

State of Illinois
REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019

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, 2019

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

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

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

SUMMARY OF FINDINGS AND RESPONSES

Item No.	Page	Description	Finding Type
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FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

None

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

None

EXIT CONFERENCE

The Regional Office of Education #48 did not request an exit conference to discuss the audit for the year ended June 30, 2019.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2019

The audit of the accompanying basic financial statements of the Peoria County Regional Office of Education #48 was performed by Doehring, Winders & Co. LLP.

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

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

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48 as of and for the year ended June 30, 2019, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13a through 13f, and the Schedule of the Employer's Proportionate Share of the Net Pension Liability - Teacher's Retirement System of the State of Illinois, Schedule of Employer Contributions - Teacher's Retirement System of the State of Illinois, Schedule of Employer Contributions - Illinois Municipal Retirement Fund, Schedule of Changes in the Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund, Schedule of Employer Contributions - Teacher's Health Insurance Security Fund, Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability - Teacher's Health Insurance Security Fund, Notes to Required Supplementary Information - 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 62 through 69 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 is not a required part of the basic financial statements.

The combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are the responsibility of management and was derived from and 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 March 23, 2020, 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 Peoria County Regional Office of Education #48's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
March 23, 2020

DOEHRING, WINDERS & CO. LLP
Certified Public Accountants
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61988

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Peoria County Regional Office of Education #48, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Peoria County Regional Office of Education #48's basic financial statements, and have issued our report thereon dated March 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Peoria County Regional Office of Education #48's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Peoria County Regional Office of Education #48's internal control. Accordingly, we do not express an opinion on the effectiveness of 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Peoria County Regional Office of Education #48's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
March 23, 2020

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements in Accordance with GAAP

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified?	None reported
• Noncompliance material to financial statements noted?	No

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2019

Section II - Financial Statement Findings

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 2019

Corrective Action Plan

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED

For the Year Ended June 30, 2019

None

MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2019

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 2019 that ended on June 30, 2019. Readers are encouraged to consider the information in conjunction with the Regional Office of Education #48's financial statements that follow.

2019 Financial Highlights

- Within the Governmental Funds, the General Fund revenues decreased by \$52,979 from \$1,455,334 in fiscal year 2018 to \$1,402,355 in fiscal year 2019. General Fund expenditures increased by \$7,084 from \$1,384,546 in fiscal year 2018 to \$1,391,630 in fiscal year 2019. The decrease in revenue is the result of the old Peoria Regional High School Truants fund being merged with the Communities for Youth Truants Alternative fund in fiscal year 2019.
- Within the Governmental Funds, the revenues reported by the Special Revenue Funds increased by \$234,477 from \$1,422,796 in fiscal year 2018 to \$1,657,273 in fiscal year 2019. The expenditures reported by the Special Revenue Funds increased by \$346,471 from \$1,276,997 in fiscal year 2018 to \$1,623,468 in fiscal year 2019. The Regional Office of Education #48 had an increase due to the addition of a new grant, the IL Secretary of State Adult Literacy program, and fiscal year 2019 being the first full year for the Preschool for All Expansion program.

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, 2019

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, 2019

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 2019 totaled \$659,026. At the end of fiscal year 2018, the net position was \$277,571. The analysis that follows provides a summary of the Regional Office of Education #48's net position as of June 30, 2019 and June 30, 2018, for the governmental and business-type activities.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 3,249,911	\$ 3,145,510	\$ 1,651,150	\$ 1,680,190	\$ 4,901,061	\$ 4,825,700
Capital assets	26,383	19,703	13,895	11,925	40,278	31,628
Total assets	3,276,294	3,165,213	1,665,045	1,692,115	4,941,339	4,857,328
Deferred outflows	1,029,196	1,088,308	-	-	1,029,196	1,088,308
Current liabilities	277,970	250,903	597,713	659,373	875,683	910,276
Noncurrent liabilities	2,814,898	3,827,127	7,605	-	2,822,503	3,827,127
Total liabilities	3,092,868	4,078,030	605,318	659,373	3,698,186	4,737,403
Deferred inflows	1,613,323	930,662	-	-	1,613,323	930,662
Net position:						
Invested in capital assets, net of related debt	26,383	19,703	4,852	9,081	31,235	28,784
Unrestricted	(691,318)	(1,002,515)	1,054,875	1,023,661	363,557	21,146
Restricted for educational purposes	264,234	227,641	-	-	264,234	227,641
Total net position	\$ (400,701)	\$ (755,171)	\$ 1,059,727	\$ 1,032,742	\$ 659,026	\$ 277,571

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2019

Office-wide Financial Analysis (continued)

The Regional Office of Education #48's net position increased by \$381,455 from \$277,571 in fiscal year 2018 to \$659,026 in fiscal year 2019. In the governmental activities, net position increased due to a decrease in net pension and OPEB liability. In the business-type activities, net position increased due to a decrease in current liabilities.

Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 2,494,374	\$ 2,332,845	\$ 2,494,374	\$ 2,332,845
Operating grants and contributions	1,548,492	1,172,553	-	-	1,548,492	1,172,553
General revenues:						
Local sources	332,933	344,003	-	-	332,933	344,003
State sources	620,076	712,136	-	-	620,076	712,136
Investment earnings	59,570	23,976	23,652	13,278	83,222	37,254
On-behalf payments	2,073,753	2,080,430	-	-	2,073,753	2,080,430
Loss on disposal of capital assets	-	-	-	(1,128)	-	(1,128)
Total revenues	<u>4,634,824</u>	<u>4,333,098</u>	<u>2,518,026</u>	<u>2,344,995</u>	<u>7,152,850</u>	<u>6,678,093</u>
Expenses:						
Program expenses:						
Salaries and benefits	1,402,133	1,085,702	1,895,992	1,779,823	3,298,125	2,865,525
Purchased services	412,618	404,760	468,066	485,137	880,684	889,897
Supplies and materials	140,662	157,393	4,255	4,234	144,917	161,627
Depreciation expense	6,103	6,623	8,067	9,400	14,170	16,023
Other objects	89,262	16,468	26,004	854	115,266	17,322
Bad debt expense	-	-	4,240	11,448	4,240	11,448
Interest expense	-	-	420	246	420	246
Pension expense (income)	(366,826)	(13,690)	29,990	28,204	(336,836)	14,514
OPEB expense	165,047	172,913	12,572	12,124	177,619	185,037
Intergovernmental:						
Payments to other governments	398,037	477,968	1,000	82,948	399,037	560,916
Administrative expenses:						
On-behalf payments - local	210,184	195,826	-	-	210,184	195,826
On-behalf payments - state	1,863,569	1,884,604	-	-	1,863,569	1,884,604
Total expenses	<u>4,320,789</u>	<u>4,388,567</u>	<u>2,450,606</u>	<u>2,414,418</u>	<u>6,771,395</u>	<u>6,802,985</u>
Excess (deficiency) before transfers	314,035	(55,469)	67,420	(69,423)	381,455	(124,892)
Transfers	40,435	2,481,429	(40,435)	(2,481,429)	-	-
Change in net position	354,470	2,425,960	26,985	(2,550,852)	381,455	(124,892)
Net position - beginning	(755,171)	(3,181,131)	1,032,742	3,583,594	277,571	402,463
Net position - ending	<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>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2019

Governmental Activities

Revenues for governmental activities were \$4,634,824 and expenses were \$4,320,789 for the year ended June 30, 2019. Revenues for governmental activities were \$4,333,098 and expenses were \$4,388,567 for the year ended June 30, 2018. The overall increase is due to fiscal year 2019 being the first full year for the Preschool for All Expansion program and having a new grant, the IL Secretary of State Adult Literacy program.

Business-type Activities

Revenues, net of transfers out, for business-type activities were \$2,518,026 and expenses were \$2,450,606 for the year ended June 30, 2019. Revenues for business-type activities were \$2,344,995 and expenses were \$2,414,418 for the year ended June 30, 2018. The increase in revenue is a result of increased tuition and subscription payments for Illinois Virtual School and an increase in registration fees for Local Workshops. There was an increase in expenses due to a salary and benefits increase paid from Illinois Virtual School and Local Workshops.

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 \$2,948,719 at June 30, 2019 compared to fiscal year 2018 ending fund balance of \$2,863,754.

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, 2019, Regional Office of Education #48 purchased assets totaling \$22,820 and disposed of assets totaling \$19,146, resulting in ending capital assets of \$139,510. 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, 2019

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 received a six-month grant from the Illinois State Board of Education to operate the Illinois Virtual School. We are currently waiting on ISBE to announce the new catalog vendors that have been chosen to offer virtual school courses as of January 1, 2020.
- The Regional Office of Education #48 will complete the accreditation process for our current AdvancED grant by June 30, 2020. We will not have this grant in FY21.

