

STATE OF ILLINOIS  
ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

FINANCIAL AUDIT  
(In Accordance with the Uniform Guidance)  
For the Year Ended June 30, 2022

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

For the Year Ended June 30, 2022

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ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

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ST. CLAIR COUNTY  
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ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

OFFICIALS

For the Year Ended June 30, 2022

Regional Superintendent  
(Current and During the Audit Period)

Dr. Mark Eichenlaub

Assistant Regional Superintendent  
(Current and During the Audit Period)

Mrs. Staci Oliver

Office is located at:

1000 South Illinois Street  
Belleville, IL 62220

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMPLIANCE REPORT SUMMARY

For the Year Ended June 30, 2022

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

AUDITORS' REPORT

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

SUMMARY OF AUDIT FINDINGS

Number of	This Audit	Prior Audit
Audit findings	1	0
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	0	0

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

<u>SUMMARY OF FINDINGS AND QUESTIONED COSTS</u>			
Item No.	Page	Description	Finding Type
FINDINGS ( <i>GOVERNMENT AUDITING STANDARDS</i> )			
2022-001	14	Inadequate Controls Over Financial Statement Preparation	Significant Deficiency
FINDINGS AND QUESTIONED COSTS ( <i>FEDERAL COMPLIANCE</i> )			
None			
PRIOR AUDIT FINDINGS NOT REPEATED ( <i>GOVERNMENT AUDITING STANDARDS</i> )			
None			
PRIOR AUDIT FINDINGS NOT REPEATED ( <i>FEDERAL COMPLIANCE</i> )			
None			

EXIT CONFERENCE

The St. Clair County Regional Office of Education No. 50 did not request an exit conference to discuss the audit for the year ended June 30, 2022.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50  
FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2022

The audit of the accompanying basic financial statements of the St. Clair County Regional Office of Education No. 50 was performed by GW & Associates PC.

Based on their audit, the auditors expressed an unmodified opinion on the St. Clair County Regional Office of Education No. 50's basic financial statements.



**INDEPENDENT AUDITOR’S REPORT**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Report on the Audit of the Financial Statements**

***Opinions***

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the St. Clair County Regional Office of Education No. 50, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the St. Clair County Regional Office as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the St. Clair County Regional Office of Education No. 50, as of June 30, 2022, 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.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the St. Clair County Regional Office of Education No. 50, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of Matter***

As discussed in Note 14, the St. Clair County Regional Office of Education No. 50 implemented Governmental Accounting Standards Board Statement No. 87, *Leases* in 2022. As a result, beginning capital asset and beginning long-term liability balances were restated to include leases previously not recorded. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the St. Clair County Regional Office of Education No. 50's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the St. Clair County Regional Office of Education No. 50's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the St. Clair County Regional Office of Education No. 50's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

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

In addition, accounting principles generally accepted in the United States of America require that the Schedule of Employer's Proportionate Share of the Net Pension Liability – Teacher's Retirement System of the State of Illinois, Schedule of Employer Contributions - Teacher's Retirement System of the State of Illinois, Schedule of Employer Contributions – Illinois Municipal Retirement Fund, Schedule of Changes in the Net Pension Liability (Assets) and Related Ratios – Illinois Municipal Retirement Fund, Schedule of Employer Contributions – Teacher's Health Insurance Security Fund, Schedule of Employer's Proportionate Share of the Collective Net OPEB Liability – Teacher's Health Insurance Security Fund, and Schedule of Changes in the Total OPEB Liability and Related Ratios – Post-Retirement Health Plan on pages 66-72 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the

underlying accounting and other records used to prepare the financial statements. The 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 Expenditures of Federal Awards, as required by Uniform Guidance, is 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 June 1, 2023, on our consideration of the St. Clair County Regional Office of Education No. 50's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Clair County Regional Board of Education No. 50's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Clair County Regional Board of Education No. 50's internal control over financial reporting and compliance.

[FIRM SIGNATURE ON FILE]

Hillside, Illinois  
June 1, 2023



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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the St. Clair County Regional Office of Education No. 50, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the St. Clair County Regional Office of Education No. 50's basic financial statements, and we have issued our report thereon dated June 1, 2023.

**Report on Internal Control Over Financial Reporting**

Management of the St. Clair County Regional Office of Education No. 50 is responsible for establishing and maintaining effective internal control over financial reporting (internal control).

In planning and performing our audit of the financial statements, we considered the St. Clair County Regional Office of Education No. 50's internal control as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Clair County Regional Office of Education No. 50's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Clair County Regional Office of Education No. 50's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in

internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the St. Clair County Regional Office of Education No. 50's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **St. Clair County Regional Office of Education No. 50's Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the St. Clair County Regional Office of Education No. 50's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The St. Clair County Regional Office of Education No. 50's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Clair County Regional Office of Education No. 50'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 St. Clair County Regional Office of Education No. 50's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

[FIRM SIGNATURE ON FILE]

Hillside, Illinois  
June 1, 2023



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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Program***

As Special Assistant Auditors for the Auditor General, we have audited compliance by the St. Clair County Regional Office of Education No. 50 with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the St. Clair County Regional Office of Education No. 50's major federal programs for the year ended June 30, 2022. The St. Clair County Regional Office of Education No. 50's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the St. Clair County Regional Office of Education No. 50 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the St. Clair County Regional Office of Education No. 50 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on compliance for each major federal program. Our audit does not provide a legal determination of the St. Clair County Regional Office of Education No. 50's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the St. Clair County Regional Office of Education No. 50's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the St. Clair County Regional Office of Education No. 50's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the St. Clair County Regional Office of Education No. 50's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the St. Clair County Regional Office of Education No. 50's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the St. Clair County Regional Office of Education No. 50's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the St. Clair County Regional Office of Education No. 50's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

[FIRM SIGNATURE ON FILE]

Hillside, Illinois  
June 1, 2023

ST. CLAIR COUNTY  
 REGIONAL OFFICE OF EDUCATION NO. 50  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2022

**Section I - Summary of Auditor's Results**

**Financial Statements in accordance with GAAP**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified?	Yes
• Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major federal programs:	
• Material weakness identified?	No
• Significant deficiency identified?	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200.516(a)?	No
Identification of major federal programs:	
<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.173A	Federal Special Education Preschool Discretionary
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

**Section II - Financial Statement Findings**

**FINDING NO. 2022-001 – INADEQUATE CONTROLS OVER FINANCIAL STATEMENT PREPARATION**

**Criteria/Specific Requirements**

Beginning with the fiscal year ended June 30, 2022, the Regional Office of Education No. 50 was to implement GASB Statement No. 87, *Leases*. The pronouncement required the Regional Office of Education No. 50 to report a lease liability and a related intangible right-to-use asset. The lease liability is to be discounted at the interest rate that is stated in the lease agreement or, in the absence of such an interest rate, the incremental borrowing rate of the Regional Office of Education No. 50 at its banking institution. Previously, activity related to these agreements were considered to be operating leases and financial statement activity only consisted of annual expenditures with no balance sheet impact.

**Condition**

Leases were properly identified by the Regional Office of Education No. 50 and the accounting firm that was hired to assist in the implementation. However, calculations of the lease liability and related asset were not discounted by an interest rate and included an on-behalf subsidy amount that was paid by St. Clair County, overstating the liability and lease asset. Additionally, lease payments at the fund level were not reclassified from purchased services accounts to principal and interest accounts in each subfund.

**Effect**

Initial valuation of the beginning lease liability and asset were overstated by \$547,646. The reclassification of principal and interest payments from purchased services accounts reported among several funds and subfunds totaled \$117,589.

**Cause**

Regional Office of Education No. 50 had hired an accounting firm to assist with the implementation of GASB Statement No. 87. However, the accounting firm did not take into account a discount rate or County subsidy in valuing the beginning lease liability and asset balances. Regional Office of Education No. 50 management did not detect the error made by the accounting firm.

**Recommendation**

The Regional Office of Education No. 50 should research GASB pronouncements as they are issued to ensure that implementation assistance provided by a third party is calculated appropriately prior to inclusion into the financial statements. Regional Office management should determine if changing to the cash basis or modified cash basis would be allowable or beneficial to the Regional Office of Education No. 50's users of its financial statements.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

**Section II - Financial Statement Findings  
(Continued)**

**FINDING NO. 2022-001 – INADEQUATE CONTROLS OVER FINANCIAL STATEMENT PREPARATION  
(Continued)**

**Management's Response**

The Regional Office of Education No. 50 understands the finding. The ROE will continue to work with the third party accountant to ensure the accuracy of calculations. The ROE will also work with a third party accountant to ensure lease payments are classified into the correct accounts.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2022

**Section III – Federal Award Findings**

No findings were noted for the year ended June 30, 2022.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 2022

**Corrective Action Plan**

FINDING NO. 2022-001 – Inadequate Controls over Financial Statement Preparation

**Condition**

Leases were properly identified by the Regional Office of Education No. 50 and the accounting firm that was hired to assist in the implementation. However, calculations of the lease liability and related asset were not discounted by an interest rate and included an on-behalf subsidy amount that was paid by St. Clair County, overstating the liability and lease asset. Additionally, lease payments at the fund level were not reclassified from purchased services accounts to principal and interest accounts in each subfund.

**Plan**

The Regional Office of Education No. 50 understands the finding. The ROE will continue to work with the third party accountant to ensure the accuracy of calculations. The ROE will also work with a third party accountant to ensure lease payments are classified into the correct accounts.

**Contact Person:** Janelle Clark, Comptroller

**Anticipated Date of Completion:** End of fiscal year, June 30, 2023

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED

For the Year Ended June 30, 2022

No prior year audit findings were reported.

## BASIC FINANCIAL STATEMENTS

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

STATEMENT OF NET POSITION

June 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 1,458,460	\$ 202,899	\$ 1,661,359
Accounts receivable	565	620	1,185
Due from other governments	290,230	30,498	320,728
Total current assets	<u>1,749,255</u>	<u>234,017</u>	<u>1,983,272</u>
<b>Noncurrent assets:</b>			
Capital assets, net of depreciation/amortization	553,471	1,844	555,315
Net pension asset	1,145,937	-	1,145,937
Total noncurrent assets	<u>1,699,408</u>	<u>1,844</u>	<u>1,701,252</u>
Total assets	<u>3,448,663</u>	<u>235,861</u>	<u>3,684,524</u>
<b>Deferred outflows of resources:</b>			
Deferred outflows related to pensions and OPEB	<u>132,255</u>	<u>-</u>	<u>132,255</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	16,866	75	16,941
Salary and benefits payable	65,990	2,558	68,548
Unearned revenues	-	3,520	3,520
Lease liability	96,486	635	97,121
Due to other governments	193,643	-	193,643
Total current liabilities	<u>372,985</u>	<u>6,788</u>	<u>379,773</u>
<b>Noncurrent liabilities:</b>			
Net pension liability	51,892	-	51,892
OPEB liabilities	670,632	-	670,632
Lease liability	416,574	165	416,739
Total noncurrent liabilities	<u>1,139,098</u>	<u>165</u>	<u>1,139,263</u>
Total liabilities	<u>1,512,083</u>	<u>6,953</u>	<u>1,519,036</u>
<b>Deferred inflows of resources:</b>			
Deferred inflows related to pensions and OPEB	<u>2,716,021</u>	<u>-</u>	<u>2,716,021</u>
<b>Net position</b>			
Net investment in capital assets	40,411	1,044	41,455
Restricted			
Employee benefits	1,145,937	-	1,145,937
Educational purposes	763,625	-	763,625
Unrestricted	(2,597,159)	227,864	(2,369,295)
Total net position	<u>\$ (647,186)</u>	<u>\$ 228,908</u>	<u>\$ (418,278)</u>

