act, 205 ILCS 5/1 et seq.; short-term obligations of U.S. corporations with assets exceeding \$500,000,000 if they are rated at the time of purchase at one of the three highest classifications by at least two standard rating services, if they do not exceed 10% of the corporation's outstanding obligations, and if no more than one-third of the Regional Office's funds are invested in commercial paper; and certain money market mutual funds registered under the Federal Investment Company Act of 1940, 14 U.S.C. 80a-1 et seq.

As of June 30, 2019, the Regional Office of Education #1's investments consisted of certificates of deposit with original maturity dates of more than three months. Certificates of deposit comprised the \$72,796 shown as investments for governmental activities.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, Certain External Investment Pools and Pool Participants, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)

CREDIT RISK

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

CONCENTRATION OF CREDIT RISK

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

INTEREST RATE RISK

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Funds 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.

NOTE 3 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #1 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased.

The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2019:

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 – CAPITAL ASSETS (Concluded)

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Governmental Activities				
Capital assets being depreciated:				
Office furniture	\$ 24,259	\$ 8,403	\$ -	\$ 32,662
Office equipment	155,981	34,367	6,082	184,266
	<u>180,240</u>	<u>42,770</u>	<u>6,082</u>	<u>216,928</u>
Less accumulated depreciation:				
Office furniture	(21,459)	(1,148)	-	(22,607)
Office equipment	(125,011)	(12,214)	(5,439)	(131,786)
	<u>(146,470)</u>	<u>(13,362)</u>	<u>(5,439)</u>	<u>(154,393)</u>
Governmental Activities -				
Investment in Capital Assets	<u>33,770</u>	<u>29,408</u>	<u>643</u>	<u>62,535</u>
Business-Type Activities				
Capital assets being depreciated:				
Office equipment	\$ 1,276	\$ 2,969	\$ -	\$ 4,245
Less accumulated depreciation:				
Office equipment	(831)	(530)	-	(1,361)
Business-Type Activities -				
Investment in Capital Assets	<u>\$ 445</u>	<u>\$ 2,439</u>	<u>\$ -</u>	<u>\$ 2,884</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$13,362 and \$530 was charged to Instructional Services in the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities for the year ended June 30, 2019. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

NOTE 4 – LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2019 are summarized as follows:

	<u>Balance, Beginning</u> <u>of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, End</u> <u>of Year</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Net pension liability	\$ 24,670	\$ 554,606	\$ -	\$ 579,276	\$ -
OPEB liabilities	195,234	119,913	-	315,147	-
Compensated absences	6,928	-	1,135	5,793	-
Total	<u>\$ 226,832</u>	<u>\$ 674,519</u>	<u>\$ 1,135</u>	<u>\$ 900,216</u>	<u>\$ -</u>

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 – DEFINED-BENEFIT PENSION PLAN

IMRF Plan Description

The Regional Office of Education #1's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #1's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section below. 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.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 5 – DEFINED-BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms

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

	<u>IMRF</u>
Retirees and beneficiaries currently receiving benefits	34
Inactive plan members entitle to but not yet receiving benefits	39
Active plan members	23
Total	96

Contributions

As set by statute, the Regional Office of Education #1’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education #1’s annual contribution rate for calendar year 2018 was 14.25%. For the fiscal year ended 2019, the Regional Office of Education #1 contributed \$88,174 to the plan. The Regional Office of Education #1 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 Liability

The Regional Office of Education #1’s net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study of 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.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 – DEFINED-BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Concluded)

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

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

Single Discount Rate

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

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

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 – DEFINED-BENEFIT PENSION PLAN (Continued)

Single Discount Rate (Concluded)

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

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

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pensions Liability (Asset)
	(A)	(B)	(A) - (B)
Balances at December 31, 2017	\$ 4,219,127	\$ 4,216,021	\$ 3,106
Changes for the year:			
Service Cost	75,511	-	75,511
Interest on the Total Pension Liability	311,037	-	311,037
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	38,878	-	38,878
Changes of Assumptions	117,324	-	117,324
Contributions - Employer	-	104,618	(104,618)
Contributions - Employees	-	33,037	(33,037)
Net Investment Income	-	(154,684)	154,684
Benefit Payments, Including Refunds	(226,357)	(226,357)	-
Other (Net Transfer)	-	(3,029)	3,029
Net Changes	<u>316,393</u>	<u>(246,415)</u>	<u>562,808</u>
Balances at December 31, 2018	<u>\$ 4,535,520</u>	<u>\$ 3,969,606</u>	<u>\$ 565,914</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease	Current Discount Rate	1% Increase
	(6.25%)	(7.25%)	(8.25%)
Net Pension Liability (Asset)	\$ 1,102,556	\$ 565,914	\$ 131,256

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 5 – DEFINED-BENEFIT PENSION PLAN (Concluded)

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

For the year ending June 30, 2019, the Regional Office of Education #1 recognized pension expense of \$185,620. At June 30, 2019, the Regional Office of Education #1 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	\$ 34,304	\$ -
Net difference between projected and actual earnings on pension plan investments	218,471	-
Change of assumptions	74,307	25,441
Employer contributions subsequent to the measurement date	<u>35,521</u>	<u>-</u>
Total	<u>\$ 362,603</u>	<u>\$ 25,441</u>

\$35,521 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows/(Inflows) of Resources
2019	\$ 114,863
2020	65,409
2021	27,253
2022	<u>94,116</u>
Total	<u>\$ 301,641</u>

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #1 participates in the Teachers’ Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor’s approval. The TRS Board of Trustees is responsible for the System’s administration.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

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

Benefits provided

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

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

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

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

Contributions

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

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

Contributions (Continued)

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2018, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education #1.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #1. For the year ended June 30, 2019, State of Illinois contributions recognized by the Regional Office of Education #1 were based on the State’s proportionate share of the collective net pension liability associated with the Regional Office of Education #1, and the Regional Office of Education #1 recognized revenue and expenditures of \$85,968 in pension contributions from the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019, were \$1,341 and are deferred because they were paid after the June 30, 2018, measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #1, there is a statutory requirement for the Regional Office of Education #1 to pay an employer pension contribution from those funds. Under public act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018. Since these contributions are normal cost contributions, which are considered employer specific liability contributions under GASB 68, the “federal funds” contributions are no longer includable for purposes of allocating collective pension amounts.

Previously, Regional Office of Education #1 contribution rate on salaries paid from federal funds was equal to the State’s contribution rate and were much higher. Any change in proportionate share resulting from this statutory change for individual employers will be recognized and amortized over the remaining service lives of all members beginning in fiscal year 2018.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$87,000 were paid from federal and special trust funds that required employer contributions of \$8,570.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

Contributions (Concluded)

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education #1 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree’s final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the Regional Office of Education #1 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent, no payments for salary increases in excess of 3 percent, and no payments for sick leave in excess of the normal annual allotment.