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, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,155,023	\$ 1,308,408	\$ 4,463,431
Due (to) from other funds	(30,189)	30,189	-
Due from other governments	100,986	248,908	349,894
Prepaid expenses	24,091	63,645	87,736
Total current assets	3,249,911	1,651,150	4,901,061
Noncurrent assets:			
Capital assets, net of depreciation	26,383	13,895	40,278
Total noncurrent assets	26,383	13,895	40,278
Total assets	3,276,294	1,665,045	4,941,339
Deferred outflows of resources			
Deferred outflows related to OPEB plans	361,524	-	361,524
Deferred outflows related to pensions	667,672	-	667,672
Total deferred outflows of resources	1,029,196	-	1,029,196
Liabilities			
Current liabilities:			
Accounts payable	17,864	34,025	51,889
Lease payable	-	1,438	1,438
Accrued payroll liabilities	68,430	196,785	265,215
Due to other governments	8,124	-	8,124
Unearned revenue	183,552	365,465	549,017
Total current liabilities	277,970	597,713	875,683
Noncurrent liabilities:			
Lease payable	-	7,605	7,605
OPEB liabilities	2,362,163	-	2,362,163
Net pension liability	452,735	-	452,735
Total noncurrent liabilities	2,814,898	7,605	2,822,503
Total liabilities	3,092,868	605,318	3,698,186
Deferred inflows of resources			
Deferred inflows related to OPEB plans	406,664	-	406,664
Deferred inflows related to pensions	1,206,659	-	1,206,659
Total deferred inflows of resources	1,613,323	-	1,613,323
Net position			
Invested in capital assets, net of related debt	26,383	4,852	31,235
Restricted for educational purposes	264,234	-	264,234
Unrestricted	(691,318)	1,054,875	363,557
Total net position	\$ (400,701)	\$ 1,059,727	\$ 659,026

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, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
Primary Government:						
Governmental Activities:						
Instructional Services:						
Salaries and benefits	\$ 1,402,133	\$ -	\$ 1,027,864	\$ -	\$ (374,269)	\$ (374,269)
Purchased services	412,618	-	165,822	-	(246,796)	(246,796)
Supplies and materials	140,662	-	120,913	-	(19,749)	(19,749)
Other objects	89,262	-	59,988	-	(29,274)	(29,274)
Depreciation	6,103	-	-	-	(6,103)	(6,103)
Pension (income)	(366,826)	-	49,956	-	416,782	416,782
OPEB expense	165,047	-	4,510	-	(160,537)	(160,537)
Intergovernmental:						
Payments to other governments	398,037	-	119,439	-	(278,598)	(278,598)
Administrative:						
On-behalf payments - local	210,184	-	-	-	(210,184)	(210,184)
On-behalf payments - state	1,863,569	-	-	-	(1,863,569)	(1,863,569)
Total governmental activities	<u>4,320,789</u>	<u>-</u>	<u>1,548,492</u>	<u>-</u>	<u>(2,772,297)</u>	<u>(2,772,297)</u>
Business-Type Activities:						
Registration fees	160,535	165,810	-	-	-	5,275
Tuition and subscriptions	2,290,071	2,328,564	-	-	-	38,493
Total business-type activities	<u>2,450,606</u>	<u>2,494,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,768</u>
Total primary government	<u>\$ 6,771,395</u>	<u>\$ 2,494,374</u>	<u>\$ 1,548,492</u>	<u>\$ -</u>	<u>(2,772,297)</u>	<u>(2,728,529)</u>
General Revenues:						
Local sources					332,933	-
State sources					620,076	-
On-behalf payments - local					210,184	-
On-behalf payments - state					1,863,569	-
Investment earnings					59,570	23,652
Transfers:					40,435	(40,435)
Total general revenues and transfers					<u>3,126,767</u>	<u>(16,783)</u>
Change in net position					354,470	26,985
Net position - beginning					(755,171)	1,032,742
Net position - ending					<u>\$ (400,701)</u>	<u>\$ 1,059,727</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, 2019

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 2,731,184	\$ 188,509	\$ 235,330	\$ -	\$ 3,155,023
Due from other funds	16,634	-	-	(16,634)	-
Due from other governments	14,522	64,277	22,187	-	100,986
Prepaid expenses	17,026	348	6,717	-	24,091
Total assets	<u>\$ 2,779,366</u>	<u>\$ 253,134</u>	<u>\$ 264,234</u>	<u>\$ (16,634)</u>	<u>\$ 3,280,100</u>
Liabilities:					
Accounts payable	\$ 16,546	\$ 1,318	\$ -	\$ -	\$ 17,864
Accrued payroll and employee benefits	48,813	19,617	-	-	68,430
Due to other funds	-	46,823	-	(16,634)	30,189
Due to other governments	-	8,124	-	-	8,124
Unearned revenue	6,300	177,252	-	-	183,552
Total liabilities	<u>71,659</u>	<u>253,134</u>	<u>-</u>	<u>(16,634)</u>	<u>308,159</u>
Deferred inflows of resources:					
Unavailable revenue	-	23,222	-	-	23,222
Fund balance (deficit):					
Nonspendable	17,026	348	6,717	-	24,091
Restricted	-	-	257,517	-	257,517
Assigned	2,639,910	-	-	-	2,639,910
Unassigned	50,771	(23,570)	-	-	27,201
Total fund balance (deficit)	<u>2,707,707</u>	<u>(23,222)</u>	<u>264,234</u>	<u>-</u>	<u>2,948,719</u>
Total liabilities, deferred inflows, and fund balance (deficit)	<u>\$ 2,779,366</u>	<u>\$ 253,134</u>	<u>\$ 264,234</u>	<u>\$ (16,634)</u>	<u>\$ 3,280,100</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, 2019

Total fund balances - governmental funds		\$ 2,948,719
Amounts reported for governmental activities in the Statement of Net Position 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.		23,222
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		26,383
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	\$ 361,524	
OPEB deferred inflows of resources	(406,664)	
IMRF deferred outflows of resources	145,481	
IMRF deferred inflows of resources	(7,991)	
TRS deferred outflows of resources	522,191	
TRS deferred inflows of resources	<u>(1,198,668)</u>	(584,127)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
OPEB liabilities	(2,362,163)	
IMRF net pension liability	(232,207)	
TRS net pension liability	<u>(220,528)</u>	<u>(2,814,898)</u>
Net position of governmental activities		<u>\$ (400,701)</u>

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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, 2019

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 226,870	\$ -	\$ 106,063	\$ 332,933
State sources	633,639	1,261,217	1,565	1,896,421
Federal sources	-	279,778	-	279,778
On-behalf payments - local	210,184	-	-	210,184
On-behalf payments - state	280,742	-	-	280,742
Interest income	50,920	4,210	4,440	59,570
Total revenues	1,402,355	1,545,205	112,068	3,059,628
Expenditures:				
Instructional services				
Salaries and benefits	355,382	1,027,864	18,887	1,402,133
Purchased services	205,030	164,257	43,331	412,618
Supplies and materials	13,804	125,123	1,735	140,662
Other objects	23,550	59,988	5,724	89,262
On-behalf payments - local	210,184	-	-	210,184
On-behalf payments - state	280,742	-	-	280,742
Pension expense	9,236	49,956	1,746	60,938
OPEB expense	3,204	4,510	25	7,739
Intergovernmental				
Payments to other governments	278,598	119,439	-	398,037
Capital Outlay	11,900	-	883	12,783
Total expenditures	1,391,630	1,551,137	72,331	3,015,098
Excess (deficiency) of revenues over expenditures	10,725	(5,932)	39,737	44,530
Other financing sources:				
Transfers in	40,435	-	-	40,435
Total other financing sources	40,435	-	-	40,435
Net change in fund balances	51,160	(5,932)	39,737	84,965
Fund balances (deficit) - beginning	2,656,547	(17,290)	224,497	2,863,754
Fund balances (deficit) - ending	<u>\$ 2,707,707</u>	<u>\$ (23,222)</u>	<u>\$ 264,234</u>	<u>\$ 2,948,719</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, 2019

Net change in fund balances		\$	84,965
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>			
<p>Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are not considered "available" revenues and are deferred inflows in the governmental funds.</p>			
Current year unavailable revenue		\$ 23,222	
Prior year unavailable revenue		<u>(30,853)</u>	(7,631)
<p>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.</p>			
Capital outlay		\$ 12,783	
Depreciation		<u>(6,103)</u>	6,680
<p>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.</p>			
OPEB expense		\$ (157,308)	
Net pension income		<u>427,764</u>	<u>270,456</u>
Change in net position of governmental activities			<u><u>\$ 354,470</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, 2019

	Business-type Activities Proprietary Funds		
	Illinois Virtual School	Local Workshops	Total
Assets			
Currents assets			
Cash and cash equivalents	\$ 925,153	\$ 383,255	\$ 1,308,408
Due from other funds	-	30,189	30,189
Due from other governments, net of allowance	230,337	18,571	248,908
Prepaid expenses	52,501	11,144	63,645
Total current assets	1,207,991	443,159	1,651,150
Noncurrent assets			
Capital assets, net of depreciation	3,905	9,990	13,895
Total assets	1,211,896	453,149	1,665,045
Liabilities			
Current liabilities			
Accounts payable	33,053	972	34,025
Lease payable	-	1,438	1,438
Accrued payroll and employee benefits	196,785	-	196,785
Due to other governments	-	-	-
Unearned revenue	365,145	320	365,465
Total current liabilities	594,983	2,730	597,713
Noncurrent liabilities			
Lease payable	-	7,605	7,605
Total liabilities	594,983	10,335	605,318
Net position			
Invested in capital assets, net of related debt	3,905	947	4,852
Unrestricted	613,008	441,867	1,054,875
Total net position	\$ 616,913	\$ 442,814	\$ 1,059,727

