

State of Illinois
REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 2020

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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PEORIA COUNTY

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REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

AGENCY OFFICIALS

For the Year Ended June 30, 2020

Regional Superintendent
(Current and during the audit period)

Ms. Elizabeth Crider

Assistant Regional Superintendent
(Current and during the audit period)

Dr. George McKenna

Offices are located at:

Peoria County Regional Office of Education
324 Main Street
Peoria, IL 61602

The PROE Center
10112 West Dubois Road
Edwards, IL 61528

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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 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	0
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	0	0

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)			
2020-001	10	Delay of Audit	Noncompliance
2020-002	12	Controls Over Financial Reporting	Material Weakness
PRIOR FINDINGS NOT REPEATED (<i>GOVERNMENT AUDITING STANDARDS</i>)			

EXIT CONFERENCE

The Peoria County Regional Office of Education #48 did not request an exit conference to discuss the audit for the year ended June 30, 2020.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2020

The audit of the accompanying basic financial statements of the Peoria County Regional Office of Education #48 was performed by GW & Associates PC.

Based on their audit, the auditors expressed an unmodified opinion on the Peoria County Regional Office of Education #48's basic financial statements.



INDEPENDENT AUDITOR'S 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 Peoria County Regional Office of Education #48, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 Peoria County Regional Office of Education #48, as of June 30, 2020, and the respective changes in its financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Schedule of Employer's Proportionate Share of the Net Pension Liability – Teacher's Retirement System of the State of Illinois, Schedule of Employer Contributions - Teacher's Retirement System of the State of Illinois, Schedule of Employers Contributions – Illinois Municipal Retirement Fund, Schedule of Changes in the Net Pension Liability and Related Ratios – Illinois Municipal Retirement Fund, Schedule of Employers Contributions – Teacher's Health Insurance Security Fund, Schedule of Employer's Proportionate Share of the Collective Net OPEB Liability – Teacher's Health Insurance Security Fund, and Schedule of Changes in the Regional Office of Education's Total OPEB Liability and Related Ratios on pages 16a-16f and 65-72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Peoria County Regional Office of Education #48'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 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, the budgetary comparison schedules 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 February 22, 2021, on our consideration of the Peoria County Regional Office of Education #48's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Peoria County Regional Office of Education #48's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Peoria County Regional Office of Education #48's internal control over financial reporting and compliance.

[FIRM SIGNATURE ON FILE]

Hillside, Illinois
February 22, 2021



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements, and we have issued our report thereon dated February 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Peoria County Regional Office of Education #48'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 the Peoria County Regional Office of Education #48's internal control. Accordingly, we do not express an opinion on the effectiveness of the Peoria County Regional Office of Education #48's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Peoria County Regional Office of Education #48'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as item 2020-001.

Peoria County Regional Office of Education #48's Responses to the Findings

The Peoria County Regional Office of Education #48's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The Peoria County Regional Office of Education #48'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 Peoria County Regional Office of Education #48'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 Peoria County Regional Office of Education #48's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

[FIRM SIGNATURE ON FILE]

Hillside, Illinois
February 22, 2021

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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?	Yes
• Significant deficiency identified?	None reported
• Noncompliance material to financial statements noted?	No

REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2020

FINDING NO. 2020-001 –Delay of Audit

Criteria/Specific Requirements

Regional Office of Education #48 is subject to 105 ILCS 5/2-3.17a which requires the Auditor General’s office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Government Auditing Standards.

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

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

Condition

The Regional Office of Education #48 did not provide completed financial statements in an auditable form by the August 31 deadline. Revised financial statements were not received until October 27, 2020.

Effect

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

Cause

Regional Office of Education #48 management indicated that the initial drafts represented their first attempt to prepare complete financial statements on their own without the assistance of the auditors or an outside CPA.

REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2020

FINDING NO. 2020-001 –Delay of Audit (Continued)

Recommendation

The Regional Office of Education #48 should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). Annual financial statements should be compiled on an accrual basis of accounting in accordance with GAAP and thoroughly reviewed prior to presentation to the Auditor General’s independent auditors for audit by the August 31 deadline.

Management Response

Due to a move to a new accounting system and the loss of a person involved in several areas of the financial statement preparation, the Regional Office of Education #48 was unable to submit a completed financial statement that needed no updates by the August 31 deadline date. We will secure the services of a CPA to prepare financial records in auditable form along with complete financial statements prior to the August 31 date.

**REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2020**

FINDING NO. 2020-002 –Controls Over Financial Statement Preparation

Criteria/Specific Requirements

Regional Office of Education #48 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The Regional Office’s internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

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

Condition

The Regional Office of Education #48 does not have sufficient internal controls over the financial reporting process. While the Regional Office of Education #48 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent and detect and correct financial statement misstatements and disclosure omissions in a timely manner.

Auditors noted the following deficiencies in the financial statements provided to auditors by the Regional Office of Education #48:

- The Statement of Net Position, General Fund, Education Fund, a proprietary fund and two of the five non-major funds were out of balance.

REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2020

FINDING NO. 2020-002 –Controls Over Financial Statement Preparation (Continued)

- The statement of activities beginning net position for governmental activities did not agree to the ending net position at 6/30/19 but equaled the net position at 6/30/18.
- Internal balances between the governmental activities and business-type activities did not match on the statement of net position.

Revised financial statements provided to auditors by the Regional Office on October 27, 2020, contained numerous errors requiring auditors to propose material audit adjustments to the financial statements and various corrections to the note disclosures in order for the statements to be in an auditable format.

Effect

Regional Office of Education #48’s management or its employees, in the normal course of performing their assigned functions, may not prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner.

Cause

The Regional Office of Education #48 management indicated that a combination of difficulties in implementing a new accounting system, the loss during the year of an employee who handled grant and other financial responsibilities, and COVID 19 resulted in insufficient time to prepare and review the financial statements.

Recommendation

As part of internal control over the preparation of financial statements, including disclosures, the Regional Office of Education #48 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements and knowledge of the ROE’s activities and operations.

Management Response

The Regional Office of Education #48 will once again secure the services of an outside CPA, familiar with the ROE #48, for assistance in preparing and reviewing a compilation of their financial statements and notes in accordance with GAAP and GASB pronouncements.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 2020

Corrective Action Plan

FINDING NO. 2020-001 – Delay of Audit

Condition:

The Regional Office of Education #48 did not provide completed financial statements in an auditable form by the August 31 deadline. Revised financial statements were not received until October 27, 2020.

Plan:

The Regional Office of Education #48 will secure the services of a CPA to assist in preparing the financial statements so they are compiled on an accrual basis, reviewed and complete. The financial statements will be submitted to our auditors by the August 31 deadline.

Anticipated Date of Completion:

August 31, 2021

Contact Person:

Elizabeth Crider, Regional Superintendent

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 2020

FINDING NO. 2020-002 – Controls Over Financial Statement Preparation

Condition:

The Regional Office of Education #48 does not have sufficient internal controls over the financial reporting process. While the Regional Office of Education #48 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent and detect and correct financial statement misstatements and disclosure omissions in a timely manner.

Auditors noted the following deficiencies in the financial statements provided to auditors by the Regional Office of Education #48:

- The Statement of Net Position, General Fund, Education Fund, a proprietary fund and two of the five non-major funds were out of balance.
- The Statement of Activities beginning net position for governmental activities did not agree to the ending net position at 6/30/19 but equaled the net position at 6/30/18.
- Internal balances between the governmental activities and business-type activities did not match on the statement of net position.

Revised financial statements provided to auditors by the Regional Office of Education #48 on October 27, 2020, contained numerous errors requiring auditors to propose material audit adjustments to the financial statements and various corrections to the note disclosures in order for the statements to be in an auditable format.

Plan:

The Regional Office of Education #48 will secure the services of a CPA to assist in preparing the financial reports. We will implement a comprehensive review procedure to ensure that the financial statements and disclosures are complete and accurate.

Anticipated Date of Completion:

August 31, 2021

Contact Person:

Elizabeth Crider, Regional Superintendent

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED

For the Year Ended June 30, 2020

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

The Peoria County Regional Office of Education #48 (Regional Office of Education #48) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for fiscal year 2020 that ended on June 30, 2020. Readers are encouraged to consider the information in conjunction with the Regional Office of Education #48's financial statements that follow.

2020 Financial Highlights

- Within the Governmental Funds, the General Fund revenues decreased by \$23,147 from \$1,402,355 in fiscal year 2019 to \$1,379,208 in fiscal year 2020. General Fund expenditures decreased by \$18,084 from \$1,391,630 in fiscal year 2019 to \$1,373,546 in fiscal year 2020. The overall decrease in revenue and expenditures is the result of a decrease in Local Sources revenue for Criminal Background Checks and the Peoria Regional High School. Both funds were disrupted before year-end by COVID-19 and were not in operation.
- Within the Governmental Funds, the revenues reported by the Special Revenue Funds increased by \$172,265 from \$1,657,273 in fiscal year 2019 to \$1,829,538 in fiscal year 2020. The expenditures reported by the Special Revenue Funds increased by \$252,323 from \$1,623,468 in fiscal year 2019 to \$1,875,791 in fiscal year 2020. The Regional Office of Education #48 had an increase due to an increase for our Preschool for All Expansion grant and an increase in expenditures in the Institute fund due to a large workshop offered by the ROE to districts.

Using This Report

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education #48's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the Regional Office of Education #48 as a whole and present an overall view of the Regional Office of Education #48's finances.
- Fund financial statements report the Regional Office of Education #48's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detailed information for each category of funds and about the nonmajor funds.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

Reporting the Regional Office as a Whole

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the Regional Office of Education #48 as a whole. The Statement of Net Position includes all of the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid, using accounting methods similar to those used by private-sector companies.

The two government-wide statements report the Regional Office of Education #48's net position and how it has changed. Net position (the difference between the assets plus deferred outflows and liabilities plus deferred inflows) are one way to measure the Regional Office of Education #48's financial health or position.

- Over time, increases or decreases in the net position can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office of Education #48's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the state level need to be considered.

The government-wide financial statements present the Regional Office of Education #48's activities as both governmental and business-type activities. Local, state and federal aid finance most of the governmental activities, while user fees finance most of the business-type activities.

The fund financial statements provide detailed information about the Regional Office of Education #48's funds, focusing on its most significant or "major" funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education #48 established other funds to control and manage money for particular purposes.

The Regional Office of Education #48 has three kinds of funds:

- Governmental funds account for all of the Regional Office of Education #48's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. The Regional Office of Education #48's Governmental Funds include: the General Fund, Education Fund and other non-major special revenue funds.

The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.

- Fiduciary funds are used to account for assets held by the Regional Office of Education #48 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The fiduciary funds' required financial statements include a Statement of Fiduciary Net Position.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

Reporting the Regional Office as a Whole (continued)

The Statement of Net Position and the Statement of Activities (continued)

- Proprietary funds account for activities where the Regional Office of Education #48 charges customers for services. These funds are most similar to a business that operates for a profit. The Regional Office of Education #48's enterprise funds include the following: Illinois Virtual School Fund and Local Workshops Fund.

The proprietary funds required financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.

A summary reconciliation between the government-wide financial statements and the fund financial statements follows the fund financial statements.

Office-wide Financial Analysis

As noted earlier, net position may serve, when examined over time, as one indicator of the financial position of the Regional Office of Education #48. The net position at the end of fiscal year 2020 totaled \$596,974. At the end of fiscal year 2019, the net position was \$659,026. The analysis that follows provides a summary of the Regional Office of Education #48's net position as of June 30, 2020 and June 30, 2019, for the governmental and business-type activities.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 3,028,436	\$ 3,249,911	\$ 1,996,428	\$ 1,651,150	\$ 5,024,864	\$ 4,901,061
Capital assets	33,197	26,383	9,640	13,895	42,837	40,278
Total assets	3,061,633	3,276,294	2,006,068	1,665,045	5,067,701	4,941,339
Deferred outflows	917,462	1,029,196	-	-	917,462	1,029,196
Current liabilities	67,748	277,970	991,081	597,713	1,058,829	875,683
Noncurrent liabilities	2,951,915	2,814,898	5,945	7,605	2,957,860	2,822,503
Total liabilities	3,019,663	3,092,868	997,026	605,318	4,016,689	3,698,186
Deferred inflows	1,371,500	1,613,323	-	-	1,371,500	1,613,323
Net position:						
Invested in capital assets, net of related debt	33,197	26,383	2,389	4,852	35,586	31,235
Unrestricted	(640,024)	(684,253)	1,006,653	1,054,875	366,629	370,622
Restricted for educational purposes	194,759	257,169	-	-	194,759	257,169
Total net position	\$ (412,068)	\$ (400,701)	\$ 1,009,042	\$ 1,059,727	\$ 596,974	\$ 659,026

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

Office-wide Financial Analysis (continued)

The Regional Office of Education #48's net position decreased by \$62,052 from \$659,026 in fiscal year 2019 to \$596,974 in fiscal year 2020. This decrease was related to business-type activities and is mainly due to changes in funding of the Illinois Virtual School Program by the Illinois State Board of Education.

Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 2,041,592	\$ 2,494,374	\$ 2,041,592	\$ 2,494,374
Operating grants and contributions	1,696,293	1,548,492	-	-	1,696,293	1,548,492
General revenues:						
Local sources	304,735	332,933	-	-	304,735	332,933
State sources	661,246	620,076	475,000	-	1,136,246	620,076
Investment earnings	37,824	59,570	14,393	23,652	52,217	83,222
On-behalf payments	2,451,174	2,073,753	-	-	2,451,174	2,073,753
Loss on disposal of capital assets	-	-	-	-	-	-
Total revenues	<u>5,151,272</u>	<u>4,634,824</u>	<u>2,530,985</u>	<u>2,518,026</u>	<u>7,682,257</u>	<u>7,152,850</u>
Expenses:						
Program expenses:						
Salaries and benefits	1,631,222	1,402,133	2,027,535	1,895,992	3,658,757	3,298,125
Purchased services	439,704	412,618	408,265	468,066	847,969	880,684
Supplies and materials	103,394	140,662	5,703	4,255	109,097	144,917
Payments to other governments	443,322	398,037	-	1,000	443,322	399,037
Depreciation expense	7,186	6,103	4,255	8,067	11,441	14,170
Other objects	58,827	89,262	21,587	26,004	80,414	115,266
Bad debt expense	-	-	19,078	4,240	19,078	4,240
Interest expense	-	-	1,368	420	1,368	420
Pension expense (income)	(71,080)	(366,826)	27,186	29,990	(43,894)	(336,836)
OPEB expense	151,450	165,047	14,133	12,572	165,583	177,619
Administrative expenses:						
On-behalf payments - local	199,647	210,184	-	-	199,647	210,184
On-behalf payments - state	2,251,527	1,863,569	-	-	2,251,527	1,863,569
Total expenses	<u>5,215,199</u>	<u>4,320,789</u>	<u>2,529,110</u>	<u>2,450,606</u>	<u>7,744,309</u>	<u>6,771,395</u>
Excess (deficiency) before transfers	(63,927)	314,035	1,875	67,420	(62,052)	381,455
Transfers	<u>52,560</u>	<u>40,435</u>	<u>(52,560)</u>	<u>(40,435)</u>	<u>-</u>	<u>-</u>
Change in net position	(11,367)	354,470	(50,685)	26,985	(62,052)	381,455
Net position - beginning	<u>(400,701)</u>	<u>(755,171)</u>	<u>1,059,727</u>	<u>1,032,742</u>	<u>659,026</u>	<u>277,571</u>
Net position - ending	<u>\$ (412,068)</u>	<u>\$ (400,701)</u>	<u>\$ 1,009,042</u>	<u>\$ 1,059,727</u>	<u>\$ 596,974</u>	<u>\$ 659,026</u>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

Governmental Activities

Revenues for governmental activities were \$5,151,272 and expenses were \$5,215,199 for the year ended June 30, 2020. Revenues for governmental activities were \$4,634,824 and expenses were \$4,320,789 for the year ended June 30, 2019. The overall increase is due to an increase in the Preschool for All Expansion grant in FY20 along with an increase in the ROE's share of the TRS pension expense.

Business-type Activities

Revenues for business-type activities were \$2,530,985 and expenses were \$2,529,110 for the year ended June 30, 2020. Revenues for business-type activities were \$2,518,026 and expenses were \$2,450,606 for the year ended June 30, 2019. The change in program revenue is a result of a reclassification of the state sources which was previously recorded as program revenues and is now recorded in general revenues. There was an increase in expenses due to a salary and benefits increase paid from Illinois Virtual School for an increased number of enrollments.

Financial Analysis of the Peoria County Regional Office of Education #48 Funds

As previously noted, the Regional Office of Education #48 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office of Education #48's Governmental Funds reported combined fund balances of \$2,960,688 at June 30, 2020 compared to fiscal year 2019 ending fund balance of \$2,948,719.

Budgetary Highlights

The Regional Superintendent annually prepares an Office Operations Budget and submits it to the Peoria County Board for their approval. The Office Operations Budget covers a fiscal year that runs from January 1 to December 31. Additionally, the Regional Office of Education #48 prepares budgets for each grant administered. These budgets are submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Regional Office of Education #48's actual financial activity are included in the supplemental information section of this report.

Capital Assets

Capital assets of the Regional Office of Education #48 include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office of Education #48 maintains an inventory of capital assets that have been accumulated over time. During the year ended June 30, 2020, Regional Office of Education #48 purchased assets totaling \$14,000 and disposed of no assets, resulting in ending capital assets of \$153,510. In addition, the Regional Office of Education #48 has adopted a depreciation schedule that reflects the level of Net Governmental Activities Capital Assets. More detailed information about capital assets is available in Note 7 of the financial statements.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, the Regional Office of Education #48 was aware of the following circumstances that could affect its financial health in the future:

- The Regional Office of Education #48 is no longer receiving funding from ISBE for the Illinois Virtual School. We are operating based upon enrollments and tuition received. IVS is one of five vendors listed in the ISBE Course Catalog for online learning.
- The Regional Office of Education #48 had several FY20 grants extended into FY21 due to COVID-19: all Adult Education grants, Preschool for All Expansion, Regional Safe Schools and AdvancED. These grants will run alongside approved FY21 grants for the same entities.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Office of Education #48's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Peoria County Regional Office of Education #48 at 324 Main St., Room 401, Peoria, IL 61602.

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

STATEMENT OF NET POSITION

June 30, 2020

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,884,250	\$ 1,205,538	\$ 4,089,788
Internal balances	33,737	(33,737)	-
Due from other governments	95,911	777,339	873,250
Prepaid expenses	14,538	47,288	61,826
Total current assets	<u>3,028,436</u>	<u>1,996,428</u>	<u>5,024,864</u>
Noncurrent assets:			
Capital assets, net of depreciation	33,197	9,640	42,837
Total noncurrent assets	<u>33,197</u>	<u>9,640</u>	<u>42,837</u>
Total assets	<u>3,061,633</u>	<u>2,006,068</u>	<u>5,067,701</u>
Deferred outflows of resources			
Deferred outflows related to OPEB plans	414,962	-	414,962
Deferred outflows related to pensions	502,500	-	502,500
Total deferred outflows of resources	<u>917,462</u>	<u>-</u>	<u>917,462</u>
Liabilities			
Current liabilities:			
Accounts payable	9,780	22,670	32,450
Lease payable	-	1,439	1,439
Accrued payroll liabilities	15,712	335,719	351,431
Due to other governments	17,015	-	17,015
Unearned revenue	25,241	631,253	656,494
Total current liabilities	<u>67,748</u>	<u>991,081</u>	<u>1,058,829</u>
Noncurrent liabilities:			
Lease payable	-	5,945	5,945
OPEB liabilities	2,507,561	-	2,507,561
Net pension liability	444,354	-	444,354
Total noncurrent liabilities	<u>2,951,915</u>	<u>5,945</u>	<u>2,957,860</u>
Total liabilities	<u>3,019,663</u>	<u>997,026</u>	<u>4,016,689</u>
Deferred inflows of resources			
Deferred inflows related to OPEB plans	460,081	-	460,081
Deferred inflows related to pensions	911,419	-	911,419
Total deferred inflows of resources	<u>1,371,500</u>	<u>-</u>	<u>1,371,500</u>
Net position			
Invested in capital assets, net of related debt	33,197	2,389	35,586
Restricted for educational purposes	194,759	-	194,759
Unrestricted	(640,024)	1,006,653	366,629
Total net position	<u>\$ (412,068)</u>	<u>\$ 1,009,042</u>	<u>\$ 596,974</u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY
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		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Instructional Services:							
Salaries and benefits	\$ 1,631,222	\$ -	\$ 1,168,141	\$ -	\$ (463,081)	\$ -	\$ (463,081)
Purchased services	439,704	-	216,927	-	(222,777)	-	(222,777)
Supplies and materials	103,394	-	62,250	-	(41,144)	-	(41,144)
Other objects	58,827	-	33,346	-	(25,481)	-	(25,481)
Depreciation	7,186	-	-	-	(7,186)	-	(7,186)
Pension (income)	(71,080)	-	51,008	-	122,088	-	122,088
OPEB expense	151,450	-	4,291	-	(147,159)	-	(147,159)
Intergovernmental:							
Payments to other governments	443,322	-	160,330	-	(282,992)	-	(282,992)
Administrative:							
On-behalf payments - local	199,647	-	-	-	(199,647)	-	(199,647)
On-behalf payments - state	2,251,527	-	-	-	(2,251,527)	-	(2,251,527)
Total governmental activities	<u>5,215,199</u>	<u>-</u>	<u>1,696,293</u>	<u>-</u>	<u>(3,518,906)</u>	<u>-</u>	<u>(3,518,906)</u>
Business-Type Activities:							
Local workshops	227,941	247,400	-	-	-	19,459	19,459
IL Virtual Schools	2,301,169	1,794,192	-	-	-	(506,977)	(506,977)
Total business-type activities	<u>2,529,110</u>	<u>2,041,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(487,518)</u>	<u>(487,518)</u>
Total primary government	<u>\$ 7,744,309</u>	<u>\$ 2,041,592</u>	<u>\$ 1,696,293</u>	<u>\$ -</u>	<u>(3,518,906)</u>	<u>(487,518)</u>	<u>(4,006,424)</u>
General Revenues:							
Local sources					304,735	-	304,735
State sources					661,246	475,000	1,136,246
On-behalf payments - local					199,647	-	199,647
On-behalf payments - state					2,251,527	-	2,251,527
Investment earnings					37,824	14,393	52,217
Transfers:					52,560	(52,560)	-
Total general revenues and transfers					<u>3,507,539</u>	<u>436,833</u>	<u>3,944,372</u>
Change in net position					(11,367)	(50,685)	(62,052)
Net position - beginning					(400,701)	1,059,727	659,026
Net position - ending					<u>\$ (412,068)</u>	<u>\$ 1,009,042</u>	<u>\$ 596,974</u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2020

	General Fund	Education Fund	Other Non-Major Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 2,670,727	\$ 20,312	\$ 193,211	\$ 2,884,250
Due from other funds	98,591	-	-	98,591
Due from other governments	6,653	89,041	217	95,911
Prepaid expenses	3,951	8,842	1,745	14,538
Total assets	<u>\$ 2,779,922</u>	<u>\$ 118,195</u>	<u>\$ 195,173</u>	<u>\$ 3,093,290</u>
Liabilities:				
Accounts payable	\$ 6,383	\$ 2,772	\$ 625	\$ 9,780
Accrued payroll and employee benefits	1,310	14,402	-	15,712
Due to other funds	-	64,854	-	64,854
Due to other governments	-	17,015	-	17,015
Unearned revenue	6,300	18,941	-	25,241
Total liabilities	<u>13,993</u>	<u>117,984</u>	<u>625</u>	<u>132,602</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Fund balance (deficit):				
Nonspendable	3,951	8,842	1,745	14,538
Restricted	-	-	192,803	192,803
Assigned	2,581,404	-	-	2,581,404
Unassigned	180,574	(8,631)	-	171,943
Total fund balance (deficit)	<u>2,765,929</u>	<u>211</u>	<u>194,548</u>	<u>2,960,688</u>
Total liabilities, deferred inflows, and fund balance (deficit)	<u>\$ 2,779,922</u>	<u>\$ 118,195</u>	<u>\$ 195,173</u>	<u>\$ 3,093,290</u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

June 30, 2020

Total fund balances - governmental funds		\$ 2,960,688
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		33,197
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore are not reported in the governmental funds as follows:		
OPEB deferred outflows of resources	\$ 414,962	
OPEB deferred inflows of resources	(460,081)	
IMRF deferred outflows of resources	140,591	
IMRF deferred inflows of resources	(34,167)	
TRS deferred outflows of resources	361,909	
TRS deferred inflows of resources	<u>(877,252)</u>	(454,038)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
OPEB liabilities	(2,507,561)	
IMRF net pension liability	(209,112)	
TRS net pension liability	<u>(235,242)</u>	<u>(2,951,915)</u>
Net position of governmental activities		<u><u>\$ (412,068)</u></u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2020