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

At June 30, 2019, the Regional Office of Education #1 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State’s support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer follows below:

Regional Office of Education #1’s proportionate share of the net pension liability	\$ 13,362
State’s proportionate share of the net pension liability associated with Regional Office of Education #1	915,365
Total	<u>\$ 928,727</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. The Regional Office of Education #1’s proportion of the net pension liability was based on the employer’s share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2018, the Regional Office of Education #1’s proportion was .0000171431 percent, which was a decrease of .0000110834 percent from its proportion measured as of June 30, 2017.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

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

For the year ended June 30, 2019, the Regional Office of Education #1 recognized pension expense of \$85,968 and revenue of \$85,968 for support provided by the State. For the year ended June 30, 2019, the Regional Office of Education #1 recognized pension income of \$24,316. At June 30, 2019, the Regional Office of Education #1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 269	\$ 3
Net difference between projected and actual earnings on pension plan investments	-	41
Change of assumptions	586	379
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,077	20,876
Employer contributions subsequent to the measurement date	1,341	-
Total	\$ 11,273	\$ 21,299

\$1,341 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 liabilities in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ended June 30:	
2020	\$ (5,480)
2021	(1,484)
2022	(2,150)
2023	(1,582)
2024	(671)
	<u>(11,367)</u>

Actuarial assumptions

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

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

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

Actuarial assumptions (Concluded)

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

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

Asset Class	Target Allocation	Lont-Term Expected Real Rate of Return
U.S. equities large cap	15.0%	6.7%
U.S. equities small/mid cap	2.0	7.9
International equities developed	13.6	7.0
Emerging market equities	3.4	9.4
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.4
International debt developed	2.2	1.3
Emerging international debt	2.6	4.5
Real estate	16.0	5.4
Real return	4.0	1.8
Absolute return	14.0	3.9
Private equity	15.0	10.2
Total	<u>100%</u>	

Discount Rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2017 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 (Concluded)

Discount Rate (Concluded)

Based on those assumptions, TRS’s fiduciary net position at June 30, 2018 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier I’s liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Regional Office of Education #1’s proportionate share of the net pension liability to changes in the discount rate

The following presents the Regional Office of Education #1’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Regional Office of Education #1's proportionate share of the net pension liability	\$ 16,387	\$ 13,362	\$ 10,926

TRS fiduciary net position

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

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 – TEACHERS’ HEALTH INSURANCE SECURITY FUND

THIS Plan Description

The Regional Office of Education #1 participates in the Teachers’ Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers’ Retirement System (TRS).

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) outlines the eligibility and benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor’s approval. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

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

On-behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #1. For the year ended June 30, 2019, State of Illinois contributions recognized by the Regional Office of Education #1 were based on the State’s proportionate share of the collective net OPEB liability associated with the Regional Office of Education #1, and recognized revenue and expenditures of \$9,614 in OPEB contributions from the State of Illinois.

Employer contributions to the THIS Fund

The Regional Office of Education #1 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2019, and 0.88 and 0.84 percent during the years ended June 30, 2018 and 2017, respectively. For the year ended June 30, 2019, the Regional Office of Education #1 paid \$2,126 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2018 and 2017, the Regional Office of Education #1 paid \$1,229 and \$1,142 to the THIS Fund, respectively, which was 100 percent of the required contribution.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 7 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Further information on the THIS Fund

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

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017 projected to the measurement date of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

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

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

The actuarial assumptions used in the June 30, 2017 and 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 7 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Single Discount Rate

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

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

Sensitivity of the employer’s proportionate share of the collective net OPEB liability to changes in the discount rate.

The following presents the Regional Office of Education #1’s proportionate share of the collective net OPEB liability, as well as what the ROE’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

	1% Decrease (2.62%)		Current Discount Rate (3.62%)		1% Increase (4.62%)
ROE’s proportionate share of the collective net OPEB liability	\$ 165,992	\$	137,931	\$	115,996

Sensitivity of the employer’s proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates.

The following table shows the Regional Office of Education #1’s collective net OPEB liability as of June 30, 2018, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	1% Decrease^a		Healthcare Cost Trend Rates		1% Increase^b
ROE’s proportionate share of the collective net OPEB liability	\$ 111,938	\$	137,931	\$	173,235

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

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

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

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

At June 30, 2019, the Regional Office of Education #1 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education #1. The amount recognized by the Regional Office of Education #1 as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Regional Office of Education #1 were as follows:

Employers proportionate share of the collective net OPEB liability	\$	137,931
State’s proportionate share of the collective net OPEB liability associated with the employer		185,184
Total	\$	<u>323,115</u>

The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018 measurement date. The Regional Office of Education #1’s proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education #1’s long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education #1, actuarially determined. At June 30, 2018, the Regional Office of Education #1’s proportion was 0.000524 percent, which was a decrease of 0.000137 from its proportion measured as of June 30, 2017 (0.000661 percent). The State’s support and total are for disclosure purposes only.

For the year ending June 30, 2019, the Regional Office of Education #1 recognized OPEB expense of \$9,614 and revenue of \$9,614 for support provided by the State. For the year ending June 30, 2019, the Regional Office of Education #1 recognized OPEB expense of \$1,073. At June 30, 2019, the Regional Office of Education #1 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	\$ -	\$ 495
Net difference between projected and actual earnings on OPEB plan investments	-	4
Change of assumptions	-	20,085
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	41,367
Employer contributions subsequent to the measurement date	2,126	-
Total	\$ 2,126	\$ 61,951

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 7 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Concluded)

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

\$2,126 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education #1 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education #1’s OPEB expense as follows:

Year Ending June 30	Net Deferred Outflows/(Inflows) of Resources
2020	\$ (9,767)
2021	(9,768)
2022	(9,767)
2023	(9,768)
2024	(9,767)
Thereafter	(13,114)
Total	<u>\$ (61,951)</u>

THIS fiduciary net position

Detailed information about the THIS’ fiduciary net position as of June 30, 2018, is available in the separately issued THIS financial report.

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB)

Plan Description

The Regional Office of Education #1 provides a single-employer defined benefit OPEB plan. All full time, permanent employees and their spouses are eligible to participate in the plan and have the option to continue participation upon retirement. The Regional Office of Education #1 provides health benefits through the Western Area School Health Benefit Plan (WAS Plan).

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

Eligibility Provisions

Full-Time Employees - IMRF

Tier I IMRF Full-Time employees:

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

Tier II IMRF Full-Time employees:

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

Full-Time Employees - TRS

Tier I TRS Full-Time employees:

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

Tier II TRS Full-Time employees:

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

Benefits Provided

The Regional Office of Education #1 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. Benefits for the WAS Plan include Medical and prescription drug benefits under PPO and HAS plans. IMRF and TRS employees may continue health insurance in retirement; however, they are responsible for paying the full cost of the medical premium. Eligible spouse/dependent coverage may continue should the retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The spouse/dependent is responsible for the full cost of coverage. Additional coverage is also provided for dental, vision and life insurance. IMRF and TRS employees may continue dental and vision insurance through Western Area School Benefit Plan; however, they are responsible for paying the full cost of the insurance premium. IMRF and TRS employees may convert their life insurance policy to a policy directly through Western Area School Benefit Plan, with the Regional Office of Education #1 no longer involved. They are responsible for paying the full cost of the life insurance premium.

