

State of Illinois  
SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

FINANCIAL AUDIT  
For the Year Ended June 30, 2020

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

AGENCY OFFICIALS

For the Year Ended June 30, 2020

Regional Superintendent  
(Current as of October 13, 2021)

Ms. Shannon Fehrholz

Regional Superintendent  
(During the audit period through September 30, 2021)

Mr. Jeff Vose

Interim Regional Superintendent  
(October 1, 2021 through October 12, 2021)

Ms. Shannon Fehrholz

Assistant Regional Superintendent  
(Current as of October 18, 2021)

Mr. Jim Berberet

Assistant Regional Superintendent  
(October 1, 2021 through October 17, 2021)

Vacant

Assistant Regional Superintendent  
(During the audit period through September 30, 2021)

Ms. Shannon Fehrholz

Office is located at:

2201 S. Dirksen Parkway  
Springfield, IL 62703

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

FINANCIAL REPORT SUMMARY

For the Year Ended June 30, 2020

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

AUDITOR'S 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

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

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>FINDINGS ( GOVERNMENT AUDITING STANDARDS)</i>			
2020-001	10a	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency
2020-002	10c	Insufficient Collateral on Deposits	Significant Deficiency
<i>PRIOR FINDINGS NOT REPEATED ( GOVERNMENT AUDITING STANDARDS)</i>			
2019-001	12	Delay of Audit	Noncompliance
2019-002	12	Internal Controls over Cash	Significant Deficiency

EXIT CONFERENCE

The findings appearing in this report were discussed with Regional Office management in various informal meetings. Responses and corrective action plans were provided by Angie Brentlinger, Fiscal Manager, in an email correspondence dated September 22, 2021.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2020

The audit of the accompanying basic financial statements of the Sangamon-Menard Counties Regional Office of Education #51 was performed by Doehring, Winders & Co. LLP.

Based on their audit, the auditors expressed an unmodified opinion on the Sangamon-Menard Regional Office of Education #51's basic financial statements.

DOEHRING, WINDERS & CO. LLP  
*Certified Public Accountants*  
1601 LAFAYETTE AVENUE  
MATTOON, ILLINOIS 61938

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sangamon-Menard Counties Regional Office of Education #51 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Sangamon-Menard Counties Regional Office of Education #51's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sangamon-Menard Counties Regional Office of Education #51, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Employer Contributions - Illinois Municipal Retirement Fund, Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios - Illinois Municipal Retirement Fund, Schedule of the 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 the Employer's Proportionate Share of the Collective Net OPEB Liability - Teacher's Health Insurance Security Fund, Schedule of Employer Contributions - Teacher's Health Insurance Security Fund, and Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 64 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sangamon-Menard Counties Regional Office of Education #51's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2021, on our consideration of the Sangamon-Menard Counties Regional Office of Education #51'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 Sangamon-Menard Counties Regional Office of Education #51'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 Sangamon-Menard Counties Regional Office of Education #51's internal control over financial reporting and compliance.

**SIGNED ORIGINAL ON FILE**

Mattoon, Illinois  
November 9, 2021

DOEHRING, WINDERS & CO. LLP  
*Certified Public Accountants*  
1601 LAFAYETTE AVENUE  
MATTOON, ILLINOIS 61938

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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sangamon-Menard Counties Regional Office of Education #51, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Sangamon-Menard Counties Regional Office of Education #51's basic financial statements, and have issued our report thereon dated November 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sangamon-Menard Counties Regional Office of Education #51's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sangamon-Menard Counties Regional Office of Education #51's internal control. Accordingly, we do not express an opinion on the effectiveness of Sangamon-Menard Counties Regional Office of Education #51's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sangamon-Menard Counties Regional Office of Education #51'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*.

### Sangamon-Menard Counties Regional Office of Education #51's Responses to Findings

Sangamon-Menard Counties Regional Office of Education #51's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Sangamon-Menard Counties Regional Office of Education #51's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sangamon-Menard Counties Regional Office of Education #51'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 Sangamon-Menard Counties Regional Office of Education #51's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Mattoon, Illinois  
November 9, 2021

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2020

**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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended June 30, 2020

**Section II - Financial Statement Findings**

**FINDING NO. 2020-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers**

**Criteria/specific requirement:**

The Regional Office of Education #51 is responsible for the design, implementation, and maintenance of internal controls, including the controls that are outsourced to service providers, related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction.

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

**Condition:**

As part of the audit process, we requested the Regional Office of Education #51 provide a population of the service providers utilized. The Regional Office of Education #51 was able to identify the service provider that provides hosting and backup services for the Regional Office of Education #51.

During testing, the auditors noted the Regional Office of Education #51 had not:

- Developed a formal process for obtaining the Service Organization Controls (SOC) reports from the service provider on an annual basis or performed alternative procedures to determine the impact of such services on its internal control environment prior to signing an agreement with the service provider.
- Documented its review of each of the SOC reports, or performed alternative procedures, to evaluate any issues relevant to the Regional Office of Education #51 internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education #51's operations.
- Obtained and reviewed SOC reports for subservice organizations to determine the impact on its internal control environment.

**Effect:**

Without having obtained and reviewed the SOC reports or another form of independent internal controls review, the Regional Office of Education #51 does not have assurance that the external service provider's and its subservice organization's internal controls are adequate.

**Cause:**

Regional Office management indicated they were unaware that SOC reports should be reviewed on an annual basis for all external service providers in accordance with generally accepted information technology guidance.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended June 30, 2020

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

**FINDING NO. 2020-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Continued)**

**Recommendation:**

We recommend that the Regional Office of Education #51 document if a review of controls is required for any third-party service providers. If required, the Regional Office of Education #51 should:

- Obtain SOC reports associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education #51's operations.
- Obtain and review SOC reports for subservice organizations to satisfy itself that the existence of the subservice organization would not impact its own internal control environment.
- Document its review of the SOC reports or perform alternative procedures, to evaluate all significant issues to ascertain if a corrective action plan exists, when it will be implemented, any impacts to the Regional Office of Education #51, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**Management's Response:**

Regional Office of Education #51 acknowledges the finding and will obtain SOC reports associated with outsourced systems at least annually and adhere to the other recommendations in Finding No. 2020-001.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended June 30, 2020

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

**FINDING NO. 2020-002 - Insufficient Collateral on Deposits**

**Criteria/specific requirement:**

The Public Funds Deposit Act (30 ILCS 225/1) gives the authorization for deposits in excess of the federally insured limit to be covered by pledged collateral held by the financial institutions' trust departments in the Regional Office of Education #51's name. In addition, prudent business practice requires that all cash and investments held by financial institutions for the Regional Office be adequately covered by depository insurance or collateral.

**Condition:**

As of June 30, 2020, cash balances held with various banks exceeded Federal Deposit Insurance Corporation (FDIC) coverage and pledged collateral by \$284,096.

**Effect:**

Not maintaining sufficient collateral on cash balances may result in monetary losses to the Regional Office.

**Cause:**

Regional Office management indicated they did not monitor the level of collateral frequently enough to determine it was at a sufficient amount at June 30, 2020.

**Recommendation:**

The Regional Office should periodically monitor cash balances, FDIC coverage, and pledged collateral to determine all cash balances are secured, especially around times when large deposits are being received. Additionally, the Regional Office should work with their financial institutions to provide sufficient collateral or enter into agreements with their financial institutions to have the cash balances monitored for adequate collateral periodically and adjusted as necessary.

**Management's Response:**

The Regional Office of Education #51 acknowledges the finding and will periodically monitor cash balances, FDIC coverage, and pledged collateral to determine all cash balances are secured properly by our financial institution.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 2020

**Corrective Action Plan**

**FINDING NO. 2020-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers**

**Condition:**

As part of the audit process, we requested the Regional Office of Education #51 provide a population of the service providers utilized. The Regional Office of Education #51 was able to identify the service provider that provides hosting and backup services for the Regional Office of Education #51.

During testing, the auditors noted the Regional Office of Education #51 had not:

- Developed a formal process for obtaining the Service Organization Controls (SOC) reports from the service provider on an annual basis or performed alternative procedures to determine the impact of such services on its internal control environment prior to signing an agreement with the service provider.
- Documented its review of each of the SOC reports, or performed alternative procedures, to evaluate any issues relevant to the Regional Office of Education #51 internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education #51's operations.
- Obtained and reviewed SOC reports for subservice organizations to determine the impact on its internal control environment.

**Plan:**

- Regional Office of Education #51 will obtain and review the SOC report on an annual basis.
- The Regional Office of Education #51 will review each of the SOC reports Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education #51 operations.
- Obtain and review SOC reports for subservice organizations to determine the impact on its internal control environment.

**Anticipated Date of Completion:**

Immediately

**Contact Person:**

Honorable Shannon Fehrholz, Regional Superintendent of Schools

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 2020

**Corrective Action Plan**

**FINDING NO. 2020-002 - Insufficient Collateral on Deposits**

**Condition:**

As of June 30, 2020, cash balances held with various banks exceeded Federal Deposit Insurance Corporation (FDIC) coverage and pledged collateral by \$284,096.

**Plan:**

The Regional Office of Education #51 has contacted our financial institution to obtain collateral for all deposits exceeding FDIC insurance coverage. Periodic monitoring of cash balances has been implemented.

**Anticipated Date of Completion:**

Immediately

**Contact Person:**

Honorable Shannon Fehrholz, Regional Superintendent of Schools

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED

For the Year Ended June 30, 2020

2019-001	Delay of Audit	Not repeated
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For the current audit, the Regional Office provided draft financial statements prior to the deadline of August 31 following the year end date.

2019-002	Internal Controls over Cash	Not repeated
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During the current audit, audit testing indicated bank reconciliations were prepared and reviewed in a timely manner.

## BASIC FINANCIAL STATEMENTS

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

STATEMENT OF NET POSITION

June 30, 2020

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 859,510	\$ 110,629	\$ 970,139
Investments	369,354	-	369,354
Accounts receivable	989	1,365	2,354
Due from other governments	651,647	11,636	663,283
Prepaid expenses	16,439	-	16,439
Total current assets	<u>1,897,939</u>	<u>123,630</u>	<u>2,021,569</u>
<b>Noncurrent assets:</b>			
Capital assets, net of depreciation	<u>3,063</u>	<u>-</u>	<u>3,063</u>
Total noncurrent assets	<u>3,063</u>	<u>-</u>	<u>3,063</u>
Total assets	<u>1,901,002</u>	<u>123,630</u>	<u>2,024,632</u>
<b>Deferred outflows of resources:</b>			
Deferred outflows related to pensions	1,752,110	-	1,752,110
Deferred outflows related to OPEB	153,505	-	153,505
Total deferred outflows of resources	<u>1,905,615</u>	<u>-</u>	<u>1,905,615</u>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	27,276	-	27,276
Accrued payroll liabilities	51,897	-	51,897
Due to other governments	14,230	3,211	17,441
Unearned revenue	18,142	-	18,142
Total current liabilities	<u>111,545</u>	<u>3,211</u>	<u>114,756</u>
<b>Noncurrent liabilities:</b>			
Liability for compensated absences	8,327	-	8,327
Net pension liability	344,401	-	344,401
Net OPEB liability	1,900,710	-	1,900,710
Total noncurrent liabilities	<u>2,253,438</u>	<u>-</u>	<u>2,253,438</u>
Total liabilities	<u>2,364,983</u>	<u>3,211</u>	<u>2,368,194</u>
<b>Deferred inflows of resources:</b>			
Deferred inflows related to pensions	6,059,284	-	6,059,284
Deferred inflows related to OPEB	533,564	-	533,564
Total deferred inflows of resources	<u>6,592,848</u>	<u>-</u>	<u>6,592,848</u>
<b>Net position:</b>			
Invested in capital assets	3,063	-	3,063
Restricted - other	304,661	-	304,661
Unrestricted	(5,458,938)	120,419	(5,338,519)
Total net position	<u>\$ (5,151,214)</u>	<u>\$ 120,419</u>	<u>\$ (5,030,795)</u>