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, 2019

	Business-type Activities Proprietary Funds			Total
	Illinois Virtual School	Local Workshops	Eliminations	
Operating revenues				
Registration fees	\$ -	\$ 165,810	\$ -	\$ 165,810
Tuition and subscriptions	2,328,564	-	-	2,328,564
Total operating revenues	<u>2,328,564</u>	<u>165,810</u>	<u>-</u>	<u>2,494,374</u>
Operating expenses				
Salaries and benefits	1,763,201	132,791	-	1,895,992
Purchased services	456,358	11,708	-	468,066
Supplies and materials	1,623	2,632	-	4,255
Payments to other governments	-	1,000	-	1,000
Other objects	25,630	374	-	26,004
Pension expense	24,785	5,205	-	29,990
OPEB expense	11,877	695	-	12,572
Bad debt expense	3,993	247	-	4,240
Depreciation	2,604	5,463	-	8,067
Total operating expenses	<u>2,290,071</u>	<u>160,115</u>	<u>-</u>	<u>2,450,186</u>
Operating income (loss)	<u>38,493</u>	<u>5,695</u>	<u>-</u>	<u>44,188</u>
Nonoperating revenue (expense)				
Interest income	16,308	7,344	-	23,652
Interest expense	-	(420)	-	(420)
Total nonoperating revenue (expense)	<u>16,308</u>	<u>6,924</u>	<u>-</u>	<u>23,232</u>
Income before transfers	<u>54,801</u>	<u>12,619</u>	<u>-</u>	<u>67,420</u>
Transfers in	-	2	(2)	-
Transfers out	(40,437)	-	2	(40,435)
Total transfers	<u>(40,437)</u>	<u>2</u>	<u>-</u>	<u>(40,435)</u>
Change in net position	<u>14,364</u>	<u>12,621</u>	<u>-</u>	<u>26,985</u>
Net position - beginning	<u>602,549</u>	<u>430,193</u>	<u>-</u>	<u>1,032,742</u>
Net position - ending	<u>\$ 616,913</u>	<u>\$ 442,814</u>	<u>\$ -</u>	<u>\$ 1,059,727</u>

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, 2019

	Business-type Activities Proprietary Funds		
	Illinois Virtual School	Local Workshops	Total
Cash flows from operating activities			
Receipts from customers	\$ 2,379,352	\$ 175,077	\$ 2,554,429
Payments to suppliers and providers of goods and services	(510,544)	(19,951)	(530,495)
Payments to employees	(1,762,075)	(138,745)	(1,900,820)
Net cash provided by (used for) operating activities	<u>106,733</u>	<u>16,381</u>	<u>123,114</u>
Cash flows from noncapital financing activities			
Cash payments to other funds	(40,437)	-	(40,437)
Cash payments from other funds	19,347	78,619	97,966
Net cash provided by (used for) noncapital financing activities	<u>(21,090)</u>	<u>78,619</u>	<u>57,529</u>
Cash flows from capital and related financing activities			
Principal paid on lease obligations	-	(3,206)	(3,206)
Interest paid on lease obligations	-	(420)	(420)
Purchase of equipment	(632)	-	(632)
Net cash (used for) capital and related financing activities	<u>(632)</u>	<u>(3,626)</u>	<u>(4,258)</u>
Cash flows from investing activities			
Interest earned from investments	16,308	7,344	23,652
Net cash provided by investing activities	<u>16,308</u>	<u>7,344</u>	<u>23,652</u>
Net increase (decrease) in cash and cash equivalents	101,319	98,718	200,037
Cash and cash equivalents - beginning	<u>823,834</u>	<u>284,537</u>	<u>1,108,371</u>
Cash and cash equivalents - ending	<u>\$ 925,153</u>	<u>\$ 383,255</u>	<u>\$ 1,308,408</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 38,493	\$ 5,695	\$ 44,188
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	2,604	5,463	8,067
Bad debt expense	3,993	247	4,240
(Increase)/decrease in assets:			
Prepaid expenses	46,184	(3,661)	42,523
Due from other governments	72,685	11,665	84,350
Increase/(decrease) in liabilities			
Accrued payroll	37,788	(54)	37,734
Accounts payable	(56,779)	(576)	(57,355)
Due to other governments	(16,338)	-	(16,338)
Unearned revenue	(21,897)	(2,398)	(24,295)
Net cash provided by (used for) operating activities	<u>\$ 106,733</u>	<u>\$ 16,381</u>	<u>\$ 123,114</u>

Non-cash financing activity:

On March 22, 2019, the Regional Office of Education #48 acquired, through entering into a capital lease obligation, a copier in the amount of \$9,404.

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, 2019

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 5,653
Due from other governments	<u>2,795,438</u>
Total Assets	<u>\$ 2,801,091</u>
Liabilities	
Due to other governments	<u>\$ 2,801,091</u>
Total Liabilities	<u>\$ 2,801,091</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, 2019

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, 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the period ended June 30, 2019, 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 2019, the Regional Office of Education #48 implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations* and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. These statements had no impact on the Regional Office of Education #48's financial statements.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #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).

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Position and as other financing sources and uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and as transfers in and out on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Position.

All interfund transactions between governmental funds and between business-type funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities.

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

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUND FINANCIAL STATEMENTS (Continued)

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under 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, 2019

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.

General State Aid - 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, 2019

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

Peoria Regional High School General State Aid - 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, 2019

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 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.

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.

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.

Foundational Services - To account for Title I - School Improvement and Accountability monies received from Regional Office of Education #51 (federal dollars) used for providing professional development to teachers to build their foundational knowledge.

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.

Preschool for All Children - To account for monies from the State for expenditures incurred to make voluntary preschool available to all 3 and 4 year old children in an effort to help those children prepare for kindergarten and their school career.

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.

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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 (Performance Evaluation Reform Act) Evaluator Training.

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, issuance and evaluation fees for processing licenses, 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, 2019

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 funds. The following accounts comprise nonspendable fund balance: ROE Local Fund, Hospital Tutoring, Peoria Regional High School General State Aid, Peoria Regional High School, Criminal Background Checks, Communities for Youth Truants Alternative, and the Institute Fund.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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 balance is 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 Regional High School General State Aid, 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 Fund, Food Co-Op, Criminal Background Checks, Adult Education State Basic, and Communities for Youth Truants Alternative.

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, 2019

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, 2019

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.

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 funds: 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, Illinois Secretary of State Adult Literacy, ROE/ISC Operations, Foundational Services, IL Multi-Tiered System of Support (MTSS), Preschool for All Children, Preschool for All Expansion, Regional Safe Schools, Pilot Regional Safe School Cooperative Education Program, Title II Teacher Quality Leadership Grant.

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.

DEPOSITS

At June 30, 2019, the carrying amount of the Regional Office of Education #48's government-wide and Agency fund deposits were \$426,629 and \$5,653, respectively, and the bank balances were \$331,741 and \$5,653, respectively. \$251,000 of this amount was secured by federal depository insurance. Another \$86,394 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 \$4,036,802. Additional detail is presented on these money market mutual funds below.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

2 DEPOSITS AND INVESTMENTS (Continued)

CUSTODIAL CREDIT RISK

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

To guard against custodial credit risk for deposits with financial institutions, the 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, 2019, the Regional Office of Education #48 had investments with a carrying value of \$14,494 in the Illinois Funds and \$4,022,308 in the Illinois School District Liquid Asset Fund Plus.

CREDIT RISK

At June 30, 2019, 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.

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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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:

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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

EMPLOYEES COVERED BY BENEFIT TERMS

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

	IMRF
Retirees and Beneficiaries currently receiving benefits	5
Inactive Plan Members entitled to but not yet receiving benefits	17
Active Plan Members	14
Total	<u>36</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 2018 was 12.52%. For the fiscal year ended June 30, 2019, the Regional Office of Education #48 contributed \$64,235 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, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates 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, 2019

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

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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. 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 and to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits.
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 plan's projected fiduciary net position is not sufficient to pay benefits.

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

CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 1,014,019	\$ 922,409	\$ 91,610
Changes for the year:			
Service Cost	35,609	-	35,609
Interest on the Total Pension Liability	76,301	-	76,301
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	50,665	-	50,665
Changes of Assumptions	28,874	-	28,874
Contributions - Employer	-	55,127	(55,127)
Contributions - Employees	-	19,814	(19,814)
Net Investment Income	-	(33,943)	33,943
Benefit Payments, including Refunds of Employee Contributions	(28,950)	(28,950)	-
Other (Net Transfer)	-	9,854	(9,854)
Net Changes	162,499	21,902	140,597
Balances at December 31, 2018	\$ 1,176,518	\$ 944,311	\$ 232,207

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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	\$ 363,792	\$ 232,207	\$ 124,380

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

For the year ended June 30, 2019, the Regional Office of Education #48 recognized pension expense of \$57,233. At June 30, 2019, 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	Net
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>			
Differences between expected and actuarial experience	\$ 40,579	\$ 246	\$ 40,333
Changes of assumptions	19,721	7,745	11,976
Net difference between projected and actual earnings on pension plan investments	51,614	-	51,614
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	111,914	7,991	\$ 103,923
<i>Pension contributions made subsequent to the measurement date</i>			
Total Deferred Amounts Related to Pensions	\$ 145,481	\$ 7,991	\$ 137,490

\$33,567 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2020.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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
2019	\$ 38,508
2020	33,360
2021	11,011
2022	21,044
2023	-
Total	<u>\$ 103,923</u>

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/fy2018>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

BENEFITS PROVIDED

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system services prior to January 1, 2011. Tier 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. Disability and death benefits are also provided.

