

**STATE OF ILLINOIS
MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**FINANCIAL AUDIT
For the year ended June 30, 2019**

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



**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

OFFICIALS

Regional Superintendent
(Current and during the audit period) Mr. Kelton J.V. Davis

Assistant Regional Superintendent
(Current and during the audit period) Mr. William C. Diddlebock

Offices are located at:

107 East Mill Street
Waterloo, Illinois 62298

Randolph County Courthouse
#1 Taylor Street
Chester, Illinois 62233

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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FINDINGS (GOVERNMENT AUDITING STANDARDS)

There were no findings for the year ended June 30, 2019.

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

2018-001	11	Controls over Financial Statement Preparation	Material Weakness
2018-002	11	Delay of Audit	Noncompliance

EXIT CONFERENCE

The Monroe and Randolph Counties Regional Office of Education No. 45 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2019. Throughout the audit, numerous meetings were held between the auditors and Regional Office officials to discuss matters contained in this audit report.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Monroe and Randolph Counties Regional Office of Education No. 45 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Monroe and Randolph Counties Regional Office of Education No. 45's basic financial statements.



613 Broadway Avenue
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Mattoon, Illinois 61938

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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 Monroe and Randolph Counties Regional Office of Education No. 45, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Monroe and Randolph Counties Regional Office of Education No. 45's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monroe and Randolph Counties Regional Office of Education No. 45, 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 management's discussion and analysis on pages 12a through 12g and the Illinois Municipal Retirement Fund – Schedule of Changes in Net Pension Liability and Related Ratios, Illinois Municipal Retirement Fund – Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois – Schedule of Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of the State of Illinois – Schedule of Employer Contributions, Teachers' Health Insurance Security Fund – Schedule of Employer Contributions, Teachers' Health Insurance Security Fund – Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability, and Other Post Employment Benefits – Health Insurance – Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 57 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monroe and Randolph Counties Regional Office of Education No. 45's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund 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 May 20, 2020 on our consideration of the Monroe and Randolph Counties Regional Office of Education No. 45'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 Monroe and Randolph Counties Regional Office of Education No. 45'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 Monroe and Randolph Counties Regional Office of Education No. 45's internal control over financial reporting and compliance.

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Mattoon, Illinois
May 20, 2020



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

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monroe and Randolph Counties Regional Office of Education No. 45, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Monroe and Randolph Counties Regional Office of Education No. 45's basic financial statements, and have issued our report thereon dated May 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Monroe and Randolph Counties Regional Office of Education No. 45'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 Monroe and Randolph Counties Regional Office of Education No. 45's internal control. Accordingly, we do not express an opinion on the effectiveness of the Monroe and Randolph Counties Regional Office of Education No. 45's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Monroe and Randolph Counties Regional Office of Education No. 45's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Monroe and Randolph Counties Regional Office of Education No. 45'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 Monroe and Randolph Counties Regional Office of Education No. 45's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Mattoon, Illinois

May 20, 2020

SCHEDULE OF FINDINGS AND RESPONSES

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45

SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITORS' RESULTS
For the year ended June 30, 2019

Financial Statements in accordance with GAAP

Type of auditors' report issued:

UNMODIFIED

Internal control over financial reporting:

- Material weakness(es) identified?

 yes X no

- Significant deficiency(ies) identified?

 yes X none reported

Noncompliance material to financial statements noted?

 yes X no

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2019**

No findings were noted for the year ended June 30, 2019.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the year ended June 30, 2019**

2018-001	Controls over Financial Statement Preparation	Not Repeated
	The comptroller for the Regional Office of Education increased the frequency of internal controls for receivables, payables and unavailable revenue when the grant period was not congruent with fiscal year's end. In addition, we hired an accounting firm to prepare our financial statements.	
2018-002	Delay of Audit	Not Repeated
	The Regional Office of Education engaged with third-party CPA firms to complete the actuarial obligations for benefits and to assist in the preparation of our financial statements prior to August 31 st .	

MANAGEMENT'S DISCUSSION AND ANALYSIS

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**Management's Discussion and Analysis
For the year ended June 30, 2019**

As management of Monroe Randolph Regional Office of Education #45 (ROE #45), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the ROE #45 for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with ROE #45's financial statements, which follow this section.

2019 Financial Highlights

- The assets and deferred outflows of resources of Regional Office of Education #45 were less than its liabilities and deferred inflows of resources by \$136,538 (net position). Of this amount, \$86,638 is restricted. Capital assets account for \$32,437 with no related debt.
- The Regional Office of Education #45's total net position increased by \$236,605. This change was largely attributable to the decrease in the net pension liability and related deferred inflows and outflows of resources of \$92,840. In addition, the governmental activities realized an increase in its net position, due in part to an increase in the Chester General State Aid account, included in the General Fund.
- The capital assets (net) of Regional Office of Education #45 increased by \$1,481. Total asset additions of \$13,579 and the depreciation expense of \$12,098 account for this change. See note #7 to the financial statements for further details.

Overview of the Financial Statements

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Agency's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These financial statements provide information about the activities of ROE #45 as a whole and present an overall view of the Agency's finances in a manner similar to private sector businesses.
- The Fund Financial Statements illustrate how governmental services were financed in the short term, as well as what remains for future spending. Fund financial statements report ROE #45's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements.
- Other information includes combining financial statements and budgetary information for certain general fund accounts, education fund accounts, and other non-major accounts.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**Management's Discussion and Analysis
For the year ended June 30, 2019**

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of ROE #45's finances, in a manner similar to private-sector businesses.

The *Statement of Net Position* presents information on all of ROE #45's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of ROE #45 is improving or deteriorating.

The *Statement of Activities* presents information showing how ROE #45's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for certain items that will only result in cash flows in future fiscal periods.

In the *government-wide financial statements*, ROE #45's activities are divided into two categories:

- *Governmental activities*: Most of ROE #45's basic services are included here, such as regular and special education instruction, instructional staff support services and administration. Federal, State and local grants and contributions finance many of these activities.
- *Business-type activities*: ROE #45 charges fees to help cover the costs of certain services it provides, such as workshops, and conferences.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements. The *fund financial statements* provide detailed information about ROE #45's funds, focusing on its most significant or "major" funds, not ROE #45 as a whole. Funds are accounting devices ROE #45 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law. ROE #45 establishes other funds to control and manage money for particular purposes, such as educational instruction in specific areas or in order to show that it is properly using certain revenues, such as federal grants. All of the funds of ROE #45 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* account for most of ROE #45's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. Because the governmental fund information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the statements. By so doing, the readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

ROE #45 maintains 5 individual governmental funds; the general fund, education fund, teacher's institute, bus driver permit fund, and general education development fund. Information is presented separately in the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for the general fund and education fund, both considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**Management's Discussion and Analysis
For the year ended June 30, 2019**

The basic governmental fund financial statements and related reconciliations can be found on pages 15-18 of this report.

Proprietary funds. ROE #45 maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide statements. ROE #45 uses enterprise funds to account for educational services for which it charges a fee. Proprietary fund statements provide the same type of information as the government-wide financial statements, but with more detail and additional information, such as cash flows. The proprietary fund financial statements provide separate information for the Registration fund and is considered a major fund.

The proprietary funds required financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows. The basic proprietary fund financial statements can be found on pages 19-21 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support ROE #45's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund statement can be found on page 22 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-56 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning ROE #45. Overall budgeting is not a legal requirement for ROE #45. Accordingly, formal budgets are not adopted; and therefore, budgetary comparison schedules are not included in the required supplementary information (RSI). However, ROE #45 is the recipient of monies from the Illinois State Board of Education (ISBE) for certain accounts within the general fund and for most accounts within the education fund on which ISBE requires budgetary comparison to actual results. Budgetary comparison schedules have been provided for the ISBE accounts to demonstrate compliance. In addition, budgetary comparison schedules have been provided for the grants received from the Illinois Community College Board (ICCB). Budgetary comparison schedules have been included on pages 75-86 and 91-97 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, combining statements for fiduciary funds, and combining schedules for the general and education funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 65-74, 87-90, and 98-104 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of ROE #45, assets and deferred outflows of resources were less than its liabilities and deferred inflows of resources by \$136,538 at the close of fiscal year 2019.

ROE #45's net position is split between governmental activities and business-type activities. The governmental activities' net position was a negative \$383,150 offset by the business-type activities' net position of \$246,612.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**Management's Discussion and Analysis
For the year ended June 30, 2019**

	ROE 45's Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 1,061,717	\$ 1,068,480	\$ 243,364	\$ 253,529	\$ 1,305,081	\$ 1,322,009
Capital assets	27,996	26,425	4,441	4,531	32,437	30,956
Total assets	<u>1,089,713</u>	<u>1,094,905</u>	<u>247,805</u>	<u>258,060</u>	<u>1,337,518</u>	<u>1,352,965</u>
Deferred outflows of resources	<u>571,539</u>	<u>482,754</u>	<u>-</u>	<u>-</u>	<u>571,539</u>	<u>482,754</u>
Current liabilities	13,099	175,432	1,193	15	14,292	175,447
Net pension liability	438,814	956,668	-	-	438,814	956,668
Net OPEB liability	402,375	483,452	-	-	402,375	483,452
Total liabilities	<u>854,288</u>	<u>1,615,552</u>	<u>1,193</u>	<u>15</u>	<u>855,481</u>	<u>1,615,567</u>
Deferred inflows of resources	<u>1,190,114</u>	<u>593,295</u>	<u>-</u>	<u>-</u>	<u>1,190,114</u>	<u>593,295</u>
Net position:						
Net investment in capital assets	27,996	26,425	4,441	4,531	32,437	30,956
Restricted for educational purposes	86,638	93,939	-	-	86,638	93,939
Unrestricted	<u>(497,784)</u>	<u>(751,552)</u>	<u>242,171</u>	<u>253,514</u>	<u>(255,613)</u>	<u>(498,038)</u>
Total net position	<u>\$ (383,150)</u>	<u>\$ (631,188)</u>	<u>\$ 246,612</u>	<u>\$ 258,045</u>	<u>\$ (136,538)</u>	<u>\$ (373,143)</u>

At June 30 2019, total current assets, comprised predominately of cash and receivables, decreased \$16,928 due to a decrease in grant funding as the Math and Science grants came to an end. There was a minimal increase in capital assets of \$1,481. The deferred outflows of resources increased by \$88,785 and the deferred inflows of resources increased \$596,819. Deferred outflows of resources increased largely as a result of the difference between the projected and actual investment earnings on pension plan investments. Deferred inflows of resources increased as a result of a change in how the Teachers' Retirement System (TRS) pension liability is allocated among the ROE and other entities participating in TRS. Total liabilities decreased by \$760,086. Of this total, \$598,931 represents the decrease in net pension and OPEB liabilities, primarily resulting from the offset of net increase in the deferred inflows and outflows of the pension programs, and \$161,155 is from the timing of payables at year end.

As indicated above, ROE #45 reported negative net position of \$383,150 for the governmental and positive net position of \$246,612 for the business-type activities. The negative net position of the governmental activities can be attributed to the reporting requirements for the pension and OPEB liability and related deferred amounts which accounts for a net \$1,459,764 liability. \$86,638 of the net position is restricted for certain educational purposes, and the investment in net capital assets was \$32,437 at the end of 2019. ROE #45 uses these capital assets in providing services to its citizens; consequently, these assets are not available for future spending.

Net position of ROE #45 increased by \$236,605 during 2019. Governmental activities contributed \$248,038 of the increase while the business-type activities decreased \$11,433. Key elements of the change in net assets are as follows:

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**Management's Discussion and Analysis
For the year ended June 30, 2019**

ROE #45's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 29,042	\$ 17,410	\$ 29,042	\$ 17,410
Operating grants & contributions	709,453	1,753,234	-	-	709,453	1,753,234
General revenues:						
Local sources	527,475	524,134	-	-	527,475	524,134
On-behalf payments	495,759	560,516	-	-	495,759	560,516
Interest	3,397	2,815	515	475	3,912	3,290
Total revenues	<u>1,736,084</u>	<u>2,840,699</u>	<u>29,557</u>	<u>17,885</u>	<u>1,765,641</u>	<u>2,858,584</u>
Expenses:						
Instructional services:						
Salaries and benefits	681,992	690,065	6,684	2,587	688,676	692,652
Purchased services	196,440	424,853	17,160	4,016	213,600	428,869
Supplies and materials	43,899	62,566	8,467	1,475	52,366	64,041
Other	11,559	27,109	-	-	11,559	27,109
Depreciation	10,758	9,137	1,340	1,194	12,098	10,331
Pension	(43,812)	119,846	-	-	(43,812)	119,846
OPEB	5,909	32,245	-	-	5,909	32,245
Intergovernmental:						
Payments to other governmental units	85,542	796,217	7,339	3,607	92,881	799,824
Administrative:						
On-behalf payments	495,759	560,516	-	-	495,759	560,516
Total expenses	<u>1,488,046</u>	<u>2,722,554</u>	<u>40,990</u>	<u>12,879</u>	<u>1,529,036</u>	<u>2,735,433</u>
Change in net position	248,038	118,145	(11,433)	5,006	236,605	123,151
Net position-beginning	(631,188)	(749,333)	258,045	253,039	(373,143)	(496,294)
Net position-ending	<u>\$ (383,150)</u>	<u>\$ (631,188)</u>	<u>\$246,612</u>	<u>\$258,045</u>	<u>\$ (136,538)</u>	<u>\$ (373,143)</u>

Governmental Activities

Revenues for governmental activities were \$1,736,084 and expenses were \$1,488,046. Governmental revenues decreased \$1,039,858 (exclusive of on-behalf payments). The biggest cause of this decrease is due to the Math and Science Grants, which had reported revenue of \$1,066,561 for fiscal year 2018 but only \$39,666 for fiscal year 2019, since the grants ended August 31, 2018. Numerous other grants decreased as the State continues to cut funding.