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
Instructional services:							
Salaries and benefits	\$ 2,331,307	\$ 38,497	\$ 1,856,812	\$ -	\$ (435,998)	\$ -	\$ (435,998)
Pension expense (benefit)	(601,219)	2,006	98,659	-	701,884	-	701,884
OPEB expense	116,887	-	10,119	-	(106,768)	-	(106,768)
Purchased services	581,740	29,007	336,452	-	(216,281)	-	(216,281)
Supplies and materials	211,200	231	184,669	-	(26,300)	-	(26,300)
Other objects	45,449	231	43,005	-	(2,213)	-	(2,213)
Depreciation	1,544	-	-	-	(1,544)	-	(1,544)
Intergovernmental:							
Payments to other governments	9,445	7,175	-	-	(2,270)	-	(2,270)
Administrative:							
On-behalf payments - local	305,728	-	-	-	(305,728)	-	(305,728)
On-behalf payments - state	2,095,798	-	-	-	(2,095,798)	-	(2,095,798)
Total governmental activities	<u>5,097,879</u>	<u>77,147</u>	<u>2,529,716</u>	<u>-</u>	<u>(2,491,016)</u>	<u>-</u>	<u>(2,491,016)</u>
Business-type activities:							
Charges for services	<u>88,627</u>	<u>101,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,885</u>	<u>12,885</u>
Total business-type activities	<u>88,627</u>	<u>101,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,885</u>	<u>12,885</u>
Total primary government	<u>\$ 5,186,506</u>	<u>\$ 178,659</u>	<u>\$ 2,529,716</u>	<u>\$ -</u>	<u>(2,491,016)</u>	<u>12,885</u>	<u>(2,478,131)</u>
General revenues:							
Local sources					451,717	-	451,717
State sources					413,634	-	413,634
Federal sources					-	-	-
On-behalf payments - local					305,728	-	305,728
On-behalf payments - state					2,095,798	-	2,095,798
Investment earnings					23,663	-	23,663
Net increase in the fair value of investments					579	-	579
Transfers:							
Total general revenues					<u>3,291,119</u>	<u>-</u>	<u>3,291,119</u>
Change in net position					800,103	12,885	812,988
Net position - beginning					<u>(5,951,317)</u>	<u>107,534</u>	<u>(5,843,783)</u>
Net position - ending					<u>\$ (5,151,214)</u>	<u>\$ 120,419</u>	<u>\$ (5,030,795)</u>

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2020

	General Fund	Education Fund	Institute	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
<b>Assets:</b>						
Cash and cash equivalents	\$ 525,937	\$ 38,262	\$ 277,483	\$ 17,828	\$ -	\$ 859,510
Investments	369,354	-	-	-	-	369,354
Due from other funds	549,509	-	-	-	(549,509)	-
Accounts receivable	-	-	-	989	-	989
Due from other governments	80,285	571,282	-	80	-	651,647
Prepaid expenses	11,645	2,394	2,400	-	-	16,439
Total assets	<u>1,536,730</u>	<u>611,938</u>	<u>279,883</u>	<u>18,897</u>	<u>(549,509)</u>	<u>1,897,939</u>
<b>Deferred outflows of resources:</b>						
None	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,536,730</u>	<u>\$ 611,938</u>	<u>\$ 279,883</u>	<u>\$ 18,897</u>	<u>\$ (549,509)</u>	<u>\$ 1,897,939</u>
<b>Liabilities:</b>						
Accounts payable	\$ 19,318	\$ 7,602	\$ -	\$ 356	\$ -	\$ 27,276
Accrued payroll and employee benefits	22,912	28,985	-	-	-	51,897
Due to other funds	-	536,911	-	12,598	(549,509)	-
Due to other governments	6,941	7,237	52	-	-	14,230
Unearned revenue	5,826	12,316	-	-	-	18,142
Total liabilities	<u>54,997</u>	<u>593,051</u>	<u>52</u>	<u>12,954</u>	<u>(549,509)</u>	<u>111,545</u>
<b>Deferred inflows of resources:</b>						
Unavailable revenue	<u>39,543</u>	<u>444,821</u>	<u>-</u>	<u>60</u>	<u>-</u>	<u>484,424</u>
<b>Fund balance (deficit):</b>						
Nonspendable	11,645	2,394	-	-	-	14,039
Restricted	-	16,803	279,831	17,512	-	314,146
Assigned	551,827	-	-	-	-	551,827
Unassigned	878,718	(445,131)	-	(11,629)	-	421,958
Total fund balance (deficit)	<u>1,442,190</u>	<u>(425,934)</u>	<u>279,831</u>	<u>5,883</u>	<u>-</u>	<u>1,301,970</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,536,730</u>	<u>\$ 611,938</u>	<u>\$ 279,883</u>	<u>\$ 18,897</u>	<u>\$ (549,509)</u>	<u>\$ 1,897,939</u>

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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

June 30, 2020

Total fund balances - governmental funds		\$ 1,301,970
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>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 in the governmental funds.</p>		484,424
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		3,063
<p>Pension 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:</p>		
IMRF deferred outflows of resources	\$ 30,935	
IMRF deferred inflows of resources	(220,936)	
TRS deferred outflows of resources	1,721,175	
TRS deferred inflows of resources	(5,838,348)	
THIS deferred outflows of resources	153,505	
THIS deferred inflows of resources	<u>(533,564)</u>	(4,687,233)
<p>Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Liability for compensated absences	(8,327)	
IMRF net pension liability	(123,840)	
TRS net pension liability	(220,561)	
THIS OPEB liability	(1,771,939)	
Other OPEB liability	<u>(128,771)</u>	<u>(2,253,438)</u>
Net position of governmental activities		<u>\$ (5,151,214)</u>

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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

For the Year Ended June 30, 2020

	General Fund	Education Fund	Institute	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
<b>Revenues:</b>						
Local sources	\$ 276,885	\$ 207,969	\$ 57,305	\$ 17,579	\$ -	\$ 559,738
State sources	619,898	2,086,701	-	1,704	-	2,708,303
Federal sources	-	63,342	-	-	-	63,342
On-behalf payments - local	305,728	-	-	-	-	305,728
On-behalf payments - state	286,414	-	-	-	-	286,414
Interest income	23,104	-	559	-	-	23,663
Net increase in fair value of investments	579	-	-	-	-	579
<b>Total revenues</b>	<b>1,512,608</b>	<b>2,358,012</b>	<b>57,864</b>	<b>19,283</b>	<b>-</b>	<b>3,947,767</b>
<b>Expenditures:</b>						
<b>Instructional services:</b>						
Salaries and benefits	419,897	1,867,313	45,858	5,116	-	2,338,184
Pension expense	15,720	99,907	2,661	-	-	118,288
OPEB expense	1,488	10,911	-	-	-	12,399
Purchased services	203,746	339,579	33,131	5,284	-	581,740
Supplies and materials	24,959	185,951	146	144	-	211,200
Other objects	2,187	42,954	-	308	-	45,449
<b>Intergovernmental:</b>						
Payments to other governments	-	-	9,445	-	-	9,445
<b>Administrative:</b>						
On-behalf payments - local	305,728	-	-	-	-	305,728
On-behalf payments - state	286,414	-	-	-	-	286,414
<b>Total expenditures</b>	<b>1,260,139</b>	<b>2,546,615</b>	<b>91,241</b>	<b>10,852</b>	<b>-</b>	<b>3,908,847</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>252,469</b>	<b>(188,603)</b>	<b>(33,377)</b>	<b>8,431</b>	<b>-</b>	<b>38,920</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	21,188	-	-	(21,188)	-
Transfers out	(21,188)	-	-	-	21,188	-
<b>Total other financing sources (uses)</b>	<b>(21,188)</b>	<b>21,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances (deficits)</b>	<b>231,281</b>	<b>(167,415)</b>	<b>(33,377)</b>	<b>8,431</b>	<b>-</b>	<b>38,920</b>
Fund balances (deficit) - beginning	1,210,909	(258,519)	313,208	(2,548)	-	1,263,050
<b>Fund balances - ending</b>	<b>\$ 1,442,190</b>	<b>\$ (425,934)</b>	<b>\$ 279,831</b>	<b>\$ 5,883</b>	<b>\$ -</b>	<b>\$ 1,301,970</b>

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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, 2020

Net change in fund balances		\$ 38,920
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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 in the governmental funds.

Prior year unavailable revenue		
Local Sources	\$ (70,477)	
State Sources	(273,116)	
Current year unavailable revenue		
Local Sources	39,603	
State Sources	<u>444,821</u>	140,831

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.

Depreciation		(1,544)
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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.

Increase in liability for compensated absences	(529)	
Net pension benefit	719,507	
Net OPEB expense	(104,488)	
Net OPEB expense, implicit rate subsidy	<u>7,406</u>	<u>621,896</u>

Change in net position of governmental activities		<u>\$ 800,103</u>
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The notes to the financial statements are an integral part of this statement.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2020

	Business-type Activities Enterprise Funds	
	Nonmajor Enterprise Funds	Total
Assets:		
Currents assets:		
Cash and cash equivalents	\$ 110,629	\$ 110,629
Accounts receivable	1,365	1,365
Due from other governments	11,636	11,636
Total current assets	123,630	123,630
Total assets	123,630	123,630
Deferred outflows of resources:		
None	-	-
Liabilities:		
Current liabilities:		
Due to other governments	3,211	3,211
Deferred inflows of resources:		
None	-	-
Net position:		
Unrestricted	120,419	120,419
Total net position	\$ 120,419	\$ 120,419

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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

For the Year Ended June 30, 2020

	Business-type Activities Proprietary Funds	
	Nonmajor Enterprise Funds	Total
Operating revenues:		
Charges for services	\$ 101,512	\$ 101,512
Total operating revenues	101,512	101,512
Operating expenses:		
Salaries and benefits	41,447	41,447
Purchased services	43,016	43,016
Supplies and materials	3,534	3,534
Payments to other governments	630	630
Total operating expenses	88,627	88,627
Change in net position	12,885	12,885
Net position - beginning	107,534	107,534
Net position - ending	\$ 120,419	\$ 120,419

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2020

	Business-type Activities Proprietary Funds	
	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:		
Receipts from customers	\$ 131,327	\$ 131,327
Payments to suppliers and providers of goods and services	(49,938)	(49,938)
Payments to employees	(53,520)	(53,520)
Net cash provided by operating activities	27,869	27,869
 Net increase in cash and cash equivalents	 27,869	 27,869
 Cash and cash equivalents - beginning	 82,760	 82,760
Cash and cash equivalents - ending	\$ 110,629	\$ 110,629
 Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 12,885	\$ 12,885
 Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) Decrease in accounts receivable	(615)	(615)
(Increase) Decrease in due from other governments	30,605	30,605
Increase (Decrease) in accounts payable	(844)	(844)
Increase (Decrease) in accrued payroll liabilities	(12,073)	(12,073)
Increase (Decrease) in due to other governments	(1,914)	(1,914)
Increase (Decrease) in unearned revenue	(175)	(175)
Net cash provided by operating activities	\$ 27,869	\$ 27,869

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

June 30, 2020

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 218,228
Due from other governments	4,880,187
Prepaid expenses	<u>2,000</u>
Total assets	<u>\$ 5,100,415</u>
Liabilities:	
Accounts payable	\$ 4,265
Due to other governments	<u>5,096,150</u>
Total liabilities	<u>\$ 5,100,415</u>

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Sangamon-Menard Counties Regional Office of Education #51 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 #51 is presented to assist in understanding the Regional Office of Education #51's financial statements. The financial statements and notes are representations of the Regional Office of Education #51'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 of Education #51 operates under the School Code (Articles 5/3 and 5/3A of Illinois Compiled Statutes, Chapter 105). The Regional Office of Education #51 encompasses Sangamon and Menard Counties. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the Regional Office of Education #51 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 teacher institutes as well as to aid and encourage the formation of other teachers' meetings and assist in their management; 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 #51's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions and carrying out other related duties required or permitted by law.

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

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

FINANCIAL REPORTING ENTITY (Continued)

For the period ended June 30, 2020, the Regional Office of Education #51 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #51. Such activities are reported as a single special revenue fund (Education Fund).

SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #51's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #51 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #51, 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 #51 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 #51 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #51 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #51 being considered a component unit of the entity.

NEW ACCOUNTING PRONOUNCEMENTS

In 2020, the Regional Office of Education #51 implemented Governmental Accounting Standards Board (GASB) Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* and applicable sections of GASB No. 92, *Omnibus 2020*. The implementation of these standards did not have a significant effect on the Regional Office of Education #51's financial statements.