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 198,348	\$ -	\$ 106,387	\$ 304,735
State sources	661,035	1,461,127	1,468	2,123,630
Federal sources	-	257,131	-	257,131
On-behalf payments - local	199,647	-	-	199,647
On-behalf payments - state	285,779	-	-	285,779
Interest income	34,399	747	2,678	37,824
Total revenues	1,379,208	1,719,005	110,533	3,208,746
Expenditures:				
Instructional services				
Salaries and benefits	391,283	1,168,141	71,798	1,631,222
Purchased services	161,098	215,459	63,147	439,704
Supplies and materials	15,369	62,997	25,028	103,394
Other objects	10,594	33,346	14,887	58,827
On-behalf payments - local	199,647	-	-	199,647
On-behalf payments - state	285,779	-	-	285,779
Pension expense	11,089	51,008	5,272	67,369
OPEB expense	1,695	4,291	87	6,073
Intergovernmental				
Payments to other governments	282,992	160,330	-	443,322
Capital Outlay	14,000	-	-	14,000
Total expenditures	1,373,546	1,695,572	180,219	3,249,337
Excess (deficiency) of revenues over expenditures	5,662	23,433	(69,686)	(40,591)
Other financing sources:				
Transfers in	52,560	-	-	52,560
Transfers out	-	-	-	-
Total other financing sources	52,560	-	-	52,560
Net change in fund balances	58,222	23,433	(69,686)	11,969
Fund balances (deficit) - beginning	2,707,707	(23,222)	264,234	2,948,719
Fund balances (deficit) - ending	<u>\$ 2,765,929</u>	<u>\$ 211</u>	<u>\$ 194,548</u>	<u>\$ 2,960,688</u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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		\$	11,969
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.			
Current year unavailable revenue		\$ -	
Prior year unavailable revenue		<u>(23,222)</u>	(23,222)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay		\$ 14,000	
Depreciation		<u>(7,186)</u>	6,814
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.			
OPEB expense		(145,377)	
Net pension expense		<u>138,449</u>	<u>(6,928)</u>
Change in net position of governmental activities			<u><u>\$ (11,367)</u></u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2020

Business-type Activities
Proprietary Funds

	Illinois Virtual School	Local Workshops	Total
Assets			
Currents assets			
Cash and cash equivalents	\$ 780,733	\$ 424,805	\$ 1,205,538
Due from other governments, net of allowance	731,210	46,129	777,339
Prepaid expenses	44,439	2,849	47,288
Total current assets	1,556,382	473,783	2,030,165
Noncurrent assets			
Capital assets, net of depreciation	2,389	7,251	9,640
Total assets	1,558,771	481,034	2,039,805
Liabilities			
Current liabilities			
Accounts payable	16,356	6,314	22,670
Lease payable	-	1,439	1,439
Accrued payroll liabilities	335,719	-	335,719
Due to other funds	33,737	-	33,737
Unearned revenue	631,253	-	631,253
Total current liabilities	1,017,065	7,753	1,024,818
Noncurrent liabilities			
Lease payable	-	5,945	5,945
Total liabilities	1,017,065	13,698	1,030,763
Net position			
Invested in capital assets, net of related debt	2,389	-	2,389
Unrestricted	539,317	467,336	1,006,653
Total net position	\$ 541,706	\$ 467,336	\$ 1,009,042

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2020

	Business-type Activities Proprietary Funds		
	Illinois Virtual School	Local Workshops	Total
Operating revenues			
Registration fees	\$ -	\$ 247,400	\$ 247,400
Tuition and subscriptions	1,794,192	-	1,794,192
Total operating revenues	1,794,192	247,400	2,041,592
Operating expenses			
Salaries and benefits	1,836,997	190,538	2,027,535
Purchased services	385,976	22,289	408,265
Supplies and materials	445	5,258	5,703
Other objects	21,529	58	21,587
Pension expense	22,579	4,607	27,186
OPEB expense	13,048	1,085	14,133
Bad debt expense	19,078	-	19,078
Depreciation	1,517	2,738	4,255
Total operating expenses	2,301,169	226,573	2,527,742
Operating income (loss)	(506,977)	20,827	(486,150)
Nonoperating revenue (expense)			
Interest income	9,330	5,063	14,393
Interest expense	-	(1,368)	(1,368)
State sources	475,000	-	475,000
Total nonoperating revenue (expense)	484,330	3,695	488,025
Income before transfers	(22,647)	24,522	1,875
Transfers in	-	-	-
Transfers out	(52,560)	-	(52,560)
Total transfers	(52,560)	-	(52,560)
Change in net position	(75,207)	24,522	(50,685)
Net position - beginning	616,913	442,814	1,059,727
Net position - ending	\$ 541,706	\$ 467,336	\$ 1,009,042

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2020

	Business-type Activities Proprietary Funds		
	Illinois Virtual School	Local Workshops	Total
Cash flows from operating activities			
Receipts from customers	\$ 1,574,086	\$ 219,522	\$ 1,793,608
Payments to suppliers and providers of goods and services	(416,585)	(13,968)	(430,553)
Payments to employees	(1,733,690)	(196,230)	(1,929,920)
Net cash provided by (used for) operating activities	(576,189)	9,324	(566,865)
Cash flows from noncapital financing activities			
State grants	475,000	-	475,000
Cash payments to other funds	(52,560)	-	(52,560)
Cash payments from other funds	-	30,189	30,189
Net cash provided by (used for) noncapital financing activities	422,440	30,189	452,629
Cash flows from capital and related financing activities			
Principal paid on lease obligations	-	(1,659)	(1,659)
Interest paid on lease obligations	-	(1,368)	(1,368)
Purchase of equipment	(1)	1	-
Net cash (used for) capital and related financing activities	(1)	(3,026)	(3,027)
Cash flows from investing activities			
Interest earned from investments	9,330	5,063	14,393
Net cash provided by investing activities	9,330	5,063	14,393
Net increase (decrease) in cash and cash equivalents	(144,420)	41,550	(102,870)
Cash and cash equivalents - beginning	925,153	383,255	1,308,408
Cash and cash equivalents - ending	\$ 780,733	\$ 424,805	\$ 1,205,538
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (506,977)	\$ 20,827	\$ (486,150)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	1,517	2,738	4,255
Bad debt expense	19,078	-	19,078
(Increase)/decrease in assets:			
Prepaid expenses	8,062	8,295	16,357
Due from other governments	(519,951)	(27,558)	(547,509)
Increase/(decrease) in liabilities			
Accrued payroll	138,934	-	138,934
Accounts payable	(16,697)	5,342	(11,355)
Due to other governments	33,737	-	33,737
Unearned revenue	266,108	(320)	265,788
Net cash provided by (used for) operating activities	\$ (576,189)	\$ 9,324	\$ (566,865)

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2020

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 213,310
Due from other governments	<u>3,107,195</u>
Total Assets	<u>\$ 3,320,505</u>
Liabilities	
Due to other governments	<u>\$ 3,320,505</u>
Total Liabilities	<u>\$ 3,320,505</u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Peoria County Regional Office of Education #48 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 #48 is presented to assist in understanding the Regional Office of Education #48's financial statements. The financial statements and notes are representations of the Regional Office of Education #48'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 #48 operates under the School Code (Articles 5/3 and 5/3A of Illinois Compiled Statutes, Chapter 105). The Regional Office of Education #48 encompasses Peoria County. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the Regional Office of Education #48 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 #48'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 her control are properly bonded.

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education #48, 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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the period ended June 30, 2020, the Regional Office of Education #48 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 #48. Such activities are reported as a single special revenue fund (Education Fund).

SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #48 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #48 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #48, 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 #48 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 #48 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #48 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #48 being considered a component unit of the entity.

NEW ACCOUNTING PRONOUNCEMENTS

In May, 2020 the Governmental Accounting Standards Board (GASB) issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement delayed for at least one year the effective dates of GASB statements that the Regional Office of Education #48 would have otherwise been required to implement in 2020. As a result, no new accounting pronouncements were implement in 2020.

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 #48'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 #48 has two business-type activities; Local Workshops and the Illinois Virtual School. The Local Workshop Fund accounts for fees charged for various workshops and conferences that provide staff development for educators in central and west central Illinois. The Illinois Virtual School Fund accounts for tuition and subscription costs charged to schools and the Illinois State Board of Education for use of the Illinois Virtual School (IVS). The Regional Office of Education #48'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 #48 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 #48' assets (including capital assets), deferred outflows of resources, liabilities, and deferred inflows of resources are included in the

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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)

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 are shown as internal balances 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.

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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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, typically 60 days. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for other long-term obligations, which are recognized when paid.

Revenues received after the Regional Office of Education #48's availability period are reported as unavailable revenue in the fund statements and are reported as current revenue in the Statement of Activities.

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.

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 #48; 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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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)

Under the terms of grant agreements, Regional Office of Education #48 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 #48's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. It is the Regional Office of Education #48's policy to first apply restricted funds, then unrestricted. For unrestricted fund balances, committed funds are used first, then assigned funds, then unassigned if any.

FUND ACCOUNTING

The Regional Office of Education #48 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 #48 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 and deferred outflows of resources, and liabilities and 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 and deferred outflows of resources, liabilities and 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 and deferred outflows of resources, liabilities and 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 #48 has presented all major funds that met the above qualifications.

The Regional Office of Education #48 reports the following major governmental funds:

General Fund - The General Fund is used to account for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted for and reported in another fund. The General Fund is always considered a major fund. The following accounts are included in the General Fund:

ROE Local Fund - To account for local monies received that are not assigned to or need to be reported in another fund and to account for on-behalf support provided to the Regional Office of Education #48 from Peoria County and the State of Illinois.

Evidenced Based Funding - To account for monies passed through to Peoria County School District 150.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Jail Library - To account for local monies received to provide a librarian at the Peoria County Jail.

Lincoln Senior Award - To account for local monies received to provide Abraham Lincoln Awards to sixteen high school students.

Office of Prevention - To account for monies used to create a "library" of substance abuse and violence prevention materials which directs a 40 percent portion of Title IV grants from 15 Peoria County school districts to Peoria County Sheriff for use in the D.A.R.E. program.

Hospital Tutoring - State laws require that hospitalized students receive tutoring. To account for the related transactions, including the receipt of the bills from the hospitals, billing the appropriate schools, receiving payment from the schools, and remitting payments to the hospitals. This fund also accounts for the payment and subsequent reimbursement of salaries and benefit costs associated with the alternative teacher who provides instruction to hospitalized students.

Food Co-op - To account for the Regional Office of Education #48's administration of food programs for the schools participating in the co-op.

Peoria Regional High School Evidenced Based Funding - To account for monies received from the Illinois State Board of Education for the operation of the Peoria County Regional High School.

Peoria Regional High School - To account for local monies received for the operation of the Peoria County Regional High School.

Criminal Background Checks - To account for local monies received for performing background check services.

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

Major special revenue funds include the following:

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

Adult Education Federal Basic, State Basic, and Performance - To account for State and federal monies received for educational programs for incarcerated persons.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

AdvancED - This grant provides funds for the ROE #48 to participate in the AdvancED accreditation process following the AdvancED Standards and Policies for the initial accreditation for ROE's and shall receive accreditation by December 2020.

Communities for Youth Truants Alternative - To account for monies received for programs leading to a high school diploma for students with truancy problems.

McKinney-Vento Education for Homeless Children and Youth - To account for monies received to provide information to schools, community members and government entities about the educational rights of homeless students.

ROE/ISC Operations - To account for the administration of the PROE (Peoria Regional Office of Education) Center, which provides staff training and development and school improvement services.

IL Secretary of State Adult Literacy - to account for monies received from the Illinois Secretary of State's office to conduct tutor trainings for adult volunteers preparing them to provide one-on-one instructional tutoring sessions to low literate adult learners.

IL Multi-Tiered System of Support (MTSS) - To account for monies received from Regional Office of Education #47 (federal dollars) to provide regionally based professional development, technical assistance and coaching to educators and parents throughout the state. These services focus on improving student performance in grades K-12 through the implementation of a multi-tiered system of instruction, intervention, and assessment.

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.

Preschool for All Expansion - This grant replaced the previous Preschool for All grant that the ROE has administered for many years. Grant money will help develop, enhance and expand preschool programs that are of high quality. Funds will be provided for early childhood and family education programs and services that will help young children enter school ready to learn.

Regional Safe Schools - To account for monies passed through to Peoria County School District 150.

Title II - Teacher Quality Leadership Grant - To account for monies received from the State (federal dollars) to provide funding to districts with educators in need of completing PERA Evaluator Training.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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 #48 reports the following nonmajor special revenue funds:

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

General Education Development - To account for the Regional Office of Education's administration of the GED Testing Program. Revenues are received from testing and diploma fees.

Institute - This fund accounts for teacher license registration and expenses of meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

Supervisory - This fund accounts for proceeds provided to the Regional Superintendent by the Illinois State Board of Education to be used for travel and related purposes.

Local Foundation - To account for local monies received through fund raising activities that are to be used to support Peoria Regional High School activities.

PROPRIETARY FUNDS

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #48 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.

Major proprietary funds

Illinois Virtual School Fund - This fund was created in 2009 as a result of the Peoria County Regional Office of Education #48's contract award from the Illinois State Board of Education. This fund accounts for income received through course fees from school districts, parents of students taking grades 5-12 online courses, and educators enrolled in professional development courses, in addition to funding received through the contract with the Illinois State Board of Education. The mission of the Illinois Virtual School is to expand educational opportunities for students and educators in Illinois.

Local Workshops Fund - This fund is used to account for the various fees charged for local workshops that provide professional development to area educators.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS

Agency Funds – Agency Funds are used to account for assets held by the Regional Office of Education #48 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:

Regional Board of Trustees - To account for the proceeds and related costs from the sale of school properties within the Regional Office of Education #48.

Central Illinois Science Education (C.I.S.E.) - To account for the receipts and disbursements of the C.I.S.E. This account is maintained for the convenience of the C.I.S.E.

Peoria Educational Region for Employment and Career Training (PERFECT) - To account for the pass-through of monies from the Illinois State Board of Education to agencies to conduct career and technical education improvement programs.