With the decrease in revenues, we also see a corresponding decrease in expenses as well. Overall governmental expenses decreased \$1,169,751 (exclusive of on-behalf payments) consistent with the decrease in revenues. Purchased services and payments to other governmental units decreased as the Math and Science Grants ended. In addition, there was a decrease in the actuarially calculated pension related expenses of \$163,658.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**Management's Discussion and Analysis
For the year ended June 30, 2019**

Business-Type Activities

The charges for services increased by \$11,632 when compared to 2018 due to more student activities not associated with grant funding. The expenses increased as the ROE incurred more cost associated with the increase in student activities for 2019.

Financial Analysis of ROE #45's Funds

Governmental funds. As previously noted, ROE #45 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. ROE #45's governmental funds reported combined fund balances of \$1,010,369, an increase of \$239,959 from last year's ending fund balance of \$770,410. In 2019, the General Fund increased \$155,066 and the Education Fund increased \$94,040. In 2018, the General Fund increased its fund balance by \$175,361, and the Education Fund decreased its fund balance by \$16,277.

Within the General Fund, the largest contributing factor to the increase in fund balance for 2019 was the General State Aid Fund. Fund balance increased \$121,334 with an increase in State funding of approximately \$15,000 and a decrease in its expenditures of \$23,517 (exclusive of on-behalf payments). Purchased services expense decreased \$17,300. The increase in the Education Fund for 2019 is a function of when the grant revenue is recognized for fund balance reporting. Revenue must be received within 60 days of year end to be reflected as revenue. At June 30, 2018, \$122,638 of grant revenue was deferred and reported as unavailable revenue. This amount was reported as grant revenue for fiscal year 2019.

The general fund is the chief operating fund of ROE #45. At the end of the current fiscal year, the unassigned balance of the general fund increased by \$159,325 to \$949,844.

Proprietary funds. ROE #45's proprietary funds consist of enterprise funds. The enterprise fund activity is the same type of information found in the government-wide financial statements, but in more detail. Aspects concerning the finances have already been addressed in the discussion of ROE #45's business-type activities.

Budgetary Highlights

Presenting an overall budget is not a legal requirement of ROE #45. Formal budgets are not adopted for all funds; therefore, budgetary comparison schedules are not required in the financial statements.

ROE #45 acts as the administrative agent for certain grant programs that are accounted for within the special revenue funds. These programs have separate budgets and are required to be reported to the Illinois State Board of Education. In addition, budgetary comparison schedules have been provided for the grants received from the Illinois Community College Board (ICCB). Comparison of budgeted and actual results for various programs are presented as supplementary information.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**Management's Discussion and Analysis
For the year ended June 30, 2019**

Capital Assets

**ROE 45's Capital Assets
Net of Accumulated Depreciation**

	Governmental Activities		Business-type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Equipment	\$ 27,996	\$ 26,425	\$ 4,441	\$ 4,531	\$ 32,437	\$ 30,956

At June 30, 2019 and June 30, 2018, ROE #45 had invested \$153,806 and \$152,627, respectively, in a broad range of capital assets, including office equipment, computers and audio-visual equipment.

ROE #45 had depreciation expense of \$12,098 and \$10,331 in 2019 and 2018, respectively, with accumulated depreciation of \$121,369 and \$121,671 at June 30, 2019 and 2018, respectively. More detailed information about capital assets is available in footnote #7 to the financial statements.

During fiscal year 2019, the ROE scrapped obsolete electronic equipment and furniture that had an original cost of \$12,400. All scrapped equipment was fully depreciated.

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, ROE #45 was not aware of any circumstance that could affect its financial health in the future. Grants for the Math and Science and the Title I School Improvement System of Support ended August 31, 2018. This decrease in funding in 2019 has forced the ROE to decrease its services in these areas.

Contacting ROE #45's Financial Management

This financial report is designed to provide ROE #45's citizens, taxpayers, and clients, with a general overview of ROE #45's finances and to demonstrate ROE #45's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Regional Superintendent's Office of Monroe/Randolph Counties, ROE #45, 107 East Mill Street, Waterloo, Illinois 62298.

BASIC FINANCIAL STATEMENTS

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 921,993	\$ 238,214	\$ 1,160,207
Accounts receivable	1,231	-	1,231
Due from other governments	134,162	5,150	139,312
Prepaid expenses	4,331	-	4,331
Total Current Assets	<u>1,061,717</u>	<u>243,364</u>	<u>1,305,081</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	27,996	4,441	32,437
Total Noncurrent Assets	<u>27,996</u>	<u>4,441</u>	<u>32,437</u>
Total assets	<u>1,089,713</u>	<u>247,805</u>	<u>1,337,518</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	565,929	-	565,929
Deferred outflows related to OPEB	5,610	-	5,610
Total deferred outflows of resources	<u>571,539</u>	<u>-</u>	<u>571,539</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	8,697	196	8,893
Due to other governments	4,402	675	5,077
Unearned revenue	-	322	322
Total current liabilities	<u>13,099</u>	<u>1,193</u>	<u>14,292</u>
Noncurrent liabilities:			
Net pension liability	438,814	-	438,814
OPEB Liabilities	402,375	-	402,375
Total Long-term Liabilities	<u>841,189</u>	<u>-</u>	<u>841,189</u>
Total liabilities	<u>854,288</u>	<u>1,193</u>	<u>855,481</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,035,070	-	1,035,070
Deferred inflows related to OPEB	155,044	-	155,044
Total Deferred Inflows of Resources	<u>1,190,114</u>	<u>-</u>	<u>1,190,114</u>
NET POSITION			
Net investment in capital assets	27,996	4,441	32,437
Restricted for educational purposes	86,638	-	86,638
Unrestricted	(497,784)	242,171	(255,613)
TOTAL NET POSITION	<u>\$ (383,150)</u>	<u>\$ 246,612</u>	<u>\$ (136,538)</u>

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental activities:							
Instructional services:							
Salaries and benefits	\$ 593,927	\$ -	\$ 398,114	\$ -	\$ (195,813)	\$ -	\$ (195,813)
Benefits	88,065	-	55,200	-	(32,865)	-	(32,865)
Purchased services	196,440	-	113,838	-	(82,602)	-	(82,602)
Supplies and materials	43,899	-	24,430	-	(19,469)	-	(19,469)
Capital outlay	-	-	3,249	-	3,249	-	3,249
Other	11,559	-	3,466	-	(8,093)	-	(8,093)
Depreciation	10,758	-	-	-	(10,758)	-	(10,758)
Pension	(43,812)	-	25,614	-	69,426	-	69,426
OPEB expense	5,909	-	-	-	(5,909)	-	-
Intergovernmental:							
Payments to other governmental units	85,542	-	85,542	-	-	-	-
Administrative							
On-behalf payments - state	495,759	-	-	-	(495,759)	-	(495,759)
Total governmental activities	<u>1,488,046</u>	<u>-</u>	<u>709,453</u>	<u>-</u>	<u>(778,593)</u>	<u>-</u>	<u>(772,684)</u>
Business-type activities							
Registration services	40,990	29,042	-	-	-	(11,948)	(11,948)
Total business-type activities	<u>40,990</u>	<u>29,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,948)</u>	<u>(11,948)</u>
Total primary government	<u>\$ 1,529,036</u>	<u>\$ 29,042</u>	<u>\$ 709,453</u>	<u>\$ -</u>	<u>(778,593)</u>	<u>(11,948)</u>	<u>(784,632)</u>
General revenues:							
Local sources					527,475	-	527,475
On-behalf payments					495,759	-	495,759
Interest					3,397	515	3,912
Total general revenues					<u>1,026,631</u>	<u>515</u>	<u>1,027,146</u>
Change in net position					248,038	(11,433)	236,605
Net position - beginning of year					<u>(631,188)</u>	<u>258,045</u>	<u>(373,143)</u>
Net position - end of year					<u>\$ (383,150)</u>	<u>\$ 246,612</u>	<u>\$ (136,538)</u>

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019**

	General Fund	Education Fund	Other Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 831,082	\$ 9,838	\$ 81,073	\$ 921,993
Accounts receivable	1,053	-	178	1,231
Due from other funds	38,611	-	-	38,611
Due from other governments	91,089	43,073	-	134,162
Prepaid expenses	4,331	-	-	4,331
TOTAL ASSETS	<u>\$ 966,166</u>	<u>\$ 52,911</u>	<u>\$ 81,251</u>	<u>\$ 1,100,328</u>
LIABILITIES				
Accounts payable	\$ 3,784	\$ 4,913	\$ -	\$ 8,697
Due to other funds	-	38,611	-	38,611
Due to other governments	402	4,000	-	4,402
Total liabilities	<u>4,186</u>	<u>47,524</u>	<u>-</u>	<u>51,710</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>7,805</u>	<u>30,444</u>	<u>-</u>	<u>38,249</u>
FUND BALANCES (DEFICITS)				
Nonspendable	4,331	-	-	4,331
Restricted	-	5,387	81,251	86,638
Unassigned	949,844	(30,444)	-	919,400
Total fund balances (deficits)	<u>954,175</u>	<u>(25,057)</u>	<u>81,251</u>	<u>1,010,369</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
	<u>\$ 966,166</u>	<u>\$ 52,911</u>	<u>\$ 81,251</u>	<u>\$ 1,100,328</u>

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
June 30, 2019**

Total fund balances-governmental funds	\$	1,010,369
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p>		27,996
<p>Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and deferred inflows of resources in the governmental funds</p>		38,249
<p>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.</p>		
Deferred outflows of resources	\$ 571,539	
Deferred inflows of resources	<u>(1,190,114)</u>	(618,575)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Net pension liability	(438,814)	
OPEB Liabilities	<u>(402,375)</u>	<u>(841,189)</u>
Net position of governmental activities	\$	<u><u>(383,150)</u></u>

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

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General Fund	Education Fund	Other Non-Major Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 499,264	\$ -	\$ 20,406	\$ 519,670
State sources	129,643	452,144	1,243	583,030
Federal sources	-	218,617	-	218,617
On behalf payments	270,502	-	-	270,502
Interest	3,161	9	227	3,397
Total revenues	<u>902,570</u>	<u>670,770</u>	<u>21,876</u>	<u>1,595,216</u>
Expenditures:				
Instructional services:				
Salaries	286,515	294,844	12,568	593,927
Employee benefits	41,741	43,606	2,718	88,065
Purchased services	83,150	104,876	8,414	196,440
Supplies and materials	19,521	20,765	3,613	43,899
Other	6,487	2,506	2,566	11,559
Pension expense	25,542	22,342	1,144	49,028
OPEB expense	3,966	-	-	3,966
On-behalf payments	270,502	-	-	270,502
Intergovernmental:				
Payments to other governmental units	-	85,542	-	85,542
Capital outlay	10,080	2,249	-	12,329
Total expenditures	<u>747,504</u>	<u>576,730</u>	<u>31,023</u>	<u>1,355,257</u>
Net change in fund balances	155,066	94,040	(9,147)	239,959
Fund balances (deficits), - beginning of year	<u>799,109</u>	<u>(119,097)</u>	<u>90,398</u>	<u>770,410</u>
Fund balances (deficits), - end of year	<u>\$ 954,175</u>	<u>\$ (25,057)</u>	<u>\$ 81,251</u>	<u>\$ 1,010,369</u>

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
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 \$ 239,959

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

Governmental funds report capital outlays as expenditures and proceeds from disposals as revenue. However, in the statement of activities the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense and gains and losses are reported on disposals.

Capital outlay	\$ 12,329	
Depreciation expense	<u>(10,758)</u>	1,571

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

Current year unavailable revenue - operating grants	\$ 30,444	
Current year unavailable revenue - local sources	\$ 7,805	
Prior year unavailable revenue - operating grants	<u>(122,638)</u>	(84,389)

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.