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
Instructional Services:						
Salaries and benefits	\$ 1,542,936	\$ -	\$ 1,036,591	\$ (506,345)	\$ -	\$ (506,345)
Purchased services	467,404	-	246,766	(220,638)	-	(220,638)
Supplies and materials	122,657	-	87,206	(35,451)	-	(35,451)
Other objects	150	-	-	(150)	-	(150)
Pension revenue	(1,044,254)	-	56,372	1,100,626	-	1,100,626
OPEB expense	(127,697)	-	2,845	130,542	-	130,542
Capital outlay	-	-	27,330	27,330	-	27,330
Depreciation/amortization	119,939	-	-	(119,939)	-	(119,939)
Debt Service:						
Principal	-	-	91,390	91,390	-	91,390
Interest	33,764	-	5,483	(28,281)	-	(28,281)
Intergovernmental:						
Payments to other governments	6,633	-	6,633	-	-	-
Administrative:						
On-behalf payments - local	358,260	-	358,260	-	-	-
On-behalf payments - state	614,656	-	614,656	-	-	-
Total governmental activities	<u>2,094,448</u>	<u>-</u>	<u>2,533,532</u>	<u>439,084</u>	<u>-</u>	<u>439,084</u>
Business-type activities						
Fees for services	146,942	186,292	-	-	39,350	39,350
Debt Service:						
Interest	68	-	-	-	(68)	(68)
Total business-type activities	<u>147,010</u>	<u>186,292</u>	<u>-</u>	<u>-</u>	<u>39,282</u>	<u>39,282</u>
Total primary government	<u>\$ 2,241,458</u>	<u>\$ 186,292</u>	<u>\$ 2,533,532</u>	<u>439,084</u>	<u>39,282</u>	<u>478,366</u>
General Revenues:						
Local sources				446,969	-	446,969
State sources				383,574	-	383,574
Interest				2,021	161	2,182
Total general revenues				<u>832,564</u>	<u>161</u>	<u>832,725</u>
Change in net position				1,271,648	39,443	1,311,091
Net position - beginning				<u>(1,918,834)</u>	<u>189,465</u>	<u>(1,729,369)</u>
Net position - ending				<u>\$ (647,186)</u>	<u>\$ 228,908</u>	<u>\$ (418,278)</u>

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2022

	General Fund	Education Fund	Institute Fund	Nonmajor Funds	Eliminations	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 521,752	\$ 217,151	\$ 608,100	\$ 111,457	\$ -	\$ 1,458,460
Accounts receivable	425	-	-	140	-	565
Due from other funds	99,059	-	-	-	(99,059)	-
Due from other governments	124,442	165,788	-	-	-	290,230
<b>Total assets</b>	<b>\$ 745,678</b>	<b>\$ 382,939</b>	<b>\$ 608,100</b>	<b>\$ 111,597</b>	<b>\$ (99,059)</b>	<b>\$ 1,749,255</b>
<b>Liabilities</b>						
Accounts payable	\$ 10,197	\$ 6,423	\$ 30	\$ 216	\$ -	\$ 16,866
Salary and benefits payable	26,104	38,420	1,059	407	-	65,990
Due to other funds	-	99,059	-	-	(99,059)	-
Unearned revenue	-	-	-	-	-	-
Due to other governments	246	193,397	-	-	-	193,643
<b>Total liabilities</b>	<b>36,547</b>	<b>337,299</b>	<b>1,089</b>	<b>623</b>	<b>(99,059)</b>	<b>276,499</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue	46,483	188	-	-	-	46,671
<b>Fund balance</b>						
Restricted	-	45,640	607,011	110,974	-	763,625
Assigned	98,392	-	-	-	-	98,392
Unassigned	564,256	(188)	-	-	-	564,068
<b>Total fund balance</b>	<b>662,648</b>	<b>45,452</b>	<b>607,011</b>	<b>110,974</b>	<b>-</b>	<b>1,426,085</b>
<b>Total liabilities, deferred inflows, and fund balance</b>	<b>\$ 745,678</b>	<b>\$ 382,939</b>	<b>\$ 608,100</b>	<b>\$ 111,597</b>	<b>\$ (99,059)</b>	<b>\$ 1,749,255</b>

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS

June 30, 2022

Total fund balances - governmental funds		\$ 1,426,085
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		553,471
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Noncurrent assets related to pension benefits are collected but not payable in the current period and therefore, are not reported in the funds IMRF net pension asset		1,145,937
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Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds		46,671
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Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:

IMRF deferred outflows of resources	\$ 50,764		
TRS deferred outflows of resources	24,062		
OPEB deferred outflows of resources	57,429		
IMRF deferred inflows of resources	(911,468)		
TRS deferred inflows of resources	(1,247,380)		
OPEB deferred inflows of resources	<u>(557,173)</u>		(2,583,766)

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

TRS net pension liability	\$ (51,892)		
OPEB liabilities	(670,632)		
Lease liability	<u>(513,060)</u>		<u>(1,235,584)</u>

Net position of governmental activities		<u>\$ (647,186)</u>
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The notes to the financial statements are an integral part of this statement.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

	General Fund	Education Fund	Institute	Other Nonmajor Funds	Total Governmental Funds
<b>Revenues:</b>					
Local sources	\$ 339,645	\$ 347,589	\$ 80,486	\$ 10,930	\$ 778,650
On-behalf payments - local	358,260	-	-	-	358,260
State sources	367,061	398,507	-	1,797	767,365
On-behalf payments - state	312,222	-	-	-	312,222
Federal sources	-	829,236	-	-	829,236
Interest	424	168	1,347	82	2,021
<b>Total revenues</b>	<b>1,377,612</b>	<b>1,575,500</b>	<b>81,833</b>	<b>12,809</b>	<b>3,047,754</b>
<b>Expenditures:</b>					
<b>Instructional services:</b>					
Salaries and benefits	483,424	1,036,591	14,819	8,102	1,542,936
Purchased services	174,468	246,766	31,101	15,069	467,404
Supplies and materials	32,696	87,206	1,884	871	122,657
Other objects	150	-	-	-	150
Pension expense	39,302	56,372	275	571	96,520
OPEB expense	1,711	2,845	73	-	4,629
Payments made on-behalf of region	670,482	-	-	-	670,482
<b>Debt Service:</b>					
Principal	24,165	66,267	151	296	90,879
Interest	3,109	30,606	15	34	33,764
<b>Intergovernmental:</b>					
Payments to other governments	-	6,633	-	-	6,633
Capital outlay	-	27,330	708	-	28,038
<b>Total expenditures</b>	<b>1,429,507</b>	<b>1,560,616</b>	<b>49,026</b>	<b>24,943</b>	<b>3,064,092</b>
<b>Net change in fund balance</b>	<b>(51,895)</b>	<b>14,884</b>	<b>32,807</b>	<b>(12,134)</b>	<b>(16,338)</b>
Fund balance - beginning	714,543	30,568	574,204	123,108	1,442,423
<b>Fund balance - ending</b>	<b>\$ 662,648</b>	<b>\$ 45,452</b>	<b>\$ 607,011</b>	<b>\$ 110,974</b>	<b>\$ 1,426,085</b>

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

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, 2022

Net change in fund balances		\$ (16,338)
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Current year unavailable revenue	\$ 46,671	
Prior year unavailable revenue	<u>(30,763)</u>	15,908

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payment of lease liability		90,879
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 28,038	
Depreciation/amortization	<u>(119,939)</u>	(91,901)

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.

Net pension expense		1,140,774
Net OPEB expense	<u>132,326</u>	

Change in net position of governmental activities		<u>\$ 1,271,648</u>
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The notes to the financial statements are an integral part of this statement.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

STATEMENT OF NET POSITION  
PROPRIETARY FUND

June 30, 2022

	Business-Type Activities - Enterprise Fund
	Local Workshops
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 202,899
Accounts receivable	620
Due from other governments	30,498
Total current assets	234,017
Noncurrent assets	
Capital assets, net of depreciation/amortization	1,844
Total noncurrent assets	1,844
Total assets	235,861
<b>Liabilities</b>	
Current liabilities	
Accounts payable	75
Salary and benefits payable	2,558
Unearned revenue	3,520
Current portion of lease liability	635
Total current liabilities	6,788
Noncurrent liabilities	
Lease liability	165
Total noncurrent liabilities	165
Total liabilities	6,953
<b>Net position</b>	
Net investment in capital assets	1,044
Unrestricted	227,864
Total net position	\$ 228,908

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND

For the Year Ended June 30, 2022

	Business-Type Activities - Enterprise Fund
	Local Workshops
Operating revenues	
Registration and tech fees	\$ 186,292
Total operating revenues	186,292
Operating expenses	
Salaries and benefits	26,965
Purchased services	109,466
Supplies and materials	5,178
Depreciation/amortization	980
OPEB Expense	103
Pension expense	4,250
Total operating expenses	146,942
Operating Income	39,350
Nonoperating revenues/(expenses)	
Interest revenue	161
Interest expense	(68)
Total nonoperating revenues/(expenses)	93
Change in net position	39,443
Net position - beginning	189,465
Net position - ending	\$ 228,908

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND

For the Year Ended June 30, 2022

	Business-Type Activities - Enterprise Fund
	Local Workshops
Cash flows from operating activities	
Receipts from customers	\$ 162,834
Payments to suppliers and providers of goods and services	(117,840)
Payments to employees	(30,898)
Net cash provided by (used for) operating activities	14,096
Cash flows from noncapital financing activities	
Cash payments (to) from other funds	55,635
Net cash provided by (used for) noncapital financing activities	55,635
Cash flows from capital and related financing activities	
Interest payments	(68)
Lease repayments	(597)
Net cash provided by (used for) capital and related financing activities	(665)
Cash flows from investing activities	
Interest	161
Net cash provided by (used for) investing activities	161
Net increase in cash and cash equivalents	69,227
Cash and cash equivalents - beginning	133,672
Cash and cash equivalents - ending	\$ 202,899
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating Income	\$ 39,350
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	980
Changes in assets and liabilities:	
(Increase) in due from other governments	(26,358)
(Increase) in accounts receivable	(620)
(Decrease) in accounts payable	(3,146)
Increase in salary and benefits payable	420
(Decrease) in due to other governments	(50)
Increase in unearned revenue	3,520
Net cash provided by (used for) operating activities	\$ 14,096

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Regional Office of Education No. 50 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

This summary of significant accounting policies of the Regional Office of Education No. 50 is presented to assist in understanding the Regional Office of Education No. 50's financial statements. The financial statements and notes are representations of the Regional Office of Education No. 50's management who is responsible for the integrity and objectivity of the financial statements. The Illinois Administrative Code, Title 23 - Subtitle A, Chapter 1, Section 110.115a, requires each Regional Office of Education to prepare annual financial statements in conformity with accounting principles generally accepted in the United States of America. These principles have been consistently applied in the preparation of the financial statements.

FINANCIAL REPORTING ENTITY

The Regional Office operates under the School Code (Articles 5/3 and 5/3A of *Illinois Compiled Statutes*, Chapter 105). The Regional Office of Education No. 50 encompasses St. Clair County. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the Regional Office of Education No. 50 and is elected pursuant to Article 3, *Illinois Compiled Statutes*, Chapter 105.

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers' meetings and assist in their management; to evaluate the schools in the region; examine evidence of indebtedness; to file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 50's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education No. 50, or seeing that no payments are made unless the treasurer has filed or renewed appropriate bonds and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

FINANCIAL REPORTING ENTITY (Continued)

For the period ended June 30, 2022, the Regional Office of Education No. 50 applied for, received, and administered several State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education No. 50. Such activities are reported as a single major special revenue fund (i.e. within the Education Fund).

SCOPE OF THE REPORTING ENTITY

The Regional Office of Education No. 50's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education No. 50 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education No. 50, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education No. 50 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education No. 50 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education No. 50 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education No. 50 being considered a component unit of the entity.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education No. 50's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education No. 50 has one business-type activity that relies on fees and charges for support.

The Regional Office of Education No. 50's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education No. 50 accompanied by a total column. These statements are presented on an "economic resources" measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education No. 50's assets and deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges for services and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from other funds on the governmental fund Balance Sheet and proprietary fund Statement of Net Position and as other financing sources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, internal service fund transactions have been eliminated; however, transactions between governmental and business-type activities have not been eliminated.

The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent short falls in cash flow within grant programs and funds.

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 and the net position and changes in net position presented in the government-wide financial statements.

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

Revenue received after the Regional Office's availability period are reported as deferred inflows of resources in the fund financial statements but are recognized as current revenue in the government-wide financial statements.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The governmental funds financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current position) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education No. 50; therefore, revenues are considered to be earned to the extent of expenditures made under the provisions of the grant. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Under the terms of grant agreements, Regional Office of Education No. 50 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is Regional Office of Education No. 50's policy to first apply restricted funds to such programs, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned, if any.

FUND ACCOUNTING

The Regional Office of Education No. 50 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education No. 50 uses governmental and proprietary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Regional Office of Education No. 50 are typically reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets and deferred outflows of resources are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as a fund balance.

As prescribed by GASB Statement No. 34, governmental and proprietary fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education No. 50 has presented all major funds that met the above qualifications.

The Regional Office of Education No. 50 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education No. 50. It is used to account for all financial resources in the Region except those required to be accounted and reported for in other funds. General Fund includes the following:

Educational Service Region (ESR) General Operations Account – This program is used to account for local monies received for, and payment of, expenditures in connection with general administration activities.

Payroll Clearing Fund – This program is used to account for funds received and disbursed by the Regional Superintendent for payroll costs.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GOVERNMENTAL FUNDS (Continued)

Worker Compensation Escrow Fund – This program is used to account for funds received for, and payments of, worker compensation insurance policy premiums.