Special Education Association of Peoria County (SEAPCO) - To account for the pass-through of monies from the Illinois State Board of Education to agencies to conduct Special Education instruction in Peoria County.

County Schools Facility Sales Tax - To account for County Schools Facility Sales Tax money received from the State of Illinois and distributed to all School Districts.

Illinois Virtual School (IVS) Scholarship Fund - To account for scholarship monies from the LUDA Education Foundation to provide scholarships to students.

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 #48 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 #48 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 are not available to be spent, either short term or long term, in either form or through legal restrictions. Amounts representing prepaid expenses have been classified as nonspendable. The following accounts comprise nonspendable fund balance: ROE Local Fund, Hospital Tutoring, Peoria Regional High School Evidenced Based Funding, Peoria Regional High School, Criminal Background Checks, McKinney-Vento Ed. for Homeless Children & Youth, MTSS, Preschool for All Expansion and Institute.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUND BALANCES (Continued)

Restricted Fund Balance – the portion of a Governmental Fund’s fund balance that is subject to external enforceable legal restrictions. The following funds are restricted by Illinois Statute: Bus Driver Training, General Education Development, Institute, and Supervisory. The following fund balances are restricted by contributors: Local Foundation.

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. There are no accounts presenting a committed fund balance.

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 following accounts comprise assigned fund balance: ROE Local Fund, Jail Library, Office of Prevention, Hospital Tutoring, Peoria High School Evidenced Based Funding, and Peoria Regional High School.

Unassigned Fund Balance – available expendable resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the following: ROE Local Funds, Food Co-Op, McKinney-Vento Ed. for Homeless Children & Youth, MTSS, Preschool for All Expansion, and Criminal Background Checks.

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.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit. The Regional Office of Education #48 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

INVENTORY

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 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.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

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

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the Regional Office of Education #48's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education #48's OPEB Plan and additions to/deductions from the Regional Office of Education #48's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education #48's Plan. For this purpose, the Regional Office of Education #48's Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education #48 OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the ROE's single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. 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, and therefore, no liability is accrued.

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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 expense or OPEB expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES (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.

In the government wide financial statements, deferred inflows of resources related to pensions and OPEB represent differences between expected and actual experience, changes of assumptions, changes in proportionate and differences between employer contributions and proportionate share of contributions, and differences between actual and projected investment earnings.

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.

BUDGET DATA

The Regional Office of Education #48 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 do so. Comparisons of budgeted and actual results are presented as supplemental information.

Budgetary comparison schedules have been provided in supplementary schedules for the following accounts: Adult Education - Federal Basic, Adult Education - State Basic, Adult Education - Performance, AdvancED, Communities for Youth Truants Alternative, McKinney-Vento Education for Homeless Children and Youth, ROE/ISC Operations, IL Multi-Tiered System of Support (MTSS), Preschool for All Expansion, Regional Safe Schools, Pilot Regional Safe School Cooperative Education Program, Title II Teacher Quality Leadership Grant, IL Secretary of State Adult Literacy.

2 DEPOSITS AND INVESTMENTS

The Illinois Compiled Statutes authorize the Regional Office of Education #48 to make deposits and invest in U.S. Government, State of Illinois and municipal securities, certificates of deposit or time savings deposits insured by the FDIC, mortgage notes, bonds, or debentures issued by the Federal Housing Administration, bonds and other obligations of the Federal National Mortgage Association, commercial paper rated within the three highest classifications by at least two standard rating services, credit union shares, and the Illinois Public Treasurer's Investment Pool.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

2 DEPOSITS AND INVESTMENTS (Continued)

DEPOSITS

At June 30, 2020, the carrying amount of the Regional Office of Education #48's government-wide and Agency fund deposits were \$102,080 and \$213,310, respectively, and the bank balances were \$57,064 and \$213,310, respectively. \$250,000 of this amount was secured by federal depository insurance or collateral. Another \$20,374 was collateralized by security pledged by the Regional Office of Education #48's financial institution in the name of the Regional Office. The remaining cash and cash equivalents consisted of money market mutual funds in the amount of \$3,987,708. Additional detail is presented on these money market mutual funds below. Carrying balance includes \$149,524 in a Paypal statement which is not federally insured and collateralized.

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 #48's deposits may not be returned to it. To guard against this risk, the Regional Office of Education #48'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 #48.

INVESTMENTS

The Regional Office of Education #48 does not have a formal investment policy but requires that funds be invested solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2. At June 30, 2020, the Regional Office of Education #48 had investments with a carrying value of \$9,554 in the Illinois Funds and \$3,978,154 in the Illinois School District Liquid Asset Fund Plus.

CREDIT RISK

At June 30, 2020, the Illinois Funds and the Illinois School District Liquid Asset Fund Plus (ISDLAF+) both had a Standard and Poor's AAAM rating. Both of these pools are audited annually by an outside independent auditor and copies of the report are distributed to participants. The investment advisor for ISDLAF+ is a corporation organized under the laws of the State of Illinois and is registered with the Securities and Exchange Commission. Although not subject to direct regulatory oversight, the Illinois Funds is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act. All investments are fully collateralized.

INTEREST RATE RISK

The Illinois Funds and the Illinois School District Liquid Asset Fund Plus enable 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 investment policy of the Illinois School District Liquid Asset Fund Plus limits the average dollar-weighted portfolio maturity to sixty days or less and states that money market instruments must have a maximum remaining maturity of 397 days except for U.S. government obligations which may have remaining maturities up to two years.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

2 DEPOSITS AND INVESTMENTS (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. The Illinois School District Liquid Asset Fund Plus's investment policy specifically limits the amount of investments in commercial paper to 33 1/3% of the fund's assets. The fund is managed to comply with specific requirements of the Illinois law, particularly the Public Funds Investment Act and other applicable to the investment of participant's funds.

3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND

IMRF PLAN DESCRIPTION

The Regional Office of Education #48'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 #48'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.

BENEFITS PROVIDED

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

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

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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)

- 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	6
Inactive Plan Members entitled to but not yet receiving benefits	20
Active Plan Members	17
Total	<u>43</u>

CONTRIBUTIONS

As set by statute, the Regional Office of Education #48'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 #48's annual contribution rate for calendar year 2019 was 10.46%. For the fiscal year ended June 30, 2020, the Regional Office of Education #48 contributed \$71,362 to the plan. The Regional Office of Education #48 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NET PENSION LIABILITY

The Regional Office of Education #48's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 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%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the 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 2014-2016.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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)

- For **Non-Disabled Retirees**, an IMRF Specific Mortality Table was used with fully generation projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy 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:

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

SINGLE DISCOUNT RATE

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2019. 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%.

CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 1,176,518	\$ 944,311	\$ 232,207
Changes for the year:			
Service Cost	57,620	-	57,620
Interest on the Total Pension Liability	86,052	-	86,052
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	105,524	-	105,524
Changes of Assumptions	-	-	-
Contributions - Employer	-	68,494	(68,494)
Contributions - Employees	-	35,690	(35,690)
Net Investment Income	-	159,266	(159,266)
Benefit Payments, including Refunds of Employee Contributions	(36,803)	(36,803)	-
Other (Net Transfer)	-	8,841	(8,841)
Net Changes	212,393	235,488	(23,095)
Balances at December 31, 2019	\$ 1,388,911	\$ 1,179,799	\$ 209,112

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

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

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net Pension Liability	\$ 365,945	\$ 209,112	\$ 79,920

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 #48 recognized pension expense of \$79,333. At June 30, 2020, the Regional Office of Education #48 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
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actuarial experience	\$ 93,588	\$ -
Changes of assumptions	10,568	-
Net difference between projected and actual earnings on pension plan investments	-	34,167
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	104,156	34,167
<i>Pension contributions made subsequent to the measurement date</i>		
Total Deferred Amounts Related to Pensions	\$ 140,591	\$ 34,167

\$36,435 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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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)

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 of Resources
2020	\$ 46,264
2021	23,923
2022	17,410
2023	(17,608)
2024	-
Thereafter	-
Total	\$ 69,989

4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #48 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 1 members have TRS or reciprocal system services prior to January 1, 2011. Tier 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

BENEFITS PROVIDED (Continued)

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

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

CONTRIBUTIONS

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019 was 9 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 #48.

ON BEHALF CONTRIBUTIONS TO TRS

The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #48. For the year ended June 30, 2020, the State of Illinois contributions recognized by the Regional Office of Education #48 were based on the State's proportionate share of collective net pension liability associated with the Regional Office of Education #48, and the Regional Office of Education #48 recognized revenue and expenditures of \$1,817,754 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 \$13,289, and are deferred because they were paid after the June 30, 2019 measurement date.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

FEDERAL AND SPECIAL TRUST FUND CONTRIBUTIONS

When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #48, there is a statutory requirement for the Regional Office of Education #48 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 \$102,512 were paid from federal and special trust funds that required Regional Office of Education #48 contributions of \$10,928. These contributions 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. The Regional Office of Education #48 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.

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 #48 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2020, the Regional Office of Education #48 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the Regional Office of Education #48. The State's support and total are for disclosure purposes only. The amount recognized by the Regional Office of Education #48 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 Regional Office of Education #48 follows below:

Employers proportionate share of the net pension liability	\$ 235,242
State's proportionate share of the net pension liability associated with the employer	16,741,912
	<u>\$ 16,977,154</u>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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)

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 #48'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 #48's proportion was 0.0002900349 percent, which was an increase of .0000071067 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Regional Office of Education #48 recognized pension expense of \$1,817,754 and revenue of \$1,817,754 for support provided by the State. For the year ended June 30, 2020 the Regional Office of Education #48 recognized pension expense of (\$123,227). At June 30, 2020, the Regional Office of Education #48 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	\$ 3,857	\$ -
Net difference between projected and actual earnings on pension plan investments	373	-
Changes of assumptions	5,272	4,516
Changes in proportion and difference between employer contributions and proportionate share of contributions	328,191	872,736
Employer contributions subsequent to the measurement date	24,216	-
	\$ 361,909	\$ 877,252

\$24,216 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized by the Regional Office of Education #48 as a reduction of their net pension liabilities 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	\$ (116,707)
2022	(105,910)
2023	(212,474)
2024	(104,971)
2025	502
	\$ (539,560)

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

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

In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are used 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. equities large cap	15.0%	6.30%
U.S. equities small/mid cap	2.0%	7.70%
International equities developed	13.6%	7.00%
Emerging market equities	3.4%	9.50%
U.S. bonds core	8.0%	2.20%
U.S. bonds high yield	4.2%	4.00%
International debt developed	2.2%	1.10%
Emerging international debt	2.6%	4.40%
Real estate	16.0%	5.20%
Real Return	4.0%	1.80%
Absolute Return	14.0%	4.10%
Private equity	15.0%	9.70%
	<u>100%</u>	

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

DISCOUNT RATE

At June 30, 2019, the discount rate used to measure the total pension liability was 7.0 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 of current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE REGIONAL OFFICE OF EDUCATION #48'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Regional Office of Education #48's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 287,327	\$ 235,242	\$ 192,418

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*.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

5 TEACHERS' HEALTH INSURANCE SECURITY FUND

PLAN DESCRIPTION

The Regional Office of Education #48 participates in the Teacher Health Insurance Security (THIS) Fund. THIS is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. 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 State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) establishes the eligibility and benefit provisions of the plan. Amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) requires that the Department's Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

The publicly available financial report for 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" <http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp> ; prior reports are available under "Healthcare and Family Services" <http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>.

BENEFITS PROVIDED

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage Plan.

CONTRIBUTIONS

All active member of TRS, who are not employees of a state agency, make contributions to the plan at a rate of 1.24% of creditable earnings.

The Regional Office of Education is required to make contributions to the THIS Fund. The employer THIS Fund Contribution was .92% during the year ended June 30, 2020. For the years ended June 30, 2019 and June 30, 2018, the employer THIS Fund Contribution was .92% and .88%, respectively. Contributions for the year ending June 30, 2020 were \$21,078 and are deferred because they were paid after the June 30, 2019 measurement date. For the years ended June 30, 2019 and June 30, 2018, the Regional Office of Education #48 paid \$20,311 and \$18,648, respectively, which was 100 percent of the required contribution.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

5 TEACHERS' HEALTH INSURANCE SECURITY FUND (Continued)

CONTRIBUTIONS (Continued)

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

ON BEHALF CONTRIBUTIONS TO THIS

The State of Illinois makes employer contributions on behalf of the Regional Office of Education #48 as under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

For the year ended June 30, 2020, the State of Illinois contributions recognized by the Regional Office of Education #48 were based on the State's proportionate share of the collective OPEB liability associated with the Regional Office of Education #48, and the Regional Office of Education #48 recognized revenue and expenditures of \$147,994 in OPEB contributions from the State of Illinois.