Pension expense	\$ 92,840	
OPEB expense	<u>(1,943)</u>	<u>90,897</u>

Changes in net position of governmental activities \$ 248,038

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019**

	Business-Type Activities Enterprise Funds <u>Registration</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 238,214
Due from other governments	5,150
Total Current Assets	<u>243,364</u>
Noncurrent Assets:	
Capital assets, net	<u>4,441</u>
Total noncurrent assets	<u>4,441</u>
TOTAL ASSETS	<u><u>247,805</u></u>
LIABILITIES	
Current Liabilities	
Accounts Payable	196
Due to other governments	675
Unearned revenue	322
Total current liabilities	<u>1,193</u>
NET POSITION	
Net investment in capital assets	4,441
Restricted	-
Unrestricted	<u>242,171</u>
TOTAL NET POSITION	<u><u>\$ 246,612</u></u>

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

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2019

	Business-Type Activities <u>Enterprise Funds</u> <u>Registration</u>
Operating revenues:	
Charges for Services	\$ 29,042
Operating expenses:	
Salaries	6,106
Benefits	578
Purchased services	17,160
Supplies and materials	8,467
Depreciation	1,340
Payments to other governmental units	7,339
Total operating expenses	<u>40,990</u>
Operating income (loss)	<u>(11,948)</u>
Nonoperating revenues:	
Investment income	515
Total nonoperating revenue	<u>515</u>
Change in net position	(11,433)
Net position, beginning of year	<u>258,045</u>
Net position, end of year	<u><u>\$ 246,612</u></u>

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2019**

	<u>Business-Type Activities Enterprise Funds Registration</u>
Cash flows from operating activities:	
Collection of fees	\$ 28,074
Payments to suppliers and providers for goods and services	(25,446)
Payments to employees	(6,684)
Payments to other governments	(6,664)
Net cash provided by (used for) operating activities	<u>(10,720)</u>
Cash flows from capital and related financing activities:	
Payments for capital assets	(1,250)
Net cash provided by (used for) capital and financing activities	<u>(1,250)</u>
Cash flows from investing activities:	
Interest received on investments	515
Net cash provided by (used for) investing activities	<u>515</u>
Net increase (decrease) in cash and cash equivalents	(11,455)
Cash and cash equivalents - beginning of year	<u>249,669</u>
Cash and cash equivalents - end of year	<u>\$ 238,214</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (11,948)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	1,340
Change in assets and liabilities:	
(Increase) in due from other governments	(1,290)
Increase in accounts payable	181
Increase in due to other governments	675
Increase in unearned revenue	<u>322</u>
Net cash provided by (used for) operating activities	<u>\$ (10,720)</u>

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

**MONROE AND RANDOLPH COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 45
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 June 30, 2019**

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 632,134
Investments	3,928
Due from other governments	1,356,983
TOTAL ASSETS	\$ 1,993,045
LIABILITIES	
Accounts payable	\$ 425
Due to other governments	1,992,620
TOTAL LIABILITIES	\$ 1,993,045

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

NOTES TO FINANCIAL STATEMENTS

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education No. 45's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

Reporting Entity

The Regional Office of Education No. 45 was created by Illinois Public Act 76-735, as amended, effective August 7, 1995. The Regional Office operates under the School Code (105 ILCS 5/3 and 5/3A). The region encompasses Monroe and Randolph counties.

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

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

The Regional Office of Education No. 45 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education No. 45 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management, or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education No. 45's financial statements. In addition, the Regional Office of Education No. 45 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 45 being considered a component unit of the entity.

Government-wide and Fund Financial Statements

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

The Statement of Net Position includes all of the Regional Office of Education No. 45's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 45 considers revenues to be available if they are collectible within 60 days after year-end.

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JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid items and long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 45's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 45's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances, committed fund balances are used first, then assigned fund balances, then unassigned, if any.

Governmental Funds

The Regional Office of Education No. 45 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education No. 45. It is used to account for all financial resources, except those required to be accounted for and reported in another fund. This fund is available to pay general and administrative expenditures of the Regional Office of Education No. 45. Included in this fund are:

Chester Office Account - This fund is used for general operations of the Chester office of the Regional Office of Education. It is used to account for all financial resources, except those required to be accounted for in another fund.

Waterloo Office Account - This fund is used for general operations of the Waterloo office of the Regional Office of Education. It is used to account for all financial resources, except those required to be accounted for in another fund.

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General State Aid - This fund accounts for General State Aid used for the general operations of the Regional Safe Schools program.

County Account - The Regional Office of Education No. 45 receives a tax appropriation from Monroe and Randolph counties for operation purposes. These appropriations are requested on a yearly basis.

Education - 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 specific purposes supporting education enhancement programs as follows:

Adult Education - This group of funds accounts for monies received from the Illinois Community College Board (ICCB) for academic and vocational adult education programs including the following:

Federal Basic - This fund accounts for federal monies received from the ICCB which provide for adult basic education (GED) services for adult education clients.

State Basic - This fund accounts for State funds received from the ICCB for vocational training for adult education clients including computer and certified nurse assistant classes.

State Performance - This fund accounts for State monies received from the ICCB that can be used for any purpose that supports the adult education program.

Secretary of State Family Literacy Program - The program provides continuing adult education, English as a second language, childhood education, parenting resources, and activities for at risk families in the community of the Regional Office of Education No.45.

Adult Volunteer Literacy Grant Program - This program provides free one-on-one tutoring for adults who want to improve their basic reading and math skills and for English as a Second Language students. The Regional Office of Education No. 45 provides the training and the teaching materials for the volunteer tutors and the books and materials for the students.

National School Lunch Program (NSLP) - Federal Lunch and Breakfast - This fund accounts for the Federal Breakfast and Lunch funds received from ISBE for the National School Lunch Program (NSLP) and School Breakfast Program.

Regional Safe Schools - This program provides funding for an alternative school program for students removed from the regular school setting due to disruptive behavior.

Pilot Regional Safe Schools Cooperative Education Program - This program serves eligible students and enhances the educational opportunity with highly structured private sector work experience and job training programs which follows State course description for Cooperative Education.

MONROE AND RANDOLPH COUNTIES
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JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Mathematics and Science Partnerships (Making Math Connections) - This program provides teachers in Southern Illinois with opportunities to increase their own knowledge in math and experience with the new IL Learning Standards, math practices, and curriculum development.

Mathematics and Science Partnerships (Making Science Connections) - This program provides teachers in Southern Illinois with opportunities to increase their own knowledge in science and experience with the new IL Learning Standards, science practices, and curriculum development.

Title I School Improvement System of Support - Grant monies in this fund are used to provide professional development activities to schools identified as Priority schools, Focus schools, and all schools under Foundational Services.

McKinney Vento Education for Homeless Children - This fund provides educational services and strives to heighten community awareness of the need to serve the homeless population.

ROE/ISC Operations - This account is used for general operation of the Regional Office of Education office.

Title II Teacher Quality Leadership - The purpose of this program is to provide training and professional development for the improvement of teacher and principal performance evaluations.

Truants Alternative Optional Education - This program provides alternative educational program services to truant, chronic truant, potential dropout, and dropout students referred from local schools to the Regional Office of Education No. 45.

Additionally, the Regional Office of Education No. 45 reports the following nonmajor governmental funds:

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

Teacher's Institute Fund - The Teacher's Institute Fund is authorized by Section 3-12 of the School Code. Teachers' license fees are paid into the Teacher's Institute Fund. The monies are used to defray administrative expenses incidental to teacher's institutes, workshops, or meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

Bus Driver Permit Fund - This fund is used to account for the issuance of school bus driver permits and to sponsor instructional training courses for school bus drivers.

General Education Development Fund - This fund was established to administer the high school level test of General Educational Development.

MONROE AND RANDOLPH COUNTIES
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Proprietary Funds

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

The Regional Office of Education No. 45 reports the following major enterprise fund:

Registration - The purpose of the Registration fund is to support professional development workshops for educators and enrichment programs for students. Educators/students pay registration fees for programs presented by the office. Presenter fees, supplies, room rental, and food costs are examples of expenses paid out of the registration fund.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education No. 45 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 No. 45 reports the following agency funds:

Distributive Fund - This fund distributes monies received by the State to the school districts and other entities.

Area V Trail - This fund receives and disburses monies for workshops provided and paid for by all the Area V Regional Offices of Education.

State Trail - This fund receives and disburses monies for workshops provided and paid for by the Regional Offices of Education State-wide.

Connecting Conference - This fund receives and disburses monies for workshops provided and paid for by the Illinois Association of Regional Superintendent of Schools.

The Maidez Center - This fund receives and disburses monies for The Maidez Center, a 501(c)(3) organization that provides charitable support to other organizations serving at-risk youth and families.

School Facility Sales Tax - Voters in both of the Regional Office's counties approved the use of a 1% sales tax to be used exclusively for school facility capital projects. Regional Office of Education No. 45 is the fiscal agent for processing payments from the State of Illinois to the school districts.

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Cash and Investments

The Regional Office of Education No. 45 considers cash on hand, checking accounts, savings accounts, money market accounts, and investments held with an original maturity date of less than 90 days to be cash and cash equivalents. State regulations require that the Regional Office of Education No. 45 deposit funds under its control into accounts insured by the federal government, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education No. 45 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

Interfund Transactions

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

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets are reported in the applicable columns in the government-wide and proprietary fund financial statements. Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than one year are recorded at historical cost or estimated historical cost. Contributed assets are recorded 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:

Equipment and Furniture	5 - 10 years
Office Equipment	3 - 7 years

MONROE AND RANDOLPH COUNTIES
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension 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/fund balance 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 Balance Sheet consist of receivables not collected within sixty days after the year end. Deferred inflows of resources in the Statement of Net Position consist of unrecognized items that have not yet reduced pension and OPEB expense.

Postemployment Benefits Other Than Pensions (OPEB)

For the purposes of measuring the Regional Office of Education No. 45's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education No. 45's OPEB Plan and additions to/deductions from the Regional Office of Education No. 45's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 45's Plan. For this purpose, the Regional Office of Education No. 45's Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education No. 45's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense from the ROE's single employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

Compensated Absences

Vacation pay is considered an expenditure in the year it is paid. All vacation has to be used before fiscal year end, so no accrual is required.

Accumulated sick pay benefits are available to all full-time employees to use in future years. However, upon termination, the employees are not compensated for any unused sick days; therefore, no accruals or reserves have been established.

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Equity Classifications

Government-wide and Proprietary Fund Statements

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

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

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

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

Governmental Fund Statements

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 on the Governmental Funds Balance Sheet, the General Fund and Education Fund Combining Schedules of Accounts, and the Nonmajor Special Revenue Funds Combining Balance Sheet:

Nonspendable Fund Balance - The portion of a governmental fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. The General Fund's Waterloo Office Account has a nonspendable fund balance related to prepaid items, as these are not available to be spent.

Restricted Fund Balance - The portion of a governmental fund's fund balance that is subject to external enforceable legal restrictions. The following funds are restricted by Illinois Statute: Teacher's Institute Fund, Bus Driver Permit Fund, and General Education Development Fund. The NSLP - Federal Lunch and Breakfast fund account is restricted by a grant agreement or contract.

Committed Fund Balance - The portion of a governmental fund's fund balance with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education No. 45 has no committed fund balances.

Assigned Fund Balance - The portion of a governmental fund's fund balance to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The Regional Office of Education No. 45 has no assigned fund balances.

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Unassigned Fund Balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: Chester Office Account, Waterloo Office Account, General State Aid, and County Account. The following Education Fund accounts have an unassigned fund balance: Truants Alternative Optional Education, State Basic, and Regional Safe School.

New Accounting Pronouncement

In 2019, the Regional Office of Education No. 45 implemented Governmental Accounting Standards Board (GASB) Statement No. 83 - *Certain Asset Retirement Obligations* and GASB Statement No. 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The implementation of GASB Statement No. 83 and 88 had no significant impact on the financial statements of the Regional Office of Education No. 45.

NOTE 2. BUDGETS AND BUDGETARY ACCOUNTING INFORMATION

The Regional Office of Education No. 45 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgets relating to programs funded by grants from the Illinois Community College Board must be prepared and submitted for approval. Budgets are also prepared for certain grants awarded through other pass-through entities. Budgetary Comparison Schedules have been presented for the following grants: Adult Education and Family Literacy - Federal Basic, Adult Education and Family Literacy - State Basic, Adult Education and Family Literacy - State Performance, Secretary of State Family Literacy Program, Adult Volunteer Literacy Grant Program, Regional Safe Schools Program, Pilot Regional Safe Schools Cooperative Education Program, Mathematics and Science Partnerships (Making Math Connections), Mathematics and Science Partnerships (Making Science Connections), Title I School Improvement System of Support, McKinney Vento Education for Homeless Children, ROE/ISC Operations, Title II Teacher Quality - Leadership Grant, and Truants Alternative/Optional Education.

NOTE 3. USE OF ESTIMATES

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

NOTE 4. DEPOSITS

At June 30, 2019, the carrying amount of the Regional Office of Education No. 45's deposits, which do not include The Illinois Funds accounts, for the governmental activities, business-type activities, and fiduciary funds were \$921,993, \$238,214, and \$631,134 (\$1,000 petty cash for Maidez Center), respectively. The bank balances for the governmental activities, business-type activities, and fiduciary

MONROE AND RANDOLPH COUNTIES
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JUNE 30, 2019

NOTE 4. DEPOSITS (CONT'D)

funds totaled \$1,875,305, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education No. 45's name.

NOTE 5. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2019, interfund receivables and payables were as follows:

FUND	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
General Fund	\$ 38,611	\$ -
Education Fund	-	38,611
Totals	\$ 38,611	\$ 38,611

At June 30, 2019, amounts due from other funds to the General Fund primarily consisted of loans to various Education Fund accounts to cover cash shortages. These funds utilize the same pooled cash account.