Young Authors Conference – This program is used to account for monies received for, and payment of, expenditures for the annual Young Authors Conference.

General State Aid - Sec 18-8 (includes State Aid Loss Limit) – This program is used to account for State monies received for, and payment of, expenditures related to any educational purposes consistent with State and local requirements subject to applicable federal requirements.

Fingerprinting Fund – This program is used to account for the fees received from school districts, other local entities or individuals that pay for the use of the fingerprinting services provided.

Building Fund – This program is used to account for local monies received for, and payment of, expenditures necessary for the operation of the building.

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

Major special revenue funds include the following:

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

McKinney-Vento Education for Homeless Children and Youth – This program uses federal funds to provide training and technical assistance to school districts in 16 counties to assist school officials in understanding and complying with the McKinney-Vento Act.

Bilingual Education Downstate TPI – This program is used to account for monies received for, and payment of, expenditures to teach children for whom English is a second language.

Federal Special Education Preschool Discretionary – This fund is used to account for federal grant monies received for, and payment of, expenditures related to services provided to educators, parents, and providers working with children (birth to five) with disabilities.

Mental Health Parent Resource – This program is used to account for grant monies received for, and payment of, expenditures related to support truancy intervention and prevention through case coordination, resource linkage, and parent training.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GOVERNMENTAL FUNDS (Continued)

Elementary and Secondary Relief Digital Equity Formula - The purpose of this program is to provide students with the technology capacity needed for full participation in educational opportunities.

National School Breakfast and Lunch – This program is used to account for State and federal grant monies received for, and payment of, expenditures to provide breakfast and lunch to the Safe School students.

Regional Safe Schools – This program provides funding for an alternative school program for disruptive youth in grades 6-9 whom have been removed from the regular school setting due to continuous disruptions in the classroom.

Regional Safe School Cooperative Education Program - This program is used to account for grant monies received for, and payment of expenditures related to providing suspended or expelled youth at the Regional Safe School with alternative cooperative education including classroom work and experience in the private sector.

Stay In School Monitoring – This program is used to account for monies received for and payment of expenditures related to increasing high school graduation rates, decreasing dropouts and improving attendance by providing a certified teacher in an off school district site for suspended students.

ROE School Services – This program is used to account for grant monies received for, and payment of, expenditures to assist schools in all areas of school improvement.

McKinney-Vento Homeless Education Sub-grant ARP - This program is used to mitigate the burden the pandemic has put on families experiencing homelessness. Funds are used to target the immediate needs of families.

Truants Alternative Optional Education Program (TAOEP) - To account for grant monies received for, and payment of expenditures for TAOEP. This program provides assistance to students and families when students have excessive absenteeism.

New Principal Mentoring - To provide all new principals with access to individualized mentoring that builds leadership capacity and reduces principal turnover, particularly for diverse leaders and in schools serving diverse students.

Elementary and Secondary School Emergency Relief III ARP - This funding provides help to safely reopen and sustain the safe operation of schools and address the impact of the COVID-19 pandemic on the nation's students.

Elementary and Secondary School Emergency Relief II Grant - This funding provides emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation. Funds are used to provide equitable services to students and teachers.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GOVERNMENTAL FUNDS (Continued)

Supporting Effective Educator Development - This program is focused on increasing principal effectiveness in areas that lead to increases in student achievement particularly in high-need schools. The purpose of the SEED program is to increase the number of highly effective educators by supporting the implementation of evidence-based practices that prepare, develop, or enhance educators.

Institute Fund – This fund accounts for teacher certificate registration, issuance and evaluation fees for processing certificates, and expenses for meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

Additionally, the Regional Office of Education No. 50 reports the following nonmajor governmental funds:

Nonmajor Special Revenue Funds - All other special revenue funds not classified under Education Fund are grouped under this fund for financial statement presentation. Nonmajor special revenue funds include the following:

General Education Development – This program accounts for the receipts and expenses pertaining to the G.E.D./High School Equivalency program for high school dropouts.

Bus Driver Training – This program accounts for State and local receipts and expenses as a result of training school district bus drivers.

PROPRIETARY FUNDS

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education No. 50 on a cost reimbursement basis are reported. The major proprietary fund is as follows:

Local Workshops – This fund is used to account for the workshop fees and fees for technology services of the Regional Office of Education No. 50.

GOVERNMENTAL FUND BALANCES

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

Nonspendable Fund Balance - the portion of a Governmental Fund's net position that are not available to be spent, either short term or long term in either form or through legal restrictions. The Regional Office of Education No. 50 has no nonspendable fund balances.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GOVERNMENTAL FUND BALANCES (Continued)

Restricted Fund Balance - the portion of a Governmental Fund's net position that are subject to external enforceable legal restrictions. The National School Breakfast and Lunch account's fund balance is restricted by grant agreement or contract. The following accounts' fund balances are restricted by Illinois Statute: Institute Fund, General Education Development, and Bus Driver Training.

Committed Fund Balance - the portion of a Governmental Fund's net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education No. 50 has no committed fund balances.

Assigned Fund Balance - the portion of a Governmental Fund's net position to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts' fund balances are assigned: Young Authors Conference, Fingerprinting Fund, and Building Fund.

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following accounts' fund balances are unassigned: ESR General Operations Account, General State Aid – Sec 18-8, Bilingual Education Downstate TPI, and Stay In School Monitoring.

NET POSITION

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

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings 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.

The governmental activities column on the statement of net position reports a restricted amount of \$1,909,562 of which \$717,985 is restricted by enabling legislation and \$1,145,937 is restricted for employee pensions.

BUDGET INFORMATION

The Regional Office of Education No. 50 acts as the administrative agent for certain grant programs that are accounted for in the Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education or other granting authority; however, none of the annual budgets have been legally adopted, nor are they required to be. Certain programs within the Education Fund do not have separate budgets.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

BUDGET INFORMATION (Continued)

Comparisons of budgeted and actual results for the following programs are presented as supplementary information: McKinney-Vento Education for Homeless Children & Youth, Federal Special Education Preschool Discretionary, Elementary and Secondary Relief - Digital Equity Formula, Regional Safe Schools, Regional Safe School Cooperative Education Program, ROE School Services, McKinney-Vento Homeless Education Sub-grant ARP, Truants Alternative Optional Education Program, New Principal Mentoring, Elementary and Secondary School Emergency Relief III ARP, Elementary and Secondary School Emergency Relief II Grant, Supporting Effective Educator Development, Bilingual Education Downstate TPI, Mental Health Parent Resource, and Stay In School Monitoring.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit. The Regional Office of Education No. 50 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. Investments with original maturities of more than three months are reported as investments.

INVENTORY

Inventory is not recorded. The cost is recorded as an expenditure at the time inventory items are purchased.

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than one year are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market 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. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Deskjet printers/UPS	3 years
Computer, Laser printers, Fax machines, Smartboards	4 years
Cameras, Projectors, Camcorders, Copiers, Televisions, PA systems, Disinfectant sprayers	5 years
Software systems	6 years
Furniture and Typewriters	8 years
Refrigerators	10 years

LEASES

St. Clair County Regional Office of Education No. 50 has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets amounting to \$500 or more are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

LEASES (Continued)

St. Clair County Regional Office of Education No. 50 recognizes short-term lease payments as outflows of resources based on the payment provisions of the lease contract. The St. Clair County Regional Office No. 50 recognizes an asset if payments are made in advance or a liability for rent due if payments are to be made subsequent to the reporting period.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the Regional Office of Education No. 50'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. 50's OPEB Plan and additions to/deductions from the Regional Office of Education No. 50's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 50's Plan. For this purpose, the Regional Office of Education No. 50's Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education No. 50 OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the ROE's single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

COMPENSATED ABSENCES

12 month employees earn vacation time according to their length of service: 10 days per year for the first four years of service, 15 days per year starting with the fifth year of service, and 20 days per year starting with the thirteenth year of service. Vacation time is prorated for employees scheduled to work between 24 and 40 hours per week for all 12 months. Temporary employees do not earn vacation days. Vacation time must be used within the same project year in which it was earned and unused vacation time at the end of a project year is forfeited.

All projects in which salary expense is incurred have a year-end consistent with the Regional Office of Education No. 50's year-end of June 30; therefore, no liability is accrued. Employees receive up to 12 sick days annually and the unused portion is accumulated and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and, therefore, no liability is accrued.

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.

UNEARNED REVENUE

The Regional Office of Education No. 50 reports unearned revenue in the governmental fund Balance Sheet. Unearned revenue arises when grant funds received are unexpended or obligated at year end.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

REVENUE FROM FEDERAL AND STATE GRANTS

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

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

GASB Statement No. 65 reclassified as deferred outflows of resources or deferred inflows of resources certain items that were previously reported as assets and liabilities. Decreases in net position or fund balances that relate to future periods are reported as deferred outflows of resources. Increases in net position or fund balances that relate to future periods are reported as deferred inflows of resources. When an asset is recorded in the governmental fund financial statements but the revenue is not available, the Regional Office reports a deferred inflow of resources until such time as the revenue becomes available. *Available* means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are not available if they are received more than 60 days after the end of the fiscal year. Deferred outflows of resources in the Statement of Net Position 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 in the Statement of Net Position consist of unrecognized items not yet charged to pension and OPEB expense.

**2 DEPOSITS AND INVESTMENTS**

The Regional Office of Education No. 50 does not have a formal investment policy. The Regional Office of Education No. 50 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

BANK DEPOSITS

At June 30, 2022, the carrying amount of the Regional Office of Education No. 50's Government-wide deposits were \$1,661,359, and the bank balances were \$1,711,708. Of the total bank balances as of June 30, 2022, \$521,025 was invested in Illinois Funds Money Market Fund, \$935,683 was collateralized by securities pledged by the Regional Office of Education No. 50's financial institution in the name of the Regional Office, and the remaining balance was secured by federal depository insurance.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the ROE's deposits may not be returned to it.

To guard against custodial credit risk for deposits with financial institutions, the St. Clair County Regional Office of Education No. 50's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the St. Clair County Regional Office of Education No. 50.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**2 DEPOSITS AND INVESTMENTS (Continued)**

INVESTMENTS

The Regional Office of Education No. 50's, only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2022, the Regional Office of Education No. 50 had investments with carrying and fair value of \$521,025 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2022, the Illinois Funds Money Market Fund had a Fitch's AAmmf rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

**3 CAPITAL ASSETS**

In accordance with GASB Statement No. 34, the Regional Office of Education No. 50 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases are capitalized when purchased for business-type activities. The following table provides a summary of changes in capital assets, accumulated depreciation/amortization, and investment in capital assets for the year ended June 30, 2022:

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**3 CAPITAL ASSETS (Continued)**

	Balance July 1, 2021 (As Restated)	Additions	Deletions	Balance June 30, 2022
Governmental activities				
Equipment	\$ 278,048	\$ 28,038	\$ 29,746	\$ 276,340
Furniture and fixtures	80,481	-	-	80,481
Leased assets	603,939	-	-	603,939
Governmental activities total assets	<u>962,468</u>	<u>28,038</u>	<u>29,746</u>	<u>960,760</u>
Less accumulated depreciation/ amortization	<u>317,096</u>	<u>119,939</u>	<u>29,746</u>	<u>407,289</u>
Governmental activities investment in capital assets, net	<u>\$ 645,372</u>	<u>\$ (91,901)</u>	<u>\$ -</u>	<u>\$ 553,471</u>
Business-type activities				
Equipment	\$ 14,573	\$ -	\$ 595	\$ 13,978
Furniture and fixtures	23,332	-	-	23,332
Leased assets	1,397	-	-	1,397
Business-type activities total assets	<u>39,302</u>	<u>-</u>	<u>595</u>	<u>38,707</u>
Less accumulated depreciation/ amortization	<u>36,478</u>	<u>980</u>	<u>595</u>	<u>36,863</u>
Business-type activities investment in capital assets, net	<u>\$ 2,824</u>	<u>\$ (980)</u>	<u>\$ -</u>	<u>\$ 1,844</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2022 of \$15,274 and \$360 was charged to governmental activities and business-type activities, respectively, on the government-wide Statement of Activities. Right-to-use leased assets are amortized on a straight-line basis over the terms of the related assets. Amortization expense for the year ended June 30, 2022, of \$104,665 and \$620 was charged to governmental activities and business-type activities, respectively on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation/amortization.