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 #51'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 #51 has two business-type activities that rely on fees and charges for support.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The Regional Office of Education #51'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 #51 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 #51's assets (including capital assets), deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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 proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Position and as other financing sources and uses on the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and as transfers in and out on the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds and between business-type 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.

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

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.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position present 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.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

PROPRIETARY FUND FINANCIAL STATEMENTS (Continued)

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.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

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 assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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 #51; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Under the terms of grant agreements, Regional Office of Education #51 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is the Regional Office of Education #51's policy to first apply restricted funds, then unrestricted funds. For unrestricted fund balances, committed funds are used first, then assigned funds, then unassigned if any.

FUND ACCOUNTING

The Regional Office of Education #51 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 #51 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

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

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets 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 #51 has presented all major funds that met the above qualifications.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

GOVERNMENTAL FUNDS (Continued)

The Regional Office of Education #51 reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the Regional Office of Education #51. 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 Funds include the following:

Local – These funds are generated through interest and fees earned for providing various administrative functions for entities including the Illinois State Board of Education (ISBE), the Technology Conference and Illinois Special Education Administrators and are used to assist in providing for the needs of the Staff Development Center (SDC) not funded through State or county dollars.

Administrative Discretionary – These funds are generated through interest and fees earned for providing various administrative functions for entities including the Illinois State Board of Education, the Technology Conference and Illinois Special Education Administrators and are used to assist in providing for the needs of the Regional Office not funded through State or county dollars.

General State Aid – Truants Alternative Optional Education Program – This fund accounts for General State Aid used for the general operations of the Truants Alternative Optional Education Program.

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

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

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

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

Area III – Homeless Liaison Project – This grant provides funds for providing information to schools, community members, and government entities about the educational rights of homeless students.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

GOVERNMENTAL FUNDS (Continued)

Sangamon County Truants Alternative Optional Education Program (TAOEP) – This program is devoted to ensuring that each referred at-risk student will be provided with individualized educational and supplemental services that meet the holistic needs of the student in the pursuit of their educational development. TAOEP offerings include: identification of at-risk students and dropouts, truancy intervention services, academic intervention and remediation, parental skills development, and network with community agencies and businesses.

State and Federal School Breakfast and Lunch – This program is designed to provide breakfast and lunch free or at reduced prices to eligible students, as determined in accordance with federal and State guidelines, as a healthy start to the school day to enhance the student’s learning abilities. All meals provided must meet U.S. Department of Agriculture requirements for servings and nutrition.

Kindergarten Individual Development Survey (KIDS) – This program provides staff support to help achieve the goal of supporting lead districts that build the systems and processes needed to accelerate and sustain improved student outcomes and build capacity to extend these initiatives Statewide.

Project Impact – This program is a statewide system of differentiated supports and accountability to improve student learning, purposely designed for capacity development to leverage schools' strengths to meet student needs.

Title II – Teacher Quality – Leadership – This program accounts for grant monies received for and in payment of expenditures to provide online training that is required by the Illinois Performance Evaluation Reform Act to train education administrators to evaluate other administrators and teachers. The program is designed to increase the number of highly qualified administrators and teachers, leading to increased student academic achievement.

Principal Preparation and Evaluation – This program is designed to assist with principal programs and the approval process of such, provide assistance and support services to Division personnel including technical support and training, and work with other ISBE personnel on educator preparation matters.

Reading Initiative – This fund provides for consultant support for initiatives necessitated by the American Recovery and Reinvestment Act (ARRA) and the No Child Left Behind Act (NCLB). The consultants read and evaluate the quality of NCLB and ARRA applications for approval or create review checklist(s) for needed initial application and amendments; provide technical assistance to Illinois schools through written and verbal communication relating to NCLB and ARRA applications; enforce Title I and State accountability requirements and review federal and State fiscal and programmatic documentation to determine implications for schools and districts.

ROE/ISC Operations – These funds are provided by the ISBE through a budget application process to Regional Offices to provide staff development to district schools and teachers. The Staff Development Center offers Administrator Academy activities, School Improvement initiatives, and staff development opportunities in the areas of reading, math, science, and technology. Monies are used for overhead costs and salaries of employees at the Staff Development Center.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

GOVERNMENTAL FUNDS (Continued)

American Institute of Research (AIR) – This funding is received from a subcontract with AIR, to provide school improvement services via the Center for School improvement in connection with the Title I program.

Pilot 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.

ISBE Field Monitor – This program is used to account for a grant to provide area field managers to support the Illinois State Board of Education's Statewide System of support called "IL-EMPOWER."

AdvancED – This program is used to account for participation in the AdvancED Accreditation following the AdvancED Standards and Policies for the initial accreditation for a Regional Office Of Education. The Regional Office Of Education #51 shall receive accreditation by 2020.

Digital Equity - The program seeks to remove the 6 highlighted barriers that can impede equitable access or participation in educational programming: gender, race, national origin, color, disability, or age. The grant provides funds to eliminate the inequity of digital access by providing devices and global hotspot/modem so students are able to access high speed LTE internet.

Institute Fund – The Teacher Institute Fund accounts for teacher license fees. These funds are to be used to defray expenses connected with improving the technology necessary for the efficient processing of licenses as well as any expenses incidental to teacher institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers. All funds generated remain restricted until expended only on the aforementioned activities.

The Regional Office of Education #51 reports the following nonmajor special revenue funds:

General Education Development (GED) Certificate – Illinois law requires the Regional Superintendent of Schools of each county/counties to administer the GED test. The GED tests are given at Lanphier High School once a month. Testing fees provide for testing materials and staff salaries.

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

PROPRIETARY FUNDS

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #51 on a cost reimbursement basis are reported. Enterprise funds are proprietary funds that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to external entities or the general public on a continuing basis should be financed or recovered primarily through user charges. Proprietary Funds include the following non-major funds:

Staff Development Center Workshop Fund – This fund is an enterprise fund established to track revenues received and expenses incurred in offering professional development workshops for teachers and administrators in Menard and Sangamon Counties.

Background Checks – The Regional Office of Education provides background checks/ fingerprinting to all schools in Menard and Sangamon Counties for new hires. The schools send requests to the Regional Office of Education, who forwards background check information to the Illinois State Police database. The fee for the background check and/or fingerprinting is paid by each school district.

FIDUCIARY FUNDS

Agency Funds – Agency Funds are used to account for assets held by the Regional Office of Education #51 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds include the following:

Illinois Education and Technology Conference – The Regional Office acts as the fiscal agent for this annual conference, which provides an opportunity to discover how educators can be an active part of the information revolution. Funding is derived from registration fees, vendor fees, and sponsorship fees.

Sangamon County Schoolmasters – The Schoolmasters is an organization of all Sangamon County superintendents and school directors. Membership fees are used to provide meetings and seminars for disseminating current information on administration issues.

Sangamon County Learning Academy – This is a self-supporting account that provides services for students at the Sangamon County Learning Academy. Funds are derived from lunch money and registration fees.

Those Who Excel – The ROE acts as the fiscal agent for the annual Teacher of the Year banquet hosted by the Illinois State Board of Education.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

FIDUCIARY FUNDS (Continued)

School Facility Occupation Tax – This fund accounts for the assets held by the Regional Office of Education #51 to be distributed to local school districts. Monies are received from the State Comptroller for the School Facilities Occupation Tax and are disbursed to the school districts.

GOVERNMENTAL FUND BALANCES

Fund Balance is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in a Governmental Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Regional Office of Education #51 considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Regional Office of Education #51 considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Regional Superintendent has provided otherwise in its commitment or assignment actions.

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 fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. Administrative Discretionary, General State Aid – Truants Alternative Optional Education Program, General State Aid – Regional Safe Schools and Kindergarten Individual Development Survey (KIDS) have nonspendable fund balances.

Restricted Fund Balance – the portion of a Governmental Fund’s fund balance that is subject to external enforceable legal restrictions. The following accounts’ fund balances are restricted by grant agreements or contracts: State and Federal School Breakfast and Lunch and Principal Preparation and Evaluation. The following funds are restricted by Illinois Statute: Institute, General Education Development (GED) Certificate, and Bus Driver Training.

Committed Fund Balance – the portion of a Governmental Fund’s fund balance with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #51 has no committed fund balances.

Assigned Fund Balance – the portion of a Governmental Fund’s fund balance to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The General State Aid – Truants Alternative Optional Education Program and General State Aid – Regional Safe Schools accounts have assigned fund balances.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

GOVERNMENTAL FUND BALANCES (Continued)

Unassigned Fund Balance – available expendable resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: Local and Administrative Discretionary. The Kindergarten Individual Development Survey (KIDS), ISBE Field Monitor, and Digital Equity accounts reported in the Education Fund account have unassigned fund balances. The General Education Development Certificate fund reported with the nonmajor special revenue funds has an unassigned fund balance.

NET POSITION

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

Invested 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 \$304,661 of which \$302,577 is restricted by enabling legislation.

CASH AND CASH EQUIVALENTS

The Sangamon County Regional Office of Education #51's cash and cash equivalents are considered to be demand deposits and short-term investments (investments with a maturity date of three months or less). All interest income is recognized as revenue in the appropriate fund's Statement of Revenues, Expenditures, and Changes in Fund Balance.

INVENTORY

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

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$1,000 or more 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.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

CAPITAL ASSETS (Continued)

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

Office Equipment and Furniture	5-10 years
Computer Equipment	3-10 years
Other Equipment	5-20 years

COMPENSATED ABSENCES

Noncertified and certified employees who work 12 calendar months can earn up to 20 vacation days for a full year of service. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. Because salaries are grant funded from year to year, all vacation time must be used before the end of the fiscal year. A non grant funded employee may request that a maximum of 20 days of unused vacation be carried over to the next fiscal year and is eligible for payout upon termination. Employees can also receive up to 12 sick days annually. An employee may request that a maximum of 180 days of unused sick days be carried over to the next fiscal year and a maximum of 36 sick days is eligible for payout upon termination. For the year ended June 30, 2020, the liability for unused vacation days was \$8,327, which represents an increase of \$529 from the balance reported at June 30, 2019, and is shown on the Statement of Net Position.

BUDGET DATA

The Regional Office of Education #51 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, however, none of the annual budgets have been legally adopted nor are they required to be. Comparisons of budgeted and actual results are presented as supplementary information.

Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Regional Safe Schools, Area III – Homeless Liaison Project, Sangamon County Truants Alternative Optional Education Program, Title II – Teacher Quality – Leadership, ROE/ISC Operations, Pilot Regional Safe School Cooperative Education Program, and Digital Equity.

DEFERRED OUTFLOWS OF RESOURCES, DEFERRED INFLOWS OF RESOURCES, PENSIONS AND POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

DEFERRED OUTFLOWS OF RESOURCES, DEFERRED INFLOWS OF RESOURCES, PENSIONS AND POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

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

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

Postemployment Benefits Other Than Pensions (OPEB) – For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education #51's single-employer defined benefit OPEB plan has been actuarially determined using the Alternative Measurement Method.

USE OF ESTIMATES

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

**2 CASH**

The Regional Office of Education #51 does not have a formal investment policy. The Regional Office of Education #51 is allowed to invest in securities as authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**2 CASH (Continued)**

DEPOSITS

At June 30, 2020, the carrying amount of the Regional Office of Education #51's government-wide and Agency fund deposits were \$970,139 and \$218,228, respectively, and the bank balances were \$1,067,590 and \$218,228, respectively. Of the total bank balances as of June 30, 2020, \$251,000 was insured by Federal Depository Insurance Corporation, \$722 was invested in the Illinois Funds Money Market Fund, \$750,000 was secured by a letter of credit, and \$284,096 was uninsured and uncollateralized.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the Regional Office of Education #51's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #51's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education #51.

INVESTMENTS

The Regional Office of Education #51's policy is to invest solely in investments authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7. As noted above, the Regional Office of Education #51 had \$722 invested in the Illinois Funds Money Market Fund at June 30, 2020. This amount is included in the cash and cash equivalents reported in the financial statements. The Regional Office of Education #51 also had investments with a carrying value of \$369,354 invested in money market funds, U.S. agency obligations, and municipal bonds with a local financial institution. This amount is reported as investments in the financial statements.