NOTE 6. DUE TO/DUE FROM OTHER GOVERNMENTS

At June 30, 2019, the Regional Office of Education No. 45's General Fund, Education Fund, Registration Fund, and Agency Funds had amounts due to and due from various other governmental units which consisted of the following:

Due from Other Governments:

General Fund:

Local Governments	\$ 91,065
Illinois Comptroller	-
Illinois State Board of Education	24
	91,089

Education Fund:

Illinois State Board of Education	28,252
Illinois Community College Board	8,371
Regional Office of Education No 3	6,450
	43,073

Registration Fund:

Local Governments	5,150
	\$ 139,312

Agency Funds:

Local Governments	\$ 7,755
Illinois State Board of Education	58,158
Illinois Comptroller	1,291,070
	\$ 1,356,983

MONROE AND RANDOLPH COUNTIES
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6. DUE TO/DUE FROM OTHER GOVERNMENTS (CONT'D)

Due to Other Governments:

General Fund	
Local Governments	\$ <u>402</u>
Education Fund	
Local Governments	\$ <u>4,000</u>
Registration Fund	
Local Governments	\$ <u>675</u>
Agency Funds	
Local Governments	\$ <u>1,992,620</u>

NOTE 7. CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2019 are as follows:

	<u>BALANCE</u> <u>JULY 1, 2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
Governmental Activities:				
Equipment and Furniture	\$ 141,755	\$ 12,329	\$ 12,400	\$ 141,684
Less: Accumulated Depreciation	<u>115,330</u>	<u>10,758</u>	<u>12,400</u>	<u>113,688</u>
Net Investment in Capital Assets	<u>\$ 26,425</u>	<u>\$ 1,571</u>	<u>\$ -</u>	<u>\$ 27,996</u>
Business-type Activities:				
Equipment and Furniture	\$ 10,872	\$ 1,250	\$ -	\$ 12,122
Less: Accumulated Depreciation	<u>6,341</u>	<u>1,340</u>	<u>-</u>	<u>7,681</u>
Net Investment in Capital Assets	<u>\$ 4,531</u>	<u>\$ (90)</u>	<u>\$ -</u>	<u>\$ 4,441</u>

For the governmental activities, depreciation expense for the year ended June 30, 2019 amounted to \$10,758 and was accounted for in the instructional services function. For the business-type activities, depreciation expense of \$1,340 was charged to the Registration Services.

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
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JUNE 30, 2019

NOTE 8. RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

General Information About the Pension Plan

Plan Description - The Regional Office of Education No. 45 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

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

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

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

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JUNE 30, 2019

NOTE 8. RETIREMENT FUND COMMITMENTS (CONT'D)

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2018, was 9.00 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 45.

On Behalf Contributions to TRS - The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, State of Illinois contributions recognized by the Regional Office of Education No. 45 were based on the State's proportionate share of the collective net pension liability associated with the Regional Office of Education No. 45, and the Regional Office of Education No. 45 recognized revenue and expenditures of \$203,564 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 \$1,598, 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 No. 45, there is a statutory requirement for the Regional Office of Education No. 45 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.

Public Act 100-0340 set the employer contribution rate on salaries paid from federal funds to be the employer normal cost rate effective for fiscal year 2018. Previously, the employer contribution rate on salaries paid from federal funds was equal to the State's contribution rate and were much higher. 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. Any change in proportionate share resulting from this statutory change for individual employers will be recognized and amortized over the remaining services 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 \$17,818 were paid from federal and special trust funds that required employer contributions of \$1,755. These contributions are deferred because they were paid after the June 30, 2018 measurement date.

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NOTE 8. RETIREMENT FUND COMMITMENTS (CONT'D)

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 No. 45 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, Regional Office of Education No. 45 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 No. 45 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent or for salary increase in excess of 3%. Also, no payment was made to TRS for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2019, the Regional Office of Education No. 45 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:

Employer's proportionate share of the net pension liability	\$ 31,640
State's proportionate share of the net pension liability associated with the employer	<u>2,167,495</u>
Total	<u><u>\$ 2,199,135</u></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 No. 45'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 No. 45's proportion was 0.0000405932 percent, which was a decrease of 0.0012027469 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Regional Office of Education No. 45 recognized pension expense of \$203,564 and revenue of \$ 203,564 for support provided by the State. For the year ended June 30, 2019, the Regional office of Education No. 45 recognized pension benefit of \$123,120. At June 30, 2019, the Regional Office of Education No. 45 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTE 8. RETIREMENT FUND COMMITMENTS (CONT'D)

	<u>DEFERRED OUTFLOWS OF RESOURCES</u>	<u>DEFERRED INFLOWS OF RESOURCES</u>
Differences Between Expected and Actual Experience	\$ 636	\$ 7
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	97
Changes of Assumptions	1,388	897
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate Share of Contributions	<u>197,219</u>	<u>846,979</u>
Total Deferred Amounts to be Realized in Pension		
Expense in Future Periods	199,243	847,980
Employer Contributions Made Subsequent to the		
Measurement Date	<u>3,353</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 202,596</u>	<u>\$ 847,980</u>

\$3,353 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 ending 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:

<u>YEAR ENDING JUNE 30,</u>	<u>NET DEFERRED OUTFLOWS (INFLOWS) OF RESOURCES</u>
2020	\$ (120,573)
2021	(108,899)
2022	(180,189)
2023	(165,479)
2024	<u>(73,597)</u>
Total	<u>\$ (648,737)</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	2.5%
Salary increases	varies by amount of service credit
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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NOTE 8. RETIREMENT FUND COMMITMENTS (CONT'D)

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:

<u>ASSET CLASS</u>	<u>TARGET ALLOCATION</u>	<u>LONG-TERM EXPECTED REAL RATE OF RETURN</u>
U.S Equities Large Cap	15.0%	6.70%
U.S. Equities Small/Mid Cap	2.0%	7.90%
International Equities Developed	13.6%	7.00%
Emerging Market Equities	3.4%	9.40%
U.S. Bonds Core	8.0%	2.20%
U.S. Bonds High Yield	4.2%	4.40%
International Debt Developed	2.2%	1.30%
Emerging International Debt	2.6%	4.50%
Real Estate	16.0%	5.40%
Real Return	4.0%	1.80%
Absolute Return	14.0%	3.90%
Private Equity	15.0%	10.20%
	<u>100.0%</u>	

Discount Rate - At June 30, 2018, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2017 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2018 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1's liability is partially-funded by Tier 2 members, as the Tier 2-member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so 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.

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NOTE 8. RETIREMENT FUND COMMITMENTS (CONT'D)

Sensitivity of the Regional Office of Education No. 45's proportionate share of the net pension liability to changes in the discount rate - The following presents the Regional Office of Education No. 45's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Regional Office of Education No. 45'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 (6.0%)	CURRENT DISCOUNT RATE (7.0%)	1 % INCREASE (8.0%)
Employer's proportionate share of the net pension liability	\$ 38,804	\$ 31,640	\$ 25,872

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*.

B. Illinois Municipal Retirement Fund

General Information About the Pension Plan

Plan Description - The Regional Office of Education No. 45'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 No. 45's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

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

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NOTE 8. RETIREMENT FUND COMMITMENTS (CONT'D)

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.

Employees Covered by Benefit Terms - As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	31
Inactive Plan Members Entitled to, but Not Yet Receiving Benefits	15
Active Plan Members	<u>11</u>
Total	<u><u>57</u></u>

Contributions - As set by statute, the Regional Office of Education No. 45's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 45's annual contribution rate for calendar year 2018 was 18.41%. For the fiscal year 2019 the Regional Office of Education No. 45 contributed \$52,678 to the plan. The Regional Office of Education No. 45 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 No. 45'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%.

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NOTE 8. RETIREMENT FUND COMMITMENTS (CONT'D)

- *Projected Retirement Age* was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study from years 2014 to 2016.
- The IMRF-specific rates for *Mortality* (for non-disabled retirees) were 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.
- 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	TARGET ALLOCATION	LONG-TERM EXPECTED REAL RATE OF RETURN
Equities	37.0%	7.15%
International Equities	18.0%	7.25%
Fixed Income	28.0%	3.75%
Real Estate	9.0%	6.25%
Alternatives	7.0%	
Private Equity		8.50%
Hedge Funds		5.50%
Commodities		3.20%
Cash Equivalents	1.0%	2.50%
Total	100.0%	

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
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).

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NOTE 8. RETIREMENT FUND COMMITMENTS (CONT'D)

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 <u>(A)</u>	PLAN FIDUCIARY NET POSITION <u>(B)</u>	NET PENSION LIABILITY <u>(A) - (B)</u>
Balances at December 31, 2017	\$ 3,175,558	\$ 3,168,779	\$ 6,779
Changes for the year:			
Service Cost	35,444	-	35,444
Interest on the Total Pension Liability	231,699	-	231,699
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	30,790	-	30,790
Changes of Assumptions	85,163	-	85,163
Contributions - Employer	-	67,094	(67,094)
Contributions - Employees	-	16,401	(16,401)
Net Investment Income	-	(98,831)	98,831
Benefit Payments, including Refunds of Employee Contributions	(207,931)	(207,931)	-
Other (Net Transfer)	-	(1,963)	1,963
Net Changes	<u>175,165</u>	<u>(225,230)</u>	<u>400,395</u>
Balances at December 31, 2018	<u>\$ 3,350,723</u>	<u>\$ 2,943,549</u>	<u>\$ 407,174</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 (6.25%)	CURRENT DISCOUNT RATE (7.25%)	1 % INCREASE (8.25%)
Net Pension Liability/(Asset)	<u>\$ 788,117</u>	<u>\$ 407,174</u>	<u>\$ 87,437</u>

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

For the year ended June 30, 2019, the employer recognized pension expense of \$79,308. At June 30, 2019, the Regional Office of Education No. 45 reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8. RETIREMENT FUND COMMITMENTS (CONT'D)

<u>DEFERRED AMOUNTS RELATED TO PENSIONS</u>	<u>DEFERRED OUTFLOWS OF RESOURCES</u>	<u>DEFERRED INFLOWS OF RESOURCES</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 14,201	\$ -
Changes of Assumptions	39,278	-
Net difference between projected and actual earnings on pension plan investments	<u>289,917</u>	<u>187,090</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	<u>343,396</u>	<u>187,090</u>
Pension Contributions made subsequent to the Measurement Date	<u>19,937</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 363,333</u>	<u>\$ 187,090</u>

\$19,937, 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 ending 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:

<u>YEAR ENDING DECEMBER 31</u>	<u>NET DEFERRED OUTFLOWS (INFLOWS) OF RESOURCES</u>
2019	\$ 76,735
2020	(629)
2021	13,691
2022	66,509
2023	-
Thereafter	-
Total	<u>\$ 156,306</u>

Social Security

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

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NOTE 9. OTHER POST EMPLOYMENT BENEFITS

Teachers' Health Insurance Security Fund

THIS Plan Description - The Regional Office of Education No. 45 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) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by 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 No. 45. For the year ended June 30, 2019, State of Illinois contributions recognized by the Regional Office of Education No. 45 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 45, and recognized revenue and expenditures of \$21,693 in OPEB contributions from the State of Illinois.

Employer Contributions to the THIS Fund - The Regional Office of Education No. 45 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 No. 45 paid \$2,535 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 No. 45 paid \$2,464 and \$2,980 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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

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NOTE 9. OTHER POST EMPLOYMENT BENEFITS (CONT'D)

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

Inflation	2.75%
Salary Increases	Depends on service and range 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 annuitant's mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

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

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

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 No. 45'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:

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NOTE 9. OTHER POST EMPLOYMENT BENEFITS (CONT'D)

	1% DECREASE (2.62%)	CURRENT DISCOUNT RATE (3.62%)	1% INCREASE (4.62%)
Employer's proportionate share of the collective net OPEB liability	\$ 374,116	\$ 311,230	\$ 261,434

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following table shows the Regional Office of Education No. 45'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 RATE	1% INCREASE ^b
Employer's proportionate share of the collective net OPEB liability	\$ 252,288	\$ 311,230	\$ 390,439

^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.

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 No. 45 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 45. The amount recognized by the Regional Office of Education No. 45 as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Regional Office of Education No. 45 were as follow:

Employer's proportionate share of the collective net OPEB liability	\$ 311,230
State's proportionate share of the collective net OPEB liability associated with the employer	417,851
Total	\$ 729,081

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (CONT'D)

The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2017 and was rolled forward to the June 30, 2018 measurement date. The Regional Office of Education No. 45's proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 45's long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 45, actuarially determined. At June 30, 2018, the Regional Office of Education No. 45's proportion was 0.001181 percent, which was a decrease of 0.000361 from its proportion measured as of June 30, 2017 (0.001542 percent). The State's support and total are for disclosure purposes only.

For the year ending June 30, 2019, the Regional Office of Education No. 45 recognized OPEB expense of \$21,693 and revenue of \$21,693 for support provided by the State. For the year ending June 30, 2019, the Regional Office of Education No. 45 recognized OPEB benefit of \$315. At June 30, 2019, the Regional Office of Education No. 45 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	\$ -	\$ 1,117
Changes of Assumptions	-	45,320
Net difference between projected and actual earnings on OPEB plan investments	-	10
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	108,597
Employer contributions subsequent to the measurement date	<u>2,535</u>	<u>-</u>
Total	<u>\$ 2,535</u>	<u>\$ 155,044</u>

\$2,535 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education No. 45 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 No. 45's OPEB expense as follows:

<u>YEAR ENDING JUNE 30,</u>	<u>NET DEFERRED OUTFLOWS (INFLOWS) OF RESOURCES</u>
2020	\$ (25,558)
2021	(25,558)
2022	(25,558)
2023	(25,556)
2024	(25,555)
Thereafter	<u>(27,259)</u>
Total	<u>\$ (155,044)</u>

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (CONT'D)

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

Health Insurance

Plan Description - The Regional Office of Education No. 45 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statement No.'s 74 and 75 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

Eligibility Provisions

Full-Time Employees – IMRF

Tier I IMRF Full-Time employees:

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

Tier II IMRF Full-Time employees:

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

Full-Time Employees – TRS

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)

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (CONT'D)

Benefits Provided - The Regional Office of Education No. 45 provides continued health insurance coverage at the blended employer rate to all eligible Regional Office of Education No. 45 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The Regional Office of Education No. 45 offers the Medical PPO Plan to full-time IMRF employees. Retirees pay the full cost of coverage. Eligible spouse or dependent coverage may continue should the retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The spouse or dependent is responsible for the full cost of the coverage. TRS employees are not permitted to remain on ROE insurance in retirement and must seek outside coverage such as that offered through the THIS (Teacher Health Insurance Security) Fund.