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the State of Illinois.

CONTRIBUTIONS

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2018 was 9 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, 2019, 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 \$1,418,804 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, 2019 were \$12,805, and are deferred because they were paid after the June 30, 2018 measurement date.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$140,993 were paid from federal and special trust funds that required Regional Office of Education #48 contributions of \$13,888.

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. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the Regional Office of Education #48 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent, no payments for salary increases in excess of 3 percent and no payments for sick leave days granted in excess of the normal annual allotment.

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

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

Employer's proportionate share of the net pension liability	\$ 220,528
State's proportionate share of the net pension liability associated with the employer	15,107,091
	<u>\$ 15,327,619</u>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The Regional Office of Education #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, 2018, relative to the contributions of all participating TRS employers and the State during that period. Public Act 100-0340 set the employer contribution rate on salaries paid from federal funds to be the employer normal cost rate effective for the year ended June 30, 2018. Previously, the employer contribution rate on salaries paid from federal funds was equal to the State's contribution rate. Since these contributions are now normal cost contributions, which are considered employer specific liability contributions under GASB 68, the "federal funds" contributions are no longer includable for purposes of allocating collective pension amounts. Any change in proportionate share resulting from this statutory change will be recognized and amortized over the remaining service lives of all members beginning in measurement year ended June 30, 2018. This prospective change is largely responsible for the significant change in proportion. At June 30, 2018, the Regional Office of Education #48's proportion was 0.0002829282 percent, which was a decrease of 0.0017454607 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Regional Office of Education #48 recognized pension expense of \$1,418,804 and revenue of \$1,418,804 for support provided by the State. For the year ended June 30, 2019, the Regional Office of Education #48 recognized pension expense of (\$394,069). At June 30, 2019, 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	\$ 4,432	\$ 49
Net difference between projected and actual earnings on pension plan investments	-	675
Changes of assumptions	9,673	6,250
Changes in proportion and difference between employer contributions and proportionate share of contributions	495,281	1,191,694
Employer contributions subsequent to the measurement date	12,805	-
	\$ 522,191	\$ 1,198,668

\$12,805 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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)

Year ended June 30:		
2020	\$	(142,248)
2021		(118,532)
2022		(107,597)
2023		(214,199)
2024		(106,706)
		<u>(689,282)</u>

ACTUARIAL ASSUMPTIONS

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. equities large cap	15.0%	6.70%
U.S. equities small/mid cap	2.0%	7.90%
International equities developed	13.6%	7.00%
Emerging market equities	3.4%	9.40%
U.S. bonds core	8.0%	2.20%
U.S. bonds high yield	4.2%	4.40%
International debt developed	2.2%	1.30%
Emerging international debt	2.6%	4.50%
Real estate	16.0%	5.40%
Real Return	4.0%	1.80%
Absolute Return	14.0%	3.90%
Private equity	15.0%	10.20%
	<u>100%</u>	

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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

DISCOUNT RATE

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

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

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	\$ 270,457	\$ 220,528	\$ 180,320

TRS FIDUCIARY NET POSITION

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

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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

5 TEACHERS' HEALTH INSURANCE SECURITY FUND (Continued)

PLAN DESCRIPTION (Continued)

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, 2019. For the years ended June 30, 2018 and June 30, 2017, the employer THIS Fund Contribution was .88% and .84%, respectively. Contributions for the year ending June 30, 2019 were \$20,311 and are deferred because they were paid after the June 30, 2018 measurement date. For the years ended June 30, 2018 and June 30, 2017, the Regional Office of Education #48 paid \$18,648 and \$16,219, respectively, which was 100 percent of the required contribution.

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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

5 TEACHERS' HEALTH INSURANCE SECURITY FUND (Continued)

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, 2019, 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 \$164,023 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, 2019, 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	\$ 2,352,930
State's proportionate share of the net OPEB liability associated with the employer	<u>3,159,491</u>
Total	<u>\$ 5,512,421</u>

The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. 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, 2018, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2018, The Regional Office of Education #48's proportion was 0.008931%, which was an increase of 0.000537% from its proportion measured as of June 30, 2017.

For the year ending June 30, 2019, the Regional Office of Education #48 recognized OPEB expense of \$164,023 and revenue of \$164,023 for support provided by the State. For the year ending June 30, 2019, the Regional Office of Education #48 recognized OPEB expense of \$176,069.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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, 2019, 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	\$ -	\$ 8,443
Changes of assumptions	-	342,626
Net difference between projected and actual investment earnings on OPEB plan investments	-	72
Changes in proportion and differences between employer contributions and proportionate share of contributions	341,213	55,523
Total deferred amounts to be recognized in OPEB expense in future periods	341,213	406,664
Employer contributions subsequent to the measurement date	20,311	-
Total deferred amounts related to OPEB	\$ 361,524	\$ 406,664

\$20,311 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, 2020. 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
2020	\$ (10,061)
2021	(10,061)
2022	(10,061)
2023	(10,061)
2024	(10,042)
Thereafter	(15,165)
	\$ (65,451)

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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:	2.75 percent
Salary increase:	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return:	0%, net of OPEB plan investment expense, including inflation, for all plan years
Healthcare cost trend rates:	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% 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-2014.

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

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 3.56% as of June 30, 2017, and 3.62% as of June 30, 2018 was used to measure the total OPEB liability.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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 collective net OPEB liability calculated using the discount rate of 3.62%, as well as what The Regional Office of Education #48's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current rate.

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
Employer's proportionate share of the collective net OPEB liability	\$ 2,829,129	\$ 2,352,930	\$ 1,977,011

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

The following presents The Regional Office of Education #48's proportionate share of the collective net OPEB liability calculated using the healthcare cost trend rate, as well as what The Regional Office of Education #48's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	1% Decrease ^a	Healthcare Cost Trend Rates	1% Increase ^b
Employer's proportionate share of the collective net OPEB liability	\$ 1,907,845	\$ 2,352,930	\$ 2,952,566

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

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

6 INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2019 consist of the following individual due to/from other funds in the governmental fund balance sheet 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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

6 INTERFUND ACTIVITY (Continued)

DUE TO/FROM OTHER FUNDS (Continued)

	Due To Other Funds	Due From Other Funds
Education Fund	\$ 46,823	\$ -
General Fund	-	16,634
Proprietary Fund	-	30,189
Total	\$ 46,823	\$ 46,823

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2019 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. The transfer balances between governmental funds and between proprietary funds were eliminated in the government-wide Statement of Activities.

	Transfer In	Transfer Out
General Fund	\$ 40,435	\$ -
Proprietary Fund	-	40,435
Total	\$ 40,435	\$ 40,435

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, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Governmental Activities:				
Furniture and equipment	\$ 80,236	\$ 12,783	\$ (1,712)	\$ 91,307
Governmental Activities Total Assets	80,236	12,783	(1,712)	91,307
Less Accumulated Depreciation	(60,533)	(6,103)	1,712	(64,924)
Governmental Activities Investment in Capital Assets, Net	\$ 19,703	\$ 6,680	\$ -	\$ 26,383

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

7 CAPITAL ASSET ACTIVITY (Continued)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Business-type Activities:				
Furniture and equipment	\$ 55,600	\$ 10,037	\$ (17,434)	\$ 48,203
Business-type Activities Total Assets	55,600	10,037	(17,434)	48,203
Less Accumulated Depreciation	(43,675)	(8,067)	17,434	(34,308)
Business-type Activities Investment in Capital Assets, Net	\$ 11,925	\$ 1,970	\$ -	\$ 13,895

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, 2019 of \$6,103 and \$8,067 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.