The Regional Office of Education #51 categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation methods used to measure the fair value of the asset. Level 1 inputs are quoted prices for identical assets in active markets that the Regional Office can access. Level 2 inputs are observable prices, either directly or indirectly, for an asset. Level 3 inputs are unobservable inputs for an asset.

During fiscal year 2020, there were no changes in valuation techniques that would have a significant impact on the results. For each of the following investments, level 2 inputs were used to determine fair value.

As of June 30, 2020, the Regional Office of Education #51 had the following investments with the following maturities.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**2 CASH (Continued)**

INVESTMENTS (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Year of Maturity</u>
U.S. Agency Obligations	\$ 32,879	2038
Municipal Bond Obligations	50,276	2020
Municipal Bond Obligations	20,218	2020
Municipal Bond Obligations	5,551	2023
Municipal Bond Obligations	21,986	2023
Municipal Bond Obligations	26,928	2023
Municipal Bond Obligations	40,344	2024
Municipal Bond Obligations	43,204	2024
Municipal Bond Obligations	55,895	2027
Certificate of Deposit	<u>31,056</u>	2021
	328,337	
Money Market Funds	13,627	
Exchange-Traded Funds	<u>27,390</u>	
	41,017	
Total Investments	<u>\$ 369,354</u>	

CREDIT RISK

At June 30, 2020, the Illinois Funds Money Market Fund had a Standard and Poor's AAAm rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

The following table presents the quality ratings of debt securities held by the Regional Office of Education #51 as of June 30, 2020.

<u>Investment Type</u>	<u>Standard &amp; Poors Rating</u>	<u>Fair Value</u>
U.S. Agency Obligations	Not Rated	\$ 32,879
Municipal Bond Obligations	AA	165,303
Municipal Bond Obligations	A+	55,895
Municipal Bond Obligations	Not Rated	43,204
Certificate of Deposit	Not Rated	<u>31,056</u>
Total Debt Securities		<u>\$ 328,337</u>

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**2 CASH (Continued)**

CONCENTRATION OF CREDIT RISK

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

INTEREST RATE RISK

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

The Regional Office of Education #51 does not have a policy limiting investment maturities as a means of managing interest rate risk for its investments with a local financial institution.

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

IMRF PLAN DESCRIPTION

The Regional Office of Education #51'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 #51's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](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).

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

BENEFITS PROVIDED (Continued)

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, 2019, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	31
Inactive Plan Members entitled to but not yet receiving benefits	30
Active Plan Members	11
Total	72

CONTRIBUTIONS

As set by statute, the Regional Office of Education #51'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 #51's annual contribution rate for calendar year 2019 was 6.02%. For the fiscal year ended June 30, 2020, the Regional Office of Education #51 contributed \$43,662 to the plan. The Regional Office of Education #51 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.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

NET PENSION LIABILITY (ASSET)

The Regional Office of Education #51's net pension liability (asset) was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability (asset) 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, 2019:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.35% to 14.25%.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
- For **Non-Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

ACTUARIAL ASSUMPTIONS (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	37%	5.75%
International Equities	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	
Private Equity	N/A	7.60%
Hedge Funds	N/A	N/A
Commodities	N/A	3.60%
Cash Equivalents	1%	1.85%
Total	100%	

SINGLE DISCOUNT RATE

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

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, 2018	\$ 2,165,722	\$ 1,929,259	\$ 236,463
Changes for the year:			
Service Cost	26,306	-	26,306
Interest on the Total Pension Liability	154,473	-	154,473
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	87,311	-	87,311
Changes of Assumptions	-	-	-
Contributions - Employer	-	21,810	(21,810)
Contributions - Employees	-	16,303	(16,303)
Net Investment Income	-	344,484	(344,484)
Benefit Payments, including Refunds of Employee Contributions	(96,911)	(96,911)	-
Other (Net Transfer)	-	(1,884)	1,884
Net Changes	171,179	283,802	(112,623)
Balances at December 31, 2019	\$ 2,336,901	\$ 2,213,061	\$ 123,840

SENSITIVITY OF THE NET PENSION LIABILITY (ASSET) TO CHANGES IN THE DISCOUNT RATE

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability (asset) 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)	\$ 352,038	\$ 123,840	\$ (65,886)

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

For the year ended June 30, 2020, the Regional Office of Education #51 recognized pension expense of \$88,530. At June 30, 2020, the Regional Office of Education #51 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**3 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 Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actuarial experience	\$ -	\$ 25,719
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	195,217
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	-	220,936
<i>Pension contributions made subsequent to the measurement date</i>	30,935	-
Total Deferred Amounts Related to Pensions	\$ 30,935	\$ 220,936

\$30,935 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, 2021.

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

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2020	\$ (147,696)
2021	(31,905)
2022	116
2023	(41,451)
Thereafter	-
Total	\$ (220,936)

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

The Regional Office of Education #51 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2019>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

**BENEFITS PROVIDED**

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

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

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

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

**CONTRIBUTIONS**

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

CONTRIBUTIONS (Continued)

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, 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 #51.

ON BEHALF CONTRIBUTIONS TO TRS

The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #51. For the year ended June 30, 2020, State of Illinois contributions recognized by the Regional Office of Education #51 were based on the State's proportionate share of the collective net pension liability associated with the Regional Office of Education #51, and the Regional Office of Education #51 recognized revenue and expenditures of \$1,704,315 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, 2020 were \$7,851 and are deferred because they were paid after the June 30, 2019 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 #51, there is a statutory requirement for the Regional Office of Education #51 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, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$640,735 were paid from federal and special trust funds that required employer contributions of \$68,302. Actual contributions paid were \$66,775 and are deferred because they were paid after the June 30, 2019 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. Regional Office of Education #51 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.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**4 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, 2020, the Regional Office of Education #51 made a payment of \$1,561 to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave in excess of the normal annual allotment.

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

At June 30, 2019, the Regional Office of Education #51 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer follows below:

Employers proportionate share of the net pension liability	\$ 220,561
State's proportionate share of the net pension liability associated with the employer	15,697,109
	\$ 15,917,670

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019. The Regional Office of Education #51's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2019, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2019, the Regional Office of Education #51's proportion was 0.0002719348 percent, which was an increase of 0.0000993653 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Regional Office of Education #51 recognized pension expense of \$1,704,315 and revenue of \$1,704,315 for support provided by the State. For the year ended June 30, 2020, the Regional Office of Education #51 recognized pension benefit of \$689,749. At June 30, 2020, the Regional Office of Education #51 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,617	\$ -
Net difference between projected and actual earnings on pension plan investments	349	-
Changes of assumptions	4,942	4,234
Changes in proportion and difference between employer contributions and proportionate share of contributions	1,637,641	5,834,114
Employer contributions subsequent to the measurement date	74,626	-
	\$ 1,721,175	\$ 5,838,348

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**4 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)

\$74,626 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ended June 30:	
2021	\$ (1,056,417)
2022	(1,264,060)
2023	(1,292,590)
2024	(584,739)
2025	<u>6,007</u>
	<u>\$ (4,191,799)</u>

ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50 percent
Salary increases:	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, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2018 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

ACTUARIAL ASSUMPTIONS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. equities large cap	15.0%	6.3%
U.S. equities small/mid cap	2.0%	7.7%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.5%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.0%
International debt developed	2.2%	1.1%
Emerging international debt	2.6%	4.4%
Real estate	16.0%	5.2%
Real return	4.0%	1.8%
Absolute return	14.0%	4.1%
Private equity	15.0%	9.7%
Total	<u>100%</u>	

DISCOUNT RATE

At June 30, 2019, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2018 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, 2019 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE REGIONAL OFFICE OF EDUCATION #51'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Regional Office of Education #51's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Regional Office of Education #51's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Employer's proportionate share of the net pension liability	\$ 269,396	\$ 220,561	\$ 180,409

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

TRS FIDUCIARY NET POSITION

Detailed information about the TRS's fiduciary net position as of June 30, 2019 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

**5 TEACHERS' HEALTH INSURANCE SECURITY FUND**

The Regional Office of Education #51 participates in the Teachers' Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers' Retirement System (TRS).

BENEFITS PROVIDED

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

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

ON BEHALF CONTRIBUTIONS TO THE THIS FUND

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #51. For the year ended June 30, 2020, State of Illinois contributions recognized by the Regional Office of Education #51 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education #51, and recognized revenue and expenditures of \$105,069 in OPEB contributions from the State of Illinois.

EMPLOYER CONTRIBUTIONS TO THE THIS FUND

The Regional Office of Education #51 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2020, and 0.92 and 0.88 percent during the years ended June 30, 2019 and 2018, respectively. For the year ended June 30, 2020, the Regional Office of Education #51 paid \$12,399 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2019 and 2018, the Regional Office of Education #51 paid \$14,477 and \$15,742 to the THIS Fund, respectively.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**5 TEACHERS' HEALTH INSURANCE SECURITY FUND (Continued)**

FURTHER INFORMATION ON THE THIS FUND

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

ACTUARIAL ASSUMPTIONS

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 projected to the measurement date of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation:	2.50 percent
Salary increases:	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:	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare cost trend rates:	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017. The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014. Key changes include increase in salary scale assumption, retirement rates adjusted based on service, rates of termination were decreased, rates of disability were decreased, mortality table was updated to reflect experience and mortality improvement scales, discount rates and healthcare trend assumptions were updated, the excise tax trend was updated based on available premium and enrollment information, per capita claim costs were updated and healthcare plan participation was updated based upon observed experience.

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).

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**5 TEACHERS' HEALTH INSURANCE SECURITY FUND (Continued)**

SINGLE DISCOUNT RATE (Continued)

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 3.62 percent as of June 30, 2018, and 3.13 percent as of June 30, 2019.

SENSITIVITY OF THE REGIONAL OFFICE OF EDUCATION #51'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Regional Office of Education #51's proportionate share of the collective net OPEB liability, as well as what the ROE's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Employer's proportionate share of the collective net OPEB liability	\$ 2,130,479	\$ 1,771,939	\$ 1,488,718

SENSITIVITY OF THE REGIONAL OFFICE OF EDUCATION #51'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following table shows the Regional Office of Education #51's proportionate share of the collective net OPEB liability as of June 30, 2019, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare

	1% Decrease <sup>a</sup>	Current Discount Rate	1% Increase <sup>b</sup>
Employer's proportionate share of the collective net OPEB liability	\$ 1,431,559	\$ 1,771,939	\$ 2,231,598

<sup>a</sup> One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate rate of 3.81% in 2027 for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

<sup>b</sup> One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**5 TEACHERS' HEALTH INSURANCE SECURITY FUND (Continued)**

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

At June 30, 2020, the Regional Office of Education #51 reported a liability for its proportionate share of the collective net OPEB liability (first amount shown below) that reflected a reduction for State OPEB support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the employer follows below:

Employers proportionate share of the collective net OPEB liability	\$ 1,771,939
State's proportionate share of the collective net OPEB liability associated with the employer	2,399,356
	\$ 4,171,295

The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019 measurement date. The Regional Office of Education #51's proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education #51's long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education #51, actuarially determined. At June 30, 2019, the Regional Office of Education #51's proportion was 0.006402 percent, which was a decrease of 0.001128 from its proportion measured as of June 30, 2018 (0.007530 percent). The State's support and total are for disclosure purposes only.

For the year ending June 30, 2020, the Regional Office of Education #51 recognized OPEB expense of \$105,069 and revenue of \$105,069 for support provided by the State. For the year ending June 30, 2020, the Regional Office of Education #51 recognized OPEB expense of \$65,929. At June 30, 2020, the Regional Office of Education #51 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 29,404
Net difference between projected and actual earnings on OPEB plan investments	-	58
Changes of assumptions	672	203,122
Changes in proportion and difference between employer contributions and proportionate share of contributions	140,434	300,980
Employer contributions subsequent to the measurement date	12,399	-
	\$ 153,505	\$ 533,564

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**5 TEACHERS' HEALTH INSURANCE SECURITY FUND (Continued)**

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

\$12,399 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education #51 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education #51's OPEB expense as follows:

Year ended June 30:	
2021	\$ (60,713)
2022	(60,713)
2023	(60,708)
2024	(60,696)
2025	(50,264)
Thereafter	<u>(99,364)</u>
	<u>\$ (392,458)</u>

THIS FIDUCIARY NET POSITION

Detailed information about the THIS' fiduciary net position as of June 30, 2019, is available in the separately issued THIS financial report.