Membership - At June 30, 2019 membership consisted of:

Inactive employees currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>20</u>
Total	<u><u>20</u></u>

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

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

The contributions of \$1,431 from other Regional Office of Education No. 45 resources and benefit payments of \$1,431 from other Regional Office of Education No. 45 resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

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

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (CONT'D)

Actuarial Assumptions

Discount rate used for the total OPEB liability	3.87% Beginning of the year to 3.5% End of the year.
Long-term expected rate of return on plan assets	N/A, OPEB obligation is unfunded.
High quality 20 year tax-exempt G.O. Bond rates	3.50%
Salary increases	The salary increase assumption of 2.25% was based on a review of the IMRF December 31, 2017 Actuarial Valuation and TRS June 30, 2017 Actuarial Valuation.
Annual blended premium	Premiums charged for coverage of retiree and spouse are \$9,094 and \$9,618, respectively.
Healthcare trend rates	Initial trend rate is based on the 2018 Segal Health Plan Cost Trend Survey. For fiscal years on and after 2019, trend starts at 7.40% for both non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 5.00%.
Retiree contribution rates	Same as Healthcare Trend Rates.

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

The retirement rates disclosed in the IMRF December 31, 2017 Actuarial Valuation and the TRS June 30, 2017 Actuarial Valuation were used to estimate the single retirement ages pursuant to the Alternative Measurement Method for GASB 74/75.

For any active participant who will not meet the service requirement necessary to retire at the single retirement ages, it is assumed they have prior service with a different employer and therefore will be eligible to retire. In the current valuation, there are 2 participants impacted by this assumption.

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

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

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (CONT'D)

Assumption Changes

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.87% to 3.50% for the current year. The choice of index is unchanged from the prior year. The rate has been updated to the current Fiscal Year-End based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 74 and Statement 75.

Since the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.87% to 3.50%.

Changes in the Total OPEB Liability

	<u>TOTAL OPEB LIABILITY</u>
Balances at July 1, 2018	\$ 83,277
Changes for the year:	
Service Cost	2,803
Interest	3,195
Actuarial Changes	-
Assumption Changes	3,301
Contributions - Employer	-
Contributions - Employees	-
Net Investment Income	-
Benefit Payments	(1,431)
Administrative Expense	-
Net Changes	<u>7,868</u>
Balances at June 30, 2019	<u>\$ 91,145</u>

Discount Rate - The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the Regional Office of Education No. 45, 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 net OPEB liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net OPEB liability associated with those payments.

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (CONT'D)

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

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

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

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

Sensitivity of the Discount Rate - The following presents the Regional Office of Education No. 45'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 higher (4.50%) or 1 percentage-point lower (2.50%) than the current discount rate:

	1 % DECREASE (2.50%)	CURRENT DISCOUNT RATE (3.50%)	1 % INCREASE (4.50%)
Employer Total OPEB Liability	\$ 100,949	\$ 91,145	\$ 82,579

Sensitivity of the Healthcare Trend Rates - The following presents the Regional Office of Education No. 45's total OPEB liability, calculated using the healthcare cost trend rates as well as what the Regional Office of Education No. 45's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 7.40% in 2019 decreasing to an ultimate trend rate of 5.00% in 2027 for both non-Medicare coverage and post-Medicare coverage:

	1 % DECREASE	HEALTHCARE COST TREND RATES	1 % INCREASE
Employer Total OPEB Liability	\$ 80,083	\$ 91,145	\$ 103,893

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 No. 45 recognized OPEB expense of \$6,224. At June 30, 2019 the Regional Office of Education No. 45 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (CONT'D)

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	\$ -	\$ -
Changes of Assumptions	3,075	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	-	-
Total Deferred Amounts Related to OPEB	\$ 3,075	\$ -

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

YEAR ENDING JUNE 30,	NET DEFERRED OUTFLOWS OF RESOURCES
2020	\$ 226
2021	226
2022	226
2023	226
2024	226
Thereafter	1,945
Total	\$ 3,075

NOTE 10. LONG-TERM LIABILITIES

Changes in long-term liabilities during the fiscal year were as follows:

	July 1, 2018	Additions	Deletions	June 30, 2019
Net Pension Liability	\$ 956,668	\$ -	\$ 517,854	\$ 438,814
OPEB Liabilities	483,452	-	81,077	402,375
Total Noncurrent Liabilities	\$ 1,440,120	\$ -	\$ 598,931	\$ 841,189

NOTE 11. COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Regional Office of Education No. 45 receives grant funds from various federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds.

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11. COMMITMENTS AND CONTINGENCIES (CONT'D)

Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Significant losses are covered by the commercial insurance for all major programs: property, liability, and workman's compensation. During the year ended June 30, 2019, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past four years.

NOTE 12. ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries of the Regional Superintendent and the Assistant Regional Superintendent and contributions on-behalf of the Regional Office of Education No. 45. The breakdown of the State on-behalf payments for the year ended June 30, 2019 is as follows:

State of Illinois	
Regional Superintendent Salary	\$ 112,512
Regional Superintendent Benefits (Includes State Paid Insurance)	35,205
Assistant Regional Superintendent Salary	101,256
Assistant Regional Superintendent Benefits (Includes State Paid Insurance)	<u>21,529</u>
	270,502
ROE No. 45's Share of TRS Pension Expense	203,564
ROE No. 45's Share of THIS OPEB Expense	<u>21,693</u>
Total State of Illinois	<u>\$ 495,759</u>

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

The Regional Office of Education No. 45 also recorded \$203,564 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 \$21,693 in revenue and expenses as on-behalf payments from the State for the Regional Office's share of the OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 45 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Superintendent.

NOTE 13. DEFICIT FUND BALANCE

The Adult Education and Family Literacy-State Basic and Regional Safe School individual funds in the Chester Office's Education Fund have deficit balances of \$2,585 and \$3,000, respectively, as of June 30, 2019. The Truants Alternative Optional Education individual fund in the Waterloo Office Education Fund has a deficit fund balance totaling \$24,859 as of June 30, 2019.

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 13. DEFICIT FUND BALANCE (CONT'D)

The above deficit fund balances are expected to be reversed in the next fiscal year through receipts from State sources. The deficit balances are due to the provisions of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, which require that grant revenue can only be recognized when collected during the fiscal year or collected soon after the end of the fiscal year to be available to pay the liabilities of current fiscal period (60 days).

NOTE 14. OPERATING LEASE

The Regional Office of Education No. 45 entered into a one-year lease agreement for rental of 107 East Mill Street, Waterloo (Waterloo Regional Office building) beginning December 1, 2017 and terminating November 30, 2018. The ROE 45 renewed the lease starting December 1, 2018 and terminating November 30, 2019. The lease is payable in monthly installments of \$1,800. The Regional Office of Education No. 45 entered into a one-year lease agreement for rental of 2 classrooms and an office located at 6137 Beck Road, Red Bud beginning August 1, 2018 and terminating July 31, 2019. The lease is payable in quarterly installments of \$2,750. Lease expense for the fiscal year ended June 30, 2019 was \$32,600.

NOTE 15. DISTRIBUTIVE FUND AND SCHOOL FACILITY SALES TAX INTEREST

A written agreement between the Regional Office of Education No. 45's school boards, which receive funds through the ROE 45, provides for the retention of interest earned on the Distributive Fund and School Facility Sales Tax bank accounts by the Regional Superintendent to be used for the benefit of all of the Districts in the region.

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

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
For the year ended June 30, 2019

	CALENDAR YEAR ENDED DECEMBER 31				
	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 35,444	\$ 37,417	\$ 41,466	\$ 37,862	\$ 44,199
Interest on the total pension liability	231,699	230,357	222,175	214,000	200,487
Differences between expected and actual experience of the total pension liability	30,790	48,411	34,294	29,763	(15,402)
Changes of assumptions	85,163	(95,176)	-	-	121,901
Benefit payments, including refunds of employee contributions	(207,931)	(196,343)	(177,282)	(171,568)	(164,114)
Net change in total pension liability	175,165	24,666	120,653	110,057	187,071
Total pension liability - beginning	3,175,558	3,150,892	3,030,239	2,920,182	2,733,111
Total pension liability - ending (A)	<u>3,350,723</u>	<u>3,175,558</u>	<u>3,150,892</u>	<u>3,030,239</u>	<u>2,920,182</u>
Plan Fiduciary Net Position					
Contributions - employer	67,094	58,417	83,223	74,683	74,093
Contributions - employees	16,401	15,284	16,784	16,491	14,865
Net investment income	(98,831)	467,131	269,564	78,694	171,708
Benefit payments, including refunds of employee contributions	(207,931)	(196,343)	(177,282)	(171,568)	(164,114)
Other (Net transfer)	(1,963)	(2,516)	(3,566)	(16,436)	(2,267)
Net change in plan fiduciary net position	(225,230)	341,973	188,723	(18,136)	94,285
Plan fiduciary net position - beginning	3,168,779	2,826,806	2,638,083	2,656,219	2,561,934
Plan fiduciary net position - ending (B)	<u>2,943,549</u>	<u>3,168,779</u>	<u>2,826,806</u>	<u>2,638,083</u>	<u>2,656,219</u>
Net pension liability - ending (A)-(B)	<u>\$ 407,174</u>	<u>\$ 6,779</u>	<u>\$ 324,086</u>	<u>\$ 392,156</u>	<u>\$ 263,963</u>
Plan fiduciary net position as a percentage of the total pension liability	87.85%	99.79%	89.71%	87.06%	90.96%
Covered payroll	\$ 364,444	\$ 339,632	\$ 373,806	\$ 366,453	\$ 330,328
Net pension liability as a percentage of covered payroll	111.72%	2.00%	86.70%	107.01%	79.91%

Notes to Schedule

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, information is presented for those years for which information is available. Amounts presented are for calendar years ended December 31, 2014 thru 2018.

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the year ended June 30, 2019

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 72,044	\$ 74,093	\$ (2,049)	\$ 330,328	22.43%
2015	74,683	74,683	-	366,453	20.38%
2016	83,396	83,223	173	373,806	22.26%
2017	58,417	58,417	-	339,632	17.20%
2018	67,094	67,094	-	364,444	18.41%

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

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

NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS

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

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age = Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25-year closed period
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the year ended June 30, 2019

NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONT'D)

Retirement Age 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 2011-2013.

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

Other Information:

Notes There were no benefit changes during the year.

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

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	0.0000405932%	0.0012433401%	0.0015296022%	0.0008213755%	0.0009048518%
Employer's proportionate share of the net pension liability	\$ 31,640	\$ 949,889	\$ 1,207,408	\$ 538,084	\$ 550,677
State's proportionate share of the net pension liability associated with the ROE No. 45	<u>2,167,495</u>	<u>2,627,581</u>	<u>3,013,143</u>	<u>1,654,931</u>	<u>1,246,578</u>
Total	<u>\$ 2,199,135</u>	<u>\$ 3,577,470</u>	<u>\$ 4,220,551</u>	<u>\$ 2,193,015</u>	<u>\$ 1,797,255</u>
Employer's covered payroll	\$ 280,032	\$ 354,736	\$ 379,610	\$ 255,558	\$ 237,694
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	11%	268%	318%	211%	232%
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.

Notes to Schedule:

Changes of assumptions

For the 2018, 2017, and 2016 measurement years, the assumed investment rate of return was 7%, including an inflation rate of 2.5% and a real rate of return of 4.5%. 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%, including an inflation rate of 3.0% and a real rate of return of 4.5%. 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 ended June 30, 2014.