Membership

At June 30, 2019 membership consisted of:

Inactive Employees Currently Receiving Benefit Payments	0
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	0
Active Employees	21
TOTAL	21

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

Funding Policy and Contributions

Benefits are paid by the WAS Plan for Medical, prescription drug, dental, vision and life benefits as they occur. 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 \$12,893 from other Regional Office of Education #1 resources and benefit payments of \$12,893 from other Regional Office of Education #1 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, 2018 actuarial valuation date and adjusted to the June 30, 2019 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Actuarial Assumptions

Discount Rate used for the Total OPEB Liability	3.50%
Long-Term Expected Rate of Return on Plan Assets	N/A. OPEB obligation is unfunded
Long-Term Inflation Expectation	2.50%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.50%
Salary Increases	The salary increase assumption of 2.50% was based on a review of the IMRF December 31, 2017 Actuarial Valuation.
Premiums	Premiums charged for coverage of retiree and spouse are \$9,636 and \$11,784, respectively with a \$1,000 deductible. Premiums charged for coverage of retiree and spouse are \$9,312 and \$9,684, respectively with a \$2,000 deductible. Premiums charged for coverage of retiree and spouse are \$8,748 and \$7,392, respectively with a HSA \$3,000 deductible.
Healthcare Trend Rates	Initial trend rate is based on the 2019 Segal Health Plan Cost Trend Survey. For fiscal years on and after 2019, trend starts at 6.87% (PPO Plans) and 6.96% (HSA Plan) and gradually decreases to an ultimate trend of 5.00%.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

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. TRS Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with White Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates. Spousal 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 and the TRS June 30, 2017 Actuarial Valuation were used to estimate the single retirement ages pursuant to the Alternative Measurement Method for GASB 75.

For any active IMRF or TRS 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 is 1 participant 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 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 75.

The following are the changes in assumptions for the July 1, 2018 actuarial valuation:

- The assumed increases in medical costs have been revised to 7.10% (PPO Plans) and 7.20% (HSA Plan) in the first year of the projection grading uniformly over a 10-year period to an ultimate rate of 5.00%. Previously, both plans were projected at 8.00% grading uniformly over a 5-year period to an ultimate rate of 5.00%.
- Changes of assumptions reflect a change in the discount rate from 3.56% in fiscal year 2018 to 3.87% at the beginning of fiscal year 2019 to 3.50% at the end of fiscal year 2019.
- The expected rate of compensation increases has been revised to 2.50% based upon the IMRF December 31, 2017 Actuarial Valuation and the TRS June 30, 2017 Actuarial Valuation.
- The percent of active employees assumed to continue participation from the active medical plan into the retiree medical plan upon retirement has been decreased to 30% (previously 40%) based on the current census information. Of the employees assumed to elect coverage in retirement, it is assumed 50% (previously 90%) will elect spousal coverage.
- If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan at 1/3 the rate of active employees currently with coverage.
- The mortality, retirement, termination, and disability tables were changed to reflect more current trends in IMRF and TRS populations.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2018	\$ 23,588
Changes for the period:	
Service Cost	24,555
Interest Cost	5,686
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	12,348
Changes of Assumptions	123,932
Benefit Payments	(12,893)
Net Change	153,628
Balance at June 30, 2019	\$ 177,216

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 Regional Office of Education #1, then only the municipal bond rate is used in determining the total OPEB liability.

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

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

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The beginning of the year rate is the June 28, 2018 rate, and the end of year rate is the June 27, 2019 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

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

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

Changes of assumptions reflect a change in the discount rate from 3.56% in fiscal year 2018 to 3.87% at the beginning of fiscal year 2019 to 3.50% at the end of fiscal year 2019.

Sensitivity of the Discount Rate

The following presents the Regional Office of Education #1’s total OPEB liability calculated using a discount rate of 3.50%, as well as what the ROE’s total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
ROE’s total OPEB liability	\$ 197,042	\$ 177,216	\$ 160,528

Sensitivity of the Healthcare Trend Rates

The following presents the Regional Office of Education #1’s total OPEB liability, calculated using the healthcare cost trend rates as well as what the ROE’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 6.87% (PPO Plans) and 6.96% (HSA Plan) in 2019 decreasing to an ultimate trend rate of 5.0% (PPO and HSA Plans) in 2028.

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
ROE’s total OPEB liability	\$ 157,186	\$ 177,216	\$ 200,922

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Concluded)

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

For the year ending June 30, 2019, the Regional Office of Education #1 recognized OPEB expense of \$37,433. At June 30, 2019 the Regional Office of Education #1 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	\$ 11,696	\$ -
Net difference between projected and actual earnings on OPEB plan investments	-	-
Change of assumptions	117,392	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 129,088</u>	<u>\$ -</u>

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

Year Ending June 30	Net Deferred Outflows/(Inflows) of Resources
2020	\$ 7,192
2021	7,192
2022	7,192
2023	7,192
2024	7,192
Thereafter	93,128
Total	<u>\$ 129,088</u>

NOTE 9 – COMPENSATED ABSENCES

The Regional Office of Education #1 allows vacation time for employees to be accumulated. Upon termination employees receive pay for unused vacation earned. The Regional Office of Education #1 records a liability associated with compensated absences. At June 30, 2019, the balance in this account was \$5,793.

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Governmental Funds:	<u>\$ 6,928</u>	<u>\$ 25,211</u>	<u>\$ 26,346</u>	<u>\$ 5,793</u>

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 10 – RISK MANAGEMENT

The Regional Office of Education #1 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #1 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 11 – OPERATING LEASES

The Regional Office of Education #1 leased office space at 510 Maine Street, Quincy, Illinois, for \$800 per month. Office space is rented at 651 South Morgan, Virginia, Illinois, for \$500 per year. The lease term began on June 1, 2018 and ended on June 30, 2019. Office space is also leased in Jacksonville, Illinois at 747 West Lafayette Street and 110 North West Street for \$1,667 and \$500, respectively. In addition, the Regional Office leases office equipment under multiple agreements with varying end dates.

Total office lease expense was \$36,100 and equipment lease expense was \$8,141 for the year ended June 30, 2019. Future minimum rentals are as follows for the years ending June 30:

2020	\$	14,596
2021		1,344
2022		840
2023		630
Total		\$ 17,410

NOTE 12 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2019, consist of the following individual due to/from other funds in the governmental fund Balance Sheet. These balances, primarily made to cover cash deficits within pooled cash accounts as of June 30, 2019, were eliminated in the government-wide Statement of Net Position.

	Due from Other Funds	Due to Other Funds	
General Fund	\$ 194,855	\$ -	
Education Fund	-	194,855	
	\$ 194,855	\$ 194,855	

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 12 – INTERFUND ACTIVITY (Concluded)

TRANSFERS

Transfers are generally made to provide supplemental funding or to move resources from the fund required to collect the resources to the fund required to expend the resources. Interfund transfers in/out at June 30, 2019, consist of the following individual transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however transactions between governmental and business-type activities have not been eliminated.