**6 OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE**

PLAN DESCRIPTION

The Regional Office of Education #51 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF and TRS retirement plans. This plan extends the same health benefits to annuitants as to active employees in the IMRF and TRS plans. The GASB issued Statement No.'s 74 and 75 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

ELIGIBILITY PROVISIONS

Full-Time Employees - IMRF

Tier I IMRF Full-Time employees:

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**6 OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)**

ELIGIBILITY PROVISIONS (Continued)

Tier II IMRF Full-Time employees:

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

Full-Time Employees - TRS

Tier I TRS Full-Time employees:

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

Tier II TRS Full-Time employees:

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

BENEFITS PROVIDED

The Regional Office of Education #51 provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The Regional Office of Education #51 offers the health insurance coverage to full-time IMRF and TRS employees. Retirees pay the full cost of coverage. Coverage continues until the retiree stops paying for it. Eligible spouse/dependent coverage may continue should the Retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. Eligible spouse/dependents pay the full cost of coverage.

MEMBERSHIP

At June 30, 2020 membership consisted of:

Retirees and Beneficiaries currently receiving benefits	-
Inactive Plan Members entitled to but not yet receiving benefits	-
Active Plan Members	28
Total	28

FUNDING POLICY AND CONTRIBUTIONS

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

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

The contributions of \$7,406 from other Regional Office of Education #51 resources and benefit payments of \$7,406 from other Regional Office of Education #51 resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**6 OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)**

TOTAL OPEB LIABILITY

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2020 actuarial valuation date and adjusted to the June 30, 2020 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

ACTUARIAL ASSUMPTIONS

Discount Rate used for the Total OPEB Liability:	Beginning of the fiscal year was 3.50%, End of fiscal year was 2.21%.
Long-Term Expected Rate of Return on Plan Assets:	N/A. OPEB obligation is unfunded.
High Quality 20 Year Tax-Exempt G.O. Bond Rate:	Beginning of the fiscal year was 3.50%, End of fiscal year was 2.21%.
Salary Increases:	The salary increase assumption of 2.50% was based on a review of the IMRF experience study report dated November 8, 2017 and TRS experience study dated September 18, 2018.
Annual Blended Premiums:	Premiums charged for coverage of retiree and spouse are \$7,517 and \$8,272, respectively.
Healthcare Trend Rates:	Initial trend rate is based on known information with the second rate following the 2020 Segal Health Plan Cost Trend Survey. For fiscal years on and after 2020, trend starts at 6.30% for both non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 5.00%.
Retiree Contribution Rates: Retirement, Termination and Disability Rates:	Same as Healthcare Trend Rates. IMRF is based on rates from IMRF experience study report dated November 8, 2017. TRS is based on rates from TRS experience study report dated September 18, 2018.
Mortality Rates:	IMRF - RP-2014 with Blue Collar Adjustment and MP-2016 Improvement, weighted per IMRF experience study dated November 8, 2017. TRS - RP-2014 with White Collar Adjustment and MP-2017 Improvement, weighted per TRS experience study report dated September 18, 2018.

For any active participant who will not meet the service requirement necessary to retire at the single retirement ages, it is assumed they have prior service with a different employer and therefore will be eligible to retire. In the current valuation, there are 9 participants impacted by this assumption.

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

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**6 OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)**

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at July 1, 2019	\$ 85,219
Changes for the period:	
Service cost	1,256
Interest	3,033
Changes of benefit terms	-
Differences between expected and actual experience	33,362
Changes of assumptions	13,307
Benefit payments	(7,406)
Net changes	43,552
Balance at June 30, 2020	\$ 128,771

DISCOUNT RATE

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the Regional Office of Education #51, then only the municipal bond rate is used in determining the total OPEB liability.

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

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

MUNICIPAL BOND RATE

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The beginning of year rate is 3.50% and the end of year rate is 2.21%. 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.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**6 OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)**

MUNICIPAL BOND RATE (Continued)

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

SENSITIVITY OF THE DISCOUNT RATE

The following presents the Regional Office of Education #51's total OPEB liability calculated using a discount rate of 2.21%, as well as what the total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (3.21%) or 1-percentage-point lower (1.21%) than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Employer's total OPEB liability	\$ 140,418	\$ 128,771	\$ 118,941

SENSITIVITY OF THE HEALTHCARE COST TREND RATES

The following presents the Regional Office of Education #51's total OPEB liability, calculated using the healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 6.30% in 2020 decreasing to an ultimate trend rate of 5.00% in 2030 for both non-Medicare coverage and post-Medicare coverage.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Employer's total OPEB liability	\$ 118,172	\$ 128,771	\$ 141,195

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

For the year ending June 30, 2020, the Regional Office of Education #51 recognized OPEB expense of \$50,958. At June 30, 2020 the Regional Office of Education #51 had no deferred outflows of resources or deferred inflows of resources related to OPEB.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**7 LONG-TERM LIABILITIES**

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Governmental Activities:				
Liability for compensated absences	\$ 7,798	\$ 529	\$ -	\$ 8,327
Net pension liability	370,972	-	(26,571)	344,401
Net OPEB liability	2,069,006	-	(168,296)	1,900,710
Total	\$ 2,447,776	\$ 529	\$ (194,867)	\$ 2,253,438

Of the liability amounts listed above for year ending June 30, 2020, there were no amounts due within one year.

**8 OPERATING LEASES**

The Regional Office of Education #51 leases classroom, office, and laboratory space. During fiscal year 2020, the Regional Office had three separate leases for 6,333 square feet, 2,805 square feet, and 1,900 square feet, all leased at \$8.37 per square foot. The Regional Office also leased office space with annual rent of \$5,680. Rent expense for the year ended June 30, 2020, was \$98,068. The Regional Office also leases a copier over a 60-month term ending March 2021 which requires monthly payments of \$134, a copier over a 60 month term ending September 2023 which requires monthly payments of \$159, a digital desktop mailing system leased over a 60-month term ending December 2024 which requires quarterly payments of \$165, and a postage machine and maintenance contract which requires monthly payments of \$48 and \$20, respectively, with a term ending in January 2022. Total equipment lease expense for the year ended June 30, 2020, was \$5,050. Future minimum rentals are as follows for the years ending June 30:

2021	\$ 4,593
2022	3,043
2023	2,567
2024	976
2025	329
	\$ 11,508

**9 RISK MANAGEMENT**

The Regional Office of Education #51 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 #51 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.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**10 CAPITAL ASSET ACTIVITY**

In accordance with GASB Statement No. 34, the Regional Office of Education #51 reports the net book value of capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The Regional Office of Education #51's assets are composed of furniture and equipment. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
<b>Governmental Activities:</b>				
Capital Assets, Being Depreciated				
Computer equipment	\$ 102,090	\$ -	\$ -	\$ 102,090
Other equipment	42,142	-	-	42,142
Total	<u>144,232</u>	<u>-</u>	<u>-</u>	<u>144,232</u>
Less Accumulated Depreciation				
Computer equipment	(97,803)	(1,224)	-	(99,027)
Other equipment	(41,822)	(320)	-	(42,142)
Total	<u>(139,625)</u>	<u>(1,544)</u>	<u>-</u>	<u>(141,169)</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,607</u>	<u>\$ (1,544)</u>	<u>\$ -</u>	<u>\$ 3,063</u>
<b>Business-type Activities:</b>				
Capital Assets, Being Depreciated				
Other equipment	\$ 11,912	\$ -	\$ -	\$ 11,912
Less Accumulated Depreciation				
Other equipment	<u>(11,912)</u>	<u>-</u>	<u>-</u>	<u>(11,912)</u>
Business-type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2020 of \$1,544 was charged to the governmental activities 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 and related debt.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**11 INTERFUND ACTIVITY**

DUE TO/FROM OTHER FUNDS

Interfund due to / from other funds at June 30, 2020 consist of the following individual due to / from other funds in the governmental fund Balance Sheet. The interfund loan balances between governmental funds are eliminated in the government-wide Statement of Net Position. The purpose of interfund borrowing was to cover temporary shortfalls in cash flow within grant programs and funds.

	Due To Other Funds	Due From Other Funds
General Fund	\$ -	\$ 549,509
Education Fund	536,911	-
Nonmajor Special Revenue Funds	12,598	-
Total	\$ 549,509	\$ 549,509

TRANSFERS

Interfund transfers in / out to other funds at June 30, 2020 consist of the following individual transfers in / out to other funds in the fund statements. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, the transfers between the governmental funds and the business-type funds, if any, were not eliminated. The purpose of interfund transfers was to cover permanent shortfalls in cash flow within grant programs and funds and to close out inactive funds.

	Transfers In	Transfers Out
General Fund	\$ -	\$ 21,188
Education Fund	21,188	-
Total	\$ 21,188	\$ 21,188

**12 ON-BEHALF PAYMENTS**

The State of Illinois paid the following salaries and benefits on-behalf of the Regional Office of Education #51:

State of Illinois	
Regional Superintendent Salary	\$ 119,832
Regional Superintendent Fringe Benefit (Includes State paid insurance)	32,365
Assistant Regional Superintendent Salary	107,844
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	26,373
Total	\$ 286,414

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**12 ON-BEHALF PAYMENTS (Continued)**

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). The on-behalf payments are reflected as revenues and expenditures of the General Fund.

The Regional Office of Education #51 also recorded \$1,809,384 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 Teacher's Health Insurance Security Fund (THIS) OPEB expense in the Statement of Activities. In addition, the Regional Office of Education #51 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.

State of Illinois on-behalf payments	\$	286,414
ROE#51's share of TRS pension expense		1,704,315
ROE#51's share of THIS OPEB expense		105,069
		2,095,798
		\$ 2,095,798

Sangamon County provides the Regional Office with staff and pays certain expenditures on behalf of the Regional Office. The expenditures paid on the Regional Office of Education #51's behalf for the year ended June 30, 2020, were as follows:

Salaries and benefits	\$	291,417
Supplies and materials		14,311
Total		305,728
		\$ 305,728

**13 DUE TO/FROM OTHER GOVERNMENTS**

The Regional Office of Education #51's General Fund, Education Fund, Institute Fund, Nonmajor Special Revenue Funds, Nonmajor Proprietary Funds, and Agency Funds have funds due from/to various other governmental units which consist of the following:

Due From Other Governments:

<u>General Fund</u>		
Local Governments	\$	57,330
Illinois Municipal Retirement Fund		9,120
Illinois State Board of Education		13,835
 <u>Education Fund</u>		
Local Governments		34,050
Illinois State Board of Education		537,232
 <u>Nonmajor Special Revenue Funds</u>		
Local Governments		80

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**13 DUE TO/FROM OTHER GOVERNMENTS (Continued)**

<u>Nonmajor Proprietary Funds</u>	
Local Governments	11,636
 <u>Agency Funds</u>	
Local Governments	4,880,187
Total	\$ 5,543,470

Due To Other Governments:

<u>General Fund</u>	
Local Governments	\$ 6,941
 <u>Education Fund</u>	
Local Governments	3,671
Illinois State Board of Education	3,566
 <u>Institute Fund</u>	
Local Governments	52
 <u>Nonmajor Proprietary Funds</u>	
Local Governments	3,211
 <u>Agency Funds</u>	
Local Governments	5,096,150
Total	\$ 5,113,591

**14 DEFICIT FUND BALANCES**

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which overexpend appropriations during the year are required to be disclosed.

The following funds/fund accounts had deficit fund balances at June 30, 2020:

<u>General Fund</u>	
Local	\$ 4,908
<u>Education Fund</u>	
Kindergarten Individual Development Survey (KIDS)	274,613
ISBE Field Monitor	166,029
Digital Equity	2,095
<u>Nonmajor Special Revenue Funds</u>	
General Education Development Certificate	11,629

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

**15 SUBSEQUENT EVENTS**

Management has considered subsequent events occurring through the date of the Independent Auditor's Report, which is when these financial statements were available to be issued. Management believes no such events require any additional disclosures.