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

MONROE AND RANDOLPH COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 45
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 FOR THE YEARS ENDED JUNE 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily-required contributions	\$ 3,353	\$ 11,227	\$ 51,225	\$ 59,238	\$ 28,920	\$ 32,285
Contributions in relation to the statutorily-required contribution	<u>3,353</u>	<u>11,227</u>	<u>51,225</u>	<u>59,238</u>	<u>28,920</u>	<u>32,285</u>
Contribution Deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 275,537	\$ 280,032	\$ 354,736	\$ 379,610	\$ 255,558	\$ 237,694
Contributions as a percentage of covered payroll	1.2%	4.0%	14.4%	15.6%	11.3%	13.6%

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

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
TEACHERS' HEALTH INSURANCE SECURITY FUND -
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 2,535	\$ 2,464	\$ 2,980	\$ 3,037
Contributions in relation to the statutorily required contribution	<u>2,535</u>	<u>2,464</u>	<u>2,980</u>	<u>3,037</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 275,537	\$ 280,032	\$ 354,736	\$ 379,610
Contributions as a percentage of covered payroll	0.92%	0.88%	0.84%	0.80%

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

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
TEACHERS' HEALTH INSURANCE SECURITY FUND -
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
FOR THE YEARS ENDED JUNE 30,

	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>
Employer's proportion of the collective net OPEB liability	0.001181%	0.001542%	0.001630%
Employer's proportionate share of the collective net OPEB liability	\$ 311,230	\$ 400,175	\$ 445,514
State's proportionate share of the collective net OPEB liability associated with the employer	<u>\$ 417,851</u>	<u>\$ 525,532</u>	<u>\$ 617,786</u>
Total	<u>\$ 729,081</u>	<u>\$ 925,707</u>	<u>\$ 1,063,300</u>
Employer's covered payroll	\$ 280,032	\$ 354,736	\$ 379,610
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	111.14%	112.81%	117.36%
Plan fiduciary net position as a percentage of the total OPEB liability	(0.07%)	(0.17%)	(0.22%)

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

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

Notes to Schedule:

Changes of Benefit Term

For the 2018 measurement year, there were no changes of benefit terms from the prior period.

Changes of Assumptions

For the purpose of developing changes in OPEB liability for GASB 75 reporting, other than the change in the discount rate from 3.56% to 3.62%, there were no changes in assumptions from the 2017 measurement year to the 2018 measurement year.

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
OTHER POST EMPLOYMENT BENEFITS-HEALTH INSURANCE-
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30,

	2019	2018
Total OPEB Liability		
Service cost	\$ 2,803	\$ 2,699
Interest	3,195	3,027
Differences between expected and actual experience	-	-
Changes of assumptions	3,301	-
Benefit payments	(1,431)	(1,331)
Net change in total OPEB liability	7,868	4,395
Total OPEB liability - beginning	83,277	78,882
Total OPEB liability - ending	\$ 91,145	\$ 83,277
OPEB plan net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered Payroll	\$ 756,050	\$ 791,902
Employer's Total OPEB Liability as a Percentage of Covered Payroll	12.06%	10.52%

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.

Notes to Schedule:

Changes of Benefit Term

For the 2019 measurement year, there were no changes of benefit terms from the prior period.

Changes of Assumptions

For the purpose of developing changes in OPEB liability for GASB 75 reporting, other than the change in the discount rate from 3.87% to 3.50%, there have been no changes in assumptions from the 2018 measurement year to the 2019 measurement year.

Benefit Payments

There are no assets accumulated in a trust to pay benefits.

SUPPLEMENTARY INFORMATION

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2019**

	Office Account		General State Aid	County Account		Total
	Chester	Waterloo	Chester	Waterloo		
ASSETS						
Cash and cash equivalents	\$ 60,592	\$ 229,611	\$ 330,728	\$ 210,151		\$ 831,082
Accounts receivable	-	1,053	-	-		1,053
Due from other funds	11,371	27,240	-	-		38,611
Due from other governments	3,280	13,386	67,234	7,189		91,089
Prepaid expenses	-	4,331	-	-		4,331
TOTAL ASSETS	<u>\$ 75,243</u>	<u>\$ 275,621</u>	<u>\$ 397,962</u>	<u>\$ 217,340</u>		<u>\$ 966,166</u>
LIABILITIES						
Accounts Payable	\$ -	\$ 3,034	\$ -	\$ 750		\$ 3,784
Due to other governments	-	402	-	-		402
Total liabilities	<u>-</u>	<u>3,436</u>	<u>-</u>	<u>750</u>		<u>4,186</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>-</u>	<u>-</u>	<u>616</u>	<u>7,189</u>		<u>7,805</u>
FUND BALANCE						
Nonspendable	-	4,331	-	-		4,331
Unassigned	75,243	267,854	397,346	209,401		949,844
Total fund balance	<u>75,243</u>	<u>272,185</u>	<u>397,346</u>	<u>209,401</u>		<u>954,175</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 75,243</u>	<u>\$ 275,621</u>	<u>\$ 397,962</u>	<u>\$ 217,340</u>		<u>\$ 966,166</u>

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2019

	Office Account		General State Aid	County Account		Total
	Chester	Waterloo	Chester	Waterloo		
Revenues						
Local sources	\$ 2	\$ 188,452	\$ 84,370	\$ 226,440	\$ 499,264	
State sources	-	-	129,643	-	129,643	
On-behalf payments	-	-	270,502	-	270,502	
Interest income	2,241	412	129	379	3,161	
Total revenues	<u>2,243</u>	<u>188,864</u>	<u>484,644</u>	<u>226,819</u>	<u>902,570</u>	
Expenditures						
Instructional services:						
Salaries	-	127,581	73,700	85,234	286,515	
Employee benefits	-	10,357	8,274	23,110	41,741	
Purchased services	338	38,595	4,891	39,326	83,150	
Supplies and materials	267	275	2,608	16,371	19,521	
Other	-	-	-	6,487	6,487	
Pension	-	10,776	2,335	12,431	25,542	
OPEB expense	-	3,966	-	-	3,966	
On -behalf payments	-	-	270,502	-	270,502	
Capital outlay	-	6,878	1,000	2,202	10,080	
Total expenditures	<u>605</u>	<u>198,428</u>	<u>363,310</u>	<u>185,161</u>	<u>747,504</u>	
Net change in fund balances	1,638	(9,564)	121,334	41,658	155,066	
Fund balance - beginning of year	<u>73,605</u>	<u>281,749</u>	<u>276,012</u>	<u>167,743</u>	<u>799,109</u>	
Fund balance - end of year	<u>\$ 75,243</u>	<u>\$ 272,185</u>	<u>\$ 397,346</u>	<u>\$ 209,401</u>	<u>\$ 954,175</u>	

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2019**

	Education Fund		Total
	Chester	Waterloo	
ASSETS			
Cash and cash equivalents	\$ 9,838	\$ -	\$ 9,838
Due from other governments	11,371	31,702	43,073
TOTAL ASSETS	\$ 21,209	\$ 31,702	\$ 52,911
 LIABILITIES			
Accounts payable	\$ 4,451	\$ 462	\$ 4,913
Accrued wages and benefits	-	-	-
Due to other funds	11,371	27,240	38,611
Due to other governments	-	4,000	4,000
Total liabilities	15,822	31,702	47,524
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	5,585	24,859	30,444
 FUND BALANCE			
Restricted	5,387	-	5,387
Unassigned	(5,585)	(24,859)	(30,444)
Total fund balance (deficit)	(198)	(24,859)	(25,057)
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
	\$ 21,209	\$ 31,702	\$ 52,911

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	Education Fund		
	Chester	Waterloo	Total
Revenues			
State sources	\$ 180,546	\$ 271,598	\$ 452,144
Federal sources	187,641	30,976	218,617
Interest income	9	-	9
Total revenues	<u>368,196</u>	<u>302,574</u>	<u>670,770</u>
Expenditures			
Instructional services:			
Salaries	117,622	177,222	294,844
Employee benefits	15,029	28,577	43,606
Purchased services	56,849	48,027	104,876
Supplies and materials	13,897	6,868	20,765
Other	9	2,497	2,506
Pension	8,142	14,200	22,342
Intergovernmental:			
Payments to other governmental units	37,000	48,542	85,542
Capital outlay	749	1,500	2,249
Total expenditures	<u>249,297</u>	<u>327,433</u>	<u>576,730</u>
Net change in fund balances	118,899	(24,859)	94,040
Fund balance (deficits) - beginning of year	<u>(119,097)</u>	<u>-</u>	<u>(119,097)</u>
Fund balance (deficits) - end of year	<u>\$ (198)</u>	<u>\$ (24,859)</u>	<u>\$ (25,057)</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
CHESTER OFFICE
June 30, 2019**

	Adult Education and Family Literacy			Secretary of State Family Literacy Program
	Federal Basic	State Basic	State Performance	
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	1,774	5,171	1,426	-
TOTAL ASSETS	\$ 1,774	\$ 5,171	\$ 1,426	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,774	5,171	1,426	-
Total liabilities	1,774	5,171	1,426	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	2,585	-	-
FUND BALANCE				
Restricted	-	-	-	-
Unassigned	-	(2,585)	-	-
Total fund balance (deficit)	-	(2,585)	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,774	\$ 5,171	\$ 1,426	\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
CHESTER OFFICE
June 30, 2019**

	Adult Volunteer Literacy Grant Program	NSLP - Federal Lunch and Breakfast	Regional Safe Schools	Pilot Regional Safe Schools Cooperative Education Program -
ASSETS				
Cash and cash equivalents	\$ -	\$ 5,387	\$ -	\$ 4,451
Due from other governments	-	-	3,000	-
TOTAL ASSETS	\$ -	\$ 5,387	\$ 3,000	\$ 4,451
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 4,451
Due to other funds	-	-	3,000	-
Total liabilities	-	-	3,000	4,451
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	3,000	-
FUND BALANCE				
Restricted	-	5,387	-	-
Unassigned	-	-	(3,000)	-
Total fund balance (deficit)	-	5,387	(3,000)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ -	\$ 5,387	\$ 3,000	\$ 4,451

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
CHESTER OFFICE
June 30, 2019**

	Mathematics and Science Partnerships Making Math Connections 2018	Mathematics and Science Partnerships Making Science Connections 2018	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 9,838
Due from other governments	-	-	11,371
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,209</u>
 LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 4,451
Due to other funds	-	-	11,371
Total liabilities	<u>-</u>	<u>-</u>	<u>15,822</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>5,585</u>
 FUND BALANCE			
Restricted	-	-	5,387
Unassigned	-	-	(5,585)
Total fund balance (deficit)	<u>-</u>	<u>-</u>	<u>(198)</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,209</u>

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
For the Year Ended June 30, 2019

	Adult Education and Family Literacy			Secretary of State Family Literacy Program
	Federal Basic	State Basic	State Performance	
Revenues				
State sources	\$ -	\$ 27,553	\$ 9,093	\$ 34,960
Federal sources	18,210	-	-	-
Interest income	-	1	-	3
Total revenues	18,210	27,554	9,093	34,963
Expenditures				
Instructional services:				
Salaries	13,683	16,629	4,532	25,042
Employee benefits	1,361	2,652	585	3,077
Purchased services	1,351	1,986	1,226	2,526
Supplies and materials	701	1,859	349	2,462
Other	-	1	-	3
Pension	1,114	1,980	438	1,853
Intergovernmental:				
Payments to other governmental units	-	-	-	-
Capital outlay	-	749	-	-
Total expenditures	18,210	25,856	7,130	34,963
Net change in fund balance	-	1,698	1,963	-
Fund Balance (deficits) - beginning of year	-	(4,283)	(1,963)	-
Fund Balance (deficits) - end of year	\$ -	\$ (2,585)	\$ -	\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
For the Year Ended June 30, 2019**

	Adult Volunteer Literacy Grant Program	NSLP - Federal Lunch and Breakfast	Regional Safe Schools	Pilot Regional Safe Schools Cooperative Education Program -
Revenues				
State sources	\$ 25,000	\$ -	\$ 51,358	\$ 32,582
Federal sources	-	14,052	-	-
Interest income	3	-	-	2
Total revenues	<u>25,003</u>	<u>14,052</u>	<u>51,358</u>	<u>32,584</u>
Expenditures				
Instructional services:				
Salaries	15,545	-	35,190	-
Employee benefits	1,857	-	4,787	-
Purchased services	3,640	12,206	11,315	1,963
Supplies and materials	2,630	-	1,877	4,019
Other	3	-	-	2
Pension	1,328	-	510	-
Intergovernmental:				
Payments to other governmental units	-	-	-	26,600
Capital outlay	-	-	-	-
Total expenditures	<u>25,003</u>	<u>12,206</u>	<u>53,679</u>	<u>32,584</u>
Net change in fund balance	-	1,846	(2,321)	-
Fund Balance (deficits) - beginning of year	<u>-</u>	<u>3,541</u>	<u>(679)</u>	<u>-</u>
Fund Balance (deficits) - end of year	<u>\$ -</u>	<u>\$ 5,387</u>	<u>\$ (3,000)</u>	<u>\$ -</u>

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
For the Year Ended June 30, 2019

	Mathematics and Science Partnerships Making Math Connections 2018	Mathematics and Science Partnerships Making Science Connections 2018	Total
Revenues			
State sources	\$ -	\$ -	\$ 180,546
Federal sources	77,097	78,282	187,641
Interest income	-	-	9
Total revenues	<u>77,097</u>	<u>78,282</u>	<u>368,196</u>
Expenditures			
Instructional services:			
Salaries	2,852	4,149	117,622
Employee benefits	325	385	15,029
Purchased services	7,547	13,089	56,849
Supplies and materials	-	-	13,897
Other	-	-	9
Pension	340	579	8,142
Intergovernmental:			
Payments to other governmental units	4,900	5,500	37,000
Capital outlay	-	-	749
Total expenditures	<u>15,964</u>	<u>23,702</u>	<u>249,297</u>
Net change in fund balance	61,133	54,580	118,899
Fund Balance (deficits) - beginning of year	<u>(61,133)</u>	<u>(54,580)</u>	<u>(119,097)</u>
Fund Balance (deficits) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (198)</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION AND FAMILY LITERACY - FEDERAL BASIC
For the Year Ended June 30, 2019**