**4 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND**

IMRF PLAN DESCRIPTION

The Regional Office of Education No. 50'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. 50'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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**4 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

IMRF PLAN DESCRIPTION (Continued)

"Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

BENEFITS PROVIDED

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

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

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

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

EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2021, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	60
Inactive Plan Members entitled to but not yet receiving benefits	53
Active Plan Members	<u>19</u>
Total	<u><u>132</u></u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**4 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

CONTRIBUTIONS

As set by statute, the Regional Office of Education No. 50'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. 50's annual contribution rate for calendar year 2021 was 11.43%. For the fiscal year ended June 30, 2022, the Regional Office of Education No. 50 contributed \$81,784 to the plan. The Regional Office of Education No. 50 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. 50's net pension liability was measured as of December 31, 2021. 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, 2021:

- 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 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For **Non-Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%), and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**4 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

ACTUARIAL ASSUMPTIONS (Continued)

- 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, 2021:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	39%	1.90%
International Equities	15%	3.15%
Fixed Income	25%	-0.60%
Real Estate	10%	3.30%
Alternatives	10%	
Private Equity		5.50%
Hedge Funds		N/A
Commodities		1.70%
Cash Equivalents	1%	-0.90%
Total	<u>100%</u>	

SINGLE DISCOUNT RATE

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2021. 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return of pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

- 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
- 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).

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**4 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

SINGLE DISCOUNT RATE (Continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

CHANGES IN THE NET PENSION LIABILITY (ASSET)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2020	\$ 6,753,514	\$ 7,195,212	\$ (441,698)
Changes for the year:			
Service Cost	83,840	-	83,840
Interest on the Total Pension Liability	477,562	-	477,562
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	48,531	-	48,531
Changes of Assumptions	-	-	-
Contributions - Employer	-	95,367	(95,367)
Contributions - Employees	-	37,546	(37,546)
Net Investment Income	-	1,189,701	(1,189,701)
Benefit Payments, including Refunds of Employee Contributions	(416,732)	(416,732)	-
Other (Net Transfer)	-	(8,442)	8,442
Net Changes	193,201	897,440	(704,239)
Balances at December 31, 2021	\$ 6,946,715	\$ 8,092,652	\$ (1,145,937)

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% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net Pension Liability (Asset)	\$ (433,787)	\$ (1,145,937)	\$ (1,725,695)

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended June 30, 2022, the Regional Office of Education No. 50 recognized pension expense of \$262,997. At June 30, 2022, the Regional Office of Education No. 50 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**4 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

Deferred Amounts Related to Pensions	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actuarial experience	\$ 17,568	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>911,468</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	17,568	911,468
<i>Pension contributions made subsequent to the measurement date</i>	<u>33,196</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 50,764</u>	<u>\$ 911,468</u>

\$33,196 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, 2023.

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 Inflows of Resources</u>
2022	\$ (176,413)
2023	(354,744)
2024	(227,016)
2025	(135,727)
Total	<u>\$ (893,900)</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

## **5 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

The Regional Office of Education No. 50 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/acfrs/fy2021>; 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 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier 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 highest 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. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

### **CONTRIBUTIONS**

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**5 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)**

CONTRIBUTIONS (Continued)

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, 2021, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 50.

ON BEHALF CONTRIBUTIONS TO TRS

The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 50. For the year ended June 30, 2022, the State of Illinois contributions recognized by the Regional Office of Education No. 50 were based on the State's proportionate share of collective net pension liability associated with the Regional Office of Education No. 50, and the Regional Office of Education No. 50 recognized revenue and expenditures of \$311,945 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 ending June 30, 2022 were \$4,096 and are deferred because they were paid after the June 30, 2021 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. 50, there is a statutory requirement for the Regional Office of Education No. 50 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2022, the employer pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2022, salaries totaling \$142,686 were paid from federal and special trust funds that required employer contributions of \$14,711. These contributions are deferred because they were paid after the June 30, 2021 measurement date.

EMPLOYER RETIREMENT COST CONTRIBUTIONS

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 50 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.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**5 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)**

EMPLOYER RETIREMENT COST CONTRIBUTIONS (Continued)

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2022, the Regional Office made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments 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, 2021, the Regional Office of Education No. 50 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 Regional Office of Education No. 50. 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	\$	51,892
State's proportionate share of the net pension liability associated with the employer		4,349,119
	\$	<u>4,401,011</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Regional Office of Education No. 50's proportion of the net pension liability was based on the Regional Office of Education No. 50's share of contributions to TRS for the measurement year ended June 30, 2021, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2021, the Regional Office of Education No. 50's proportion was 0.0000665188 percent, which was a decrease of 0.0000028136 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Regional Office of Education No. 50 recognized pension expense of \$311,945 and revenue of \$311,945 for support provided by the State. For the year ended June 30, 2022, the Regional Office of Education No. 50 recognized net pension revenue of \$763,588. At June 30, 2022, the Regional Office of Education No. 50 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**5 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)**

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 298	\$ 214
Net difference between projected and actual earnings on pension plan investments	-	3,481
Changes of assumptions	23	256
Changes in proportion and difference between employer contributions and proportionate share of contributions	4,934	1,243,429
Employer contributions subsequent to the measurement date	18,807	-
	\$ 24,062	\$ 1,247,380

\$18,807 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized by the Regional Office of Education No. 50 as a reduction of their net pension liabilities in the reporting year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (843,242)
2024	(392,235)
2025	(3,724)
2026	(2,652)
2027	(272)
	\$ (1,242,125)

ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.25 percent
Salary increase:	Varies by amount of service credit
Investment rate of return:	7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 2021 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are used on a fully-generational basis using projection table MP-2020. In the June 30, 2020 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-2017.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**5 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)**

ACTUARIAL ASSUMPTIONS (Continued)

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
U.S. equities large cap	16.7%	6.2%
U.S. equities small/mid cap	2.2%	7.4%
International equities developed	10.6%	6.9%
Emerging market equities	4.5%	9.2%
U.S. bonds core	3.0%	1.6%
Cash equivalents	2.0%	0.1%
TIPS	1.0%	0.8%
International debt developed	1.0%	0.4%
Emerging international debt	4.0%	4.4%
Real estate	16.0%	5.8%
Private Debt	10.0%	6.5%
Hedge Funds	10.0%	3.9%
Private equity	15.0%	10.4%
Infrastructure	4.0%	6.3%
	100%	

*\*Based on the 2020 Horizon Survey of Capital Market Assumptions.*

DISCOUNT RATE

At June 30, 2021, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2020 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, 2021 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**5 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)**

**SENSITIVITY OF THE REGIONAL OFFICE OF EDUCATION NO. 50'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

The following presents the Regional Office of Education No. 50's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 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	\$ 64,267	\$ 51,892	\$ 41,613

**TRS FIDUCIARY NET POSITION**

Detailed information about the TRS's fiduciary net position as of June 30, 2021 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

**6 OTHER POST EMPLOYMENT BENEFITS**

POST-RETIREMENT HEALTH PLAN

**PLAN DESCRIPTION**

*Plan Administration.* The ROE's defined benefit OPEB plan, Retiree's Health Plan (RHP), provides OPEB for all permanent full-time general employees of the ROE. RHP is a single-employer defined benefit OPEB plan administered by the ROE. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the ROE. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Eligibility Provisions.*

- Tier I IMRF Full-Time employees age 55 with at least 8 years of service are covered.
- Tier II IMRF Full-Time employees age 62 with at least 10 years of service are covered.

- Tier I Full-Time TRS employees at least 55 years old with at least 20 years of service are covered.
- Tier II Full-Time TRS employees, at least 60 years old with at least 10 years of service are covered.

*Benefits Provided.* RHP provides limited health care and life insurance coverage for its eligible retired employees. Such coverage is provided for retired employees until they reach age 65 and is paid in full by the retiree. The ROE does not issue a stand-alone report for the postretirement health plan.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**6 OTHER POST EMPLOYMENT BENEFITS (Continued)**

POST-RETIREMENT HEALTH PLAN (Continued)

PLAN DESCRIPTION (Continued)

*Plan Membership.* As of June 30, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Employees and Beneficiaries Currently Receiving Benefits	-
Inactive Employees Entitled to but not yet Receiving Benefits	-
Active Employees	<u>26</u>
Total	<u><u>26</u></u>

*Funding Policy and Contributions.*

There is no formal 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 the blended retiree/active premiums.

The contributions of \$8,216 from other Regional Office of Education No. 50 resources and benefit payments of \$8,216 from other Regional Office of Education No. 50 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 ROE's total OPEB liability of \$163,753 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	2.50%
Discount Rate	3.54%

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**6 OTHER POST EMPLOYMENT BENEFITS (Continued)**

POST-RETIREMENT HEALTH PLAN (Continued)

TOTAL OPEB LIABILITY (Continued)

Healthcare Cost Trend Rates

PPO

Initial	7.30%
Ultimate	5.00%

Retirees' Share of Benefit-Related Costs 100% of the cost of the plan

The discount rate was 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 ROE, then only the municipal bond rate is used in determining the total OPEB liability.

Mortality rates were based on the following:

IMRF: PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020; Age 83 for Males, Age 87 for Females.

TRS: PubT-2010 Improved Generationally using MP-2020, weighted per TRS Experience Study Report dated September 30, 2021; Age 87 for males, Age 90 for females.

All mortality rates are adjusted for retirement status. Spouses use the same mortality tables as retirees.

TOTAL OPEB LIABILITY

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at July 1, 2021	\$ 215,160
Changes for the Year:	
Service Cost	8,456
Interest on the Total OPEB Liability	4,559
Difference Between Expected and Actual Experience	(22,734)
Changes of Assumptions or Other Inputs	(33,472)
Benefit Payments	(8,216)
Other Changes	-
Net Changes	(51,407)
Balance at June 30, 2022	\$ 163,753

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**6 OTHER POST EMPLOYMENT BENEFITS (Continued)**

POST-RETIREMENT HEALTH PLAN (Continued)

MUNICIPAL BOND RATE

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The beginning of year rate is the 2.16% rate, and the end of year rate shown is the 3.54% 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 yields of the bonds.

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 St. Clair County Regional Office of Education No. 50, 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.

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.

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.54%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 180,585	\$ 163,753	\$ 149,278

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**6 OTHER POST EMPLOYMENT BENEFITS (Continued)**

POST-RETIREMENT HEALTH PLAN (Continued)

SENSITIVITY OF TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the total OPEB liability, calculated using a Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB liability	\$ 147,737	\$ 163,753	\$ 182,298

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2022, the ROE recognized OPEB revenue of \$43,191. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB.

TEACHER'S HEALTH INSURANCE SECURITY

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**6 OTHER POST EMPLOYMENT BENEFITS (Continued)**

TEACHER'S HEALTH INSURANCE SECURITY (Continued)

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 THIS Fund.* The State of Illinois makes employer retiree health insurance contributions on behalf of the ROE. For the year ended June 30, 2022, State of Illinois contributions recognized by the ROE were based on the State's proportionate share of the collective net OPEB liability associated with the ROE, and recognized revenue and expenditures of \$9,511 in OPEB contributions from the State of Illinois.

*Employer Contributions to THIS Fund.* The ROE also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2022 and 0.92 percent during the year ended June 30, 2021. For the year ended June 30, 2022, the ROE paid \$4,731 to the THIS Fund, which was 100 percent of the required contribution. For the year ended June 30, 2021, the ROE paid \$5,488, 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."

*Actuarial Assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation:	2.50 percent
Salary increase:	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return:	2.75%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	Trend for fiscal year ending 2022 based on expected increases used to develop average costs. For fiscal years ending on and after 2023, trend starts at 8.00% gradually and decreases to an ultimate trend of 4.25%

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-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**6 OTHER POST EMPLOYMENT BENEFITS (Continued)**

TEACHER'S HEALTH INSURANCE SECURITY (Continued)

SINGLE DISCOUNT RATE

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

Since the THIS fund is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 2.45 percent as of June 30, 2020, and 1.92 percent as of June 30, 2021.

SENSITIVITY OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following is a sensitivity analysis of the ROE's proportionate share of the collective net OPEB liability calculated using the discount rate 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 one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
Employer's proportionate share of the collective net OPEB liability	\$ 608,855	\$ 506,879	\$ 425,966

SENSITIVITY OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the ROE's proportionate share of the collective net OPEB liability, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2023 decreasing to an ultimate trend rate of 4.25% in 2038.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**6 OTHER POST EMPLOYMENT BENEFITS (Continued)**

TEACHER'S HEALTH INSURANCE SECURITY (Continued)

SENSITIVITY OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES (Continued)

	1% Decrease <sup>a</sup>	Healthcare Cost Trend Rates	1% Increase <sup>b</sup>
Employer's proportionate share of the collective net OPEB liability	\$ 405,745	\$ 506,879	\$ 644,153

<sup>a</sup> One percentage point decrease in healthcare trend rates are 7.00% in 2023 decreasing to an ultimate rate of 3.25% in 2038.

<sup>b</sup> One percentage point increase in healthcare trend rates are 9.00% in 2023 decreasing to an ultimate trend rate of 5.25% in 2038.