	Transfers In	Transfers Out	
General Fund	\$ -	\$ 10,174	
Education Fund	10,213	-	
Local Workshops	-	39	
	\$ 10,213	\$ 10,213	

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #1’s General Fund, Education Fund, Proprietary Funds, Non-major special revenue funds and Agency Fund have funds due from/to various other governmental units which consist of the following:

Due from Other Governments:	
General Fund	
Local Governments	\$ 6,376
Education Fund	
Local Governments	243,447
Illinois State Board of Education	18,661
Nonmajor Special Revenue Funds	
Local Governments	760
Proprietary Funds	
Local Governments	2,520
Agency Fund	
Local Governments	1,437,348
Total Due from Other Governments	\$ 1,709,112

Due to Other Governments:	
General Fund	
Local Governments	\$ 148
Education Fund	
Local Governments	92,785
Proprietary Funds	
Local Governments	85
Agency Fund	
Local Governments	1,440,142
Total Due to Other Governments	\$ 1,533,160

NOTE 14 – ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #1:

Regional Superintendent Salary	\$ 117,600
Assistant Regional Superintendent Salary	105,840
Regional Superintendent Benefits (includes State-paid insurance)	35,517
Assistant Regional Superintendent Benefits (includes State-paid insurance)	34,804
Total	\$ 293,761

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 14 – ON-BEHALF PAYMENTS (Concluded)

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent were calculated based on data provided by the Illinois State Board of Education. These amounts have been recorded in the accompanying governmental fund financial statements as State on-behalf revenue and expenditures.

Regional Office of Education #1 also recorded \$95,582 in revenue and expenses as on-behalf payments from ISBE for the Regional Office’s share of the State’s Teachers’ Retirement System (TRS) pension expense and THIS OPEB expense in the Statement of Activities. In addition, the Regional Office of Education #1 has not included any on-behalf payments related to the State’s TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$	293,761
ROE #1’s share of TRS pension expense		85,968
ROE #1’s share of THIS pension expense		9,614
Total	\$	389,343

Adams County provides office space to the Regional Office of Education #1 at no charge. The Regional Office of Education recognizes this activity by recording an On-behalf payments – Local revenue and On-behalf expenditures – Local expense. For the year ended June 30, 2019, this activity amounted to \$42,201.

NOTE 15 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which overexpend appropriations during the year are required to be disclosed. While there were no funds with deficit fund balances, the following accounts of the Education Fund had fund deficits as of June 30, 2019:

Account	Amount
Truants Alternative and Optional Education	\$ 15,194
Schools Against Fearful Environment (SAFE)	23,715
Regional Safe School Cooperative	3,288
IL-Empower	14,259

REQUIRED SUPPLEMENTARY INFORMATION

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST FIVE CALENDAR YEARS

Calendar Year Ended December 31,	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 75,511	\$ 66,339	\$ 64,303	\$ 77,295	\$ 57,403
Interest on the Total Pension Liability	311,037	305,795	289,058	261,090	144,347
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	38,878	49,003	87,852	241,986	(188,384)
Changes of Assumptions	117,324	(128,773)	-	-	72,028
Benefit Payments, including Refunds of Employee Contributions	(226,357)	(227,763)	(210,378)	(191,559)	(73,531)
Net Change in Total Pension Liability	316,393	64,601	230,835	388,812	11,863
Total Pension Liability - Beginning	4,219,127	4,154,526	3,923,691	3,534,879	1,931,691
Total Pension Liability - Ending (A)	\$ 4,535,520	\$ 4,219,127	\$ 4,154,526	\$ 3,923,691	\$ 1,943,554
Plan Fiduciary Net Position					
Contributions - Employer	\$ 104,618	\$ 93,798	\$ 37,847	\$ 69,353	\$ 52,978
Contributions - Employees	33,037	31,014	30,577	28,955	21,872
Net Investment Income	(154,684)	606,097	281,663	20,523	132,988
Benefit Payments, including Refunds of Employee Contributions	(226,357)	(227,763)	(210,378)	(191,559)	(73,531)
Other (Net Transfer)	(3,029)	(3,278)	(4,035)	(2,887)	(1,755)
Net Change in Plan Fiduciary Net Position	(246,415)	499,868	135,674	(75,615)	132,552
Plan Fiduciary Net Position - Beginning	4,216,021	3,716,153	3,580,479	3,656,094	2,042,995
Plan Fiduciary Net Position - Ending (B)	\$ 3,969,606	\$ 4,216,021	\$ 3,716,153	\$ 3,580,479	\$ 2,175,547
Net Pension Liability (Asset) - Ending (A) - (B)	\$ 565,914	\$ 3,106	\$ 438,373	\$ 343,212	\$ (231,993)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability					
Covered Payroll	87.52%	99.93%	89.45%	91.25%	111.94%
Net Pension Liability as a Percentage of Covered Payroll	734,164	689,187	679,482	643,447	486,036
	77.08%	0.45%	64.52%	53.34%	(47.73)%

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.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST FIVE CALENDAR YEARS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2018	\$ 104,618	\$ 104,618	\$ -	\$ 734,164	14.25%
2017	93,798	93,798	-	689,187	13.61%
2016	37,847	37,847	-	679,482	5.57%
2015	69,253	69,353	(100)	643,447	10.78%
2014	49,965	52,978	(3,013)	486,036	10.90%

Notes to Schedule:

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

Valuation Date:

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

Methods and Assumptions Used to Determine 2018 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	25-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.5%
<i>Price Inflation:</i>	2.75%
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
<i>Mortality:</i>	For non-disabled retirees, an IMRF-specific Mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2016, actuarial valuation.

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.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 FOR THE YEAR ENDED JUNE 30, 2019 †

	FY18*	FY17*	FY16*	FY15*	FY14*
Employer's proportion of the net pension liability	0.0000171431%	0.0000282265%	0.0000297649%	0.0000297649%	0.0000411928%
Employer's proportionate share of the net pension liability	\$ 13,362	\$ 21,564	\$ 26,125	\$ 19,499	\$ 25,069
State's proportionate share of the net pension liability associated with the employer	<u>915,365</u>	<u>1,130,310</u>	<u>1,309,941</u>	<u>1,164,346</u>	<u>1,149,995</u>
Total	<u>\$ 928,727</u>	<u>\$ 1,151,874</u>	<u>\$ 1,336,066</u>	<u>\$ 1,183,845</u>	<u>\$ 1,175,064</u>
Employer's covered payroll	\$ 139,637	\$ 135,916	\$ 161,750	\$ 247,109	\$ 180,642
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	9.6%	15.9%	16.2%	7.9%	13.9%
Plan fiduciary net position as a percentage of the total pension liability	40.0%	39.3%	36.4%	41.5%	43.0%

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

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 FOR THE YEAR ENDED JUNE 30, 2019 †

	FY19	FY18	FY17	FY16	FY15	FY14
Statutorily-required contribution	\$ 1,340	\$ 809	\$ 1,065	\$ 1,164	\$ 1,263	\$ 1,043
Contributions in relation to the statutorily-required contribution	1,341	968	1,162	1,164	1,163	1,062
Contribution deficiency (excess)	\$ (1)	\$ (159)	\$ (97)	\$ -	\$ 100	\$ (19)
Employer's covered payroll	\$ 231,054	\$ 139,637	\$ 135,916	\$ 161,750	\$ 247,109	\$ 180,642
Contributions as a percentage of covered payroll	0.58%	0.69%	0.85%	0.72%	0.47%	0.59%