Chester Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
Federal sources	\$ 18,210	\$ 18,210	\$ 18,210
Interest income	-	-	-
Total revenues	<u>18,210</u>	<u>18,210</u>	<u>18,210</u>
Expenditures			
Salaries	12,500	12,500	13,683
Employee benefits	3,921	3,921	1,361
Purchased services	1,100	1,100	1,351
Supplies and materials	689	689	701
Other	-	-	-
Pension	-	-	1,114
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>18,210</u>	<u>18,210</u>	<u>18,210</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning of year			<u>-</u>
Fund balance - end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION AND FAMILY LITERACY - STATE BASIC FY19
For the Year Ended June 30, 2019**

Chester Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
Federal sources	\$ 25,855	\$ 25,855	\$ 23,270
Interest income	-	-	1
Total revenues	<u>25,855</u>	<u>25,855</u>	<u>23,271</u>
Expenditures			
Salaries	16,600	16,600	16,629
Employee benefits	6,223	6,223	2,652
Purchased services	1,654	1,654	1,986
Supplies and materials	1,378	1,378	1,859
Other	-	-	1
Pension	-	-	1,980
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	-	-	749
Total expenditures	<u>25,855</u>	<u>25,855</u>	<u>25,856</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(2,585)
Fund balance - July 1, 2018			-
Fund balance (deficit) - end of year			<u>\$ (2,585)</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION AND FAMILY LITERACY - STATE BASIC FY18
For the Year Ended June 30, 2019**

Chester Office

	Original Budget	Final Budget	Actual
Revenues			
State sources	\$ 29,785	\$ 29,785	\$ 4,283
Interest income	-	-	-
	29,785	29,785	4,283
Total revenues	29,785	29,785	4,283
Expenditures			
Salaries	20,201	20,201	-
Employee benefits	5,999	5,999	-
Purchased services	2,550	2,550	-
Supplies and materials	1,035	1,035	-
Other	-	-	-
Pension	-	-	-
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	-	-	-
	-	-	-
Total expenditures	29,785	29,785	-
Net change in fund balance	\$ -	\$ -	4,283
Fund balance (deficit) - beginning of year			(4,283)
Fund balance - July 1, 2018			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION AND FAMILY LITERACY - STATE PERFORMANCE FY 19
For the Year Ended June 30, 2019**

Chester Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
State sources	\$ 7,130	\$ 7,130	\$ 7,130
Interest income	-	-	-
Total revenues	<u>7,130</u>	<u>7,130</u>	<u>7,130</u>
Expenditures			
Salaries	4,400	4,400	4,532
Employee benefits	1,410	1,410	585
Purchased services	1,025	1,025	1,226
Supplies and materials	295	295	349
Other	-	-	
Pension	-	-	438
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>7,130</u>	<u>7,130</u>	<u>7,130</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - July 1, 2018			<u>-</u>
Fund balance - end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION AND FAMILY LITERACY - STATE PERFORMANCE FY 18
For the Year Ended June 30, 2019**

Chester Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
State sources	\$ 11,775	\$ 11,775	\$ 1,963
Interest income	-	-	-
Total revenues	<u>11,775</u>	<u>11,775</u>	<u>1,963</u>
Expenditures			
Salaries	7,000	7,000	-
Employee benefits	3,051	3,051	-
Purchased services	1,524	1,524	-
Supplies and materials	200	200	-
Other	-	-	-
Pension	-	-	-
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>11,775</u>	<u>11,775</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,963
Fund balance (deficit) - beginning of year			<u>(1,963)</u>
Fund balance (deficit) - July 1, 2018			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
SECRETARY OF STATE FAMILY LITERACY PROGRAM
For the Year Ended June 30, 2019**

Chester Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
State sources	\$ 34,960	\$ 34,960	\$ 34,960
Interest income	-	-	3
Total revenues	<u>34,960</u>	<u>34,960</u>	<u>34,963</u>
Expenditures			
Salaries	22,300	22,300	25,042
Employee benefits	7,022	7,022	3,077
Purchased services	2,448	2,448	2,526
Supplies and materials	3,190	3,190	2,462
Other	-	-	3
Pension	-	-	1,853
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>34,960</u>	<u>34,960</u>	<u>34,963</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning of year			-
Fund balance - end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT VOLUNTEER LITERACY GRANT PROGRAM
For the Year Ended June 30, 2019**

Chester Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
State sources	\$ 25,000	\$ 25,000	\$ 25,000
Interest income	-	-	3
	<u>25,000</u>	<u>25,000</u>	<u>25,003</u>
Total revenues			
Expenditures			
Salaries	16,700	16,700	15,545
Employee benefits	3,527	3,527	1,857
Purchased services	3,623	3,623	3,640
Supplies and materials	1,150	1,150	2,630
Other	-	-	3
Pension	-	-	1,328
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	-	-	-
	<u>25,000</u>	<u>25,000</u>	<u>25,003</u>
Total expenditures			
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning of year			-
Fund balance - end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS PROGRAM - PROJECT #19-3696-00
For the Year Ended June 30, 2019**

Chester Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
State sources	\$ 53,679	\$ 53,679	\$ 50,679
Interest income	-	-	-
	<u>53,679</u>	<u>53,679</u>	<u>50,679</u>
Total revenues			
Expenditures			
Salaries	34,850	34,850	35,190
Employee benefits	6,786	6,786	4,787
Purchased services	11,132	11,132	11,315
Supplies and materials	911	911	1,877
Other	-	-	-
Pension	-	-	510
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	-	-	-
	<u>53,679</u>	<u>53,679</u>	<u>53,679</u>
Total expenditures			
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(3,000)
Fund balance - July 1, 2018			<u>-</u>
Fund balance (deficit) - end of year			<u>\$ (3,000)</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS PROGRAM - PROJECT #18-3696-00
For the Year Ended June 30, 2019**

Chester Office

	Original Budget	Final Budget	Actual
Revenues			
State sources	\$ 53,679	\$ 53,679	\$ 679
Interest income	-	-	-
	53,679	53,679	679
Expenditures			
Salaries	26,350	26,350	-
Employee benefits	5,156	5,156	-
Purchased services	21,335	21,335	-
Supplies and materials	838	838	-
Other	-	-	-
Pension	-	-	-
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	-	-	-
	53,679	53,679	-
Net change in fund balance	\$ -	-	679
Fund balance (deficit) - beginning of year		-	(679)
Fund balance (deficit) - July 1, 2018		\$ -	\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
PILOT REGIONAL SAFE SCHOOLS COOPERATIVE EDUCATION PROGRAM -
PROJECT #19-3999-RS
For the Year Ended June 30, 2019**

Chester Office

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original Budget</u>	<u>Final Budget</u>	
Revenues			
State sources	\$ 37,033	\$ 37,033	\$ 32,582
Interest income	-	-	2
Total revenues	<u>37,033</u>	<u>37,033</u>	<u>32,584</u>
Expenditures			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased services	9,400	9,400	1,963
Supplies and materials	3,033	3,033	4,019
Other	-	-	2
Pension	-	-	-
Intergovernmental:			
Payments to other governmental units	24,600	24,600	26,600
Capital outlay	-	-	-
Total expenditures	<u>37,033</u>	<u>37,033</u>	<u>32,584</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning of year			-
Fund balance - end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIPS
(MAKING MATH CONNECTIONS) - PROJECT #18-4936-7M
For the Year Ended June 30, 2019**

Chester Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
Federal sources	\$ 250,000	\$ 250,000	\$ 77,097
Interest income	-	-	-
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>77,097</u>
Expenditures			
Salaries	24,297	26,297	2,852
Employee benefits	6,470	6,470	325
Purchased services	36,470	39,970	7,547
Supplies and materials	2,507	2,507	-
Other	-	-	-
Pension	-	-	340
Intergovernmental:			
Payments to other governmental units	180,256	174,756	4,900
Capital outlay	-	-	-
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>15,964</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	61,133
Fund balance (deficit) - beginning of year			<u>(61,133)</u>
Fund balance (deficit) - end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIPS
(MAKING SCIENCE CONNECTIONS) - PROJECT #18-4936-7S
For the Year Ended June 30, 2019**

Chester Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
Federal sources	\$ 250,000	\$ 250,000	\$ 78,282
Interest income	-	-	-
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>78,282</u>
Expenditures			
Salaries	26,347	25,847	4,149
Employee benefits	6,490	6,490	385
Purchased services	37,970	44,970	13,089
Supplies and materials	3,937	3,937	-
Other	-	-	-
Pension	-	-	579
Intergovernmental:			
Payments to other governmental units	175,256	168,756	5,500
Capital outlay	-	-	-
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>23,702</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	54,580
Fund balance (deficit) - beginning of year			<u>(54,580)</u>
Fund balance (deficit) - end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
WATERLOO OFFICE
June 30, 2019**

	Title I School Improvement System of Support	McKinney Vento Education for Homeless Children	ROE/ISC Operations
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Due from other governments	-	6,450	-
TOTAL ASSETS	\$ -	\$ 6,450	\$ -
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Due to other funds	-	6,450	-
Due to other governments	-	-	-
Total liabilities	-	6,450	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
FUND BALANCE			
Reserved	-	-	-
Unassigned	-	-	-
Total fund balance	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	\$ -	\$ 6,450	\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
WATERLOO OFFICE
June 30, 2019**

	Title II Teacher Quality Leadership	Truants Alternative Optional Education	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Due from other governments	393	24,859	31,702
TOTAL ASSETS	<u>\$ 393</u>	<u>\$ 24,859</u>	<u>\$ 31,702</u>
LIABILITIES			
Accounts Payable	\$ -	\$ 462	\$ 462
Due to other funds	393	20,397	27,240
Due to other governments	-	4,000	4,000
Total liabilities	<u>393</u>	<u>24,859</u>	<u>31,702</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	24,859	24,859
FUND BALANCE			
Restricted	-	-	-
Unassigned	-	(24,859)	(24,859)
Total fund balance	<u>-</u>	<u>(24,859)</u>	<u>(24,859)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>\$ 393</u>	<u>\$ 24,859</u>	<u>\$ 31,702</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
For the Year Ended June 30, 2019**

	Title I School Improvement System of Support	McKinney Vento Education for Homeless Children	ROE/ISC Operations
Revenues			
State sources	\$ -	\$ -	\$ 117,078
Federal sources	9,479	20,711	-
Interest income	-	-	8
Total revenues	<u>9,479</u>	<u>20,711</u>	<u>117,086</u>
Expenditures			
Instructional services:			
Salaries	2,971	13,580	71,242
Employee benefits	366	278	12,742
Purchased services	330	1,346	24,267
Supplies and materials	2	5,414	1,014
Other	-	-	2,497
Pension	310	93	3,824
Intergovernmental:			
Payments to other governmental units	5,500	-	-
Capital outlay	-	-	1,500
Total expenditures	<u>9,479</u>	<u>20,711</u>	<u>117,086</u>
Net change in fund balance	-	-	-
Fund Balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
For the Year Ended June 30, 2019**

	Title II Teacher Quality Leadership	Truants Alternative Optional Education	Total
Revenues			
State sources	\$ -	\$ 154,520	\$ 271,598
Federal sources	786	-	30,976
Interest income	-	(8)	-
Total revenues	<u>786</u>	<u>154,512</u>	<u>302,574</u>
Expenditures			
Instructional services:			
Salaries	-	89,429	177,222
Employee benefits	-	15,191	28,577
Purchased services	786	21,298	48,027
Supplies and materials	-	438	6,868
Other	-	-	2,497
Pension	-	9,973	14,200
Intergovernmental:			
Payments to other governmental units	-	43,042	48,542
Capital outlay	-	-	1,500
Total expenditures	<u>786</u>	<u>179,371</u>	<u>327,433</u>
Net change in fund balance	-	(24,859)	(24,859)
Fund Balance (deficit) - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (deficit) - end of year	<u>\$ -</u>	<u>\$ (24,859)</u>	<u>\$ (24,859)</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE I SCHOOL IMPROVEMENT SYSTEM OF SUPPORT - FY18
For the Year Ended June 30, 2019**

Waterloo Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
Federal sources	\$ 95,000	\$ 86,500	\$ 9,479
Interest income	-	-	-
Total revenues	<u>95,000</u>	<u>86,500</u>	<u>9,479</u>
Expenditures			
Salaries	45,907	38,943	2,971
Employee benefits	21,972	8,563	366
Purchased services	8,690	9,690	330
Supplies and materials	2,431	1,104	2
Other	-	-	-
Pension	-	-	310
Intergovernmental:			
Payments to other governmental units	16,000	28,200	5,500
Capital outlay	-	-	-
Total expenditures	<u>95,000</u>	<u>86,500</u>	<u>9,479</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning of year			-
Fund balance - end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
McKINNEY VENTO EDUCATION FOR HOMELESS CHILDREN
For the Year Ended June 30, 2019**

Waterloo Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
Federal sources	\$ 20,711	\$ 20,711	\$ 20,711
Interest income	-	-	-
Total revenues	<u>20,711</u>	<u>20,711</u>	<u>20,711</u>
Expenditures			
Salaries	13,580	13,580	13,580
Employee benefits	379	379	278
Purchased services	4,178	4,178	1,346
Supplies and materials	2,574	2,574	5,414
Other	-	-	-
Pension	-	-	93
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>20,711</u>	<u>20,711</u>	<u>20,711</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning of year			<u>-</u>
Fund balance - end of year			<u><u>\$ -</u></u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS - PROJECT #19-3730-00
For the Year Ended June 30, 2019**