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 #48 reported a liability for its proportionate share of the net OPEB liability (first amount shown below). The State's support and total are for disclosure purposes only. The amount recognized by The Regional Office of Education #48 as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with The Regional Office of Education #48 were as follows:

Employers proportionate share of the net OPEB liability	\$ 2,495,761
State's proportionate share of the net OPEB liability associated with the employer	<u>3,379,584</u>
Total	<u>\$ 5,875,345</u>

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. The Regional Office of Education #48's proportion of the collective net OPEB liability was based on The Regional Office of Education #48's share of contributions to TRS for the measurement year ended June 30, 2019, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2019, The Regional Office of Education #48's proportion was 0.0090180%, which was an increase of 0.000870% from its proportion measured as of June 30, 2018. The State's support and total are for disclosure purposes only.

For the year ending June 30, 2020, the Regional Office of Education #48 recognized OPEB expense of \$147,994 and revenue of \$147,994 for support provided by the State. For the year ending June 30, 2020, the Regional Office of Education #48 recognized OPEB expense of \$163,016.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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)

At June 30, 2020, The Regional Office of Education #48 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	\$ -	\$ 41,415
Changes of assumptions	946	286,096
Net difference between projected and actual investment earnings on OPEB plan investments	-	81
Changes in proportion and differences between employer contributions and proportionate share of contributions	392,938	132,489
Total deferred amounts to be recognized in OPEB expense in future periods	393,884	460,081
Employer contributions subsequent to the measurement date	21,078	-
Total deferred amounts related to OPEB	\$ 414,962	\$ 460,081

\$21,078 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30	Net Deferred Inflows of Resources
2021	\$ (9,090)
2022	(9,090)
2023	(9,090)
2024	(9,089)
2025	(9,069)
Thereafter	(20,769)
	\$ (66,197)

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

5 TEACHERS' HEALTH INSURANCE SECURITY FUND (Continued)

ACTUARIAL VALUATION METHOD

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

ACTUARIAL ASSUMPTIONS

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

Inflation:	2.50 percent
Salary increase:	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return:	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 cost 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.

SINGLE DISCOUNT RATE

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate. Since the THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index with an average AA credit rating as of the measurement date has been selected. The discount rates of 3.62% as of June 30, 2018, and 3.13% as of June 30, 2019.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

5 TEACHERS' HEALTH INSURANCE SECURITY FUND (Continued)

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

The following presents The Regional Office of Education #48's proportionate share of the total OPEB liability calculated using the discount rate of 3.13%, as well as what The Regional Office of Education #48's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13%) or 1-percentage-point higher (4.13%) than the current rate.

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Employer's proportionate share of the collective net OPEB liability	\$ 3,000,810	\$ 2,495,761	\$ 2,096,880

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

The following presents The Regional Office of Education #48's proportionate share of the total OPEB liability calculated using the healthcare cost trend rate, as well as what The Regional Office of Education #48's proportionate share of the total 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 rate. 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 coverage.

	1% Decrease ^a	Healthcare Cost Trend Rates	1% Increase ^b
Employer's proportionate share of the collective net OPEB liability	\$ 2,016,371	\$ 2,495,761	\$ 3,143,237

^a 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.

^b 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.

CHANGE IN THIS NET OPEB LIABILITY

Balance - June 30, 2018	\$ 2,352,930
Additions	142,831
Deletions	-
Balance - June 30, 2019	\$ 2,495,761

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

6 INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2020 consist of the following individual due to/from other funds in the governmental fund balance sheet and proprietary fund statement of net position. The balances between governmental funds and between proprietary funds were eliminated in the government-wide Statement of Net Position.

	Due To Other Funds	Due From Other Funds
Education Fund	\$ 64,854	\$ -
General Fund	-	98,591
Proprietary Fund	33,737	-
Total	\$ 98,591	\$ 98,591

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2020 consist of the following individual transfers in/out to other funds in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the proprietary funds Statement of Revenues, Expenses, and Changes in Fund Net Position. These transfers were to cover the proprietary fund's indirect costs for the year. The transfer balances between governmental funds and between proprietary funds were eliminated in the government-wide Statement of Activities.

	Transfer In	Transfer Out
Education Fund	\$ -	\$ -
General Fund	\$ 52,560	\$ -
Proprietary Fund	-	(52,560)
Total	\$ 52,560	\$ (52,560)

7 CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Regional Office of Education #48 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The Regional Office of Education #48'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:

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

7 CAPITAL ASSET ACTIVITY (Continued)

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Governmental Activities:				
Equipment	\$ 91,307	\$ 14,000	\$ -	\$ 105,307
Governmental Activities Total Assets	91,307	14,000	-	105,307
Less Accumulated Depreciation	<u>(64,924)</u>	<u>(7,186)</u>	<u>-</u>	<u>(72,110)</u>
Governmental Activities Investment in Capital Assets, Net	<u>\$ 26,383</u>	<u>\$ 6,814</u>	<u>\$ -</u>	<u>\$ 33,197</u>

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Business-type Activities:				
Equipment	\$ 48,203	\$ -	\$ -	\$ 48,203
Business-type Activities Total Assets	48,203	-	-	48,203
Less Accumulated Depreciation	<u>(34,308)</u>	<u>(4,255)</u>	<u>-</u>	<u>(38,563)</u>
Business-type Activities Investment in Capital Assets, Net	<u>\$ 13,895</u>	<u>\$ (4,255)</u>	<u>\$ -</u>	<u>\$ 9,640</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 \$7,186 and \$4,255 was charged to the governmental activities - instructional services and the business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation and related debt.

8 RISK MANAGEMENT

The Regional Office of Education #48 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 #48 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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

9 OPERATING LEASES

The Regional Office of Education #48 has two lease agreements for office space and one agreement for storage space. The leases for office space at the PROE Center covered the period of July 1, 2019 through June 30, 2020 for a monthly rent of \$1,200. The lease for office space at Peoria Regional High School covered the period of July 1, 2019 through June 30, 2020 for a monthly rent of \$3,760. The lease period for the large storage space was July 1, 2019 through June 30, 2020 and had monthly rent of \$300. Subsequent to year-end, the PROE Center, Peoria Regional High School, and large storage space were renewed and extended an additional year through June 30, 2021. During the year ended June 30, 2020, rentals under lease obligations were \$63,120.

10 ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries, benefits, and contributions on-behalf of the Regional Office of Education #48:

State of Illinois		
Regional Superintendent Salary	\$	119,832
Regional Superintendent Fringe Benefit (Includes State paid insurance)		33,229
Assistant Regional Superintendent Salary		107,844
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)		24,874
Total	\$	<u>285,779</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education (ISBE). The on-behalf payments are reflected as revenues and expenditures of the General Fund.

The Regional Office of Education #48's also recorded \$1,817,754 and \$147,994 in revenue and expenses as on-behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense and the State's Teacher's Health Insurance Security Fund (THIS) OPEB expense in the Statement of Activities, respectively. In addition, the Regional Office of Education #48 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	\$	285,779
ROE#48's share of TRS pension expense		1,817,754
ROE#48's share of THIS OPEB expense		147,994
	\$	<u>2,251,527</u>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

10 ON-BEHALF PAYMENTS (Continued)

The Regional Office of Education #48's personnel are paid by Peoria County, Illinois, in accordance with statutes. Employees of programs funded by federal and State grants are paid by the grant funds. Some fixed assets used solely by the Regional Office of Education #48 are purchased by Peoria County. Ownership of those fixed assets remains with the County of Peoria and, accordingly, the cost of these assets is not included in the Regional Office of Education #48's financial statements. Peoria County also provides office space and some administrative expenses for the Regional Office of Education #48. The following data was calculated based on information provided by Peoria County:

Salaries and Benefits	\$ 178,414
Office Expenses	21,233
Total	<u>\$ 199,647</u>

11 DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #48's Education Fund, General Fund, Proprietary Funds, Nonmajor Special Revenue Funds, and Agency Funds have funds due from/to various other governmental units which consist of the following:

Due From Other Governments:

General Fund

Local Governments	\$ 6,653
Illinois State Board of Education	-

Education Fund

Local Governments	24,073
Illinois State Board of Education	44,605
Illinois Community College Board	20,363

Proprietary Funds

Local Governments	698,172
Illinois State Board of Education	79,167

Nonmajor Special Revenue Funds

Local Governments	217
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Agency Funds

Illinois State Board of Education	3,107,195
Total	<u>\$ 3,980,445</u>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

11 DUE TO/FROM OTHER GOVERNMENTS (Continued)

Due To Other Governments:

<u>Education Fund</u>	
Local Governments	\$ 7,064
Illinois State Board of Education	9,951
<u>Agency Funds</u>	
Local Governments	3,320,505
Total	<u><u>\$ 3,337,520</u></u>

12 CAPITAL LEASES

In March of 2019, the Regional Office of Education #48 entered into a capital lease reported by the Local Workshops Fund, for the acquisition of a copier at a cost of \$9,404. Accumulated depreciation of the copier as of June 30, 2020 was \$515.

Capital lease obligation activity for the year ended June 30, 2020 was as follows

Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
\$ 9,043	\$ -	\$ 1,659	\$ 7,384	\$ 1,439

The future minimum lease payments and the principal and interest as of June 30, 2020, were as follows:

Fiscal Year	Principal	Interest
2021	\$ 1,439	\$ 991
2022	\$ 1,917	\$ 735
2023	\$ 2,213	\$ 439
2024	\$ 1,815	\$ 108
	<u><u>\$ 7,384</u></u>	<u><u>\$ 2,273</u></u>

13 ACCOUNTS RECEIVABLE

Accounts receivable and the related allowance for doubtful accounts for the proprietary funds at June 30, 2020, are as follows:

	Outstanding Balance	Allowance for Doubtful Accounts	Net
Illinois Virtual School	\$ 748,117	\$ 16,907	\$ 731,210
Local Workshops Fund	46,129	-	46,129

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

14 OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE

PLAN DESCRIPTION

The Regional Office of Education #48 administers a single-employer defined benefit OPEB plan, "the Plan". The plan provides OPEB for eligible retirees, spouses, and surviving spouses through The Regional Office of Education #48's group health insurance plan, which covers both active and retired members. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Regional Office of Education #48 and can be amended by the Regional Office of Education through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes (ILCS). The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The Plan does not issue a stand-alone financial report.

BENEFITS PROVIDED

The Regional Office of Education #48 provides medical and prescription benefits, through continued health insurance coverage, at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes. This benefit creates an implicit subsidy of retiree health insurance.

To be eligible for benefits, an employee must qualify for retirement under the Regional Office of Education #48 retirement plan. General employees who became Illinois Municipal Retirement Fund (IMRF) members prior to January 1, 2011 are eligible at the earliest of: 1. Age 60 with 8 years of service; 2. Age 55 with 35 years of service; or 3. Age 55 with 8 years of service (early retirement with reduced benefit). General employees who became IMRF members on/after January 1, 2011 are eligible at the earliest of: 1. Age 67 with 10 years of service; 2. Age 62 with 35 years of service; or 3. Age 62 with 10 years of service (early retirement with reduced benefit). Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan. Spousal coverage converts to COBRA upon the death of a retiree or active employees eligible for retirement and terminates once the spouse attains age 65. If the retiree attains age 65 (eligible for Medicare) prior to their spouse, the spouse may elect to continue coverage through the Regional Office until the spouse attains age 65.

MEMBERSHIP

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	17
	<u>17</u>

Active employees who have not elected health coverage are assumed not to elect coverage at retirement and they have been excluded from plan membership numbers and related valuations.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

14 OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)

FUNDING POLICY

All plan funding is done on a pay-as-you go basis as the Regional Office of Education #48 is not required to and currently does not advance fund the costs of benefits that may become due and payable in the future.

For fiscal year June 30, 2020, neither The Regional Office of Education #48 or retirees contributed to the plan.

TOTAL OPEB LIABILITY

The Regional Office of Education #48's total OPEB liability for the fiscal year ending June 30, 2020 was measured as of June 30, 2020 based on an actuarial valuation using the alternate measurement method calculation prescribed by GASB 75 as of that date. Liabilities as of July 1, 2019 are based on an actuarial valuation as of June 30, 2019.

ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine the total OPEB liability at June 30, 2020:

Actuarial cost method:	Entry Age Normal Level % of Salary
Asset valuation method:	N/A
Inflation:	2.50%
Salary increases:	3.25% to 7.10%, including inflation
Investment rate of return:	N/A
Retirement age:	Each general employee is assumed to retire at age 61 or upon meeting the minimum age/service requirement, whichever is later. If the employee is currently over the age of 61, and has met the minimum age/service requirement, he is assumed to retire immediately.
Mortality:	Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019. Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019.
Healthcare trend cost rates:	Initial trend rates are based on a combination of employer history, national trend surveys, and professional judgement. Ultimate trend rate was selected based on historical medical CPI information. For fiscal years on and after 2020, trend starts at 8.00%, and gradually decreases to an ultimate trend of 4.50%.
Turnover rate:	The turnover rate is based on the Illinois Municipal Retirement Fund Actuarial Valuation as of December 31, 2019.
Retiree contributions:	Retiree contributions are assumed to increase according to healthcare trend rates.
Healthcare coverage election rate:	Active employees with current coverage are assumed to elect coverage at a rate of 40% and active employees with no coverage at a rate of 0%.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

14 OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)

DISCOUNT RATE

The Regional Office of Education #48 does not have a dedicated Trust to pay the benefits of the Plan. In this case the discount rate used for valuing OPEB liabilities for unfunded plans as of the Measurement Date is based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The discount rate used is 2.66%, which is the Bond Buyer Go 20-Bond Municipal Bond Index as of June 30, 2020. Similarly, a discount rate of 3.51% was used as of July 1, 2019.