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

Notes to This Required Supplementary Information
Changes of assumptions

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

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

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

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
 SHARE OF THE COLLECTIVE NET OPEB LIABILITY
 TEACHERS' HEALTH INSURANCE SECURITY FUND
 FOR THE YEAR ENDED JUNE 30, 2019†

	FY18*	FY17*	FY16*
Employer's proportion of the collective net OPEB liability	0.000524%	0.000661%	0.000694%
Employer's proportionate share of the collective net OPEB liability	\$ 137,931	\$ 171,646	\$ 189,764
State's proportionate share of the collective net OPEB liability associated with the employer	<u>185,184</u>	<u>225,379</u>	<u>263,225</u>
Total	<u>\$ 323,115</u>	<u>\$ 397,025</u>	<u>\$ 452,989</u>
Employer's covered payroll	\$ 139,637	\$ 135,916	\$ 161,750
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	98.8%	126.3%	117.3%
Plan fiduciary net position as a percentage of the total OPEB liability	(0.07)%	(0.17)%	(0.22)%

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

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 TEACHERS' HEALTH INSURANCE SECURITY FUND
 FOR THE YEAR ENDED JUNE 30, 2019†

	FY19	FY18	FY17	FY16
Statutorily-required contribution	\$ 2,126	\$ 1,229	\$ 1,142	\$ 1,294
Contributions in relation to the statutorily-required contribution	2,126	1,229	1,278	1,294
Contribution deficiency (excess)	\$ -	\$ -	\$ (136)	\$ -
Employer's covered payroll	\$ 231,054	\$ 139,637	\$ 135,916	\$ 161,750
Contributions as a percentage of covered payroll	0.92%	0.88%	0.94%	0.80%

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

Notes to This Required Supplementary Information

Changes of benefit terms

For the year ended June 30, 2019, there have been no changes of benefit terms from the prior period.

Changes of assumptions

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

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
WESTERN AREA SCHOOL HEALTH BENEFIT PLAN
FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 24,555	\$ 2,545
Interest Cost	5,686	811
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	12,348	-
Changes of Assumptions	123,932	-
Benefit Payments	(12,893)	-
Net Change in Total OPEB Liability	<u>153,628</u>	<u>3,356</u>
Total OPEB Liability - Beginning	<u>23,588</u>	<u>20,232</u>
Total OPEB Liability - Ending	<u>\$ 177,216</u>	<u>\$ 23,588</u>
Covered Payroll	1,151,448	660,015
Total OPEB Liability as a Percentage of Covered Payroll	15.39%	3.57%

Notes to Schedule:

Changes of Benefit Terms

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

Changes of Assumptions

The following are the changes in assumptions for the July 1, 2018 actuarial valuation:

- The assumed increases in medical costs have been revised to 7.10% (PPO Plans) and 7.20% (HSA Plan) in the first year of the projection grading uniformly over a 10-year period to an ultimate rate of 5.00%. Previously, both plans were projected at 8.00% grading uniformly over a 5-year period to an ultimate rate of 5.00%.
- Changes of assumptions reflect a change in the discount rate from 3.56% in fiscal year 2018 to 3.87% at the beginning of fiscal year 2019 to 3.50% at the end of fiscal year 2019.
- The expected rate of compensation increases has been revised to 2.50% based upon the IMRF December 31, 2017 Actuarial Valuation and the TRS June 30, 2017 Actuarial Valuation.
- The percent of active employees assumed to continue participation from the active medical plan into the retiree medical plan upon retirement has been decreased to 30% (previously 40%) based on the current census information. Of the employees assumed to elect coverage in retirement, it is assumed 50% (previously 90%) will elect spousal coverage.
- If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan at 1/3 the rate of active employees currently with coverage.
- The mortality, retirement, termination, and disability tables were changed to reflect more current trends in IMRF and TRS populations.

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

SUPPLEMENTAL INFORMATION

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2019

	General Operations	Fingerprinting	General State Aid	Miscellaneous Fund	Copier Fund
ASSETS					
Cash and cash equivalents	\$ 309,041	\$ 71,991	\$ 572,691	\$ 94,381	\$ 12,534
Due from other funds	194,855	-	-	-	-
Due from other governments	4,001	2,350	-	25	-
Investments	-	-	64,989	-	-
Prepaid expenses	-	4,129	-	-	-
Total assets	507,897	78,470	637,680	94,406	12,534
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 507,897	\$ 78,470	\$ 637,680	\$ 94,406	\$ 12,534
LIABILITIES					
Accounts payable and accrued expenses	\$ 1,767	\$ -	\$ 43,879	\$ -	\$ 42
Due to other governments	-	148	-	-	-
Total liabilities	1,767	148	43,879	-	42
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	450	-	-	-
FUND BALANCE					
Nonspendable	-	4,129	-	-	-
Assigned	-	73,743	-	-	-
Unassigned	506,130	-	593,801	94,406	12,492
Total fund balance	506,130	77,872	593,801	94,406	12,492
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 507,897	\$ 78,470	\$ 637,680	\$ 94,406	\$ 12,534

This schedule is continued on the following page.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND (Continued)
 JUNE 30, 2019

	Postage Fund	School Directory	Lafayette Academy	Dental Sealants Fund	Pike County Film Coop	Totals
ASSETS						
Cash and cash equivalents	\$ 4,581	\$ 11,791	\$ 3,361	\$ 30,768	\$ 7,538	\$ 1,118,677
Due from other funds	-	-	-	-	-	194,855
Due from other governments	-	-	-	-	-	6,376
Investments	-	-	-	-	-	64,989
Prepaid expenses	-	-	-	-	-	4,129
Total assets	4,581	11,791	3,361	30,768	7,538	1,389,026
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,581	\$ 11,791	\$ 3,361	\$ 30,768	\$ 7,538	\$ 1,389,026
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 1,346	\$ -	\$ 47,034
Due to other governments	-	-	-	-	-	148
Total liabilities	-	-	-	1,346	-	47,182
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	450
FUND BALANCE						
Nonspendable	-	-	-	-	-	4,129
Assigned	-	11,791	3,361	29,422	7,538	125,855
Unassigned	4,581	-	-	-	-	1,211,410
Total fund balance	4,581	11,791	3,361	29,422	7,538	1,341,394
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 4,581	\$ 11,791	\$ 3,361	\$ 30,768	\$ 7,538	\$ 1,389,026