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Illinois Municipal Retirement Fund

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2020	\$ 43,662	\$ 43,662	\$ -	\$ 418,059	10.44%
2019	23,839	25,721	(1,882)	279,754	9.19%
2018	22,712	26,022	(3,310)	190,467	13.66%
2017	31,644	27,824	3,820	252,292	11.03%
2016	41,007	35,971	5,036	351,778	10.23%
2015	41,523	42,672	(1,149)	394,556	10.82%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate\*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2019 Contribution Rates:**

*Actuarial Cost Method:* Aggregate entry age normal  
*Amortization Method:* Level percentage of payroll, closed  
*Remaining Amortization Period:* 24-year closed period  
*Asset Valuation Method:* 5-year smoothed market; 20% corridor  
*Wage Growth:* 3.25%  
*Price Inflation:* 2.50%  
*Salary Increases:* 3.35% to 14.25%, including inflation  
*Investment Rate of Return:* 7.50%  
*Retirement Age:* 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.  
*Mortality:* For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Morality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2017 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.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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

Calendar Year Ended December 31,	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service Cost	\$ 26,306	\$ 18,963	\$ 24,577	\$ 50,407	\$ 52,561	\$ 49,322
Interest on the Total Pension Liability	154,473	105,662	145,892	116,596	131,594	87,963
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual						
Experience of the Total Pension Liability	87,311	80,893	(21,766)	328,781	(308,537)	42,222
Changes of Assumptions	-	45,901	(43,599)	(3,710)	860	46,271
Benefit Payments, including Refunds of						
Employee Contributions	(96,911)	(83,428)	(83,102)	(93,043)	(53,160)	(20,296)
Net Change in Total Pension Liability	171,179	167,991	22,002	399,031	(176,682)	205,482
Total Pension Liability - Beginning (Restated - see note below)	<u>2,165,722</u>	<u>1,997,731</u>	<u>1,975,729</u>	<u>1,576,698</u>	<u>1,753,380</u>	<u>1,158,211</u>
Total Pension Liability - Ending (A)	<u>\$ 2,336,901</u>	<u>\$ 2,165,722</u>	<u>\$ 1,997,731</u>	<u>\$ 1,975,729</u>	<u>\$ 1,576,698</u>	<u>\$ 1,363,693</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 21,810	\$ 29,675	\$ 27,996	\$ 23,673	\$ 55,659	\$ 38,773
Contributions - Employees	16,303	10,343	8,682	7,888	20,859	16,681
Net Investment Income	344,484	(72,701)	292,452	564,534	(373,570)	56,764
Benefit Payments, including Refunds of						
Employee Contributions	(96,911)	(83,428)	(83,102)	(93,043)	(53,160)	(20,296)
Other (Net Transfer)	(1,884)	(1,429)	(1,576)	(8,984)	52,565	(749)
Net Change in Plan Fiduciary Net Position	283,802	(117,540)	244,452	494,068	(297,647)	91,173
Plan Fiduciary Net Position - Beginning (Restated - see note below)	<u>1,929,259</u>	<u>2,046,799</u>	<u>1,802,347</u>	<u>1,308,279</u>	<u>1,605,926</u>	<u>1,149,379</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 2,213,061</u>	<u>\$ 1,929,259</u>	<u>\$ 2,046,799</u>	<u>\$ 1,802,347</u>	<u>\$ 1,308,279</u>	<u>\$ 1,240,552</u>
Net Pension Liability (Asset) - Ending (A) - (B)	<u>\$ 123,840</u>	<u>\$ 236,463</u>	<u>\$ (49,068)</u>	<u>\$ 173,382</u>	<u>\$ 268,419</u>	<u>\$ 123,141</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.70%	89.08%	102.46%	91.22%	82.98%	90.97%
Covered Payroll	\$ 362,293	\$ 229,854	\$ 192,934	\$ 275,001	\$ 434,836	\$ 370,682
Net Pension Liability (Asset) as a Percentage of Covered Payroll	34.18%	102.88%	-25.43%	63.05%	61.73%	33.22%

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.

Effective July 1, 2015, Sangamon County Regional Office of Education #51 consolidated with Menard County which was formerly included in the Logan/Mason/Menard Counties Regional Office of Education #38. As a result of the consolidation, pension liability - beginning and plan fiduciary net position - beginning for calendar year 2015 increased by \$389,687 and \$365,374, respectively.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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

	2019*	2018*	2017*	2016*	2015*	2014*
Employer's proportion of the net pension liability	0.0002719348%	0.0001725695%	0.0099652412%	0.0101705231%	0.0081377947%	0.0066172458%
Employer's proportionate share of the net pension liability	\$ 220,561	\$ 134,509	\$ 7,613,260	\$ 8,028,209	\$ 5,331,075	\$ 4,027,141
State's proportionate share of the net pension liability associated with the employer	15,697,109	9,214,434	12,270,209	12,625,984	9,546,787	6,221,007
<b>Total</b>	<b>\$ 15,917,670</b>	<b>\$ 9,348,943</b>	<b>\$ 19,883,469</b>	<b>\$ 20,654,193</b>	<b>\$ 14,877,862</b>	<b>\$ 10,248,148</b>
Employer's covered payroll	\$ 1,573,624	\$ 1,788,833	\$ 1,632,415	\$ 1,759,664	\$ 1,647,690	\$ 1,739,445
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	14.0%	7.5%	466.4%	456.2%	323.5%	231.5%
Plan fiduciary net position as a percentage of the total pension liability	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Teachers' Retirement System of the State of Illinois  
For the Year Ended June 30,

	2020	2019	2018	2017	2016	2015	2014
Statutorily-required contribution	\$ 76,119	\$ 81,069	\$ 124,024	\$ 410,578	\$ 396,120	\$ 282,344	\$ 237,194
Contributions in relation to the statutorily-required contribution	74,626	81,304	124,024	410,536	398,107	284,634	233,941
Contribution deficiency (excess)	\$ 1,493	\$ (235)	\$ -	\$ 42	\$ (1,987)	\$ (2,290)	\$ 3,253
Employer's covered payroll	\$ 1,347,723	\$ 1,573,624	\$ 1,788,833	\$ 1,632,415	\$ 1,759,664	\$ 1,647,690	\$ 1,739,445
Contributions as a percentage of covered payroll	5.54%	5.17%	6.93%	25.15%	22.62%	17.27%	13.45%

Notes to Required Supplementary Information

Changes of assumptions

For the 2019, 2018, 2017 and 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, but the rates of increase in the 2018 measurement year were slightly higher.

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

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

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE  
SHARE OF THE COLLECTIVE NET OPEB LIABILITY  
Teachers' Health Insurance Security Fund  
For the Year Ended June 30,

	2019*	2018*	2017*	2016*
Employer's proportion of the collective net OPEB liability	0.006402%	0.007530%	0.007069%	0.006811%
Employer's proportionate share of the collective net OPEB liability	\$ 1,771,939	\$ 1,983,787	\$ 1,834,390	\$ 1,861,767
State's proportionate share of the collective net OPEB liability associated with the employer	2,399,356	2,663,801	2,408,984	2,581,601
<b>Total</b>	<b>\$ 4,171,295</b>	<b>\$ 4,647,588</b>	<b>\$ 4,243,374</b>	<b>\$ 4,443,368</b>
Employer's covered payroll	\$ 1,573,624	\$ 1,788,833	\$ 1,632,415	\$ 1,586,361
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	112.6%	110.9%	112.4%	117.4%
Plan fiduciary net position as a percentage of the total OPEB liability	0.25%	-0.07%	-0.17%	-0.22%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Teachers' Health Insurance Security Fund  
For the Year Ended June 30,

	2020	2019	2018	2017	2016
Statutorily-required contribution	\$ 12,399	\$ 14,477	\$ 15,742	\$ 13,712	\$ 12,691
Contributions in relation to the statutorily-required contribution	12,399	14,477	15,742	13,660	12,691
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 52	\$ -
Employer's covered payroll	\$ 1,347,723	\$ 1,573,624	\$ 1,788,833	\$ 1,632,415	\$ 1,586,361
Contributions as a percentage of covered payroll	0.92%	0.92%	0.88%	0.84%	0.80%

Notes to Required Supplementary Information

Changes of assumptions

For the 2019 measurement year, the assumed investment rate of return was 0 percent, including an inflation rate of 2.50 percent. For the 2018, and 2017 measurement years, the assumed investment rate of return was 0 percent, including an inflation rate of 2.75 percent. Salary increases were assumed to vary by service credit and were the same for the 2019, 2018, and 2017 measurement years. For the 2019 measurement period, the actual trend was used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax. For the 2018 measurement period, the actual trend was used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for the Excise Tax. For the 2017 measurement period, actual trend was used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

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

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
Other Postemployment Benefits - Health Insurance

Fiscal Year Ended June 30,	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 1,256	\$ 11,990	\$ 11,687
Interest	3,033	2,697	2,100
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	33,362	-	-
Changes of Assumptions	13,307	1,540	(1,233)
Benefit Payments	(7,406)	(1,396)	(1,638)
Net Change in Total OPEB Liability	43,552	14,831	10,916
Total OPEB Liability - Beginning	85,219	70,388	59,472
Total OPEB Liability - Ending	\$ 128,771	\$ 85,219	\$ 70,388
 Covered Payroll	 \$ 2,133,128	 \$ 1,926,862	 \$ 1,884,462
 Total OPEB Liability as a Percentage of Covered Payroll	 6.04%	 4.42%	 3.74%

Notes to Schedule:

*Changes of Assumptions*

Changes of assumptions reflect a change in the discount rate from 3.87% for fiscal year 2018, to 3.50% for fiscal year 2019, to 2.21% for fiscal year 2020.

For 2020, significant assumptions including the inflation rate, payroll increase, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates were changed to better reflect the future anticipated experience of the plan.

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

SUPPLEMENTARY INFORMATION

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND

June 30, 2020

	Local	Administrative Discretionary	General State Aid - Truants Alternative Optional Education Program	General State Aid - Regional Safe Schools	Total
<b>Assets:</b>					
Cash and cash equivalents	\$ 5,113	\$ 221,467	\$ 246,951	\$ 52,406	\$ 525,937
Investments	-	123,118	123,118	123,118	369,354
Due from other funds	-	549,509	-	-	549,509
Due from other governments	19,060	26,205	-	35,020	80,285
Prepaid expenses	-	9,507	1,497	641	11,645
Total assets	<u>24,173</u>	<u>929,806</u>	<u>371,566</u>	<u>211,185</u>	<u>1,536,730</u>
<b>Deferred outflows of resources:</b>					
None	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 24,173</u>	<u>\$ 929,806</u>	<u>\$ 371,566</u>	<u>\$ 211,185</u>	<u>\$1,536,730</u>
<b>Liabilities:</b>					
Accounts payable	\$ 12,594	\$ 6,655	\$ 69	\$ -	\$ 19,318
Accrued payroll and employee benefits	-	-	22,137	775	22,912
Due to other governments	4,279	1,237	310	1,115	6,941
Unearned revenue	-	5,826	-	-	5,826
Total liabilities	<u>16,873</u>	<u>13,718</u>	<u>22,516</u>	<u>1,890</u>	<u>54,997</u>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	<u>12,208</u>	<u>22,955</u>	<u>-</u>	<u>4,380</u>	<u>39,543</u>
<b>Fund balance (deficit):</b>					
Nonspendable	-	9,507	1,497	641	11,645
Assigned	-	-	347,553	204,274	551,827
Unassigned	(4,908)	883,626	-	-	878,718
Total fund balance (deficit)	<u>(4,908)</u>	<u>893,133</u>	<u>349,050</u>	<u>204,915</u>	<u>1,442,190</u>
Total liabilities, deferred inflows of resources, and fund balance (deficit)	<u>\$ 24,173</u>	<u>\$ 929,806</u>	<u>\$ 371,566</u>	<u>\$ 211,185</u>	<u>\$1,536,730</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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