9 OPERATING LEASES

The Regional Office of Education #48 has two lease agreements for office space and one agreement for storage space. The lease for office space at the PROE (Peoria Regional Office of Education) Center covered the period of July 1, 2018 through June 30, 2019 for a monthly rent of \$2,341. The lease for office space at Peoria Regional High School covered the period of July 1, 2018 through June 30, 2019 for a monthly rent of \$3,760. The lease period for the large storage space was July 1, 2018 through June 30, 2019 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, 2020. During the year ended June 30, 2019, rentals under lease obligations were \$76,812.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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	\$ 117,600
Regional Superintendent Fringe Benefit (Includes State paid insurance)	35,504
Assistant Regional Superintendent Salary	105,840
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	21,798
Total	<u>\$ 280,742</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 \$1,418,804 and \$164,023 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	\$ 280,742
ROE#48's share of TRS pension expense	1,418,804
ROE#48's share of THIS OPEB expense	164,023
	<u>\$ 1,863,569</u>

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	\$ 179,074
Office Expenses	31,110
Total	<u>\$ 210,184</u>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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	\$	14,277
Illinois State Board of Education		245

Education Fund

Local Governments		25,698
Illinois State Board of Education		33,608
Illinois Community College Board		4,971

Proprietary Funds

Local Governments		248,908
Illinois State Board of Education		-

Nonmajor Special Revenue Funds

Local Governments		22,187
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Agency Funds

Illinois Department of Revenue		2,206,282
Illinois State Board of Education		589,156
Total	\$	<u>3,145,332</u>

Due To Other Governments:

Education Fund

Illinois Community College Board	\$	8,124
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Agency Funds

Local Governments		2,801,091
Total	\$	<u>2,809,215</u>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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 on the copier as of June 30, 2019 was \$515. In April of 2014, the Regional Office of Education #48 entered into a capital lease, reported by the Local Workshops Fund, for the acquisition of a copier of \$17,434. This lease ended and the equipment was fully depreciated and disposed of during the year ended June 30, 2019.

Capital lease obligation activity for the year ended June 30, 2019 was as follows

Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
\$ 2,844	\$ 9,404	\$ 3,205	\$ 9,043	\$ 1,438

The future minimum lease payments and the principal and interest as of June 30, 2019, were as follows:

Fiscal Year	Principal	Interest
2020	\$ 1,438	\$ 1,214
2021	1,660	991
2022	1,917	735
2023	2,213	439
2024	1,815	108
	\$ 9,043	\$ 3,487

13 ACCOUNTS RECEIVABLE

Accounts receivable and the related allowance for doubtful accounts for the proprietary funds at June 30, 2019, are as follows:

	Outstanding Balance	Allowance for Doubtful Accounts	Net
Illinois Virtual School	\$ 234,641	\$ 4,304	\$ 230,337
Local Workshops Fund	24,684	6,113	18,571

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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

14 OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)

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, 2019, 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	15
	<u>15</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.

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, 2019, 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, 2019 was measured as of June 30, 2019 based on an actuarial valuation using the alternate measurement method calculation prescribed by GASB 75 as of that date. Liabilities as of July 1, 2018 are based on an actuarial valuation as of July 1, 2018.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

14 OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)

ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine the total OPEB liability at June 30, 2019:

Actuarial cost method:	Entry Age Normal Level % of Salary
Asset valuation method:	N/A
Inflation:	2.50%
Salary increases:	3.39% to 10.35%, 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:	RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017
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 8.50%, and gradually decreases to an ultimate trend of 5.00%.
Turnover rate:	The turnover rate is based on the support staff turnover table from the Illinois Municipal Retirement Fund Actuarial Valuation as of December 31, 2017.
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%.

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 3.51%, which is the Bond Buyer Go 20-Bond Municipal Bond Index as of June 30, 2019. Similarly, a discount rate of 3.87% was used as of July 1, 2018.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

14 OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at June 30, 2018	\$ 7,683
Changes for the year:	
Service cost	756
Interest	327
Changes of benefit terms	-
Differences between expected and actual experience of the total OPEB liability	-
Changes of assumptions	467
Benefit payments	-
Net changes	1,550
Balances at June 30, 2019	\$ 9,233

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, 2019 calculated using the discount rate of 3.51%, 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 (2.51%)	Current Discount Rate (3.51%)	1% Increase (4.51%)
Total OPEB liability	\$ 10,637	\$ 9,233	\$ 7,987

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, 2019 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 8.50% decreasing to an ultimate rate of 5.00%. The 1% decrease in healthcare trend rates would assume an initial rate of 7.50%, decreasing to an ultimate rate of 4.00%. The 1% increase in healthcare trend rates would assume an initial rate of 9.50%, decreasing to an ultimate rate of 6.00%.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2019

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	\$ 7,461	\$ 9,233	\$ 11,438

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

For the year ended June 30, 2019, The Regional Office of Education #48 recognized OPEB expense of \$1,550. At June 30, 2019, 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, 2019 are summarized below.

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Amount Due Within One Year
Governmental Activities:					
OPEB liabilities	\$ 2,185,865	\$ 176,298	\$ -	\$ 2,362,163	\$ -
Net pension liability	1,641,262	140,597	1,329,124	452,735	-
	\$ 3,827,127	\$ 316,895	\$ 1,329,124	\$ 2,814,898	\$ -
Business-Type Activities:					
Lease payable	\$ 2,844	\$ 9,404	\$ 3,205	\$ 9,043	\$ 1,438

16 DEFICIT FUND BALANCE

Because some revenues from the State of Illinois will not be collected for several months after the Regional Office's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. The deferral of the revenues caused a deficit fund balance of \$18,251 in Communities for Youth Truants Alternative and \$4,971 in Adult Education State Basic fund accounts as of June 30, 2019.

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,

	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
Employer's proportion of the net pension liability	0.0002829282%	0.0020283889%	0.0010598858%	0.0012251183%	0.0010988916%
Employer's proportionate share of the net pension liability	\$ 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>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>\$ 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	\$ 2,119,096	\$ 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	10.4%	80.3%	46.6%	47.8%	45.7%
Plan fiduciary net position as a percentage of the total pension liability	40.00%	39.3%	36.4%	41.5%	43.0%

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

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, †

	2019	2018	2017	2016	2015	2014
Statutorily-required contribution	\$ 12,805	\$ 28,975	\$ 84,284	\$ 45,388	\$ 38,585	\$ 39,208
Contributions in relation to the statutorily- required contribution	12,805	28,975	84,284	45,388	38,585	39,208
Contribution deficiency (excess)	<u>\$ -</u>					
Employer's covered payroll	\$ 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%	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 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

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2018	\$ 55,127	\$ 55,127	\$ -	\$ 440,318	12.52%
2017	37,922	37,922	-	344,433	11.01%
2016	51,593	51,593	-	385,592	13.38%
2015	35,166	35,166	-	381,405	9.22%
2014	31,185	33,481	(2,296)	370,368	9.04%

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

Valuation Date:

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

Methods and Assumptions Used to Determine 2018 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	25-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75%
<i>Salary Increases:</i>	3.75% to 14.5%, 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 2014 valuation pursuant to an experience study of the period 2011 to 2013.
<i>Mortality:</i>	RP-2014 Blue Collar Health Annuitant Mortality Table, adjusted to match current IMRF experience. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

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

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

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,	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 35,609	\$ 32,861	\$ 41,569	\$ 38,901	\$ 42,803
Interest on the Total Pension Liability	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	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	(28,950)	(28,234)	(29,204)	(32,926)	(21,004)
Net Change in Total Pension Liability	<u>162,499</u>	<u>69,798</u>	<u>78,317</u>	<u>61,890</u>	<u>228,934</u>
Total Pension Liability - Beginning	<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><u>\$1,176,518</u></u>	<u><u>\$1,014,019</u></u>	<u><u>\$ 944,221</u></u>	<u><u>\$ 865,904</u></u>	<u><u>\$ 804,014</u></u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 55,127	\$ 37,921	\$ 51,593	\$ 35,166	\$ 33,481
Contributions - Employees	19,814	15,499	24,897	17,163	28,590
Net Investment Income	(33,943)	128,734	48,305	13,816	38,808
Benefit Payments, including Refunds of Employee Contributions	(28,950)	(28,234)	(29,204)	(32,926)	(21,004)
Other (Net Transfer)	9,854	(13,419)	19	(1,944)	(973)
Net Change in Plan Fiduciary Net Position	<u>21,902</u>	<u>140,501</u>	<u>95,610</u>	<u>31,275</u>	<u>78,902</u>
Plan Fiduciary Net Position - Beginning	<u>922,409</u>	<u>781,908</u>	<u>686,298</u>	<u>655,023</u>	<u>576,121</u>
Plan Fiduciary Net Position - Ending (B)	<u><u>\$ 944,311</u></u>	<u><u>\$ 922,409</u></u>	<u><u>\$ 781,908</u></u>	<u><u>\$ 686,298</u></u>	<u><u>\$ 655,023</u></u>
Net Pension Liability - Ending (A) - (B)	\$ 232,207	\$ 91,610	\$ 162,313	\$ 179,606	\$ 148,991
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.26%	90.97%	82.81%	79.26%	81.47%
Covered Payroll	\$ 440,318	\$ 344,433	\$ 385,592	\$ 381,405	\$ 370,368
Net Pension Liability as a Percentage of Covered Payroll	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
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.