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

At June 30, 2022, the ROE reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the ROE. The amount recognized by the ROE as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the ROE were as follows:

Employer's proportionate share of the collective net OPEB liability	\$ 506,879
State's proportionate share of the collective net OPEB liability associated with the employer	687,237
Total	\$ 1,194,116

The collective net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2020, and was rolled forward to the June 30, 2021 measurement date. The ROE's proportion of the collective net OPEB liability was based on a projection of the ROE's long-term share of contributions to the OPEB plan relative to the projected contributions of the ROE, actuarially determined. At June 30, 2021, the ROE's proportion was 0.002298 percent, which was a decrease of 0.000005 percent from its proportion measured as of June 30, 2020. The State's support and total are for disclosure purposes only.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**6 OTHER POST EMPLOYMENT BENEFITS (Continued)**

TEACHER'S HEALTH INSURANCE SECURITY (Continued)

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (Continued)

For the year ending June 30, 2022, the ROE recognized OPEB expense of \$9,511 and revenue of \$9,511 for support provided by the State. For the year ending June 30, 2022, the ROE recognized OPEB revenue of \$76,189. At June 30, 2022, the ROE 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	Totals
Differences between expected and actual experience	\$ -	\$ 23,711	\$ (23,711)
Net difference between projected and actual investment earnings on OPEB plan investments	-	2	(2)
Changes of assumptions	175	189,803	(189,628)
Changes in proportion and differences between employer contributions and proportionate share of contributions	52,523	343,657	(291,134)
	<u>52,698</u>	<u>557,173</u>	<u>(504,475)</u>
Employer contributions subsequent to the measurement date	4,731	-	4,731
Total deferred amounts related to OPEB	<u>\$ 57,429</u>	<u>\$ 557,173</u>	<u>\$ (499,744)</u>

\$4,731 reported as deferred outflows of resources related to OPEB resulting from ROE 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the ROE's OPEB expense as follows:

Year ending	Net Deferred
2023	\$ (94,673)
2024	(94,673)
2025	(81,962)
2026	(62,823)
2027	(57,784)
Thereafter	(112,568)
	<u>\$ (504,483)</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**6 OTHER POST EMPLOYMENT BENEFITS (Continued)**

TEACHER'S HEALTH INSURANCE SECURITY (Continued)

THIS FIDUCIARY NET POSITION

Detailed information about the THIS Fund fiduciary net position as of June 30, 2021, is available in the separately issued THIS Financial Report.

**7 INTERFUND ACTIVITY**

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2022 consist of the following individual due to/from other funds in the governmental fund Balance Sheet and proprietary fund Statement of Net Position. The balances between governmental funds were eliminated in the government-wide Statement of Net Position. The balances between governmental and business-type activities were not eliminated in the government-wide Statement of Net Position.

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 99,059	\$ -
Education Fund	-	99,059
Proprietary Fund	-	-
Institute Fund	-	-
Total	\$ 99,059	\$ 99,059

**8 RISK MANAGEMENT**

The Regional Office of Education No. 50 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education No. 50 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**9 ON BEHALF PAYMENTS**

St. Clair County provides the St. Clair County Regional Office of Education No. 50 with staff and pays certain expenditures on behalf of the St. Clair County Regional Office of Education No. 50. The expenditures paid on the St. Clair County Regional Office of Education No. 50's behalf for the year ended June 30, 2022, were as follows:

Salaries and benefits	\$ 298,869
Purchased services	<u>59,391</u>
	<u><u>\$ 358,260</u></u>

The State of Illinois paid the following salaries, benefits, and contributions on behalf of the Regional Office of Education No. 50:

Regional Superintendent Salary	\$ 124,308
Regional Superintendent Fringe Benefit (Includes State paid insurance)	38,396
Assistant Regional Superintendent Salary	111,876
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	<u>37,642</u>
Total	<u><u>\$ 312,222</u></u>

Salary and benefit data for the Regional Superintendent and 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 financial statements as State revenue and expenditures.

The Regional Office of Education No. 50 also recorded \$311,945 and (\$9,511) 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 the State's Teacher's Health Insurance Security Fund (THIS) OPEB expense in the Statement of Activities, respectively. In addition, the Regional Office of Education No. 50 has not included any on behalf payments related to the State's TRS pension expense and THIS OPEB expense for the Regional Superintendent or Assistant Regional Superintendent.

St. Clair County on behalf payments	\$ 358,260
State of Illinois on behalf payments	312,222
ROE No. 50's share of TRS pension expense	311,945
ROE No. 50's share of THIS OPEB expense	<u>(9,511)</u>
Total	<u><u>\$ 972,916</u></u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**10 DUE TO/FROM OTHER GOVERNMENTS**

The Regional Office of Education No. 50's General Fund, Education Fund, and Local Workshops Fund have funds due from/to various other governmental units which consist of the following:

Due from Other Governments

General Fund

School Districts	\$ 124,066
St. Clair County	376

Education Fund

Illinois State Board of Education	55,523
Other Regional Offices of Education	56,144
School Districts	39,845
Illinois State University	11,538
St. Clair County	2,738

Local Workshops Fund

School Districts	30,498
	<u>\$ 320,728</u>

Due to Other Governments

General Fund

School Districts	\$ 246
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Education Fund

School Districts	193,397
	<u>\$ 193,643</u>

**11 LEASES**

The Regional Office of Education No. 50 entered into an lease for its Belleville office space. Rent expense for the building for fiscal year 2022 totaled \$112,000. Rental payments of \$9,333 per month were required through January 31, 2012. At that time the terms of the lease were informally extended until further notice. St. Clair County provides the Regional Office of Education No. 50 with rent subsidies under this agreement of \$4,167 per month. Annual subsidies are reported by the Regional Office of Education No. 50 as on-behalf revenues and expenses from the County. The lease runs through January 31, 2032, and may be cancelled by the Regional Office of Education No. 50 upon 365 days written notification to the landlord, St. Clair County. The lease liability is measured at a discount rate of 6%, which is the Regional Office of Education No. 50 incremental borrowing rate. As a result of the lease, the Regional Office of Education No. 50 has recorded an intangible right-to-use leased asset amounting to \$484,866 as of June 30, 2022, which is discussed more in detail in Note 3 - Capital Assets.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**11 LEASES (Continued)**

The Regional Office of Education No. 50 renewed a five year lease for space to operate educational programs effective July 1, 2018. Monthly rental payments are \$4,732 and the annual rent is \$56,780 through June 30, 2023. The annual rent is adjustable annually by the increase in the Consumer Price Index (CPI). However, no CPI increases have been implemented previously or are expected to be implemented during the life of the current lease. The lease liability is measured at a discount rate of 6%, which is the Regional Office of Education No. 50 incremental borrowing rate. As a result of the lease, the Regional Office of Education No. 50 has recorded an intangible right-to-use leased asset amounting to \$106,760 as of June 30, 2022, which is discussed more in detail in Note 3 - Capital Assets.

The Regional Office of Education No. 50 has leased two copiers together at \$544 per month over 60 months since September 28, 2018. The lease liability is measured at a discount rate of 6%, which is the Regional Office of Education No. 50 incremental borrowing rate. As a result of the lease, the Regional Office of Education No. 50 has recorded an intangible right-to-use leased asset amounting to \$13,708 as of June 30, 2022, which is discussed more in detail in Note 3 - Capital Assets.

The future minimum lease commitments are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 97,121	\$ 28,190	\$ 125,311
2024	39,746	23,886	63,632
2025	40,482	21,518	62,000
2026	42,978	19,022	62,000
2027	45,629	16,371	62,000
2028 - 2032	247,904	36,263	284,167
	<u>\$ 513,860</u>	<u>\$ 145,250</u>	<u>\$ 659,110</u>

**12 LONG-TERM LIABILITIES**

Changes in long-term liabilities for the year ended June 30, 2022 are summarized below.

	Balance, Beginning of Year (Restated)	Additions	Reductions	Balance, End of Year	Amount Due Within One Year
<b>Governmental Activities:</b>					
Lease liabilities	\$ 603,939	\$ -	\$ 90,879	\$ 513,060	\$ 96,486
OPEB liabilities	831,012	-	160,380	670,632	-
Net pension liabilities	59,775	-	7,883	51,892	-
	<u>\$ 1,494,726</u>	<u>\$ -</u>	<u>\$ 259,142</u>	<u>\$ 1,235,584</u>	<u>\$ 96,486</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022

**12 LONG-TERM LIABILITIES (Continued)**

	Balance, Beginning of Year (As Restated)	Additions	Reductions	Balance, End of Year	Amount Due Within One Year
Business-Type Activities:					
Lease liabilities	\$ 1,397	\$ -	\$ 597	\$ 800	\$ 635
	<u>\$ 1,397</u>	<u>\$ -</u>	<u>\$ 597</u>	<u>\$ 800</u>	<u>\$ 635</u>

**13 DEFICIT FUND BALANCE/NET POSITION**

The following individual accounts of the Education fund carried a deficit fund balance as of June 30, 2022:

Bilingual Education Downstate TPI	\$ 174
Stay In School Monitoring	14

The Regional Office of Education No. 50 anticipates receiving future grant funding to cover the deficit.

**14 NEW ACCOUNTING PRONOUNCEMENTS**

In 2022, the St. Clair County Regional Office of Education No. 50 implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 93, *Replacement of Interbank Offered Rates*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. GASB Statement No. 89 eliminates the requirement to capitalize interest incurred before the end of the construction period of an asset within business-type activities. GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 92 modifies requirements related to leases, reinsurance recoveries, and the terminology used to refer to derivative instruments. GASB Statement No. 93 establishes accounting and reporting requirements related to the replacement of Interbank Offered Rates such as the London Offered Rate (LIBOR) for hedging derivative instruments. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR.

As a result of implementing GASB Statement No. 87, the St. Clair County Regional Office of Education No. 50 has recorded lease assets and liabilities for leases that were previously classified as operating leases. The implementation of GASB Statement Nos. 89, 91, 92, 93, 96, and 98 does not have a significant impact to the St. Clair County Regional Office of Education No. 50's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
Teacher's Retirement System of the State of Illinois  
For the Year Ended June 30,

	<u>2021*</u>	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
Employer's proportion of the net pension liability	0.0000665188%	0.0000693324%	0.0000841378%	0.0000888976%	0.0064334278%	0.0061723935%	0.0048038980%	0.0036128390%
Employer's proportionate share of the net pension liability	\$ 51,892	\$ 59,775	\$ 68,243	\$ 69,291	\$ 4,915,019	\$ 4,872,243	\$ 3,147,037	\$ 2,209,937
State's proportionate share of the net pension liability associated with the employer	<u>\$ 4,349,119</u>	<u>\$ 4,681,897</u>	<u>\$ 4,856,753</u>	<u>4,746,730</u>	<u>7,453,599</u>	<u>7,519,404</u>	<u>5,090,341</u>	<u>4,159,304</u>
Total	<u>\$ 4,401,011</u>	<u>\$ 4,741,672</u>	<u>\$ 4,924,996</u>	<u>\$ 4,816,021</u>	<u>\$ 12,368,618</u>	<u>\$ 12,391,647</u>	<u>\$ 8,237,378</u>	<u>\$ 6,369,241</u>
Employer's covered payroll	\$ 596,572	\$ 582,740	\$ 673,850	\$ 759,575	\$ 1,141,259	\$ 1,054,375	\$ 919,796	\$ 681,628
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	8.7%	10.3%	10.1%	9.1%	430.7%	462.1%	342.1%	324.2%
Plan fiduciary net position as a percentage of the total pension liability	45.1%	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

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

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Teacher's Retirement System of the State of Illinois  
For the Year Ended June 30,

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily-required contribution	\$ 18,807	\$ 12,301	\$ 3,380	\$ 3,908	\$ 30,026	\$ 265,055	\$ 239,039	\$ 168,328	\$ 129,562
Contributions in relation to the statutorily-required contribution	18,807	12,301	3,380	3,908	30,026	265,055	239,039	168,328	129,562
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 706,095	\$ 596,572	\$ 582,740	\$ 673,850	\$ 759,575	\$ 1,141,259	\$ 1,054,375	\$ 919,796	\$ 681,628
Contributions as a percentage of covered payroll	2.7%	2.1%	0.6%	0.6%	4.0%	23.2%	22.7%	18.3%	19.0%

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

Notes to Required Supplementary Information

Changes of assumptions

For the 2021 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated Sept. 30, 2021.

For the 2020-2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated Sept. 18, 2018 and August 13, 2015, respectively.