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2019

	General Operations	Fingerprinting	General State Aid	Miscellaneous Fund	Copier Fund
REVENUES					
Local sources	\$ 363,855	\$ 34,956	\$ 12,941	\$ 16,889	\$ 4,943
On-behalf payments - Local	42,201	-	-	-	-
State sources	-	-	763,467	-	-
On-behalf payments - State	-	-	293,761	-	-
Investment earnings	3,151	372	3,027	5,389	85
Total revenues	<u>409,207</u>	<u>35,328</u>	<u>1,073,196</u>	<u>22,278</u>	<u>5,028</u>
EXPENDITURES					
Instructional services:					
Salaries and benefits	211,510	-	273,279	-	-
Pension expense	15,779	-	14,174	1,354	-
OPEB expense	-	-	188	-	-
Purchased services	47,987	20,098	75,514	12,065	-
Supplies and materials	4,293	56	7,691	8,961	-
Other objects	-	-	-	1,752	-
Intergovernmental:					
Payments to governments	-	-	372,577	-	-
Administrative:					
On-behalf expenditures - Local	42,201	-	-	-	-
On-behalf expenditures - State	-	-	293,761	-	-
Capital outlay	-	-	-	30,168	7,315
Total expenditures	<u>321,770</u>	<u>20,154</u>	<u>1,037,184</u>	<u>54,300</u>	<u>7,315</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>87,437</u>	<u>15,174</u>	<u>36,012</u>	<u>(32,022)</u>	<u>(2,287)</u>
OTHER FINANCING USES					
Transfers out	-	-	(10,164)	(10)	-
NET CHANGE IN FUND BALANCE	<u>87,437</u>	<u>15,174</u>	<u>25,848</u>	<u>(32,032)</u>	<u>(2,287)</u>
FUND BALANCE - BEGINNING	<u>418,693</u>	<u>62,698</u>	<u>567,953</u>	<u>126,438</u>	<u>14,779</u>
FUND BALANCE - ENDING	<u>\$ 506,130</u>	<u>\$ 77,872</u>	<u>\$ 593,801</u>	<u>\$ 94,406</u>	<u>\$ 12,492</u>

This schedule is continued on the following page.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

	Postage Fund	School Directory	Lafayette Academy	Dental Sealants Fund	Pike County Film Coop	Totals
REVENUES						
Local sources	\$ -	\$ 6,505	\$ 471	\$ -	\$ -	\$ 440,560
On-behalf payments - Local	-	-	-	-	-	42,201
State sources	-	-	-	4,700	-	768,167
On-behalf payments - State	-	-	-	-	-	293,761
Investment earnings	25	80	4	59	45	12,237
Total revenues	25	6,585	475	4,759	45	1,556,926
EXPENDITURES						
Instructional services:						
Salaries and benefits	-	-	-	-	-	484,789
Pension expense	-	-	-	-	-	31,307
OPEB expense	-	-	-	-	-	188
Purchased services	576	2,311	-	1,362	-	159,913
Supplies and materials	-	5,924	-	-	-	26,925
Other objects	-	2,694	692	-	-	5,138
Intergovernmental:						
Payments to governments	-	-	-	-	-	372,577
Administrative:						
On-behalf expenditures - Local	-	-	-	-	-	42,201
On-behalf expenditures - State	-	-	-	-	-	293,761
Capital outlay	-	723	-	-	-	38,206
Total expenditures	576	11,652	692	1,362	-	1,455,005
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(551)	(5,067)	(217)	3,397	45	101,921
OTHER FINANCING USES						
Transfers out	-	-	-	-	-	(10,174)
NET CHANGE IN FUND BALANCE	(551)	(5,067)	(217)	3,397	45	91,747
FUND BALANCE - BEGINNING	5,132	16,858	3,578	26,025	7,493	1,249,647
FUND BALANCE - ENDING	\$ 4,581	\$ 11,791	\$ 3,361	\$ 29,422	\$ 7,538	\$ 1,341,394

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2019

	Regional Office of Prevention Effectiveness Services (ROPES)	Truants Alternative and Optional Education	ROE/ISC Operations	State Free Lunch and Breakfast	National School Lunch Program	National School Breakfast Program
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 19,806	\$ -	\$ -	\$ -
Due from other governments	15,469	15,194	-	179	-	-
Total assets	15,469	15,194	19,806	179	-	-
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>15,469</u>	<u>15,194</u>	<u>19,806</u>	<u>179</u>	<u>-</u>	<u>-</u>
LIABILITIES						
Accounts payable and accrued expenses	72	-	23	-	-	-
Due to other funds	15,392	15,194	-	-	-	-
Due to other governments	-	-	-	179	-	-
Unearned revenue	-	-	19,783	-	-	-
Total liabilities	15,464	15,194	19,806	179	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	15,194	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	5	-	-	-	-	-
Unassigned	-	(15,194)	-	-	-	-
Total fund balance (deficit)	5	(15,194)	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE (DEFICIT)	<u>\$ 15,469</u>	<u>\$ 15,194</u>	<u>\$ 19,806</u>	<u>\$ 179</u>	<u>\$ -</u>	<u>\$ -</u>

This schedule is continued on the following page.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND (Continued)
 JUNE 30, 2019

	McKinney Education for Homeless Children	Regional Safe Schools	Child and Family Connections	Tracy National Institute for School Leadership	Schools Against Fearful Environment (SAFE)	Regional Safe Schools Cooperative
ASSETS						
Cash and cash equivalents	\$ 938	\$ -	\$ -	\$ 200,005	\$ 55,929	\$ -
Due from other governments	3,570	-	137,986	-	23,715	3,288
Total assets	4,508	-	137,986	200,005	79,644	3,288
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	4,508	-	137,986	200,005	79,644	3,288
LIABILITIES						
Accounts payable and accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	137,986	-	-	3,288
Due to other governments	-	-	-	-	79,644	-
Unearned revenue	4,508	-	-	200,005	-	-
Total liabilities	4,508	-	137,986	200,005	79,644	3,288
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	23,715	3,288
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	-	-
Unassigned	-	-	-	-	(23,715)	(3,288)
Total fund balance (deficit)	-	-	-	-	(23,715)	(3,288)
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE (DEFICIT)	\$ 4,508	\$ -	\$ 137,986	\$ 200,005	\$ 79,644	\$ 3,288

This schedule is continued on the following page.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND (Continued)
 JUNE 30, 2019

	Math Blast	Title II - Teacher Quality - Leadership	Early Childhood Education Initiative	Foundational Services	Reading: A Healthy Start	Tracy Partners to Lead
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 58,103	\$ 1,473	\$ -	\$ 10,000
Due from other governments	-	-	-	-	-	-
Total assets	-	-	58,103	1,473	-	10,000
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	-	-	58,103	1,473	-	10,000
LIABILITIES						
Accounts payable and accrued expenses	-	-	-	1,473	-	-
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	10,000
Total liabilities	-	-	-	1,473	-	10,000
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	-	-	58,103	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	-	-	58,103	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE (DEFICIT)	\$ -	\$ -	\$ 58,103	\$ 1,473	\$ -	\$ 10,000

This schedule is continued on the following page.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND (Continued)

JUNE 30, 2019

	Adams County Academic Success Initiative	Supporting Effective Educator Development	Education Innovation and Research Grant	IL-Empower	Totals
ASSETS					
Cash and cash equivalents	\$ 193,970	\$ 90,288	\$ 68,036	\$ -	\$ 698,548
Due from other governments	-	37,692	421	24,594	262,108
Total assets	193,970	127,980	68,457	24,594	960,656
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>193,970</u>	<u>127,980</u>	<u>68,457</u>	<u>24,594</u>	<u>960,656</u>
LIABILITIES					
Accounts payable and accrued expenses	-	-	-	1,599	3,167
Due to other funds	-	-	-	22,995	194,855
Due to other governments	-	3,424	9,538	-	92,785
Unearned revenue	-	124,556	58,919	-	417,771
Total liabilities	-	127,980	68,457	24,594	708,578
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	14,259	56,456
FUND BALANCE (DEFICIT)					
Restricted	193,970	-	-	-	252,078
Unassigned	-	-	-	(14,259)	(56,456)
Total fund balance (deficit)	193,970	-	-	(14,259)	195,622
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE (DEFICIT)	<u>\$ 193,970</u>	<u>\$ 127,980</u>	<u>\$ 68,457</u>	<u>\$ 24,594</u>	<u>\$ 960,656</u>