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 3 Fiscal Years*

	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>
Employer's proportion of the collective net OPEB liability	0.008931%	0.008394%	0.007638%
Employer's proportionate share of the collective net OPEB liability	\$ 2,352,930	\$ 2,178,182	\$ 2,087,959
State's proportionate share of the collective net OPEB liability associated with the employer	<u>3,159,491</u>	<u>2,860,448</u>	<u>2,903,818</u>
Total	<u>\$ 5,512,421</u>	<u>\$ 5,038,630</u>	<u>\$ 4,991,777</u>
Employer's covered payroll	\$ 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	111.03%	112.81%	117.01%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07%	-0.17%	-0.22%

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

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

PEORIA COUNTY
REGIONAL OFFICE OF EDUCATION #48

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Teacher's Health Insurance Security Fund
For the Year Ended June 30, 2019

1 CHANGES OF BENEFIT TERMS

In the June 30, 2019 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, 2016:

- The discount rate was changed from 3.56 percent at June 30, 2017, to 3.62 percent at June 30, 2018;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2017, projected plan cost for plan year end June 30, 2018, premium changes through plan year end 2019, and expectation of future trend increases after June 30, 2018;
- The Excise Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2018;
- Per capita claim costs for plan year end June 30, 2018, were updated based on projected claims and enrollment experience through June 30, 2018, and updated premium rates through plan year 2019; 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,	2019	2018
Total OPEB Liability		
Service Cost	\$ 756	\$ 1,383
Interest	327	474
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	(4,846)
Changes of Assumptions or Other Inputs	467	(1,194)
Benefit Payments	-	-
Net Change in Total OPEB Liability	1,550	(4,183)
Total OPEB Liability - Beginning	7,683	11,866
Total OPEB Liability - Ending	\$ 9,233	\$ 7,683
 Covered Payroll	 \$ 384,333	 \$ 374,959
 Total OPEB Liability as a Percentage of Covered Payroll	 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 3.87% at July 1, 2018 to 3.51% at June 30, 2019.

The healthcare trend rates were changed from 9.00% and decreasing to an ultimate trend rate of 5.00% at June 30, 2018 to 8.50% and decreasing to an ultimate trend rate of 5.00% at June 30, 2019.

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, 2019

	ROE Local Fund	General State Aid	Jail Library	Lincoln Senior Award
Assets				
Cash and cash equivalents	\$ 2,547,627		\$ 519	\$ -
Due from other funds	16,634	-	-	-
Due from other governments	563	-	-	-
Prepaid expenses	14,589	-	-	-
Total assets	\$ 2,579,413	\$ -	\$ 519	\$ -
Liabilities				
Accounts payable	\$ 2,486	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	2,486	-	-	-
Fund balance				
Nonspendable	14,589	-	-	-
Assigned	2,514,279	-	519	-
Unassigned	48,059	-	-	-
Total fund balance (deficit)	2,576,927	-	519	-
Total liabilities, deferred inflows, and fund balance (deficit)	\$ 2,579,413	\$ -	\$ 519	\$ -

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See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

June 30, 2019

	Office of Prevention	Hospital Tutoring	Food Co-Op	Peoria Regional High School Truants
Assets				
Cash and cash equivalents	\$ 11,069	\$ 17,445	\$ 8,249	\$ -
Due from other funds	-	-	-	-
Due from other governments	-	11,569	-	-
Prepaid expenses	-	348	-	-
Total assets	\$ 11,069	\$ 29,362	\$ 8,249	\$ -
Liabilities				
Accounts payable	\$ -	\$ 10,412	\$ 7	\$ -
Accrued payroll and employee benefits	-	8,756	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	6,300	-
Total liabilities	-	19,168	6,307	-
Fund balance				
Nonspendable	-	348	-	-
Assigned	11,069	9,846	-	-
Unassigned	-	-	1,942	-
Total fund balance (deficit)	11,069	10,194	1,942	-
Total liabilities, deferred inflows, and fund balance (deficit)	\$ 11,069	\$ 29,362	\$ 8,249	\$ -

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

June 30, 2019

	Peoria Regional High School General State Aid	Peoria Regional High School	Criminal Background Checks	Total
Assets				
Cash and cash equivalents	\$ 138,622	\$ 6,963	\$ 690	\$ 2,731,184
Due from other funds	-	-	-	16,634
Due from other governments	245	-	2,145	14,522
Prepaid expenses	548	795	746	17,026
Total assets	\$ 139,415	\$ 7,758	\$ 3,581	\$ 2,779,366
Liabilities				
Accounts payable	\$ 1,000	\$ 576	\$ 2,065	\$ 16,546
Accrued payroll and employee benefits	40,057	-	-	48,813
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	6,300
Total liabilities	41,057	576	2,065	71,659
Fund balance				
Nonspendable	548	795	746	17,026
Assigned	97,810	6,387	-	2,639,910
Unassigned	-	-	770	50,771
Total fund balance (deficit)	98,358	7,182	1,516	2,707,707
Total liabilities, deferred inflows, and fund balance (deficit)	\$ 139,415	\$ 7,758	\$ 3,581	\$ 2,779,366

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, 2019

	ROE Local Fund	General State Aid	Jail Library	Lincoln Senior Award
Revenues				
Local sources	\$ 14,525	\$ -	\$ -	\$ 1,150
State sources	-	278,598	-	-
On-behalf payments - local	210,184	-	-	-
On-behalf payments - state	280,742	-	-	-
Interest income	47,270	-	-	-
Total revenues	<u>552,721</u>	<u>278,598</u>	<u>-</u>	<u>1,150</u>
Expenditures				
Instructional services:				
Salaries and benefits	-	-	-	-
Purchased services	30,864	-	-	1,150
Supplies and materials	2,266	-	-	-
Other objects	10,663	-	-	-
On-behalf payments - local	210,184	-	-	-
On-behalf payments - state	280,742	-	-	-
Pension expense	7,567	-	-	-
OPEB expense	833	-	-	-
Intergovernmental:				
Payments to other governments	-	278,598	-	-
Capital outlay	4,333	-	-	-
Total expenditures	<u>547,452</u>	<u>278,598</u>	<u>-</u>	<u>1,150</u>
Excess (deficiency) of revenues over expenditures	<u>5,269</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	40,435	-	-	-
Total other financing sources (uses)	<u>40,435</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	45,704	-	-	-
Fund balance (deficit) - beginning	<u>2,531,223</u>	<u>-</u>	<u>519</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ 2,576,927</u>	<u>\$ -</u>	<u>\$ 519</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
GENERAL FUND ACCOUNTS

For the Year Ended June 30, 2019

	Office of Prevention	Hospital Tutoring	Food Co-Op	Peoria Regional High School Truants
Revenues				
Local sources	\$ -	\$ 123,818	\$ 6,650	\$ -
State sources	-	-	-	10,419
On-behalf payments - local	-	-	-	-
On-behalf payments - state	-	-	-	-
Interest income	220	305	121	-
Total revenues	<u>220</u>	<u>124,123</u>	<u>6,771</u>	<u>10,419</u>
Expenditures				
Instructional services:				
Salaries and benefits	-	62,836	4,551	-
Purchased services	2,405	56,242	102	-
Supplies and materials	41	-	176	-
Other objects	500	11	-	-
On-behalf payments - local	-	-	-	-
On-behalf payments - state	-	-	-	-
Pension expense	-	500	-	-
OPEB expense	-	516	-	-
Intergovernmental:				
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>2,946</u>	<u>120,105</u>	<u>4,829</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,726)</u>	<u>4,018</u>	<u>1,942</u>	<u>10,419</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,726)	4,018	1,942	10,419
Fund balance (deficit) - beginning	<u>13,795</u>	<u>6,176</u>	<u>-</u>	<u>(10,419)</u>
Fund balance (deficit) - ending	<u>\$ 11,069</u>	<u>\$ 10,194</u>	<u>\$ 1,942</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
GENERAL FUND ACCOUNTS

For the Year Ended June 30, 2019

	Peoria Regional High School General State Aid	Peoria Regional High School	Criminal Background Checks	Total
Revenues				
Local sources	\$ -	\$ 32,547	\$ 48,180	\$ 226,870
State sources	344,622	-	-	633,639
On-behalf payments - local	-	-	-	210,184
On-behalf payments - state	-	-	-	280,742
Interest income	2,696	193	115	50,920
Total revenues	<u>347,318</u>	<u>32,740</u>	<u>48,295</u>	<u>1,402,355</u>
Expenditures				
Instructional services:				
Salaries and benefits	280,014	7,981	-	355,382
Purchased services	61,190	11,428	41,649	205,030
Supplies and materials	-	7,283	4,038	13,804
Other objects	-	211	12,165	23,550
On-behalf payments - local	-	-	-	210,184
On-behalf payments - state	-	-	-	280,742
Pension expense	1,169	-	-	9,236
OPEB expense	1,855	-	-	3,204
Intergovernmental:				
Payments to other governments	-	-	-	278,598
Capital outlay	-	7,567	-	11,900
Total expenditures	<u>344,228</u>	<u>34,470</u>	<u>57,852</u>	<u>1,391,630</u>
Excess (deficiency) of revenues over expenditures	<u>3,090</u>	<u>(1,730)</u>	<u>(9,557)</u>	<u>10,725</u>
Other financing sources (uses)				
Transfers in	-	-	-	40,435
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,435</u>
Net change in fund balances	3,090	(1,730)	(9,557)	51,160
Fund balance (deficit) - beginning	<u>95,268</u>	<u>8,912</u>	<u>11,073</u>	<u>2,656,547</u>
Fund balance (deficit) - ending	<u>\$ 98,358</u>	<u>\$ 7,182</u>	<u>\$ 1,516</u>	<u>\$ 2,707,707</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