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

See accompanying Independent Auditors' Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Illinois Municipal Retirement Fund  
For the Year Ended June 30, 2022

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	\$ 37,810	\$ 110,415	(72,605)	\$ 1,085,801	10.17%
2016	75,585	75,585	-	933,977	8.09%
2017	77,591	77,591	-	1,027,315	7.55%
2018	69,149	69,149	-	893,343	7.74%
2019	67,499	67,499	-	874,579	7.72%
2020	73,389	73,389	-	847,556	8.66%
2021	92,260	92,260	-	835,739	11.04%
2022	81,784	81,784	-	853,523	9.58%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2021 Contribution Rate\*

Valuation Date:

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

**Methods and Assumptions Used to Determine 2021 Contribution Rates:**

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	22-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality rates 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 rates were 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 rates were 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.

Other Information:

Notes: There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2019, actuarial valuation; note two year lag between valuation and rate setting.

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

See accompanying Independent Auditors' Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY/(ASSET)  
AND RELATED RATIOS  
Illinois Municipal Retirement Fund

Calendar Year Ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service Cost	\$ 83,840	\$ 91,127	\$ 93,275	\$ 85,212	\$ 110,485	\$ 99,362	\$ 125,347	\$ 120,925
Interest on the Total Pension Liability	477,562	469,930	450,684	448,339	432,376	399,575	409,694	368,039
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual								
Experience of the Total Pension Liability	48,531	12,468	152,017	(211,550)	171,412	219,322	(405,982)	93,276
Changes of Assumptions	-	(66,461)	-	154,493	(180,468)	-	-	208,299
Benefit Payments, including Refunds of								
Employee Contributions	(416,732)	(379,546)	(319,119)	(314,376)	(302,282)	(270,663)	(231,297)	(248,827)
Net Change in Total Pension Liability	193,201	127,518	376,857	162,118	231,523	447,596	(102,238)	541,712
Total Pension Liability - Beginning	6,753,514	6,625,996	6,249,139	6,087,021	5,855,498	5,407,902	5,510,140	4,968,428
Total Pension Liability - Ending (A)	<u>\$ 6,946,715</u>	<u>\$ 6,753,514</u>	<u>\$ 6,625,996</u>	<u>\$ 6,249,139</u>	<u>\$ 6,087,021</u>	<u>\$ 5,855,498</u>	<u>\$ 5,407,902</u>	<u>\$ 5,510,140</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 95,367	\$ 92,195	\$ 56,405	\$ 79,877	\$ 65,018	\$ 82,912	\$ 75,010	\$ 144,508
Contributions - Employees	37,546	38,883	38,516	49,984	50,780	42,654	47,283	48,747
Net Investment Income	1,189,701	922,485	1,133,968	(504,329)	914,125	349,736	(213,791)	379,116
Benefit Payments, including Refunds of								
Employee Contributions	(416,732)	(379,546)	(319,119)	(314,376)	(302,282)	(270,663)	(231,297)	(248,827)
Other (Net Transfer)	(8,442)	(62,632)	(28,881)	(9,796)	(4,890)	(6,141)	30,086	(5,007)
Net Change in Plan Fiduciary Net Position	897,440	611,385	880,889	(698,640)	722,751	198,498	(292,709)	318,537
Plan Fiduciary Net Position - Beginning	7,195,212	6,583,827	5,702,938	6,401,578	5,678,827	5,480,329	5,773,038	5,454,501
Plan Fiduciary Net Position - Ending (B)	<u>\$ 8,092,652</u>	<u>\$ 7,195,212</u>	<u>\$ 6,583,827</u>	<u>\$ 5,702,938</u>	<u>\$ 6,401,578</u>	<u>\$ 5,678,827</u>	<u>\$ 5,480,329</u>	<u>\$ 5,773,038</u>
Net Pension Liability (Asset) - Ending (A) - (B)	\$ (1,145,937)	\$ (441,698)	\$ 42,169	\$ 546,201	\$ (314,557)	\$ 176,671	\$ (72,427)	\$ (262,898)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	116.50%	106.54%	99.36%	91.26%	105.17%	96.98%	101.34%	104.77%
Covered Payroll	\$ 834,356	\$ 864,062	\$ 855,910	\$ 902,560	\$ 995,692	\$ 940,047	\$ 1,024,725	\$ 1,083,272
Net Pension Liability as a Percentage of Covered Payroll	-137.34%	-51.12%	4.93%	60.52%	-31.59%	18.79%	-7.07%	-24.27%

**Notes to Schedule:**

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

**Changes in Assumptions:**

For 2014, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2014 (base year 2014) developed from the RP-2014 mortality tables.

For 2015, changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015.

For 2016, changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016.

For 2017, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables.

For 2018, the assumed investment rate of return was lowered from 7.50% to 7.25%.

For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.

See accompanying Independent Auditors' Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Teacher's Health Insurance Security Fund

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 4,731	\$ 5,488	\$ 5,361	\$ 6,199	\$ 5,456	\$ 8,429	\$ 7,602
Contributions in relation to the statutorily required contribution	<u>4,731</u>	<u>5,488</u>	<u>5,361</u>	<u>6,199</u>	<u>5,456</u>	<u>8,429</u>	<u>7,602</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Employer's covered payroll	\$ 706,095	\$ 596,572	\$ 582,740	\$ 673,850	\$ 619,946	\$1,003,446	\$ 950,260
Contributions as a percentage of covered payroll	0.67%	0.92%	0.92%	0.92%	0.88%	0.84%	0.80%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See accompanying Independent Auditors' Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
OF THE COLLECTIVE NET OPEB LIABILITY  
Teacher's Health Insurance Security Fund  
Last 6 Fiscal Years\*

	<u>2021*</u>	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>
Employer's proportion of the collective net OPEB liability	0.0022980%	0.0023030%	0.0027470%	0.0026090%	0.0043620%	0.0040800%
Employer's proportionate share of the collective net OPEB liability	\$ 506,879	\$ 615,852	\$ 760,344	\$ 687,385	\$ 1,131,979	\$ 1,115,233
State's proportionate share of the collective net OPEB liability associated with the Employer	<u>687,237</u>	<u>834,330</u>	<u>1,027,466</u>	<u>925,242</u>	<u>1,486,657</u>	<u>1,546,398</u>
Total	<u>\$ 1,194,116</u>	<u>\$ 1,450,182</u>	<u>\$ 1,787,810</u>	<u>\$ 1,612,627</u>	<u>\$ 2,618,636</u>	<u>\$ 2,661,631</u>
Employer's covered payroll	\$ 596,572	\$ 582,740	\$ 673,850	\$ 619,946	\$ 1,003,446	\$ 950,260
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	84.97%	105.68%	112.84%	110.88%	112.81%	117.36%
Plan fiduciary net position as a percentage of the total OPEB liability	1.40%	0.70%	0.25%	-0.07%	-0.17%	-0.22%

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

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

*Changes of benefit terms:* In the June 30, 2020 actuarial valuation, there have been no changes of benefit terms from the prior period.

*Changes of assumptions:* The following OPEB-related assumption changes were made since the last actuarial valuation as of June 30, 2019:

- The discount rate was changed from 2.45 percent at June 30, 2020, to 1.92 percent at June 30, 2021;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2020, projected plan cost for plan year end June 30, 2021, premium changes through plan year end 2022, and expectation of future trend increases after June 30, 2021;
- Per capita claim costs for plan year end June 30, 2021, were updated based on projected claims and enrollment experience through June 30, 2021, and updated premium rates through plan year 2022; and
- Healthcare plan participation rates by plan were updated based on observed experience.

See accompanying Independent Auditors' Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
Post-Retirement Health Plan

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 8,456	\$ 6,093	\$ 1,725	\$ 4,621	\$ 4,449
Interest	4,559	4,977	5,673	5,801	5,935
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	(22,734)	-	27,952	-	-
Changes of Assumptions or Other Inputs	(33,472)	(18,971)	37,687	5,078	-
Benefit Payments	(8,216)	(4,309)	(4,309)	(13,557)	(14,084)
Other (Net Transfer)	-	-	-	-	-
Net Change in Total OPEB Liability	(51,407)	(12,210)	68,728	1,943	(3,700)
Total OPEB Liability - Beginning	215,160	227,370	158,642	156,699	160,399
Total OPEB Liability - Ending	<u>\$ 163,753</u>	<u>\$ 215,160</u>	<u>\$ 227,370</u>	<u>\$ 158,642</u>	<u>\$ 156,699</u>
Covered Payroll	\$ 1,208,949	\$ 1,141,393	\$ 1,149,111	\$ 1,253,508	\$ 1,100,078
Total OPEB Liability as a Percentage of Covered Payroll	13.55%	18.85%	19.79%	12.66%	14.24%

Notes to Schedule:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

*Changes of Benefit Terms.* There was no change in the retirees' share of health insurance premiums.

*Changes of Assumptions.* The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 2.16% to 3.54% for the current year. Since the Regional Office of Education No. 50 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 2.16% to 3.54%.

Assumptions of the mortality rates, mortality improvement rates, retirements rate, termination rates, and disability rates were updated for the current year. These assumption changes were made to better reflect the future anticipated experience of the plan.

See accompanying Independent Auditors' Report.

SUPPLEMENTAL INFORMATION

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND

JUNE 30, 2022

	ESR General Operations Account	Payroll Clearing Fund	Worker Compensation Escrow Fund	Young Authors Conference
<b>Assets</b>				
Cash and cash equivalents	\$ 63,603	\$ 72	\$ 2,110	\$ 449
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	177	-	-	-
<b>Total assets</b>	<b>\$ 63,780</b>	<b>\$ 72</b>	<b>\$ 2,110</b>	<b>\$ 449</b>
<b>Liabilities</b>				
Accounts payable	\$ 418	\$ 72	\$ 2,110	\$ -
Salary and benefits payable	1,100	-	-	-
Due to other governments	-	-	-	-
<b>Total liabilities</b>	<b>1,518</b>	<b>72</b>	<b>2,110</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	-
<b>Fund balance</b>				
Assigned	-	-	-	449
Unassigned	62,262	-	-	-
<b>Total fund balance</b>	<b>62,262</b>	<b>-</b>	<b>-</b>	<b>449</b>
<b>Total liabilities, deferred inflows, and fund balance</b>	<b>\$ 63,780</b>	<b>\$ 72</b>	<b>\$ 2,110</b>	<b>\$ 449</b>

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND

JUNE 30, 2022

	General State Aid- Sec 18-8	Fingerprinting Fund	Building Fund	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 355,989	\$ 23,944	\$ 75,585	\$ 521,752
Accounts receivable	-	-	425	425
Due from other funds	99,059	-	-	99,059
Due from other governments	124,265	-	-	124,442
<b>Total assets</b>	<b>\$ 579,313</b>	<b>\$ 23,944</b>	<b>\$ 76,010</b>	<b>\$ 745,678</b>
<b>Liabilities</b>				
Accounts payable	\$ 7,544	\$ 53	\$ -	\$ 10,197
Salary and benefits payable	23,046	-	1,958	26,104
Due to other funds	-	-	-	-
Due to other governments	246	-	-	246
<b>Total liabilities</b>	<b>30,836</b>	<b>53</b>	<b>1,958</b>	<b>36,547</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	46,483	-	-	46,483
<b>Fund balance</b>				
Assigned	-	23,891	74,052	98,392
Unassigned	501,994	-	-	564,256
<b>Total fund balance</b>	<b>501,994</b>	<b>23,891</b>	<b>74,052</b>	<b>662,648</b>
<b>Total liabilities, deferred inflows, and fund balance</b>	<b>\$ 579,313</b>	<b>\$ 23,944</b>	<b>\$ 76,010</b>	<b>\$ 745,678</b>

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS

For the Year Ended June 30, 2022

	ESR General Operations Account	Payroll Clearing Fund	Worker Compensation Escrow Fund	Young Authors Conference
<b>Revenues</b>				
Local sources	\$ 33,464	\$ -	\$ -	\$ -
On-behalf payments - local	358,260	-	-	-
State sources	-	-	-	-
On-behalf payments - state	312,222	-	-	-
Interest	44	-	-	1
	<u>703,990</u>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Expenditures</b>				
Instructional services:				
Salaries and benefits	12,292	-	-	-
Purchased services	1,422	-	-	2,051
Supplies and materials	75	-	-	-
Other objects	-	-	-	-
Pension expense	21,191	-	-	-
OPEB expense	-	-	-	-
Payments made on-behalf of region	670,482	-	-	-
Debt Service:				
Principal	208	-	-	-
Interest	24	-	-	-
	<u>705,694</u>	<u>-</u>	<u>-</u>	<u>2,051</u>
Net change in fund balance	(1,704)	-	-	(2,050)
Fund balance - beginning	63,966	-	-	2,499
Fund balance - ending	<u>\$ 62,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 449</u>