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2019

	Regional Office of Prevention Effectiveness Services (ROPES)	Truants Alternative and Optional Education	ROE/ISC Operations	State Free Lunch and Breakfast	National School Lunch Program	National School Breakfast Program
REVENUES						
Local sources	\$ -	\$ 14,000	\$ -	\$ -	\$ -	\$ -
State sources	-	182,375	122,383	1,227	-	-
Federal sources	72,376	-	-	-	46,748	14,834
Investment earnings	-	-	-	-	-	-
Total revenues	72,376	196,375	122,383	1,227	46,748	14,834
EXPENDITURES						
Instructional services:						
Salaries and benefits	54,701	154,297	87,932	-	-	-
Pension expense	4,684	10,395	1,995	-	-	-
OPEB expense	-	144	-	-	-	-
Purchased services	8,131	28,974	32,023	-	-	-
Supplies and materials	4,855	2,562	433	-	-	-
Other objects	-	-	-	-	-	-
Intergovernmental:						
Payments to other governments	-	-	-	1,227	46,748	14,834
Total expenditures	72,371	196,372	122,383	1,227	46,748	14,834
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5	3	-	-	-	-
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	5	3	-	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	-	(15,197)	-	-	-	-
FUND BALANCE (DEFICIT) - ENDING	5	(15,194)	-	-	-	-

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

	McKinney Education for Homeless Children	Regional Safe Schools	Child and Family Connections	Tracy National Institute for School Leadership	Schools Against Fearful Environment (SAFE)	Regional Safe Schools Cooperative
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ 33,845	\$ 40,655	\$ -
State sources	-	80,542	459,164	-	-	40,076
Federal sources	26,934	-	-	-	-	-
Investment earnings	-	-	-	-	1	-
Total revenues	26,934	80,542	459,164	33,845	40,656	40,076
EXPENDITURES						
Instructional services:						
Salaries and benefits	16,826	40,893	342,038	9,764	-	-
Pension expense	2,055	1,963	31,434	-	-	-
OPEB expense	-	50	-	-	-	-
Purchased services	4,330	174	40,339	65,415	-	-
Supplies and materials	3,723	-	40,912	1,676	-	-
Other objects	-	-	4,441	42,456	-	-
Intergovernmental:						
Payments to other governments	-	37,472	-	-	50,819	39,346
Total expenditures	26,934	80,552	459,164	119,311	50,819	39,346
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(10)	-	(85,466)	(10,163)	730
OTHER FINANCING SOURCES:						
Transfers in	-	10	-	-	10,164	-
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-	(85,466)	1	730
FUND BALANCE (DEFICIT) - BEGINNING	-	-	-	85,466	(23,716)	(4,018)
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ -	\$ -	\$ (23,715)	\$ (3,288)

This schedule is continued on the following page.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2019

	Math Blast	Title II - Teacher Quality - Leadership	Early Childhood Education Initiative	Foundational Services	Reading: A Healthy Start	Tracy Partners to Lead
REVENUES						
Local sources	\$ 500	-	\$ 82,418	\$ -	\$ 4,551	\$ 20,000
State sources	-	-	-	-	-	-
Federal sources	-	1,400	-	20,734	-	-
Investment earnings	-	-	-	-	-	-
Total revenues	500	1,400	82,418	20,734	4,551	20,000
EXPENDITURES						
Instructional services:						
Salaries and benefits	-	-	33,826	3,875	-	-
Pension expense	-	-	-	-	-	-
OPEB expense	-	-	-	-	-	-
Purchased services	-	1,400	5,682	6,913	-	22,500
Supplies and materials	500	-	35,266	1,946	4,551	-
Other objects	-	-	-	-	-	-
Intergovernmental:						
Payments to other governments	-	-	-	8,000	-	-
Total expenditures	500	1,400	74,774	20,734	4,551	22,500
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	7,644	-	-	(2,500)
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	7,644	-	-	(2,500)
FUND BALANCE (DEFICIT) - BEGINNING	-	-	50,459	-	-	2,500
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ 58,103	\$ -	\$ -	\$ -

This schedule is continued on the following page.

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2019

	Adams County Academic Success Initiative	Supporting Effective Educator Development	Education Innovation and Research Grant	IL-Empower	Totals
REVENUES					
Local sources	\$ 254,363	\$ -	\$ -	\$ 15,088	\$ 465,420
State sources	-	-	-	-	885,767
Federal sources	-	289,609	59,192	-	531,827
Investment earnings	1,003	-	-	-	1,004
Total revenues	255,366	289,609	59,192	15,088	1,884,018
EXPENDITURES					
Instructional services:					
Salaries and benefits	7,023	154,731	-	2,742	908,648
Pension expense	403	5,279	-	-	58,208
OPEB expense	-	1,744	-	-	1,938
Purchased services	113,374	62,342	4,215	26,644	422,456
Supplies and materials	6,324	9,120	-	-	111,868
Other objects	-	-	-	-	46,897
Intergovernmental:					
Payments to other governments	-	56,393	54,977	-	309,816
Total expenditures	127,124	289,609	59,192	29,386	1,859,831
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	128,242	-	-	(14,298)	24,187
OTHER FINANCING SOURCES:					
Transfers in	-	-	-	39	10,213
NET CHANGE IN FUND BALANCE (DEFICIT)	128,242	-	-	(14,259)	34,400
FUND BALANCE (DEFICIT) - BEGINNING	65,728	-	-	-	161,222
FUND BALANCE (DEFICIT) - ENDING	\$ 193,970	\$ -	\$ -	\$ (14,259)	\$ 195,622

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL OFFICE OF PREVENTION EFFECTIVENESS SERVICES (ROPES)
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 75,000	\$ 75,000	\$ 72,376
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>72,376</u>
EXPENDITURES			
Instructional services:			
Salaries and benefits	60,717	60,717	54,701
Pension expense	-	-	4,684
Purchased services	8,113	8,113	8,131
Supplies and materials	3,856	3,856	4,855
Other objects	2,314	2,314	-
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>72,371</u>
NET CHANGE IN FUND BALANCE	-	-	5
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TRUANTS ALTERNATIVE AND OPTIONAL EDUCATION
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Local sources	\$ -	\$ -	\$ 14,000
State sources	182,372	182,372	182,375
Total revenues	182,372	182,372	196,375
EXPENDITURES			
Instructional services:			
Salaries and benefits	150,736	150,736	154,297
Pension expense	-	-	10,395
OPEB expense	-	-	144
Purchased services	28,670	28,670	28,974
Supplies and materials	2,966	2,966	2,562
Total expenditures	182,372	182,372	196,372
NET CHANGE IN FUND BALANCE	-	-	3
FUND BALANCE (DEFICIT) - BEGINNING	-	-	(15,197)
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ (15,194)