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at June 30, 2019	\$ 9,233
Changes for the year:	
Service cost	842
Interest	354
Changes of benefit terms	-
Differences between expected and actual experience of the total OPEB liability	914
Changes of assumptions	457
Benefit payments	-
Net changes	2,567
Balances at June 30, 2020	\$ 11,800

SENSITIVITY OF THE EMPLOYER'S TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents The Regional Office of Education #48's total OPEB liability as of June 30, 2020 calculated using the discount rate of 2.66%, as well as what The Regional Office of Education #48's total 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 rate:

	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB liability	\$ 13,066	\$ 11,800	\$ 10,683

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

The following presents The Regional Office of Education #48's total OPEB liability as of June 30, 2020 using the healthcare trend rates assumed and what The Regional Office of Education #48's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate. The current healthcare trend rate starts at an initial rate of 8.00% decreasing to an ultimate rate of 4.50%. The 1% decrease in healthcare trend rates would assume an initial rate of 7.00%, decreasing to an ultimate rate of 3.500%. The 1% increase in healthcare trend rates would assume an initial rate of 9.00%, decreasing to an ultimate rate of 5.50%.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

14 OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)

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

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	\$ 10,260	\$ 11,800	\$ 13,753

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

For the year ended June 30, 2020, The Regional Office of Education #48 recognized OPEB expense of \$2,567. At June 30, 2020, The Regional Office of Education #48 did not report any deferred outflows of resources and deferred inflows of resources related to this OPEB plan.

15 LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2020 are summarized below.

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Amount Due Within One Year
Governmental Activities:					
OPEB liabilities	\$ 2,362,163	\$ 145,398	\$ -	\$ 2,507,561	\$ -
Net pension liability	452,735	14,714	23,095	444,354	-
	<u>\$ 2,814,898</u>	<u>\$ 160,112</u>	<u>\$ 23,095</u>	<u>\$ 2,951,915</u>	<u>\$ -</u>
Business-Type Activities:					
Lease payable	\$ 9,043	\$ -	\$ 1,659	\$ 7,384	\$ 1,439

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

	2019*	2018*	2017*	2016*	2015*	2014*
Employer's proportion of the net pension liability	0.0002900349%	0.0002829282%	0.0020283889%	0.0010598858%	0.0012251183%	0.0010988916%
Employer's proportionate share of the net pension liability \$	235,242	\$ 220,528	\$ 1,549,652	\$ 836,632	\$ 802,575	\$ 668,767
State's proportionate share of the net pension liability associated with the employer	<u>16,741,912</u>	<u>15,107,091</u>	<u>14,296,643</u>	<u>14,171,517</u>	<u>10,838,948</u>	<u>8,853,197</u>
Total	<u>\$ 16,977,154</u>	<u>\$ 15,327,619</u>	<u>\$ 15,846,295</u>	<u>\$ 15,008,149</u>	<u>\$ 11,641,523</u>	<u>\$ 9,521,964</u>
Employer's covered payroll	\$ 2,207,716	\$ 2,119,096	\$ 1,930,834	\$ 1,796,039	\$ 1,679,745	\$ 1,462,157
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.7%	10.40%	80.3%	46.6%	47.8%	45.7%
Plan fiduciary net position as a percentage of the total pension liability	39.6%	40.00%	39.3%	36.4%	41.5%	43.0%

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

See accompanying Independent Auditor's Report

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

	2020	2019	2018	2017	2016	2015	2014
Statutorily-required contribution	\$ 13,289	\$ 12,805	\$ 28,975	\$ 84,284	\$ 45,388	\$ 38,585	\$ 39,208
Contributions in relation to the statutorily- required contribution	13,289	12,805	28,975	84,284	45,388	38,585	39,208
Contribution deficiency (excess)	<u>\$ -</u>						
Employer's covered payroll	\$ 2,291,136	\$ 2,207,716	\$ 2,119,096	\$ 1,930,834	\$ 1,796,039	\$ 1,679,745	\$ 1,462,157
Contributions as a percentage of covered payroll	0.6%	0.6%	1.4%	4.4%	2.5%	2.3%	2.7%

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

Notes to 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 a real return of 4.5 percent. However, salary increases were assumed to vary by age.

See accompanying Independent Auditors' Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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	\$ 71,362	\$ 71,362	\$ -	\$ 654,813	10.90%
2019	64,235	64,235	-	440,318	14.59%
2018	41,508	41,508	-	344,433	12.05%
2017	40,602	40,602	-	385,592	10.53%
2016	47,731	47,731	-	381,405	12.51%
2015	31,302	32,561	(1,259)	370,368	8.79%

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 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2019 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	24-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.5%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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.

Other Information:

Notes: There were no benefit changes during the year.

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

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

See accompanying Independent Auditors' Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

Calendar Year Ended December 31,	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 57,620	\$ 35,609	\$ 32,861	\$ 41,569	\$ 38,901	\$ 42,803
Interest on the Total Pension Liability	86,052	76,301	70,990	65,406	60,525	43,948
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	105,524	50,665	17,466	546	(4,610)	133,041
Changes of Assumptions	-	28,874	(23,285)	-	-	30,146
Benefit Payments, including Refunds of Employee Contributions	(36,803)	(28,950)	(28,234)	(29,204)	(32,926)	(21,004)
Net Change in Total Pension Liability	212,393	162,499	69,798	78,317	61,890	228,934
Total Pension Liability - Beginning	<u>\$ 1,176,518</u>	<u>1,014,019</u>	<u>944,221</u>	<u>865,904</u>	<u>804,014</u>	<u>575,080</u>
Total Pension Liability - Ending (A)	<u>\$ 1,388,911</u>	<u>\$ 1,176,518</u>	<u>\$ 1,014,019</u>	<u>\$ 944,221</u>	<u>\$ 865,904</u>	<u>\$ 804,014</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 68,494	\$ 55,127	\$ 37,921	\$ 51,593	\$ 35,166	\$ 33,481
Contributions - Employees	35,690	19,814	15,499	24,897	17,163	28,590
Net Investment Income	159,266	(33,943)	128,734	48,305	13,816	38,808
Benefit Payments, including Refunds of Employee Contributions	(36,803)	(28,950)	(28,234)	(29,204)	(32,926)	(21,004)
Other (Net Transfer)	8,841	9,760	(13,419)	19	(1,944)	(973)
Net Change in Plan Fiduciary Net Position	235,488	21,808	140,501	95,610	31,275	78,902
Plan Fiduciary Net Position - Beginning	<u>\$ 944,311</u>	<u>922,503</u>	<u>781,908</u>	<u>686,298</u>	<u>655,023</u>	<u>576,121</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 1,179,799</u>	<u>\$ 944,311</u>	<u>\$ 922,409</u>	<u>\$ 781,908</u>	<u>\$ 686,298</u>	<u>\$ 655,023</u>
Net Pension Liability - Ending (A) - (B)	\$ 209,112	\$ 232,207	\$ 91,610	\$ 162,313	\$ 179,606	\$ 148,991
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.94%	80.26%	90.97%	82.81%	79.26%	81.47%
Covered Payroll	\$ 654,813	\$ 440,318	\$ 344,433	\$ 385,592	\$ 381,405	\$ 370,368
Net Pension Liability as a Percentage of Covered Payroll	31.93%	52.74%	26.60%	42.09%	47.09%	40.23%

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.

See accompanying Independent Auditors' Report.

PEORIA COUNTY
REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Teacher's Health Insurance Security Fund

Fiscal Year Ended June 30	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contribution as a Percentage of Covered Payroll
2020	\$ 21,078	\$ 21,078	\$ -	\$ 2,291,136	0.92%
2019	20,311	20,311	-	2,207,716	0.92%
2018	18,648	18,648	-	2,119,096	0.88%
2017	16,219	16,219	-	1,930,834	0.84%
2016	14,275	14,275	-	1,784,441	0.80%

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

See accompanying Independent Auditors' Report.

PEORIA COUNTY
REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE COLLECTIVE NET OPEB LIABILITY
Teacher's Health Insurance Security Fund
Last 4\ Fiscal Years*

	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>
Employer's proportion of the collective net OPEB liability	0.0090180%	0.008931%	0.008394%	0.007638%
Employer's proportionate share of the collective net OPEB liability \$	2,495,761	\$ 2,352,930	\$ 2,178,182	\$ 2,087,959
State's proportionate share of the collective net OPEB liability associated with the employer	<u>3,379,584</u>	<u>3,159,491</u>	<u>2,860,448</u>	<u>2,903,818</u>
Total	<u>\$ 5,875,345</u>	<u>\$ 5,512,421</u>	<u>\$ 5,038,630</u>	<u>\$ 4,991,777</u>
-70- Employer's covered payroll	2,207,716	2,119,096	\$ 1,930,834	\$ 1,784,441
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	113.05%	111.03%	112.81%	117.01%
Plan fiduciary net position as a percentage of the total OPEB liability	0.25%	-0.07%	-0.17%	-0.22%

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

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

See accompanying Independent Auditors' Report

PEORIA COUNTY
REGIONAL OFFICE OF EDUCATION #48

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Teacher's Health Insurance Security Fund
For the Year Ended June 30, 2020

1 CHANGES OF BENEFIT TERMS

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

2 CHANGES OF ASSUMPTIONS

The following OPEB-related assumption changes were made since the last actuarial valuation as of June 30, 2017:

- The discount rate was changed from 3.62 percent at June 30, 2018, to 3.13 percent at June 30, 2019;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2018, projected plan cost for plan year end June 30, 2019, premium changes through plan year end 2020, and expectation of future trend increases after June 30, 2019;
- The Excise Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2019;
- Per capita claim costs for plan year end June 30, 2019, were updated based on projected claims and enrollment experience through June 30, 2019, and updated premium rates through plan year 2020; and
- Healthcare plan participation rates by plan were updated based on observed experience.

PEORIA COUNTY
REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF CHANGES IN THE REGIONAL OFFICE OF EDUCATION'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
Regional Office of Education #48 OPEB Plan

Fiscal Year Ended June 30,	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 842	\$ 756	\$ 1,383
Interest	354	327	474
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	914	-	(4,846)
Changes of Assumptions or Other Inputs	457	467	(1,194)
Benefit Payments	-	-	-
Net Change in Total OPEB Liability	2,567	1,550	(4,183)
Total OPEB Liability - Beginning	\$ 9,233	7,683	11,866
Total OPEB Liability - Ending	\$ 11,800	\$ 9,233	\$ 7,683
Covered Payroll	\$ 649,368	\$ 384,333	\$ 374,959
Total OPEB Liability as a Percentage of Covered Payroll	1.82%	2.40%	2.05%

Notes to Schedule:

Changes of assumptions and other inputs reflect changes to assumptions that have been updated since the previous valuation to be in accordance with GASB 75.

The discount rate was changed from 3.51% at July 1, 2019 to 2.66% at June 30, 2020.

The healthcare trend rates were changed from 8.50% and decreasing to an ultimate trend rate of 5.00% at June 30, 2019 to 8.00% and decreasing to an ultimate trend rate of 4.50% at June 30, 2020.

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

See accompanying Independent Auditors' Report.