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS

For the Year Ended June 30, 2022

	General State Aid- Sec 18-8	Fingerprinting Fund	Building Fund	Total
<b>Revenues</b>				
Local sources	\$ 265,986	\$ 31,825	\$ 8,370	\$ 339,645
On-behalf payments - local	-	-	-	358,260
State sources	367,061	-	-	367,061
On-behalf payments - state	-	-	-	312,222
Interest	309	29	41	424
<b>Total revenues</b>	<b>633,356</b>	<b>31,854</b>	<b>8,411</b>	<b>1,377,612</b>
<b>Expenditures</b>				
Instructional services:				
Salaries and benefits	459,187	11,945	-	483,424
Purchased services	124,116	46,342	537	174,468
Supplies and materials	26,494	6,101	26	32,696
Other objects	150	-	-	150
Payments to other governments	-	-	-	-
Pension expense	13,068	1,143	3,900	39,302
OPEB expense	1,711	-	-	1,711
Payments made on-behalf of region	-	-	-	670,482
Debt Service:				
Principal	22,519	1,438	-	24,165
Interest	2,173	912	-	3,109
<b>Total expenditures</b>	<b>649,418</b>	<b>67,881</b>	<b>4,463</b>	<b>1,429,507</b>
<b>Net change in fund balance</b>	<b>(16,062)</b>	<b>(36,027)</b>	<b>3,948</b>	<b>(51,895)</b>
Fund balance - beginning	518,056	59,918	70,104	714,543
Fund balance - ending	<u>\$ 501,994</u>	<u>\$ 23,891</u>	<u>\$ 74,052</u>	<u>\$ 662,648</u>

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND

JUNE 30, 2022

	McKinney-Vento Education for Homeless Children and Youth	Bilingual Education Downstate TPI	Federal Special Education Preschool Discretionary	Mental Health Parent Resource	Elementary and Secondary Relief Digital Equity Formula
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 55,750	\$ -	\$ -	\$ -
Due from other governments	14,986	25,734	55,523	2,738	-
<b>Total assets</b>	<b>\$ 14,986</b>	<b>\$ 81,484</b>	<b>\$ 55,523</b>	<b>\$ 2,738</b>	<b>\$ -</b>
<b>Liabilities</b>					
Accounts payable	\$ 397	\$ 850	\$ 2,448	\$ 37	\$ -
Salary and benefits payable	2,965	5,326	10,884	1,129	-
Due to other funds	11,624	-	42,191	1,572	-
Unearned revenue	-	-	-	-	-
Due to other governments	-	75,308	-	-	-
<b>Total liabilities</b>	<b>14,986</b>	<b>81,484</b>	<b>55,523</b>	<b>2,738</b>	<b>-</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue	-	174	-	-	-
<b>Fund balance</b>					
Restricted	-	-	-	-	-
Unassigned	-	(174)	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>(174)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows, and fund balance</b>	<b>\$ 14,986</b>	<b>\$ 81,484</b>	<b>\$ 55,523</b>	<b>\$ 2,738</b>	<b>\$ -</b>

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND (Continued)

JUNE 30, 2022

	National School Breakfast and Lunch	Regional Safe Schools	Regional Safe School Cooperative Education Program	Stay In School Monitoring	ROE School Services	McKinney-Vento Homeless Education Sub-grant ARP
<b>Assets</b>						
Cash and cash equivalents	\$ 45,640	\$ -	\$ 7	\$ 107,500	\$ 6,580	\$ -
Due from other governments	-	-	-	14,111	-	25,505
<b>Total assets</b>	<b>\$ 45,640</b>	<b>\$ -</b>	<b>\$ 7</b>	<b>\$ 121,611</b>	<b>\$ 6,580</b>	<b>\$ 25,505</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 7	\$ 930	\$ 1,724	\$ -
Salary and benefits payable	-	-	-	2,592	4,856	-
Due to other funds	-	-	-	-	-	25,505
Unearned revenue	-	-	-	-	-	-
Due to other governments	-	-	-	118,089	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>121,611</b>	<b>6,580</b>	<b>25,505</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue	-	-	-	14	-	-
<b>Fund balance</b>						
Restricted	45,640	-	-	-	-	-
Unassigned	-	-	-	(14)	-	-
<b>Total fund balance</b>	<b>45,640</b>	<b>-</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows, and fund balance</b>	<b>\$ 45,640</b>	<b>\$ -</b>	<b>\$ 7</b>	<b>\$ 121,611</b>	<b>\$ 6,580</b>	<b>\$ 25,505</b>

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND (Continued)

JUNE 30, 2022

	Truants Alternative Optional Education Program	New Principal Mentoring Grant	Elementary and Secondary School Emergency Relief II Grant	Supporting Effective Educator Development	Elementary and Secondary School Emergency Relief III ARP	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 1,674	\$ -	\$ -	\$ -	\$ -	\$ 217,151
Due from other governments	-	15,653	-	11,538	-	165,788
<b>Total assets</b>	<b>\$ 1,674</b>	<b>\$ 15,653</b>	<b>\$ -</b>	<b>\$ 11,538</b>	<b>\$ -</b>	<b>\$ 382,939</b>
<b>Liabilities</b>						
Accounts payable	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ 6,423
Salary and benefits payable	1,644	4,716	-	4,308	-	38,420
Due to other funds	-	10,937	-	7,230	-	99,059
Unearned revenue	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	193,397
<b>Total liabilities</b>	<b>1,674</b>	<b>15,653</b>	<b>-</b>	<b>11,538</b>	<b>-</b>	<b>337,299</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue	-	-	-	-	-	188
<b>Fund balance</b>						
Restricted	-	-	-	-	-	45,640
Unassigned	-	-	-	-	-	(188)
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,452</b>
<b>Total liabilities, deferred inflows, and fund balance</b>	<b>\$ 1,674</b>	<b>\$ 15,653</b>	<b>\$ -</b>	<b>\$ 11,538</b>	<b>\$ -</b>	<b>\$ 382,939</b>

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS

For the Year Ended June 30, 2022

	McKinney-Vento Education for Homeless Children and Youth	Bilingual Education Downstate TPI	Federal Special Education Preschool Discretionary	Mental Health Parent Resource	Elementary and Secondary Relief Digital Equity Formula
<b>Revenues</b>					
Local sources	\$ -	\$ 220,340	\$ -	\$ 32,933	\$ -
State sources	-	-	-	-	-
Federal sources	95,982	-	495,444	-	22,796
Interest	-	42	-	-	-
<b>Total revenues</b>	<b>95,982</b>	<b>220,382</b>	<b>495,444</b>	<b>32,933</b>	<b>22,796</b>
<b>Expenditures</b>					
Instructional services:					
Salaries and benefits	62,911	137,383	320,570	27,228	-
Purchased services	13,924	36,295	73,101	1,826	-
Supplies and materials	9,654	3,517	57,793	743	27
Other objects	-	-	-	-	-
Pension expense	5,489	1,789	26,238	2,122	-
OPEB expense	-	696	497	-	-
Debt Service:					
Principal	1,364	22,798	7,040	553	-
Interest	1,007	17,427	5,644	461	-
Intergovernmental:					
Payments to other governmental units	1,633	-	-	-	-
Capital outlay	-	-	4,561	-	22,769
<b>Total expenditures</b>	<b>95,982</b>	<b>219,905</b>	<b>495,444</b>	<b>32,933</b>	<b>22,796</b>
Net change in fund balance	-	477	-	-	-
Fund balance (deficit) - beginning	-	(651)	-	-	-
Fund balance - ending	\$ -	\$ (174)	\$ -	\$ -	\$ -

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS (Continued)

For the Year Ended June 30, 2022

	National School Breakfast and Lunch	Regional Safe Schools	Regional Safe School Cooperative Education Program	Stay In School Monitoring	ROE School Services	McKinney-Vento Homeless Education Sub-grant ARP
<b>Revenues</b>						
Local sources	\$ -	\$ -	\$ -	\$ 94,316	\$ -	\$ -
State sources	349	133,306	43,981	-	160,828	-
Federal sources	33,205	-	-	-	-	25,505
Interest	27	-	2	85	12	-
<b>Total revenues</b>	<b>33,581</b>	<b>133,306</b>	<b>43,983</b>	<b>94,401</b>	<b>160,840</b>	<b>25,505</b>
<b>Expenditures</b>						
Instructional services:						
Salaries and benefits	2,913	90,132	37,587	61,780	127,402	-
Purchased services	16,034	15,319	3,571	20,812	19,276	20,505
Supplies and materials	-	1,432	2,823	3,885	3,007	-
Other objects	-	-	-	-	-	-
Pension expense	213	445	2	1,025	5,422	-
OPEB expense	-	514	-	289	389	-
Debt Service:						
Principal	-	23,223	-	6,041	3,095	-
Interest	-	2,241	-	583	2,249	-
Intergovernmental:						
Payments to other governmental units	-	-	-	-	-	5,000
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>19,160</b>	<b>133,306</b>	<b>43,983</b>	<b>94,415</b>	<b>160,840</b>	<b>25,505</b>
Net change in fund balance	14,421	-	-	(14)	-	-
Fund balance (deficit) - beginning	31,219	-	-	-	-	-
Fund balance - ending	<u>\$ 45,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14)</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS (Continued)

For the Year Ended June 30, 2022

	Truants Alternative Optional Education Program	New Principal Mentoring Grant	Elementary and Secondary School Emergency Relief II Grant	Supporting Effective Educator Development	Elementary and Secondary School Emergency Relief III ARP	Total
<b>Revenues</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,589
State sources	60,043	-	-	-	-	398,507
Federal sources	-	15,653	245	87,769	52,637	829,236
Interest	-	-	-	-	-	168
<b>Total revenues</b>	<b>60,043</b>	<b>15,653</b>	<b>245</b>	<b>87,769</b>	<b>52,637</b>	<b>1,575,500</b>
<b>Expenditures</b>						
<b>Instructional services:</b>						
Salaries and benefits	43,162	5,030	-	72,104	48,389	1,036,591
Purchased services	9,241	10,093	-	6,221	548	246,766
Supplies and materials	999	-	245	3,079	2	87,206
Other objects	-	-	-	-	-	-
Pension expense	3,494	503	-	5,932	3,698	56,372
OPEB expense	-	27	-	433	-	2,845
<b>Debt Service:</b>						
Principal	2,153	-	-	-	-	66,267
Interest	994	-	-	-	-	30,606
<b>Intergovernmental:</b>						
Payments to other governmental units	-	-	-	-	-	6,633
Capital outlay	-	-	-	-	-	27,330
<b>Total expenditures</b>	<b>60,043</b>	<b>15,653</b>	<b>245</b>	<b>87,769</b>	<b>52,637</b>	<b>1,560,616</b>
Net change in fund balance	-	-	-	-	-	14,884
Fund balance (deficit) - beginning	-	-	-	-	-	30,568
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,452</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
MCKINNEY-VENTO EDUCATION FOR HOMELESS CHILDREN AND YOUTH

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Federal sources	\$ 108,872	\$ 108,872	\$ 95,982
Total revenue	<u>108,872</u>	<u>108,872</u>	<u>95,982</u>
Expenditures			
Salaries and benefits	68,747	68,406	68,400
Purchased services	11,384	23,313	13,924
Supplies and materials	26,241	9,880	9,654
Debt Service:			
Principal	-	-	1,364
Interest	-	-	1,007
Payments to other government units	<u>2,500</u>	<u>7,273</u>	<u>1,633</u>
Total expenditures	<u>108,872</u>	<u>108,872</u>	<u>95,982</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Salaries and benefits actual expenditures include pension expense reported on the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Education Fund Accounts since pension expense was not a separately budgeted item.

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FEDERAL SPECIAL EDUCATION PRESCHOOL DISCRETIONARY

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Federal sources	\$ 496,146	\$ 496,146	\$ 495,444
Total revenue	496,146	496,146	495,444
Expenditures			
Salaries and benefits	389,980	347,321	347,305
Purchased services	91,064	84,641	73,101
Supplies and materials	14,379	59,338	57,793
Debt Service:			
Principal	-	-	7,040
Interest	-	-	5,644
Payments to other governmental units	720	50	-
Capital outlay	3	4,796	4,561
Total expenditures	496,146	496,146	495,444
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

Note: Salaries and benefits actual expenditures include pension and OPEB expense reported on the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Education Fund Accounts since pension and OPEB expense were not separately budgeted items.

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
State sources	\$ 133,306	\$ 133,306	\$ 133,306
Interest	-	-	-
Total revenue	<u>133,306</u>	<u>133,306</u>	<u>133,306</u>
Expenditures			
Salaries and benefits	91,143	91,143	91,091
Purchased services	38,719	40,825	15,319
Supplies and materials	3,444	1,338	1,432
Debt Service:			
Principal	-	-	23,223
Interest	-	-	2,241
Total expenditures	<u>133,306</u>	<u>133,306</u>	<u>133,306</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Note: Salaries and benefits actual expenditures include pension and OPEB expense reported on the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Education Fund Accounts since pension and OPEB expense were not separately budgeted items.