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
State sources	\$ 124,789	\$ 124,789	\$ 122,383
Total revenues	<u>124,789</u>	<u>124,789</u>	<u>122,383</u>
EXPENDITURES			
Instructional services:			
Salaries and benefits	99,639	89,846	87,932
Pension expense	-	-	1,995
Purchased services	23,008	32,801	32,023
Supplies and materials	<u>2,142</u>	<u>2,142</u>	<u>433</u>
Total expenditures	<u>124,789</u>	<u>124,789</u>	<u>122,383</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 23,859	\$ 26,934	\$ 26,934
Total revenues	23,859	26,934	26,934
EXPENDITURES			
Instructional services:			
Salaries and benefits	19,580	18,881	16,826
Pension expense	-	-	2,055
Purchased services	2,715	3,938	4,330
Supplies and materials	1,564	4,115	3,723
Total expenditures	23,859	26,934	26,934
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
State sources	\$ 80,542	\$ 80,542	\$ 80,542
Total revenues	80,542	80,542	80,542
EXPENDITURES			
Instructional services:			
Salaries and benefits	42,402	42,402	40,893
Pension expense	-	-	1,963
OPEB expense	-	-	50
Purchased services	668	668	174
Intergovernmental:			
Payments to other governments	37,472	37,472	37,472
Total expenditures	80,542	80,542	80,552
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	(10)
OTHER FINANCING SOURCES			
Transfers in	-	-	10
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 CHILD AND FAMILY CONNECTIONS
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
State sources	\$ 492,757	\$ 482,067	\$ 459,164
Total revenues	<u>492,757</u>	<u>482,067</u>	<u>459,164</u>
EXPENDITURES			
Instructional services:			
Salaries and benefits	387,155	387,155	342,038
Pension expense	-	-	31,434
Purchased services	53,085	46,362	40,339
Supplies and materials	44,686	40,719	40,912
Other objects	7,831	7,831	4,441
Total expenditures	<u>492,757</u>	<u>482,067</u>	<u>459,164</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS COOPERATIVE
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
State sources	\$ 39,346	\$ 39,346	\$ 40,076
Total revenues	39,346	39,346	40,076
EXPENDITURES			
Intergovernmental:			
Payments to other governments	39,346	39,346	39,346
Total expenditures	39,346	39,346	39,346
NET CHANGE IN FUND BALANCE	-	-	730
FUND BALANCE (DEFICIT) - BEGINNING	-	-	(4,018)
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ (3,288)

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE II - TEACHER QUALITY - LEADERSHIP
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 1,764	\$ 1,764	\$ 1,400
Total revenues	<u>1,764</u>	<u>1,764</u>	<u>1,400</u>
EXPENDITURES			
Instructional services:			
Purchased services	<u>1,764</u>	<u>1,764</u>	<u>1,400</u>
Total expenditures	<u>1,764</u>	<u>1,764</u>	<u>1,400</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 FOUNDATIONAL SERVICES
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 84,563	\$ 84,563	\$ 20,734
Total revenues	84,563	84,563	20,734
EXPENDITURES			
Instructional services:			
Salaries and benefits	28,770	33,690	3,875
Purchased services	45,679	47,259	6,913
Supplies and materials	2,114	2,114	1,946
Intergovernmental:			
Payments to other governments	8,000	1,500	8,000
Total expenditures	84,563	84,563	20,734
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
SUPPORTING EFFECTIVE EDUCATOR DEVELOPMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 389,497	\$ 389,497	\$ 289,609
Total revenues	389,497	389,497	289,609
EXPENDITURES			
Instructional services:			
Salaries and benefits	170,000	172,000	154,731
Pension expense	-	-	5,279
OPEB expense	-	-	1,744
Purchased services	109,000	107,000	62,342
Supplies and materials	2,497	2,497	9,120
Intergovernmental:			
Payments to other governments	108,000	108,000	56,393
Total expenditures	389,497	389,497	289,609
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 EDUCATION INNOVATION AND RESEARCH GRANT
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 89,000	\$ 89,000	\$ 59,192
Total revenues	89,000	89,000	59,192
EXPENDITURES			
Instructional services:			
Purchased services	8,000	8,000	4,215
Intergovernmental:			
Payments to other governments	81,000	81,000	54,977
Total expenditures	89,000	89,000	59,192
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2019

	General Education Development	Bus Driver Training	Institute	Totals
ASSETS				
Cash and cash equivalents	\$ 36,228	\$ 32,270	\$ 214,396	\$ 282,894
Due from other governments	-	760	-	760
Investments	-	-	7,807	7,807
Total assets	36,228	33,030	222,203	291,461
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 36,228</u>	<u>\$ 33,030</u>	<u>\$ 222,203</u>	<u>\$ 291,461</u>
LIABILITIES				
Accounts payable	-	176	-	176
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	30	-	30
FUND BALANCE				
Restricted	36,228	32,824	222,203	291,255
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 36,228</u>	<u>\$ 33,030</u>	<u>\$ 222,203</u>	<u>\$ 291,461</u>

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION #1
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	General Education Development	Bus Driver Training	Institute	Totals
REVENUES				
Local sources	\$ 2,980	\$ 5,105	\$ 40,283	\$ 48,368
State sources	-	1,494	-	1,494
Investment earnings	-	165	1,370	1,535
Total revenues	2,980	6,764	41,653	51,397
EXPENDITURES				
Instructional services:				
Purchased services	587	4,896	-	5,483
Supplies and materials	307	-	787	1,094
Other objects	-	-	20,715	20,715
Capital outlay	4,054	-	510	4,564
Total expenditures	4,948	4,896	22,012	31,856
NET CHANGE IN FUND BALANCE	(1,968)	1,868	19,641	19,541
FUND BALANCE - BEGINNING	38,196	30,956	202,562	271,714
FUND BALANCE - ENDING	\$ 36,228	\$ 32,824	\$ 222,203	\$ 291,255

ADAMS/BROWN/CASS/MORGAN/PIKE/SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION #1
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>SCHOOL FACILITY</u>				
<u>OCCUPATION TAX</u>				
ASSETS				
Cash and cash equivalents	\$ 1,943	\$ 5,398,082	\$ 5,397,231	\$ 2,794
Due from other governments	<u>1,397,389</u>	<u>1,437,348</u>	<u>1,397,389</u>	<u>1,437,348</u>
Total assets	<u><u>\$ 1,399,332</u></u>	<u><u>\$ 6,835,430</u></u>	<u><u>\$ 6,794,620</u></u>	<u><u>\$ 1,440,142</u></u>
LIABILITIES				
Due to other governments	<u>\$ 1,399,332</u>	<u>\$ 6,835,430</u>	<u>\$ 6,794,620</u>	<u>\$ 1,440,142</u>
Total liabilities	<u><u>\$ 1,399,332</u></u>	<u><u>\$ 6,835,430</u></u>	<u><u>\$ 6,794,620</u></u>	<u><u>\$ 1,440,142</u></u>