SUPPLEMENTAL INFORMATION

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

June 30, 2020

	ROE Local Fund	Evidenced Based Funding	Jail Library	Lincoln Senior Award
Assets				
Cash and cash equivalents	\$ 2,535,466		\$ 519	\$ -
Due from other funds	98,591	-	-	-
Due from other governments	728	-	-	-
Prepaid expenses	593	-	-	-
Total assets	\$ 2,635,378	\$ -	\$ 519	\$ -
Liabilities				
Accounts payable	\$ 1,600	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	1,600	-	-	-
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund balance				
Nonspendable	593	-	-	-
Assigned	2,464,905	-	519	-
Unassigned	168,280	-	-	-
Total fund balance (deficit)	2,633,778	-	519	-
Total liabilities, deferred inflows, and fund balance (deficit)	\$ 2,635,378	\$ -	\$ 519	\$ -

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

June 30, 2020

	Office of Prevention	Hospital Tutoring	Food Co-Op
Assets			
Cash and cash equivalents	\$ 10,950	\$ 15,246	\$ 10,036
Due from other funds	-	-	-
Due from other governments	-	3,465	-
Prepaid expenses	-	350	-
Total assets	\$ 10,950	\$ 19,061	\$ 10,036
Liabilities			
Accounts payable	\$ -	\$ 3,119	\$ -
Accrued payroll and employee benefits	-	-	889
Due to other funds	-	-	-
Unearned revenue	-	-	6,300
Total liabilities	-	3,119	7,189
Deferred inflows of resources			
Unavailable revenue	-	-	-
Fund balance			
Nonspendable	-	350	-
Assigned	10,950	15,592	-
Unassigned	-	-	2,847
Total fund balance (deficit)	10,950	15,942	2,847
Total liabilities, deferred inflows, and fund balance (deficit)	\$ 10,950	\$ 19,061	\$ 10,036

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

	June 30, 2020				
	Peoria Regional High School Evidence Based Funding	Peoria Regional High School	Criminal Background Checks	Eliminations	Total
Assets					
Cash and cash equivalents	\$ 87,707	\$ 2,152	\$ 8,651	\$ -	\$ 2,670,727
Due from other funds	-	-	-	-	98,591
Due from other governments	-	-	2,460	-	6,653
Prepaid expenses	1,814	448	746	-	3,951
Total assets	\$ 89,521	\$ 2,600	\$ 11,857	\$ -	\$ 2,779,922
Liabilities					
Accounts payable	\$ -	\$ -	\$ 1,664	\$ -	\$ 6,383
Accrued payroll and employee benefits	421	-	-	-	1,310
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	6,300
Total liabilities	421	-	1,664	-	13,993
Deferred inflows of resources					
Unavailable revenue	-	-	-	-	-
Fund balance					
Nonspendable	1,814	448	746	-	3,951
Assigned	87,286	2,152	-	-	2,581,404
Unassigned	-	-	9,447	-	180,574
Total fund balance (deficit)	89,100	2,600	10,193	-	2,765,929
Total liabilities, deferred inflows, and fund balance (deficit)	\$ 89,521	\$ 2,600	\$ 11,857	\$ -	\$ 2,779,922

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2020

	ROE Local Fund	Evidenced Based Funding	Jail Library	Lincoln Senior Award
Revenues				
Local sources	\$ 7,978	\$ -	\$ -	\$ 2,080
State sources	-	282,992	-	-
On-behalf payments - local	199,647	-	-	-
On-behalf payments - state	285,779	-	-	-
Interest income	32,751	-	-	-
Total revenues	526,155	282,992	-	2,080
Expenditures				
Instructional services:				
Salaries and benefits	433	-	-	-
Purchased services	7,718	-	-	1,932
Supplies and materials	1,622	-	-	148
Other objects	8,847	-	-	-
On-behalf payments - local	199,647	-	-	-
On-behalf payments - state	285,779	-	-	-
Pension expense	4,785	-	-	-
OPEB expense	(967)	-	-	-
Intergovernmental:				
Payments to other governments	-	282,992	-	-
Capital outlay	14,000	-	-	-
Total expenditures	521,864	282,992	-	2,080
Excess (deficiency) of revenues over expenditures	4,291	-	-	-
Other financing sources (uses)				
Transfers in	52,560	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	52,560	-	-	-
Net change in fund balances	56,851	-	-	-
Fund balance (deficit) - beginning	2,576,927	-	519	-
Fund balance (deficit) - ending	\$ 2,633,778	\$ -	\$ 519	\$ -

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2020

	Office of Prevention	Hospital Tutoring	Food Co-Op
Revenues			
Local sources	\$ -	\$ 123,109	\$ 8,050
State sources	-	-	-
On-behalf payments - local	-	-	-
On-behalf payments - state	-	-	-
Interest income	116	178	101
Total revenues	<u>116</u>	<u>123,287</u>	<u>8,151</u>
Expenditures			
Instructional services:			
Salaries and benefits	-	64,058	6,646
Purchased services	200	52,474	68
Supplies and materials	35	-	532
Other objects	-	-	-
On-behalf payments - local	-	-	-
On-behalf payments - state	-	-	-
Pension expense	-	481	-
OPEB expense	-	526	-
Intergovernmental:			
Payments to other governments	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>235</u>	<u>117,539</u>	<u>7,246</u>
Excess (deficiency) of revenues over expenditures	<u>(119)</u>	<u>5,748</u>	<u>905</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(119)	5,748	905
Fund balance (deficit) - beginning	<u>11,069</u>	<u>10,194</u>	<u>1,942</u>
Fund balance (deficit) - ending	<u>\$ 10,950</u>	<u>\$ 15,942</u>	<u>\$ 2,847</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2020

	Peoria Regional High School Evidence Based Funding	Peoria Regional High School	Criminal Background Checks	Eliminations	Total
Revenues					
Local sources	\$ -	\$ 16,445	\$ 40,686	\$ -	\$ 198,348
State sources	378,043	-	-	-	661,035
On-behalf payments - local	-	-	-	-	199,647
On-behalf payments - state	-	-	-	-	285,779
Interest income	1,108	88	57	-	34,399
Total revenues	<u>379,151</u>	<u>16,533</u>	<u>40,743</u>	<u>-</u>	<u>1,379,208</u>
Expenditures					
Instructional services:					
Salaries and benefits	316,484	3,662	-	-	391,283
Purchased services	62,684	8,782	27,240	-	161,098
Supplies and materials	1,282	8,665	3,085	-	15,369
Other objects	-	6	1,741	-	10,594
On-behalf payments - local	-	-	-	-	199,647
On-behalf payments - state	-	-	-	-	285,779
Pension expense	5,823	-	-	-	11,089
OPEB expense	2,136	-	-	-	1,695
Intergovernmental:					
Payments to other governments	-	-	-	-	282,992
Capital outlay	-	-	-	-	14,000
Total expenditures	<u>388,409</u>	<u>21,115</u>	<u>32,066</u>	<u>-</u>	<u>1,373,546</u>
Excess (deficiency) of revenues over expenditures	<u>(9,258)</u>	<u>(4,582)</u>	<u>8,677</u>	<u>-</u>	<u>5,662</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	52,560
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,560</u>
Net change in fund balances	(9,258)	(4,582)	8,677	-	58,222
Fund balance (deficit) - beginning	<u>98,358</u>	<u>7,182</u>	<u>1,516</u>	<u>-</u>	<u>2,707,707</u>
Fund balance (deficit) - ending	<u>\$ 89,100</u>	<u>\$ 2,600</u>	<u>\$ 10,193</u>	<u>\$ -</u>	<u>\$ 2,765,929</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

JUNE 30, 2020

	Adult Education Federal Basic	Adult Education State Basic	Adult Education Performance	AdvancED	Communities for Youth Truants Alternative	McKinney-Vento Education for Homeless Children and Youth
Assets						
Cash and cash equivalents	\$ -	\$ 5,106	\$ 13,835	\$ -	\$ -	\$ -
Due from other governments	20,363	-	-	-	18,251	9,041
Prepaid expenses	-	-	-	-	-	433
Total assets	\$ 20,363	\$ 5,106	\$ 13,835	\$ -	\$ 18,251	\$ 9,474
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 901
Accrued payroll and employee benefits	5,652	-	-	-	67	-
Due to other funds	14,711	-	-	-	18,184	8,573
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	5,106	13,835	-	-	-
Total liabilities	20,363	5,106	13,835	-	18,251	9,474
Deferred inflows of resources						
Unavailable revenue	-	-	-	-	-	-
Fund balance (deficit)						
Nonspendable	-	-	-	-	-	433
Restricted	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(433)
Total fund balance (deficit)	-	-	-	-	-	-
Total liabilities, deferred inflows, and fund balance (deficit)	\$ 20,363	\$ 5,106	\$ 13,835	\$ -	\$ 18,251	\$ 9,474

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

JUNE 30, 2020

	IL Secretary of State Adult Literacy	ROE/ISC Operations	IL Multi-Tiered System of Support (MTSS)	Preschool for All Expansion
Assets				
Cash and cash equivalents	\$ 1,371	\$ -	\$ -	\$ -
Due from other governments	-	-	15,032	7,101
Prepaid expenses	-	-	1,242	7,167
Total assets	\$ 1,371	\$ -	\$ 16,274	\$ 14,268
Liabilities				
Accounts payable	\$ 1,371	\$ -	\$ -	\$ 500
Accrued payroll and employee benefits	-	-	-	8,683
Due to other funds	-	-	16,274	4,874
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	1,371	-	16,274	14,057
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund balance (deficit)				
Nonspendable	-	-	1,242	7,167
Restricted	-	-	-	-
Unassigned	-	-	(1,242)	(6,956)
Total fund balance (deficit)	-	-	-	211
Total liabilities, deferred inflows, and fund balance (deficit)	\$ 1,371	\$ -	\$ 16,274	\$ 14,268

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

JUNE 30, 2020

	Regional Safe Schools	Pilot Regional Safe School Cooperative Educ. Program	Title II Teacher Quality Leadership Grant	Total
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 20,312
Due from other governments	9,951	7,064	2,238	89,041
Prepaid expenses	-	-	-	8,842
Total assets	<u>\$ 9,951</u>	<u>\$ 7,064</u>	<u>\$ 2,238</u>	<u>\$ 118,195</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,772
Accrued payroll and employee benefits	-	-	-	14,402
Due to other funds	-	-	2,238	64,854
Due to other governments	9,951	7,064	-	17,015
Unearned revenue	-	-	-	18,941
Total liabilities	<u>9,951</u>	<u>7,064</u>	<u>2,238</u>	<u>117,984</u>
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund balance (deficit)				
Nonspendable	-	-	-	8,842
Restricted	-	-	-	-
Unassigned	-	-	-	(8,631)
Total fund balance (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>211</u>
Total liabilities, deferred inflows, and fund balance (deficit)	<u>\$ 9,951</u>	<u>\$ 7,064</u>	<u>\$ 2,238</u>	<u>\$ 118,195</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2020

	Adult Education Federal Basic	Adult Education State Basic	Adult Education Performance	AdvancED	Communities for Youth Truants Alternative	McKinney-Vento Education for Homeless Children and Youth
Revenues						
State sources	\$ 23,609	\$ 65,142	\$ 9,012	\$ 6,726	\$ 218,984	\$ -
Federal sources	-	-	-	-	-	43,979
Interest income	-	-	-	-	-	-
Total revenues	<u>23,609</u>	<u>65,142</u>	<u>9,012</u>	<u>6,726</u>	<u>218,984</u>	<u>43,979</u>
Expenditures						
Instructional services:						
Salaries and benefits	20,166	58,306	7,607	223	178,563	33,979
Purchased services	104	454	1,405	6,500	7,415	4,522
Supplies and materials	3,339	1,411	-	-	1,011	2,674
Other objects	-	-	-	-	5,614	-
Pension expense	-	-	-	1	7,186	2,804
OPEB expense	-	-	-	2	944	-
Total expenditures	<u>23,609</u>	<u>60,171</u>	<u>9,012</u>	<u>6,726</u>	<u>200,733</u>	<u>43,979</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>4,971</u>	<u>-</u>	<u>-</u>	<u>18,251</u>	<u>-</u>
Other financing sources (uses):						
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	4,971	-	-	18,251	-
Fund balance (deficit) - beginning	<u>-</u>	<u>(4,971)</u>	<u>-</u>	<u>-</u>	<u>(18,251)</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2020

	IL Secretary of State Adult Literacy	ROE/ISC Operations	IL Multi-Tiered System of Support (MTSS)	Preschool for All Expansion
Revenues				
State sources	\$ 60,874	\$ 139,061	\$ -	\$ 777,389
Federal sources	-	-	210,914	-
Interest income	82	-	-	665
Total revenues	<u>60,956</u>	<u>139,061</u>	<u>210,914</u>	<u>778,054</u>
Expenditures				
Instructional services:				
Salaries and benefits	46,935	120,194	174,309	527,859
Purchased services	1,814	11,845	13,490	165,672
Supplies and materials	12,207	1,505	291	40,559
Other objects	-	-	5,924	21,808
Pension expense	-	5,042	16,320	19,655
OPEB expense	-	475	580	2,290
Total expenditures	<u>60,956</u>	<u>139,061</u>	<u>210,914</u>	<u>777,843</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>211</u>
Other financing sources (uses):				
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	211
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2020

	Regional Safe Schools	Pilot Regional Safe School Cooperative Educ. Program	Title II - Teacher Quality Leadership Grant	Total
Revenues				
State sources	\$ 102,593	\$ 57,737	\$ -	\$ 1,461,127
Federal sources	-	-	2,238	257,131
Interest income	-	-	-	747
Total revenues	102,593	57,737	2,238	1,719,005
Expenditures				
Instructional services:				
Salaries and benefits	-	-	-	1,168,141
Purchased services	-	-	2,238	215,459
Supplies and materials	-	-	-	62,997
Other objects	-	-	-	33,346
Pension expense	-	-	-	51,008
OPEB expense	-	-	-	4,291
Intergovernmental:				
Payments to other governments	102,593	57,737	-	160,330
Total expenditures	102,593	57,737	2,238	1,695,572
Excess (deficiency) of revenues over expenditures	-	-	-	23,433
Other financing sources (uses):				
Transfer out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	-	-	-	23,433
Fund balance (deficit) - beginning	-	-	-	(23,222)
Fund balance (deficit) - ending	\$ -	\$ -	\$ -	\$ 211

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - FEDERAL BASIC

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 51,840	\$ 51,840	\$ 23,609
Total revenues	51,840	51,840	23,609
Expenditures			
Salaries and benefits	50,767	47,767	20,166
Purchased services	424	424	104
Supplies and materials	649	3,649	3,339
Total expenditures	51,840	51,840	23,609
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - STATE BASIC