JUNE 30, 2019

	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	\$ -	\$ -	\$ 9,481	\$ -	\$ -	\$ -
Due from other governments	-	4,971	-	-	18,251	7,488
Prepaid expenses	-	-	-	-	348	-
Total assets	\$ -	\$ 4,971	\$ 9,481	\$ -	\$ 18,599	\$ 7,488
Liabilities						
Accounts payable	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	2,379	1,417	-	-	-
Due to other funds	-	2,526	-	-	18,599	7,488
Due to other governments	-	60	8,064	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	4,971	9,481	-	18,599	7,488
Deferred inflows of resources						
Unavailable revenue	-	4,971	-	-	18,251	-
Fund balance (deficit)						
Nonspendable	-	-	-	-	348	-
Unassigned	-	(4,971)	-	-	(18,599)	-
Total fund balance (deficit)	-	(4,971)	-	-	(18,251)	-
Total liabilities, deferred inflows, and fund balance (deficit)	\$ -	\$ 4,971	\$ 9,481	\$ -	\$ 18,599	\$ 7,488

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

JUNE 30, 2019

	IL Secretary of State Adult Literacy	ROE/ISC Operations	Foundational Services	IL Multi-Tiered System of Support (MTSS)	Preschool for All Children	Preschool for All Expansion
Assets						
Cash and cash equivalents	\$ 247	\$ -	\$ -	\$ -	\$ -	\$ 178,781
Due from other governments	-	-	-	18,210	-	-
Prepaid expenses	-	-	-	-	-	-
Total assets	\$ 247	\$ -	\$ -	\$ 18,210	\$ -	\$ 178,781
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,312
Accrued payroll and employee benefits	-	-	-	-	-	15,821
Due to other funds	-	-	-	18,210	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	247	-	-	-	-	161,648
Total liabilities	247	-	-	18,210	-	178,781
Deferred inflows of resources						
Unavailable revenue	-	-	-	-	-	-
Fund balance (deficit)						
Nonspendable	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	-	-	-	-	-	-
Total liabilities, deferred inflows, and fund balance (deficit)	\$ 247	\$ -	\$ -	\$ 18,210	\$ -	\$ 178,781

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

JUNE 30, 2019

	Regional Safe Schools	Pilot Regional Safe School Cooperative Educ. Program	Title II Teacher Quality Leadership Grant	Total
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 188,509
Due from other governments	-	15,357	-	64,277
Prepaid expenses	-	-	-	348
Total assets	\$ -	\$ 15,357	\$ -	\$ 253,134
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,318
Accrued payroll and employee benefits	-	-	-	19,617
Due to other funds	-	-	-	46,823
Due to other governments	-	-	-	8,124
Unearned revenue	-	15,357	-	177,252
Total liabilities	-	15,357	-	253,134
Deferred inflows of resources				
Unavailable revenue	-	-	-	23,222
Fund balance (deficit)				
Nonspendable	-	-	-	348
Unassigned	-	-	-	(23,570)
Total fund balance (deficit)	-	-	-	(23,222)
Total liabilities, deferred inflows, and fund balance (deficit)	\$ -	\$ 15,357	\$ -	\$ 253,134

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, 2019

	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	\$ -	\$ 67,748	\$ 16,545	\$ 7,500	\$ 190,314	\$ -
Federal sources	-	-	-	-	-	48,444
Interest income	-	-	-	-	-	-
Total revenues	-	67,748	16,545	7,500	190,314	48,444
Expenditures						
Instructional services:						
Salaries and benefits	-	64,780	8,346	891	178,961	36,102
Purchased services	-	1,054	1,743	6,596	11,636	4,072
Supplies and materials	-	6,885	6,456	-	1,899	4,739
Other objects	-	-	-	-	-	-
Pension expense	-	-	-	5	7,089	3,531
OPEB expense	-	-	-	8	1,148	-
Intergovernmental:						
Payments to other governments	-	-	-	-	-	-
Total expenditures	-	72,719	16,545	7,500	200,733	48,444
Excess (deficiency) of revenues over expenditures	-	(4,971)	-	-	(10,419)	-
Net change in fund balances	-	(4,971)	-	-	(10,419)	-
Fund balance (deficit) - beginning	-	-	-	-	(7,832)	-
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ (4,971)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,251)</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, 2019

	IL Secretary of State Adult Literacy	ROE/ISC Operations	Foundational Services	IL Multi-Tiered System of Support (MTSS)	Preschool for All Children	Preschool for All Expansion
Revenues						
State sources	\$ 60,416	\$ 139,083	\$ -	\$ -	\$ 21,976	\$ 638,196
Federal sources	-	-	16,973	212,123	-	-
Interest income	332	184	-	-	-	3,694
Total revenues	60,748	139,267	16,973	212,123	21,976	641,890
Expenditures						
Instructional services:						
Salaries and benefits	46,935	108,408	12,849	169,717	11,534	389,341
Purchased services	2,575	19,641	2,850	24,165	805	86,882
Supplies and materials	11,238	5,417	-	1,147	-	87,342
Other objects	-	-	-	-	-	59,988
Pension expense	-	5,300	1,171	16,531	179	16,150
OPEB expense	-	501	103	563	-	2,187
Intergovernmental:						
Payments to other governments	-	-	-	-	-	-
Total expenditures	60,748	139,267	16,973	212,123	12,518	641,890
Excess (deficiency) of revenues over expenditures	-	-	-	-	9,458	-
Net change in fund balances	-	-	-	-	9,458	-
Fund balance (deficit) - beginning	-	-	-	-	(9,458)	-
Fund balance (deficit) - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2019

	Regional Safe Schools	Pilot Regional Safe School Cooperative Educ. Program	Title II - Teacher Quality Leadership Grant	Total
Revenues				
State sources	\$ 100,465	\$ 18,974	\$ -	\$ 1,261,217
Federal sources	-	-	2,238	279,778
Interest income	-	-	-	4,210
Total revenues	100,465	18,974	2,238	1,545,205
Expenditures				
Instructional services:				
Salaries and benefits	-	-	-	1,027,864
Purchased services	-	-	2,238	164,257
Supplies and materials	-	-	-	125,123
Other objects	-	-	-	59,988
Pension expense	-	-	-	49,956
OPEB expense	-	-	-	4,510
Intergovernmental:				
Payments to other governments	100,465	18,974	-	119,439
Total expenditures	100,465	18,974	2,238	1,551,137
Excess (deficiency) of revenues over expenditures	-	-	-	(5,932)
Net change in fund balances	-	-	-	(5,932)
Fund balance (deficit) - beginning	-	-	-	(17,290)
Fund balance (deficit) - ending	\$ -	\$ -	\$ -	\$ (23,222)

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, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 53,030	\$ 53,030	\$ -
Total revenues	53,030	53,030	-
Expenditures			
Salaries and benefits	51,825	51,825	-
Purchased services	405	405	-
Supplies and materials	800	800	-
Total expenditures	53,030	53,030	-
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, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 75,275	\$ 75,375	\$ 67,748
Total revenues	<u>75,275</u>	<u>75,275</u>	<u>67,748</u>
Expenditures			
Salaries and benefits	68,349	65,377	64,780
Purchased services	850	1,300	1,054
Supplies and materials	<u>6,076</u>	<u>8,598</u>	<u>6,885</u>
Total expenditures	<u>75,275</u>	<u>75,275</u>	<u>72,719</u>
Net change in fund balance	-	-	(4,971)
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,971)</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, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 27,270	\$ 27,270	\$ 16,545
Total revenues	<u>27,270</u>	<u>27,270</u>	<u>16,545</u>
Expenditures			
Salaries and benefits	23,545	10,592	8,346
Purchased services	2,025	1,955	1,743
Supplies and materials	<u>1,700</u>	<u>14,723</u>	<u>6,456</u>
Total expenditures	<u>27,270</u>	<u>27,270</u>	<u>16,545</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
ADVANCED

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 7,500	\$ 7,500	\$ 7,500
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
Expenditures			
Salaries and benefits	-	975	891
Purchased services	5,500	6,525	6,596
Supplies and materials	2,000	-	-
Other objects	-	-	-
Pension expense	-	-	5
OPEB expense	-	-	8
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>7,500</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
COMMUNITIES FOR YOUTH TRUANTS ALTERNATIVE

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 200,733	\$ 200,733	\$ 190,314
Total revenues	<u>200,733</u>	<u>200,733</u>	<u>190,314</u>
Expenditures			
Salaries and benefits	186,403	179,840	178,961
Purchased services	7,737	7,876	7,792
Supplies and materials	1,550	1,477	1,899
Pension expense	4,012	6,448	7,089
OPEB expense	1,031	842	1,148
Indirect Costs	-	4,250	3,844
Total expenditures	<u>200,733</u>	<u>200,733</u>	<u>200,733</u>
Net change in fund balance	-	-	(10,419)
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>(7,832)</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,251)</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, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 45,369	\$ 48,444	\$ 48,444
Total revenues	45,369	48,444	48,444
Expenditures			
Salaries and benefits	36,020	36,020	36,102
Purchased services	3,440	5,515	4,072
Supplies and materials	2,372	3,372	4,739
Pension expense	3,537	3,537	3,531
Total expenditures	45,369	48,444	48,444
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
IL SECRETARY OF STATE ADULT LITERACY