For the Year Ended June 30, 2020

	Local	Administrative Discretionary	General State Aid - Truants Alternative Optional Education Program	General State Aid - Regional Safe Schools	Total
<b>Revenues:</b>					
Local sources	\$ 28,315	\$ 129,930	\$ 1,780	\$ 116,860	\$ 276,885
State sources	-	-	378,315	241,583	619,898
On-behalf payments - local	305,728	-	-	-	305,728
On-behalf payments - state	286,414	-	-	-	286,414
Interest income	-	10,090	6,507	6,507	23,104
Net increase in fair value of investments	-	193	193	193	579
<b>Total revenues</b>	<b>620,457</b>	<b>140,213</b>	<b>386,795</b>	<b>365,143</b>	<b>1,512,608</b>
<b>Expenditures:</b>					
<b>Instructional services:</b>					
Salaries and benefits	-	69,099	295,110	55,688	419,897
Pension expense	-	6,253	9,337	130	15,720
OPEB expense	-	154	1,236	98	1,488
Purchased services	16,320	156,561	17,433	13,432	203,746
Supplies and materials	665	9,453	9,280	5,561	24,959
Other objects	-	749	719	719	2,187
<b>Administrative:</b>					
On-behalf payments - local	305,728	-	-	-	305,728
On-behalf payments - state	286,414	-	-	-	286,414
<b>Total expenditures</b>	<b>609,127</b>	<b>242,269</b>	<b>333,115</b>	<b>75,628</b>	<b>1,260,139</b>
Excess (deficiency) of revenues over (under) expenditures	11,330	(102,056)	53,680	289,515	252,469
<b>Other financing uses:</b>					
Transfers out	-	(19,751)	-	(1,437)	(21,188)
<b>Net change in fund balance (deficit)</b>	<b>11,330</b>	<b>(121,807)</b>	<b>53,680</b>	<b>288,078</b>	<b>231,281</b>
Fund balance (deficit) - beginning	(16,238)	1,014,940	295,370	(83,163)	1,210,909
Fund balance (deficit) - ending	<u>\$ (4,908)</u>	<u>\$ 893,133</u>	<u>\$ 349,050</u>	<u>\$ 204,915</u>	<u>\$1,442,190</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND

June 30, 2020

	Regional Safe Schools	Area III – Homeless Liaison Project	Sangamon County Truants Alternative Optional Education Program	State and Federal School Breakfast and Lunch
<b>Assets:</b>				
Cash and cash equivalents	\$ 5,439	\$ -	\$ -	\$ 12,919
Due from other governments	9,072	2,964	14,598	-
Prepaid expenses	-	-	-	-
Total assets	14,511	2,964	14,598	12,919
<b>Deferred outflows of resources:</b>				
None	-	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 14,511</b>	<b>\$ 2,964</b>	<b>\$ 14,598</b>	<b>\$ 12,919</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	14,381	-	13,441	-
Due to other funds	-	2,964	1,053	-
Due to other governments	130	-	104	-
Unearned revenue	-	-	-	-
Total liabilities	14,511	2,964	14,598	-
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	-	-
<b>Fund balance (deficit):</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	12,919
Unassigned	-	-	-	-
Total fund balance (deficit)	-	-	-	12,919
<b>Total liabilities, deferred inflows of resources, and fund balance (deficit)</b>	<b>\$ 14,511</b>	<b>\$ 2,964</b>	<b>\$ 14,598</b>	<b>\$ 12,919</b>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND

June 30, 2020

	Kindergarten Individual Development Survey (KIDS)	Project Impact	Title II – Teacher Quality – Leadership	Principal Preparation and Evaluation
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 3,884
Due from other governments	276,697	31,086	-	-
Prepaid expenses	2,394	-	-	-
Total assets	279,091	31,086	-	3,884
<b>Deferred outflows of resources:</b>				
None	-	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 279,091</b>	<b>\$ 31,086</b>	<b>\$ -</b>	<b>\$ 3,884</b>
<b>Liabilities:</b>				
Accounts payable	\$ 7,602	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	1,132	-	-	-
Due to other funds	268,062	31,086	-	-
Due to other governments	211	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	277,007	31,086	-	-
<b>Deferred inflows of resources:</b>				
Unavailable revenue	276,697	-	-	-
<b>Fund balance (deficit):</b>				
Nonspendable	2,394	-	-	-
Restricted	-	-	-	3,884
Unassigned	(277,007)	-	-	-
Total fund balance (deficit)	(274,613)	-	-	3,884
<b>Total liabilities, deferred inflows of resources, and fund balance (deficit)</b>	<b>\$ 279,091</b>	<b>\$ 31,086</b>	<b>\$ -</b>	<b>\$ 3,884</b>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND

June 30, 2020

	Reading Initiative	ROE/ISC Operations	American Institute of Research	Pilot Regional Safe School Cooperative Education Program
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,566	\$ 51	\$ -	\$ 12,403
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	<u>3,566</u>	<u>51</u>	<u>-</u>	<u>12,403</u>
<b>Deferred outflows of resources:</b>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 3,566</u>	<u>\$ 51</u>	<u>\$ -</u>	<u>\$ 12,403</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	3,566	51	-	87
Unearned revenue	-	-	-	12,316
Total liabilities	<u>3,566</u>	<u>51</u>	<u>-</u>	<u>12,403</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance (deficit):</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total fund balance (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance (deficit)	<u>\$ 3,566</u>	<u>\$ 51</u>	<u>\$ -</u>	<u>\$ 12,403</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND

June 30, 2020

	ISBE Field Monitor	AdvancED	Digital Equity	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 38,262
Due from other governments	234,770	-	2,095	571,282
Prepaid expenses	-	-	-	2,394
Total assets	234,770	-	2,095	611,938
<b>Deferred outflows of resources:</b>				
None	-	-	-	-
<b>Total assets and deferred outflows of resources</b>				
	\$ 234,770	\$ -	\$ 2,095	\$ 611,938
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 7,602
Accrued payroll and employee benefits	31	-	-	28,985
Due to other funds	231,651	-	2,095	536,911
Due to other governments	3,088	-	-	7,237
Unearned revenue	-	-	-	12,316
Total liabilities	234,770	-	2,095	593,051
<b>Deferred inflows of resources:</b>				
Unavailable revenue	166,029	-	2,095	444,821
<b>Fund balance (deficit):</b>				
Nonspendable	-	-	-	2,394
Restricted	-	-	-	16,803
Unassigned	(166,029)	-	(2,095)	(445,131)
Total fund balance (deficit)	(166,029)	-	(2,095)	(425,934)
<b>Total liabilities, deferred inflows of resources, and fund balance (deficit)</b>				
	\$ 234,770	\$ -	\$ 2,095	\$ 611,938

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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

For the Year Ended June 30, 2020

	Regional Safe Schools	Area III – Homeless Liaison Project	Sangamon County Truants Alternative Optional Education Program	State and Federal School Breakfast and Lunch
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	118,017	-	198,304	315
Federal sources	-	31,771	-	22,586
Total revenues	<u>118,017</u>	<u>31,771</u>	<u>198,304</u>	<u>22,901</u>
Expenditures				
Instructional services:				
Salaries and benefits	108,384	31,246	170,375	-
Pension expense	834	913	8,296	-
OPEB expense	677	-	710	-
Purchased services	409	574	3,400	20,661
Supplies and materials	-	211	210	-
Other objects	-	-	-	-
Total expenditures	<u>110,304</u>	<u>32,944</u>	<u>182,991</u>	<u>20,661</u>
Excess (deficiency) of revenues over (under) expenditures	7,713	(1,173)	15,313	2,240
Other financing sources:				
Transfers in	<u>1,437</u>	<u>1,173</u>	<u>-</u>	<u>-</u>
Net change in fund balance (deficit)	9,150	-	15,313	2,240
Fund balance (deficit) - beginning	<u>(9,150)</u>	<u>-</u>	<u>(15,313)</u>	<u>10,679</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,919</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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

For the Year Ended June 30, 2020

	Kindergarten Individual Development Survey (KIDS)	Project Impact	Title II – Teacher Quality – Leadership	Principal Preparation and Evaluation
Revenues:				
Local sources	\$ -	\$ 207,969	\$ -	\$ -
State sources	764,624	-	-	-
Federal sources	-	-	1,485	-
Total revenues	<u>764,624</u>	<u>207,969</u>	<u>1,485</u>	<u>-</u>
Expenditures:				
Instructional services:				
Salaries and benefits	551,704	165,451	-	-
Pension expense	2,149	13,802	-	-
OPEB expense	3,393	-	-	-
Purchased services	185,278	418	1,485	-
Supplies and materials	172,269	999	-	-
Other objects	-	-	-	-
Total expenditures	<u>914,793</u>	<u>180,670</u>	<u>1,485</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(150,169)	27,299	-	-
Other financing sources:				
Transfers in	<u>6,222</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (deficit)	(143,947)	27,299	-	-
Fund balance (deficit) - beginning	<u>(130,666)</u>	<u>(27,299)</u>	<u>-</u>	<u>3,884</u>
Fund balance (deficit) - ending	<u>\$ (274,613)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,884</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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

For the Year Ended June 30, 2020

	Reading Initiative	ROE/ISC Operations	American Institute of Research	Pilot Regional Safe School Cooperative Education Program
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	144,635	7,810	34,887
Federal sources	-	-	-	-
Total revenues	<u>-</u>	<u>144,635</u>	<u>7,810</u>	<u>34,887</u>
Expenditures:				
Instructional services:				
Salaries and benefits	-	110,467	-	26,982
Pension expense	-	3,256	-	153
OPEB expense	-	-	-	242
Purchased services	-	42,845	-	7,510
Supplies and materials	-	-	-	-
Other objects	-	-	-	-
Total expenditures	<u>-</u>	<u>156,568</u>	<u>-</u>	<u>34,887</u>
Excess (deficiency) of revenues over (under) expenditures	-	(11,933)	7,810	-
Other financing sources:				
Transfers in	-	11,933	-	-
Net change in fund balance (deficit)	-	-	7,810	-
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>(7,810)</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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

For the Year Ended June 30, 2020

	ISBE Field Monitor	AdvancED	Digital Equity	Total
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ 207,969
State sources	818,109	-	-	2,086,701
Federal sources	-	7,500	-	63,342
Total revenues	<u>818,109</u>	<u>7,500</u>	<u>-</u>	<u>2,358,012</u>
Expenditures:				
Instructional services:				
Salaries and benefits	702,704	-	-	1,867,313
Pension expense	70,504	-	-	99,907
OPEB expense	5,889	-	-	10,911
Purchased services	68,154	6,750	2,095	339,579
Supplies and materials	12,262	-	-	185,951
Other objects	42,954	-	-	42,954
Total expenditures	<u>902,467</u>	<u>6,750</u>	<u>2,095</u>	<u>2,546,615</u>
Excess (deficiency) of revenues over (under) expenditures	(84,358)	750	(2,095)	(188,603)
Other financing sources:				
Transfers in	<u>423</u>	<u>-</u>	<u>-</u>	<u>21,188</u>
Net change in fund balance (deficit)	(83,935)	750	(2,095)	(167,415)
Fund balance (deficit) - beginning	<u>(82,094)</u>	<u>(750)</u>	<u>-</u>	<u>(258,519)</u>
Fund balance (deficit) - ending	<u>\$ (166,029)</u>	<u>\$ -</u>	<u>\$ (2,095)</u>	<u>\$ (425,934)</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 108,867	\$ 108,867	\$ 118,017
Total revenues	<u>108,867</u>	<u>108,867</u>	<u>118,017</u>
Expenditures:			
Instructional services:			
Salaries and benefits	108,472	108,472	108,384
Pension expense	-	-	834
OPEB expense	-	-	677
Purchased services	149	149	409
Supplies and materials	246	246	-
Total expenditures	<u>108,867</u>	<u>108,867</u>	<u>110,304</u>
Excess of revenues over expenditures	-	-	7,713
Other financing sources:			
Transfers in	-	-	1,437
Net change in fund balance (deficit)	-	-	9,150
Fund balance (deficit) - beginning	-	-	(9,150)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
AREA III - HOMELESS LIAISON PROJECT

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 31,771	\$ 31,771	\$ 31,771
Total revenues	<u>31,771</u>	<u>31,771</u>	<u>31,771</u>
Expenditures:			
Instructional services:			
Salaries and benefits	31,656	31,656	31,246
Pension expense	-	-	913
Purchased services	-	-	574
Supplies and materials	115	115	211
Total expenditures	<u>31,771</u>	<u>31,771</u>	<u>32,944</u>
Deficiency of revenues under expenditures	-	-	(1,173)
Other financing sources:			
Transfer in	-	-	<u>1,173</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.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
SANGAMON COUNTY TRUANTS ALTERNATIVE OPTIONAL EDUCATION PROGRAM