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 72,530	\$ 72,530	\$ 65,142
Total revenues	<u>72,530</u>	<u>72,530</u>	<u>65,142</u>
Expenditures			
Salaries and benefits	71,038	70,760	58,306
Purchased services	270	270	454
Supplies and materials	<u>1,222</u>	<u>1,500</u>	<u>1,411</u>
Total expenditures	<u>72,530</u>	<u>72,530</u>	<u>60,171</u>
Net change in fund balance	-	-	4,971
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>(4,971)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - PERFORMANCE

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 25,385	\$ 25,385	\$ 9,012
Total revenues	<u>25,385</u>	<u>25,385</u>	<u>9,012</u>
Expenditures			
Salaries and benefits	24,248	23,749	7,607
Purchased services	1,137	1,636	1,405
Supplies and materials	-	-	-
Total expenditures	<u>25,385</u>	<u>25,385</u>	<u>9,012</u>
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADVANCED

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 7,500	\$ 7,500	\$ 6,726
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>6,726</u>
Expenditures			
Salaries and benefits	975	975	223
Purchased services	6,525	6,525	6,500
Supplies and materials	-	-	-
Other objects	-	-	-
Pension expense	-	-	1
OPEB expense	-	-	2
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>6,726</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
COMMUNITIES FOR YOUTH TRUANTS ALTERNATIVE

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 200,733	\$ 200,733	\$ 218,984
Total revenues	<u>200,733</u>	<u>200,733</u>	<u>218,984</u>
Expenditures			
Salaries and benefits	183,214	178,059	178,563
Purchased services	7,327	7,188	7,415
Supplies and materials	1,400	1,242	1,011
Pension expense	8,186	7,451	7,186
OPEB expense	606	992	944
Indirect Costs	-	5,801	5,614
Total expenditures	<u>200,733</u>	<u>200,733</u>	<u>200,733</u>
Excess of revenues over expenditures	-	-	18,251
Net change in fund balance	-	-	18,251
Fund balance (deficit) - beginning	-	-	(18,251)
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 43,979	\$ 43,979	\$ 43,979
Total revenues	<u>43,979</u>	<u>43,979</u>	<u>43,979</u>
Expenditures			
Salaries and benefits	35,217	35,217	33,979
Purchased services	3,691	3,691	4,522
Supplies and materials	2,143	2,143	2,674
Pension expense	2,928	2,928	2,804
Total expenditures	<u>43,979</u>	<u>43,979</u>	<u>43,979</u>
Net change in fund balance	-	-	-
Fund balance (deficit) - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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	\$ 139,061	\$ 139,061	\$ 139,061
Interest income	-	-	-
Total revenues	<u>139,061</u>	<u>139,061</u>	<u>139,061</u>
Expenditures			
Salaries and benefits	102,315	120,738	120,194
Purchased services	27,190	11,444	11,845
Supplies and materials	3,700	1,325	1,505
Other objects	268	-	-
Pension expense	5,175	5,078	5,042
OPEB expense	413	476	475
Total expenditures	<u>139,061</u>	<u>139,061</u>	<u>139,061</u>
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
IL MULTI-TIERED SYSTEM OF SUPPORT (MTSS)

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 285,000	\$ 285,000	\$ 210,914
Total revenues	285,000	285,000	210,914
Expenditures			
Salaries and benefits	174,403	174,403	174,309
Purchased services	83,937	84,222	13,490
Supplies and materials	1,000	1,000	291
Pension expense	16,558	16,558	16,320
OPEB expense	580	580	580
Indirect costs	8,522	8,237	5,924
Total expenditures	285,000	285,000	210,914
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
PRESCHOOL FOR ALL EXPANSION

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 732,000	\$ 743,520	\$ 777,389
Interest Income	-	-	665
Total revenues	<u>732,000</u>	<u>743,520</u>	<u>778,054</u>
Expenditures			
Salaries and benefits	508,060	468,848	527,859
Purchased services	189,862	195,228	165,672
Supplies and materials	17,443	60,839	40,559
Pension expense	16,366	16,292	19,655
OPEB expense	269	2,313	2,290
Other objects	-	-	21,808
Total expenditures	<u>732,000</u>	<u>743,520</u>	<u>777,843</u>
Net change in fund balance	-	-	211
Fund balance - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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	\$ 102,593	\$ 102,593	\$ 102,593
Total revenues	102,593	102,593	102,593
Expenditures			
Intergovernmental:			
Payments to other governments	102,593	102,593	102,593
Total expenditures	102,593	102,593	102,593
Net change in fund balance	-	-	-
Fund balance (deficit) - beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 42,380	\$ 42,380	\$ 57,737
Total revenues	<u>42,380</u>	<u>42,380</u>	<u>57,737</u>
Expenditures			
Intergovernmental:			
Payments to other governments	<u>42,380</u>	<u>42,380</u>	<u>57,737</u>
Total expenditures	<u>42,380</u>	<u>42,380</u>	<u>57,737</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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 2,238	\$ 2,238	\$ 2,238
Total revenues	<u>2,238</u>	<u>2,238</u>	<u>2,238</u>
Expenditures			
Purchased services	<u>2,238</u>	<u>2,238</u>	<u>2,238</u>
Total expenditures	<u>2,238</u>	<u>2,238</u>	<u>2,238</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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
IL SECRETARY OF STATE - ADULT LITERACY

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 60,627	\$ 60,627	\$ 60,874
Interest income	-	-	82
Total revenues	<u>60,627</u>	<u>60,627</u>	<u>60,956</u>
Expenditures			
Salaries and benefits	49,600	49,600	46,935
Purchased services	4,810	4,810	1,814
Supplies and materials	6,217	6,217	12,207
Total expenditures	<u>60,627</u>	<u>60,627</u>	<u>60,956</u>
Net change in fund balance	-	-	-
Fund balance (deficit) - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2020

	Bus Driver Training	General Education Development	Institute	Supervisory	Local Foundation	Total
Assets						
Cash and cash equivalents	\$ 16,532	\$ 29,709	\$ 143,510	\$ 2,105	\$ 1,355	\$ 193,211
Due from other governments	70	147	-	-	-	217
Prepaid expenses	-	-	1,745	-	-	1,745
Total assets	<u>\$ 16,602</u>	<u>\$ 29,856</u>	<u>\$ 145,255</u>	<u>\$ 2,105</u>	<u>\$ 1,355</u>	<u>\$ 195,173</u>
Liabilities						
Accounts payable	\$ 14	\$ -	\$ 611	\$ -	\$ -	\$ 625
Accrued payroll and employee benefits	-	-	-	-	-	-
Total liabilities	<u>14</u>	<u>-</u>	<u>611</u>	<u>-</u>	<u>-</u>	<u>625</u>
Deferred inflows of resources						
Unavailable revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance						
Nonspendable	-	-	1,745	-	-	1,745
Restricted	16,588	29,856	142,899	2,105	1,355	192,803
Unassigned	-	-	-	-	-	-
Total fund balance	<u>16,588</u>	<u>29,856</u>	<u>144,644</u>	<u>2,105</u>	<u>1,355</u>	<u>194,548</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 16,602</u>	<u>\$ 29,856</u>	<u>\$ 145,255</u>	<u>\$ 2,105</u>	<u>\$ 1,355</u>	<u>\$ 195,173</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2020

	Bus Driver Training	General Education Development	Institute	Supervisory	Local Foundation	Total
Revenues						
Local sources	\$ 3,540	\$ 15,778	\$ 87,069	\$ -	\$ -	\$ 106,387
State sources	1,468	-	-	-	-	1,468
Interest	179	421	2,078	-	-	2,678
Total revenues	5,187	16,199	89,147	-	-	110,533
Expenditures						
Salaries and benefits	-	18,421	53,377	-	-	71,798
Purchased services	3,072	113	59,962	-	-	63,147
Supplies and materials	22	924	24,082	-	-	25,028
Other objects	-	2,000	12,887	-	-	14,887
Capital Outlay	-	-	-	-	-	-
Pension expense	-	1,567	3,705	-	-	5,272
OPEB expense	-	-	87	-	-	87
Total expenditures	3,094	23,025	154,100	-	-	180,219
Excess (deficiency) of revenues over expenditures	2,093	(6,826)	(64,953)	-	-	(69,686)
Net change in fund balance	2,093	(6,826)	(64,953)	-	-	(69,686)
Fund balance - beginning	14,495	36,682	209,597	2,105	1,355	264,234
Fund balance - ending	<u>\$ 16,588</u>	<u>\$ 29,856</u>	<u>\$ 144,644</u>	<u>\$ 2,105</u>	<u>\$ 1,355</u>	<u>\$ 194,548</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS

June 30, 2020

	Regional Board of Trustees	Central Illinois Science Education	PERFECT	SEAPCO	IVS Scholarship Fund	County Schools Facility Sales Tax	Total
Assets							
Cash and cash equivalents	\$ 18	\$ 2,084	\$ -	\$ 207,645	\$ 3,563	\$ -	\$ 213,310
Due from other governments	-	-	97,937	1,208,804	-	1,800,454	3,107,195
Total assets	\$ 18	\$ 2,084	\$ 97,937	\$ 1,416,449	\$ 3,563	\$ 1,800,454	\$ 3,320,505
Liabilities							
Due to other governments	\$ 18	\$ 2,084	\$ 97,937	\$ 1,416,449	\$ 3,563	\$ 1,800,454	\$ 3,320,505
Total liabilities	\$ 18	\$ 2,084	\$ 97,937	\$ 1,416,449	\$ 3,563	\$ 1,800,454	\$ 3,320,505

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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>REGIONAL BOARD OF TRUSTEES</u>				
Assets				
Cash and cash equivalents	\$ 18	\$ -	\$ -	\$ 18
Total assets	\$ 18	\$ -	\$ -	\$ 18
Liabilities				
Due to other governments	\$ 18	\$ -	\$ -	\$ 18
Total liabilities	\$ 18	\$ -	\$ -	\$ 18
<u>CENTRAL ILLINOIS SCIENCE EDUCATION</u>				
Assets				
Cash and cash equivalents	\$ 2,084	\$ -	\$ -	\$ 2,084
Total assets	\$ 2,084	\$ -	\$ -	\$ 2,084
Liabilities				
Due to other governments	\$ 2,084	\$ -	\$ -	\$ 2,084
Total liabilities	\$ 2,084	\$ -	\$ -	\$ 2,084
<u>PERFECT</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 714,952	\$ 714,952	\$ -
Due from other governments	74,749	97,937	74,749	97,937
Total assets	\$ 74,749	\$ 812,889	\$ 789,701	\$ 97,937
Liabilities				
Due to other governments	\$ 74,749	\$ 753,574	\$ 730,386	\$ 97,937
Total liabilities	\$ 74,749	\$ 753,574	\$ 730,386	\$ 97,937

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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>SEAPCO</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 4,787,603	\$ 4,579,958	\$ 207,645
Due from other governments	514,407	1,208,804	514,407	1,208,804
Total assets	<u>\$ 514,407</u>	<u>\$ 5,996,407</u>	<u>\$ 5,094,365</u>	<u>\$ 1,416,449</u>
Liabilities				
Due to other governments	\$ 514,407	\$ 6,009,596	\$ 5,107,554	\$ 1,416,449
Total liabilities	<u>\$ 514,407</u>	<u>\$ 6,009,596</u>	<u>\$ 5,107,554</u>	<u>\$ 1,416,449</u>
<u>IVS SCHOLARSHIP FUND</u>				
Assets				
Cash and cash equivalents	\$ 3,551	\$ 12	\$ -	\$ 3,563
Total assets	<u>\$ 3,551</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 3,563</u>
Liabilities				
Due to other governments	\$ 3,551	\$ 12	\$ -	\$ 3,563
Total liabilities	<u>\$ 3,551</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 3,563</u>
<u>COUNTY SCHOOLS FACILITY SALES TAX</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 8,276,915	\$ 8,276,915	\$ -
Due from other governments	2,206,282	1,800,454	2,206,282	1,800,454
Total assets	<u>\$ 2,206,282</u>	<u>\$ 10,077,369</u>	<u>\$ 10,483,197</u>	<u>\$ 1,800,454</u>
Liabilities				
Due to other governments	\$ 2,206,282	\$ 10,077,369	\$ 10,483,197	\$ 1,800,454
Total liabilities	<u>\$ 2,206,282</u>	<u>\$ 10,077,369</u>	<u>\$ 10,483,197</u>	<u>\$ 1,800,454</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ 5,653	\$ 13,779,482	\$ 13,571,825	\$ 213,310
Due from other governments	2,795,438	3,107,195	2,795,438	3,107,195
Total assets	<u>\$ 2,801,091</u>	<u>\$ 16,886,677</u>	<u>\$ 16,367,263</u>	<u>\$ 3,320,505</u>
Liabilities				
Due to other governments	\$ 2,801,091	\$ 16,840,551	\$ 16,321,137	\$ 3,320,505
Total liabilities	<u>\$ 2,801,091</u>	<u>\$ 16,840,551</u>	<u>\$ 16,321,137</u>	<u>\$ 3,320,505</u>

See accompanying Independent Auditor's Report.