Waterloo Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
State sources	\$ 105,440	\$ 105,440	\$ 105,440
Interest income	-	-	8
Total revenues	<u>105,440</u>	<u>105,440</u>	<u>105,448</u>
Expenditures			
Salaries	66,864	66,864	67,123
Employee benefits	18,217	18,217	11,887
Purchased services	16,559	16,559	17,951
Supplies and materials	700	700	851
Other	2,300	2,300	2,497
Pension	-	-	3,639
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	800	800	1,500
Total expenditures	<u>105,440</u>	<u>105,440</u>	<u>105,448</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - September 1, 2018			-
Fund balance - end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS - PROJECT #18-3730-00
For the Year Ended June 30, 2019**

Waterloo Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
State sources	\$ 94,844	\$ 105,227	\$ 11,638
Interest income	-	-	-
Total revenues	<u>94,844</u>	<u>105,227</u>	<u>11,638</u>
Expenditures			
Salaries	52,029	54,697	4,119
Employee benefits	16,297	16,375	855
Purchased services	17,618	24,755	6,316
Supplies and materials	700	700	163
Other	7,400	7,900	-
Pension	-	-	185
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	800	800	-
Total expenditures	<u>94,844</u>	<u>105,227</u>	<u>11,638</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning of year			-
Fund balance - August 31, 2018			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE II TEACHER QUALITY - LEADERSHIP GRANT - PROJECT #19-4935-02
For the Year Ended June 30, 2019**

Waterloo Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
Federal sources	\$ 786	\$ 786	\$ 786
Interest income	-	-	-
Total revenues	<u>786</u>	<u>786</u>	<u>786</u>
Expenditures			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased services	786	786	786
Supplies and materials	-	-	-
Other	-	-	-
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>786</u>	<u>786</u>	<u>786</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning of year			-
Fund balance - end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION - PROJECT #19-3695-18
For the Year Ended June 30, 2019**

Waterloo Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
State sources	\$ 141,399	\$ 141,399	\$ 106,047
Interest income	-	-	-
Total revenues	<u>141,399</u>	<u>141,399</u>	<u>106,047</u>
Expenditures			
Salaries	83,695	83,695	82,353
Employee benefits	27,236	27,236	13,941
Purchased services	19,488	19,488	11,256
Supplies and materials	630	630	375
Other	-	-	-
Pension	-	-	8,681
Intergovernmental:			
Payments to other governmental units	10,350	10,350	14,300
Capital outlay	-	-	-
Total expenditures	<u>141,399</u>	<u>141,399</u>	<u>130,906</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(24,859)
Fund balance - September 1, 2018			<u>-</u>
Fund balance (deficit) - end of year			<u>\$ (24,859)</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION - PROJECT #18-3695-RF
For the Year Ended June 30, 2019**

Waterloo Office

	Budgeted Amounts		Actual
	Original Budget	Final Budget	
Revenues			
State sources	\$ 141,399	\$ 141,399	\$ 48,473
Interest income	-	-	(8)
Total revenues	<u>141,399</u>	<u>141,399</u>	<u>48,465</u>
Expenditures			
Salaries	41,580	41,580	7,076
Employee benefits	10,213	10,213	1,250
Purchased services	54,096	54,096	10,042
Supplies and materials	630	630	63
Other	-	-	-
Pension	-	-	1,292
Intergovernmental:			
Payments to other governmental units	34,880	34,880	28,742
Capital outlay	-	-	-
Total expenditures	<u>141,399</u>	<u>141,399</u>	<u>48,465</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning of year			-
Fund balance - August 31, 2018			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
WATERLOO OFFICE
June 30, 2019**

	Teacher's Institute	Bus Driver Permit Fund	General Education Development Fund	
	Waterloo	Waterloo	Waterloo	Total
ASSETS				
Cash and cash equivalents	\$ 46,370	\$ 10,836	\$ 23,867	\$ 81,073
Accounts receivable	-	-	178	178
TOTAL ASSETS	<u>\$ 46,370</u>	<u>\$ 10,836</u>	<u>\$ 24,045</u>	<u>\$ 81,251</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Restricted	46,370	10,836	24,045	81,251
Unassigned	-	-	-	-
Total fund balances	<u>46,370</u>	<u>10,836</u>	<u>24,045</u>	<u>81,251</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 46,370</u>	<u>\$ 10,836</u>	<u>\$ 24,045</u>	<u>\$ 81,251</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2019**

	Teacher's Institute	Bus Driver Permit Fund	General Education Development Fund	
	Waterloo	Waterloo	Waterloo	Total
Revenues				
Local sources	\$ 15,564	\$ 2,160	\$ 2,682	\$ 20,406
State sources	-	1,243	-	1,243
Interest income	153	23	51	227
Total Revenues	<u>15,717</u>	<u>3,426</u>	<u>2,733</u>	<u>21,876</u>
Expenditures				
Salaries	11,250	-	1,318	12,568
Employee benefits	2,572	-	146	2,718
Purchased services	7,808	458	148	8,414
Supplies and materials	3,594	19	-	3,613
Other	876	1,690	-	2,566
Pension	950	-	194	1,144
Capital outlay	-	-	-	-
Total Expenditures	<u>27,050</u>	<u>2,167</u>	<u>1,806</u>	<u>31,023</u>
Net change in fund balance	(11,333)	1,259	927	(9,147)
Fund balance - beginning of year	<u>57,703</u>	<u>9,577</u>	<u>23,118</u>	<u>90,398</u>
Fund balance - end of year	<u>\$ 46,370</u>	<u>\$ 10,836</u>	<u>\$ 24,045</u>	<u>\$ 81,251</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2019**

	Distributive Fund	Area V Trail	State Trail	Connecting Conference	The Maidez Center	School Facility Sales Tax	Total
ASSETS							
Cash and cash equivalents	\$ -	\$ 70,111	\$ 34,137	\$ 39,179	\$ 62,948	\$ 425,759	\$ 632,134
Investments	-	-	-	-	3,928	-	3,928
Due from other governments	58,158	6,875	-	880	-	1,291,070	1,356,983
TOTAL ASSETS	\$ 58,158	\$ 76,986	\$ 34,137	\$ 40,059	\$ 66,876	\$ 1,716,829	\$ 1,993,045
LIABILITIES							
Accounts payable	\$ -	\$ 350	\$ 75	\$ -	\$ -	\$ -	\$ 425
Due to other governments	58,158	76,636	34,062	40,059	66,876	1,716,829	1,992,620
TOTAL LIABILITIES	\$ 58,158	\$ 76,986	\$ 34,137	\$ 40,059	\$ 66,876	\$ 1,716,829	\$ 1,993,045

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<u>Distributive Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 2,408,339	\$ 2,408,339	\$ -
Due from other governments	137,466	58,158	137,466	58,158
TOTAL ASSETS	\$ 137,466	\$ 2,466,497	\$ 2,545,805	\$ 58,158
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governments	137,466	2,466,497	2,545,805	58,158
TOTAL LIABILITIES	\$ 137,466	\$ 2,466,497	\$ 2,545,805	\$ 58,158
<u>AREA V TRAIL</u>				
ASSETS				
Cash and cash equivalents	\$ 49,490	\$ 123,012	\$ 102,391	\$ 70,111
Due from other governments	19,525	6,875	19,525	6,875
TOTAL ASSETS	\$ 69,015	\$ 129,887	\$ 121,916	\$ 76,986
LIABILITIES				
Accounts payable	\$ -	\$ 350	\$ -	\$ 350
Due to other governments	69,015	129,537	121,916	76,636
TOTAL LIABILITIES	\$ 69,015	\$ 129,887	\$ 121,916	\$ 76,986
<u>STATE TRAIL</u>				
ASSETS				
Cash and cash equivalents	\$ 34,011	\$ 2,298	\$ 2,172	\$ 34,137
Due from other governments	400	-	400	-
TOTAL ASSETS	\$ 34,411	\$ 2,298	\$ 2,572	\$ 34,137
LIABILITIES				
Accounts payable	\$ -	\$ 75	\$ -	\$ 75
Due to other governments	34,411	2,223	2,572	34,062
TOTAL LIABILITIES	\$ 34,411	\$ 2,298	\$ 2,572	\$ 34,137

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<u>CONNECTING CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 33,726	\$ 10,938	\$ 5,485	\$ 39,179
Due from other governments	-	880	-	880
TOTAL ASSETS	<u>\$ 33,726</u>	<u>\$ 11,818</u>	<u>\$ 5,485</u>	<u>\$ 40,059</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governments	33,726	11,818	5,485	40,059
TOTAL LIABILITIES	<u>\$ 33,726</u>	<u>\$ 11,818</u>	<u>\$ 5,485</u>	<u>\$ 40,059</u>
<u>THE MAIDEZ CENTER</u>				
ASSETS				
Cash and cash equivalents	\$ 72,565	\$ 73,616	\$ 83,233	\$ 62,948
Investments	2,163	1,765	-	3,928
TOTAL ASSETS	<u>\$ 74,728</u>	<u>\$ 75,381</u>	<u>\$ 83,233</u>	<u>\$ 66,876</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	74,728	75,381	83,233	66,876
TOTAL LIABILITIES	<u>\$ 74,728</u>	<u>\$ 75,381</u>	<u>\$ 83,233</u>	<u>\$ 66,876</u>
<u>SCHOOL FACILITY TAX SALES TAX</u>				
ASSETS				
Cash and cash equivalents	\$ 440,182	\$ 5,186,062	\$ 5,200,485	\$ 425,759
Due from other governments	1,310,033	1,291,070	1,310,033	1,291,070
TOTAL ASSETS	<u>\$ 1,750,215</u>	<u>\$ 6,477,132</u>	<u>\$ 6,510,518</u>	<u>\$ 1,716,829</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	1,750,215	6,477,132	6,510,518	1,716,829
TOTAL LIABILITIES	<u>\$ 1,750,215</u>	<u>\$ 6,477,132</u>	<u>\$ 6,510,518</u>	<u>\$ 1,716,829</u>

MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>TOTALS</u>				
ASSETS				
Cash and cash equivalents	\$ 629,974	\$ 7,804,265	\$ 7,802,105	\$ 632,134
Investments	2,163	1,765	-	3,928
Due from other governments	<u>1,467,424</u>	<u>1,356,983</u>	<u>1,467,424</u>	<u>1,356,983</u>
TOTAL ASSETS	<u>\$ 2,099,561</u>	<u>\$ 9,163,013</u>	<u>\$ 9,269,529</u>	<u>\$ 1,993,045</u>
LIABILITIES				
Accounts payable	\$ -	\$ 425	\$ -	\$ 425
Due to other governments	<u>2,099,561</u>	<u>9,162,588</u>	<u>9,269,529</u>	<u>1,992,620</u>
TOTAL LIABILITIES	<u>\$ 2,099,561</u>	<u>\$ 9,163,013</u>	<u>\$ 9,269,529</u>	<u>\$ 1,993,045</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45
DISTRIBUTIVE FUND**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
For the Year Ended June 30, 2019**

DISTRIBUTIONS	ROE #45	Career Center of Southern Illinois	Mental Health	CHESTER NHSD 122	OKAW REGIONAL VOC SYSTEM-EFE	TOTAL
State Funds						
Evidence-Based Funding	\$ 84,766	\$ 455,108	\$ -	\$ 239,206	\$ -	\$ 779,080
Career and Technical Education						
Improvement (CTEI)	-	-	-	-	473,259	473,259
State Free Lunch & Breakfast	263	842	-	-	-	1,105
Transportation - Regular & Vocational	-	87,262	-	29,312	-	116,574
Transportation - Special Education	-	-	-	3,601	-	3,601
ROE School Bus Driver Training	1,243	-	-	-	-	1,243
Truants Alternative/Optional Ed.	146,451	-	-	-	-	146,451
Regional Safe Schools Program	52,358	-	-	-	-	52,358
ROE/ISC Operations	115,823	-	-	-	-	115,823
Other State Programs	90,123	-	-	-	-	90,123
Total State Funds	<u>491,027</u>	<u>543,212</u>	<u>-</u>	<u>272,119</u>	<u>473,259</u>	<u>1,779,617</u>
Federal Funds						
National School Lunch Program	9,498	26,600	-	-	-	36,098
School Breakfast Program	4,554	14,848	-	-	-	19,402
Fed. - Sp. Ed. - Pre-School Flow Through	-	-	36,141	-	-	36,141
Fed. - Sp. Ed. - IDEA - Flow Through	-	-	51,918	-	-	51,918
CTE - Perkins - DHS Education	-	-	188,214	-	-	188,214
CTE - Perkins - Secondary	-	-	-	-	116,451	116,451
Title II - Teacher Quality - Leadership	1,376	-	-	-	-	1,376
Mathematics & Science Partnerships	179,122	-	-	-	-	179,122
Total Federal Funds	<u>194,550</u>	<u>41,448</u>	<u>276,273</u>	<u>-</u>	<u>116,451</u>	<u>628,722</u>
TOTAL DISTRIBUTIONS	<u><u>\$ 685,577</u></u>	<u><u>\$ 584,660</u></u>	<u><u>\$ 276,273</u></u>	<u><u>\$ 272,119</u></u>	<u><u>\$ 589,710</u></u>	<u><u>\$ 2,408,339</u></u>