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOL COOPERATIVE EDUCATION PROGRAM

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
State sources	\$ 43,981	\$ 43,981	\$ 43,981
Interest	-	-	2
Total revenue	<u>43,981</u>	<u>43,981</u>	<u>43,983</u>
Expenditures			
Salaries and benefits	38,130	37,597	37,589
Purchased services	3,782	3,567	3,571
Supplies and materials	2,069	2,817	2,823
Total expenditures	<u>43,981</u>	<u>43,981</u>	<u>43,983</u>
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Salaries and benefits actual expenditures include pension expense reported on the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Education Fund Accounts since pension expense was not a separately budgeted item.

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ROE SCHOOL SERVICES

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
State sources	\$ 160,828	\$ 160,828	\$ 160,828
Interest	-	-	12
Total revenue	<u>160,828</u>	<u>160,828</u>	<u>160,840</u>
Expenditures			
Salaries and benefits	133,360	133,230	133,213
Purchased services	25,851	25,053	19,276
Supplies and materials	1,617	2,545	3,007
Debt Service:			
Principal	-	-	3,095
Interest	-	-	2,249
Total expenditures	<u>160,828</u>	<u>160,828</u>	<u>160,840</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Note: Salaries and benefits actual expenditures include pension and OPEB expense reported on the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Education Fund Accounts since pension and OPEB expense were not separately budgeted items.

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
SUPPORTING EFFECTIVE EDUCATOR DEVELOPMENT

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Federal sources	\$ 180,920	\$ 180,920	\$ 87,769
Total revenue	<u>180,920</u>	<u>180,920</u>	<u>87,769</u>
Expenditures			
Salaries and benefits	158,587	146,398	78,469
Purchased services	14,893	12,239	6,221
Supplies and Materials	7,440	3,495	3,079
Capital outlay	-	18,788	-
Total expenditures	<u>180,920</u>	<u>180,920</u>	<u>87,769</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Salaries and benefits actual expenditures include pension and OPEB expense reported on the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Education Fund Accounts since pension and OPEB expense were not separately budgeted items.

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ELEMENTARY AND SECONDARY RELIEF - DIGITAL EQUITY FORMULA

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Federal sources	\$ 22,796	\$ 22,796	\$ 22,796
Total revenue	22,796	22,796	22,796
Expenditures			
Supplies and materials	605	605	27
Capital Outlay	22,191	22,191	22,769
Total expenditures	22,796	22,796	22,796
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TRUANTS ALTERNATIVE OPTIONAL EDUCATION PROGRAM

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
State sources	\$ 60,043	\$ 60,043	\$ 60,043
Interest	-	-	-
Total revenue	<u>60,043</u>	<u>60,043</u>	<u>60,043</u>
Expenditures			
Salaries and benefits	47,149	46,696	46,656
Purchased services	12,262	12,262	9,241
Supplies and materials	632	1,085	999
Debt Service:			
Principal	-	-	2,153
Interest	-	-	994
Total expenditures	<u>60,043</u>	<u>60,043</u>	<u>60,043</u>
Net change in fund balance	-	-	-
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Salaries and benefits actual expenditures include pension expense reported on the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Education Fund Accounts since pension expense was not a separately budgeted item.

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
BILINGUAL EDUCATION DOWNSTATE TPI

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Local sources	\$ 232,571	\$ 232,571	\$ 220,340
Interest	-	-	42
Total revenue	<u>232,571</u>	<u>232,571</u>	<u>220,382</u>
Expenditures			
Salaries and benefits	152,248	152,248	139,868
Purchased services	77,278	77,278	36,295
Supplies and materials	3,000	3,000	3,517
Other objects	45	45	-
Debt service:			
Principal	-	-	22,798
Interest	-	-	17,427
Total expenditures	<u>232,571</u>	<u>232,571</u>	<u>219,905</u>
Net change in fund balance	-	-	477
Fund balance - beginning	-	-	(651)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (174)</u>

Note: Salaries and benefits actual expenditures include pension expense reported on the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Education Fund Accounts since pension expense was not a separately budgeted item.

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
MENTAL HEALTH PARENT RESOURCE

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Local sources	\$ 32,933	\$ 32,933	\$ 32,933
Interest	-	-	-
Total revenue	<u>32,933</u>	<u>32,933</u>	<u>32,933</u>
Expenditures			
Salaries and benefits	29,699	29,699	29,350
Purchased services	3,132	3,132	1,826
Supplies and materials	102	102	743
Debt Service:			
Principal	-	-	553
Interest	-	-	461
Total expenditures	<u>32,933</u>	<u>32,933</u>	<u>32,933</u>
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Salaries and benefits actual expenditures include pension and OPEB expense reported on the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Education Fund Accounts since pension and OPEB expense were not separately budgeted items.

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
STAY IN SCHOOL MONITORING

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Local sources	\$ 137,428	\$ 137,428	\$ 94,316
Interest	-	-	85
Total revenue	<u>137,428</u>	<u>137,428</u>	<u>94,401</u>
Expenditures			
Salaries and benefits	89,126	89,126	63,094
Purchased services	41,812	41,812	20,812
Supplies and materials	6,400	6,400	3,885
Other objects	90	90	-
Debt Service:			
Principal	-	-	6,041
Interest	-	-	583
Total expenditures	<u>137,428</u>	<u>137,428</u>	<u>94,415</u>
Net change in fund balance	-	-	(14)
Fund balance - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14)</u>

Note: Salaries and benefits actual expenditures include pension expense reported on the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Education Fund Accounts since pension expense was not a separately budgeted item.

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
MCKINNEY-VENTO HOMELESS EDUCATION SUB-GRANT ARP

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Federal sources	\$ 153,246	\$ 153,246	\$ 25,505
Total revenue	<u>153,246</u>	<u>153,246</u>	<u>25,505</u>
Expenditures			
Salaries and benefits	126,949	93,069	-
Purchased services	15,295	36,602	20,505
Supplies and materials	1,002	1,002	-
Payments to other governmental units	<u>10,000</u>	<u>22,573</u>	<u>5,000</u>
Total expenditures	<u>153,246</u>	<u>153,246</u>	<u>25,505</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Salaries and benefits actual expenditures include pension and OPEB expense reported on the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Education Fund Accounts since pension and OPEB expense were not separately budgeted items.

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
NEW PRINCIPAL MENTORING

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Federal sources	\$ 30,000	\$ 30,000	\$ 15,653
Total revenue	<u>30,000</u>	<u>30,000</u>	<u>15,653</u>
Expenditures			
Salaries and benefits	6,016	6,016	5,560
Purchased services	10,628	10,628	10,093
Supplies and materials	856	856	-
Payments to other governmental units	<u>12,500</u>	<u>12,500</u>	<u>-</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>15,653</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF II GRANT

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Federal sources	\$ 3,614	\$ 3,614	\$ 245
Total revenue	<u>3,614</u>	<u>3,614</u>	<u>245</u>
Expenditures			
Purchased services	225	225	-
Supplies and materials	21	21	245
Capital outlay	<u>3,368</u>	<u>3,368</u>	<u>-</u>
Total expenditures	<u>3,614</u>	<u>3,614</u>	<u>245</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF III ARP

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Federal sources	\$ 59,840	\$ 59,840	\$ 52,637
Total revenue	<u>59,840</u>	<u>59,840</u>	<u>52,637</u>
Expenditures			
Salaries and benefits	58,915	58,915	52,087
Purchased services	896	896	548
Supplies and materials	29	29	2
Total expenditures	<u>59,840</u>	<u>59,840</u>	<u>52,637</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Note: Salaries and benefits actual expenditures include pension expense reported on the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Education Fund Accounts since pension and OPEB expense were not separately budgeted items.

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2022

	General Education Development	Bus Driver Training	Total
Assets			
Cash and cash equivalents	\$ 86,487	\$ 24,970	\$ 111,457
Accounts receivable	-	140	140
Total assets	\$ 86,487	\$ 25,110	\$ 111,597
Liabilities			
Accounts payable	\$ 23	\$ 193	\$ 216
Salary and benefits payable	-	407	407
Total liabilities	23	600	623
Fund balance			
Restricted	86,464	24,510	110,974
Total fund balance	86,464	24,510	110,974
Total liabilities and fund balance	\$ 86,487	\$ 25,110	\$ 111,597

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2022

	General Education Development	Bus Driver Training	Total
Revenues			
Local sources	\$ 4,590	\$ 6,340	\$ 10,930
State sources	-	1,797	1,797
Interest	63	19	82
Total revenues	<u>4,653</u>	<u>8,156</u>	<u>12,809</u>
Expenditures			
Salaries and benefits	2,153	5,949	8,102
Purchased services	5,458	9,611	15,069
Supplies and materials	432	439	871
Pension expense	228	343	571
Debt Service:			
Principal	70	226	296
Interest	8	26	34
Total expenditures	<u>8,349</u>	<u>16,594</u>	<u>24,943</u>
Net change in fund balance	(3,696)	(8,438)	(12,134)
Fund balance - beginning	<u>90,160</u>	<u>32,948</u>	<u>123,108</u>
Fund balance - ending	<u>\$ 86,464</u>	<u>\$ 24,510</u>	<u>\$ 110,974</u>

See accompanying Independent Auditor's Report.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

<b><u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u></b>	<b><u>Federal Assistance Listing Number</u></b>	<b><u>Pass-Through Entity Identifying Number</u></b>	<b><u>Passed Through to Subrecipients</u></b>	<b><u>Total Federal Expenditures</u></b>
<b>U.S. Department of Education</b>				
<b>Passed-Through Illinois State Board of Education</b>				
Special Education Grants to States				
<i>Federal Special Education Preschool Discretionary (M)</i>	84.173A	22-4605-00		488,548
<i>Federal Special Education Preschool Discretionary (M)</i>	84.173A	21-4605-00		6,896
Total Special Education Grants to States				<u>495,444</u>
Covid 19 - Education Stabilization Fund				
<i>Elementary &amp; Secondary Relief - Digital Equity Formula</i>	84.425	22-4998-D2		22,796
Covid 19 - Education Stabilization Fund				
<i>LEA American Rescue Plan (ESSER III)</i>	84.425U	22-4998-E3		52,637
Covid 19 - Education Stabilization Fund				
<i>Elementary &amp; Secondary School Emergency Relief II Grant</i>	84.425D	21-4998-E2		245
Total Education Stabilization Fund Grants				<u>75,678</u>
<b>Passed-Through Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3</b>				
Education for Homeless Children and Youth				
<i>McKinney-Vento Education for Homeless Children and Youth</i>	84.196A	22-4920-00		90,294
<i>McKinney-Vento Education for Homeless Children and Youth</i>	84.196A	21-4920-00		5,688
<i>McKinney-Vento Homeless Education Sub-grant ARP</i>	84.425W	22-4920-00		25,505
Total Education for Homeless Children and Youth				<u>121,487</u>
<b>Passed-Through Illinois State University</b>				
<i>Supporting Effective Educator Development</i>	84.423A	A18-0059-S015		87,769
<b>Passed-Through DuPage Regional Office of Education No. 19</b>				
<i>New Principal Mentoring</i>	84.425	22-4998-PM		15,653
Total U.S. Department of Education			-	<u>796,031</u>
<b>U.S. Department of Agriculture</b>				
<b>Passed-Through Illinois State Board of Education</b>				
Child Nutrition Cluster				
<i>School Breakfast Program</i>	10.553	22-4220-00		2,888
<i>School Breakfast Program</i>	10.553	21-4220-00		212
Total School Breakfast Program				<u>3,100</u>
<i>National School Lunch Program</i>	10.555	22-4210-00		18,434
<i>National School Lunch Program</i>	10.555	22-4210-SC		5,891
<i>National School Lunch Program</i>	10.555	21-4210-SN		3,915
<i>National School Lunch Program</i>	10.555	21-4210-00		1,865
Total National School Lunch Program			-	<u>30,105</u>
Total Child Nutrition Cluster			-	<u>33,205</u>
Total U.S. Department of Agriculture			-	<u>33,205</u>
<b>Total Federal Awards</b>			<u>\$ -</u>	<u>\$ 829,236</u>

(M) - Denotes major program.

The accompanying notes are an integral part of the schedule.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 50

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal awards activity of Regional Office of Education No. 50 under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Regional Office of Education No. 50, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Regional Office of Education No. 50.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent credits made in the normal course of business to amounts reported as expenditures in prior years. Regional Office of Education No. 50 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 3 – NON-CASH ASSISTANCE**

The Regional Office of Education No. 50 did not receive non-cash assistance during the fiscal year.