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 183,701	\$ 183,701	\$ 198,304
Total revenues	<u>183,701</u>	<u>183,701</u>	<u>198,304</u>
Expenditures:			
Instructional services:			
Salaries and benefits	178,448	178,448	170,375
Pension expense	-	-	8,296
OPEB expense	-	-	710
Purchased services	4,782	4,782	3,400
Supplies and materials	471	471	210
Total expenditures	<u>183,701</u>	<u>183,701</u>	<u>182,991</u>
Net change in fund balance (deficit)	-	-	15,313
Fund balance (deficit) - beginning	-	-	<u>(15,313)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TITLE II - TEACHER QUALITY - LEADERSHIP

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 2,680	\$ 2,680	\$ 1,485
Total revenues	<u>2,680</u>	<u>2,680</u>	<u>1,485</u>
Expenditures:			
Instructional services:			
Salaries and benefits	180	180	-
Purchased services	2,500	2,500	1,485
Total expenditures	<u>2,680</u>	<u>2,680</u>	<u>1,485</u>
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ROE/ISC OPERATIONS

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 144,635	\$ 144,635	\$ 144,635
Total revenues	<u>144,635</u>	<u>144,635</u>	<u>144,635</u>
Expenditures:			
Instructional services:			
Salaries and benefits	109,745	109,745	110,467
Pension expense	-	-	3,256
Purchased services	34,890	34,890	42,845
Total expenditures	<u>144,635</u>	<u>144,635</u>	<u>156,568</u>
Deficiency of revenues under expenditures	-	-	(11,933)
Other financing sources:			
Transfers in	-	-	11,933
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
PILOT REGIONAL SAFE SCHOOLS COOPERATIVE EDUCATION PROGRAM

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 43,019	\$ 43,019	\$ 34,887
Total revenues	<u>43,019</u>	<u>43,019</u>	<u>34,887</u>
Expenditures:			
Instructional services:			
Salaries and benefits	27,066	27,066	26,982
Pension expense	-	-	153
OPEB expense	-	-	242
Purchased services	10,339	10,339	7,510
Supplies and materials	5,614	5,614	-
Total expenditures	<u>43,019</u>	<u>43,019</u>	<u>34,887</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.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
DIGITAL EQUITY

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 2,095	\$ 2,095	\$ -
Total revenues	<u>2,095</u>	<u>2,095</u>	<u>-</u>
Expenditures:			
Instructional services:			
Salaries and benefits	1,569	-	-
Pension expense	-	-	-
OPEB expense	-	-	-
Purchased services	-	2,095	2,095
Supplies and materials	526	-	-
Total expenditures	<u>2,095</u>	<u>2,095</u>	<u>2,095</u>
Net change in fund balance (deficit)	-	-	(2,095)
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,095)</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2020

	General Education Development Certificate	Bus Driver Training	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ -	\$ 17,828	\$ 17,828
Accounts receivable	969	20	989
Due from other governments	-	80	80
Total assets	969	17,928	18,897
<b>Deferred outflows of resources:</b>			
None	-	-	-
Total assets and deferred outflows of resources	\$ 969	\$ 17,928	\$ 18,897
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 356	\$ 356
Due to other funds	12,598	-	12,598
Total liabilities	12,598	356	12,954
<b>Deferred inflow of resources:</b>			
Unavailable revenue	-	60	60
<b>Fund balance (deficit):</b>			
Restricted	-	17,512	17,512
Unassigned	(11,629)	-	(11,629)
Total fund balance (deficit)	(11,629)	17,512	5,883
Total liabilities, deferred inflows of resources, and fund balance (deficit)	\$ 969	\$ 17,928	\$ 18,897

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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

For the Year Ended June 30, 2020

	General Education Development Certificate	Bus Driver Training	Total
Revenues:			
Local sources	\$ 10,969	\$ 6,610	\$ 17,579
State sources	-	1,704	1,704
Total revenues	<u>10,969</u>	<u>8,314</u>	<u>19,283</u>
Expenditures:			
Instructional services:			
Salaries and benefits	1,887	3,229	5,116
Purchased services	51	5,233	5,284
Supplies and materials	18	126	144
Other objects	308	-	308
Total expenditures	<u>2,264</u>	<u>8,588</u>	<u>10,852</u>
Net change in fund balance	8,705	(274)	8,431
Fund balance (deficit) - beginning	<u>(20,334)</u>	<u>17,786</u>	<u>(2,548)</u>
Fund balance (deficit) - ending	<u>\$ (11,629)</u>	<u>\$ 17,512</u>	<u>\$ 5,883</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS

June 30, 2020

	Business-type Activities Proprietary Funds		
	Staff Development Center Workshop Fund	Background Checks	Total
Assets:			
Currents assets:			
Cash and cash equivalents	\$ 31,205	\$ 79,424	\$ 110,629
Accounts receivable	100	1,265	1,365
Due from other governments	1,700	9,936	11,636
Total current assets	33,005	90,625	123,630
Total assets	33,005	90,625	123,630
Deferred outflows of resources:			
None	-	-	-
Liabilities:			
Current liabilities:			
Due to other governments	-	3,211	3,211
Deferred inflows of resources:			
None	-	-	-
Net position:			
Unrestricted	33,005	87,414	120,419
Total net position	\$ 33,005	\$ 87,414	\$ 120,419

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

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

For the Year Ended June 30, 2020

	Business-type Activities Proprietary Funds		
	Staff Development Center Workshop Fund	Background Checks	Total
Operating revenues:			
Charges for services	\$ 52,690	\$ 48,822	\$ 101,512
Total operating revenues	52,690	48,822	101,512
Operating expenses:			
Salaries and benefits	40,675	772	41,447
Purchased services	14,637	28,379	43,016
Supplies and materials	3,534	-	3,534
Payments to other governments	630	-	630
Total operating expenses	59,476	29,151	88,627
Change in net position	(6,786)	19,671	12,885
Net position - beginning	39,791	67,743	107,534
Net position - ending	\$ 33,005	\$ 87,414	\$ 120,419

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS

For the Year Ended June 30, 2020

	Business-type Activities Proprietary Funds		
	Staff Development Center Workshop Fund	Background Checks	Total
Cash flows from operating activities:			
Receipts from customers	\$ 87,040	\$ 44,287	\$ 131,327
Payments to suppliers and providers of goods and services	(19,245)	(30,693)	(49,938)
Payments to employees	(52,260)	(1,260)	(53,520)
Net cash provided by (used in) operating activities	15,535	12,334	27,869
Net increase (decrease) in cash and cash equivalents	15,535	12,334	27,869
Cash and cash equivalents - beginning	15,670	67,090	82,760
Cash and cash equivalents - ending	\$ 31,205	\$ 79,424	\$ 110,629
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (6,786)	\$ 19,671	\$ 12,885
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) Decrease in accounts receivable	(100)	(515)	(615)
(Increase) Decrease in due from other governments	34,625	(4,020)	30,605
Increase (Decrease) in accounts payable	(444)	(400)	(844)
Increase (Decrease) in accrued payroll	(11,585)	(488)	(12,073)
Increase (Decrease) in due to other governments	-	(1,914)	(1,914)
Increase (Decrease) in unearned revenue	(175)	-	(175)
Net cash provided by (used in) operating activities	\$ 15,535	\$ 12,334	\$ 27,869

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS

June 30, 2020

	Illinois Education and Technology Conference	Sangamon County Schoolmasters	Sangamon County Learning Academy	Those Who Excel	School Facility Occupation Tax	Total
<b>Assets:</b>						
Cash and cash equivalents	\$ 191,394	\$ 10,190	\$ 5,931	\$ 10,713	\$ -	\$ 218,228
Due from other governments	-	-	-	-	4,880,187	4,880,187
Prepaid expenses	2,000	-	-	-	-	2,000
Total assets	<u>\$ 193,394</u>	<u>\$ 10,190</u>	<u>\$ 5,931</u>	<u>\$ 10,713</u>	<u>\$ 4,880,187</u>	<u>\$ 5,100,415</u>
<b>Liabilities:</b>						
Accounts payable	\$ 4,265	\$ -	\$ -	\$ -	\$ -	\$ 4,265
Due to other governments	189,129	10,190	5,931	10,713	4,880,187	5,096,150
Total liabilities	<u>\$ 193,394</u>	<u>\$ 10,190</u>	<u>\$ 5,931</u>	<u>\$ 10,713</u>	<u>\$ 4,880,187</u>	<u>\$ 5,100,415</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

For the Year Ended June 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ILLINOIS EDUCATION AND TECHNOLOGY CONFERENCE</u>				
Assets:				
Cash and cash equivalents	\$ 192,326	\$ 133,595	\$ 134,527	\$ 191,394
Prepaid expenses	-	2,000	-	2,000
Total assets	<u>\$ 192,326</u>	<u>\$ 135,595</u>	<u>\$ 134,527</u>	<u>\$ 193,394</u>
Liabilities:				
Accounts payable	\$ -	\$ 4,265	\$ -	\$ 4,265
Due to other governments	192,326	131,330	134,527	189,129
Total liabilities	<u>\$ 192,326</u>	<u>\$ 135,595</u>	<u>\$ 134,527</u>	<u>\$ 193,394</u>
<u>SANGAMON COUNTY SCHOOLMASTERS</u>				
Assets:				
Cash and cash equivalents	\$ 8,313	\$ 3,504	\$ 1,627	\$ 10,190
Total assets	<u>\$ 8,313</u>	<u>\$ 3,504</u>	<u>\$ 1,627</u>	<u>\$ 10,190</u>
Liabilities:				
Due to other governments	\$ 8,313	\$ 3,504	\$ 1,627	\$ 10,190
Total liabilities	<u>\$ 8,313</u>	<u>\$ 3,504</u>	<u>\$ 1,627</u>	<u>\$ 10,190</u>
<u>SANGAMON COUNTY LEARNING ACADEMY</u>				
Assets:				
Cash and cash equivalents	\$ 5,935	\$ 5,907	\$ 5,911	\$ 5,931
Due from other governments	2,697	-	2,697	-
Total assets	<u>\$ 8,632</u>	<u>\$ 5,907</u>	<u>\$ 8,608</u>	<u>\$ 5,931</u>
Liabilities:				
Due to other governments	\$ 8,632	\$ 5,907	\$ 8,608	\$ 5,931
Total liabilities	<u>\$ 8,632</u>	<u>\$ 5,907</u>	<u>\$ 8,608</u>	<u>\$ 5,931</u>

See accompanying Independent Auditor's Report.

SANGAMON-MENARD COUNTIES  
REGIONAL OFFICE OF EDUCATION #51

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

For the Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>THOSE WHO EXCEL</u>				
Assets:				
Cash and cash equivalents	\$ 5,672	\$ 49,100	\$ 44,059	\$ 10,713
Total assets	\$ 5,672	\$ 49,100	\$ 44,059	\$ 10,713
Liabilities:				
Due to other governments	\$ 5,672	\$ 49,100	\$ 44,059	\$ 10,713
Total liabilities	\$ 5,672	\$ 49,100	\$ 44,059	\$ 10,713
 <u>SCHOOL FACILITY OCCUPATION TAX</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 15,722,088	\$ 15,722,088	\$ -
Due from other governments	-	4,880,187	-	4,880,187
Total assets	\$ -	\$ 20,602,275	\$ 15,722,088	\$ 4,880,187
Liabilities				
Due to other governments	\$ -	\$ 20,602,275	\$ 15,722,088	\$ 4,880,187
Total liabilities	\$ -	\$ 20,602,275	\$ 15,722,088	\$ 4,880,187
 <u>TOTAL - ALL AGENCY FUNDS</u>				
Assets:				
Cash and cash equivalents	\$ 212,246	\$ 15,914,194	\$ 15,908,212	\$ 218,228
Due from other governments	2,697	4,880,187	2,697	4,880,187
Prepaid expenses	-	2,000	-	2,000
Total assets	\$ 214,943	\$ 20,796,381	\$ 15,910,909	\$ 5,100,415
Liabilities:				
Accounts payable	\$ -	\$ 4,265	\$ -	\$ 4,265
Due to other governments	214,943	20,792,116	15,910,909	5,096,150
Total liabilities	\$ 214,943	\$ 20,796,381	\$ 15,910,909	\$ 5,100,415

See accompanying Independent Auditor's Report.