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 60,663	\$ 60,663	\$ 60,416
Interest income	-	-	332
Total revenues	<u>60,663</u>	<u>60,663</u>	<u>60,748</u>
Expenditures			
Salaries and benefits	49,600	49,600	46,935
Purchased services	4,800	4,800	2,575
Supplies and materials	6,263	6,263	11,238
Total expenditures	<u>60,663</u>	<u>60,663</u>	<u>60,748</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
ROE/ISC OPERATIONS

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 139,083	\$ 139,083	\$ 139,083
Interest income	-	-	184
Total revenues	<u>139,083</u>	<u>139,083</u>	<u>139,267</u>
Expenditures			
Salaries and benefits	92,445	109,089	108,408
Purchased services	23,007	17,785	19,641
Supplies and materials	19,150	6,064	5,417
Other objects	1,200	268	-
Pension expense	2,783	5,374	5,300
OPEB expense	498	503	501
Total expenditures	<u>139,083</u>	<u>139,083</u>	<u>139,267</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
FOUNDATIONAL SERVICES

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 84,563	\$ 84,563	\$ 16,973
Total revenues	84,563	84,563	16,973
Expenditures			
Salaries and benefits	62,730	62,730	12,849
Purchased services	14,937	14,937	2,850
Supplies and materials	2,063	2,063	-
Pension expense	4,477	4,477	1,171
OPEB expense	356	356	103
Total expenditures	84,563	84,563	16,973
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
IL MULTI-TIERED SYSTEM OF SUPPORT (MTSS)

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 350,000	\$ 350,000	\$ 212,123
Total revenues	350,000	350,000	212,123
Expenditures			
Salaries and benefits	171,825	169,711	169,717
Purchased services	122,171	123,395	20,157
Supplies and materials	29,341	29,334	1,147
Pension expense	15,635	16,532	16,531
OPEB expense	563	563	563
Indirect costs	10,465	10,465	4,008
Total expenditures	350,000	350,000	212,123
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 CHILDREN

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 170,778	\$ 170,778	\$ 21,976
Total revenues	170,778	170,778	21,976
Expenditures			
Salaries and benefits	123,911	123,911	11,534
Purchased services	23,268	23,268	805
Supplies and materials	14,632	14,632	-
Pension expense	2,923	2,923	179
OPEB expense	834	834	-
Indirect Costs	5,210	5,210	-
Total expenditures	170,778	170,778	12,518
Net change in fund balance	-	-	9,458
Fund balance (deficit) - beginning	-	-	(9,458)
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, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 732,000	\$ 732,000	\$ 638,196
Interest Income	-	-	3,694
Total revenues	<u>732,000</u>	<u>732,000</u>	<u>641,890</u>
Expenditures			
Salaries and benefits	472,589	429,603	389,341
Purchased services	169,454	98,391	86,882
Supplies and materials	74,517	103,542	87,342
Pension expense	13,171	18,108	16,150
OPEB expense	2,269	2,091	2,187
Indirect Costs	-	80,265	59,988
Total expenditures	<u>732,000</u>	<u>732,000</u>	<u>641,890</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
REGIONAL SAFE SCHOOLS

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 100,465	\$ 100,465	\$ 100,465
Total revenues	100,465	100,465	100,465
Expenditures			
Intergovernmental:			
Payments to other governments	100,465	100,465	100,465
Total expenditures	100,465	100,465	100,465
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
PILOT REGIONAL SAFE SCHOOL COOPERATIVE EDUCATION PROGRAM

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 41,071	\$ 41,071	\$ 18,974
Total revenues	41,071	41,071	18,974
Expenditures			
Salaries and benefits	12,256	12,256	-
Purchased services	24,824	24,824	-
Supplies and materials	3,991	3,991	-
Intergovernmental:			
Payments to other governments	-	-	18,974
Total expenditures	41,071	41,071	18,974
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
TITLE II TEACHER QUALITY LEADERSHIP GRANT

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 2,238	\$ 2,238	\$ 2,238
Total revenues	2,238	2,238	2,238
Expenditures			
Purchased services	2,238	2,238	2,238
Total expenditures	2,238	2,238	2,238
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2019

	Bus Driver Training	General Education Development	Institute	Supervisory	Local Foundation	Total
Assets						
Cash and cash equivalents	\$ 14,495	\$ 34,495	\$ 182,880	\$ 2,105	\$ 1,355	\$ 235,330
Due from other governments	-	2,187	20,000	-	-	22,187
Prepaid expenses	-	-	6,717	-	-	6,717
Total assets	\$ 14,495	\$ 36,682	\$ 209,597	\$ 2,105	\$ 1,355	\$ 264,234
Fund balance						
Nonspendable	-	-	6,717	-	-	6,717
Restricted	14,495	36,682	202,880	2,105	1,355	257,517
Total fund balance	\$ 14,495	\$ 36,682	\$ 209,597	\$ 2,105	\$ 1,355	\$ 264,234

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, 2019

	Bus Driver Training	General Education Development	Institute	Supervisory	Local Foundation	Total
Revenues:						
Local sources	\$ 4,280	\$ 27,707	\$ 74,076	\$ -	\$ -	\$ 106,063
State sources	1,565	-	-	-	-	1,565
Interest	240	512	3,688	-	-	4,440
Total revenues	<u>6,085</u>	<u>28,219</u>	<u>77,764</u>	<u>-</u>	<u>-</u>	<u>112,068</u>
Expenditures:						
Instructional services						
Salaries and benefits	-	6,390	12,497	-	-	18,887
Purchased services	3,583	92	39,656	-	-	43,331
Supplies and materials	-	42	1,693	-	-	1,735
Other objects	118	500	5,106	-	-	5,724
Pension expense	-	665	1,081	-	-	1,746
OPEB expense	-	-	25	-	-	25
Capital Outlay	-	-	883	-	-	883
Total expenditures	<u>3,701</u>	<u>7,689</u>	<u>60,941</u>	<u>-</u>	<u>-</u>	<u>72,331</u>
Excess (deficiency) of revenues over expenditures	<u>2,384</u>	<u>20,530</u>	<u>16,823</u>	<u>-</u>	<u>-</u>	<u>39,737</u>
Net change in fund balance	2,384	20,530	16,823	-	-	39,737
Fund balance - beginning	<u>12,111</u>	<u>16,152</u>	<u>192,774</u>	<u>2,105</u>	<u>1,355</u>	<u>224,497</u>
Fund balance - ending	<u>\$ 14,495</u>	<u>\$ 36,682</u>	<u>\$ 209,597</u>	<u>\$ 2,105</u>	<u>\$ 1,355</u>	<u>\$ 264,234</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS

June 30, 2019

	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	\$ -	\$ -	\$ 3,551	\$ -	\$ 5,653
Due from other governments	-	-	74,749	514,407	-	2,206,282	2,795,438
Total assets	\$ 18	\$ 2,084	\$ 74,749	\$ 514,407	\$ 3,551	\$ 2,206,282	\$ 2,801,091
Liabilities							
Due to other governments	\$ 18	\$ 2,084	\$ 74,749	\$ 514,407	\$ 3,551	\$ 2,206,282	\$ 2,801,091
Total liabilities	\$ 18	\$ 2,084	\$ 74,749	\$ 514,407	\$ 3,551	\$ 2,206,282	\$ 2,801,091

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<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	\$ -	\$ 752,038	\$ 752,038	\$ -
Due from other governments	61,587	74,749	61,587	74,749
Total assets	\$ 61,587	\$ 826,787	\$ 813,625	\$ 74,749
Liabilities				
Due to other governments	\$ 61,587	\$ 826,787	\$ 813,625	\$ 74,749
Total liabilities	\$ 61,587	\$ 826,787	\$ 813,625	\$ 74,749

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, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>SEAPCO</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 5,372,221	\$ 5,372,221	\$ -
Due from other governments	487,161	514,407	487,161	514,407
Total assets	\$ 487,161	\$ 5,886,628	\$ 5,859,382	\$ 514,407
Liabilities				
Due to other governments	\$ 487,161	\$ 5,886,628	\$ 5,859,382	\$ 514,407
Total liabilities	\$ 487,161	\$ 5,886,628	\$ 5,859,382	\$ 514,407
<u>IVS SCHOLARSHIP FUND</u>				
Assets				
Cash and cash equivalents	\$ 3,505	\$ 46	\$ -	\$ 3,551
Total assets	\$ 3,505	\$ 46	\$ -	\$ 3,551
Liabilities				
Due to other governments	\$ 3,505	\$ 46	\$ -	\$ 3,551
Total liabilities	\$ 3,505	\$ 46	\$ -	\$ 3,551
<u>COUNTY SCHOOLS FACILITY SALES TAX</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 8,608,539	\$ 8,608,539	\$ -
Due from other governments	2,282,750	2,206,282	2,282,750	2,206,282
Total assets	\$ 2,282,750	\$ 10,814,821	\$ 10,891,289	\$ 2,206,282
Liabilities				
Due to other governments	\$ 2,282,750	\$ 10,814,821	\$ 10,891,289	\$ 2,206,282
Total liabilities	\$ 2,282,750	\$ 10,814,821	\$ 10,891,289	\$ 2,206,282
<u>TOTAL - ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ 5,607	\$ 14,732,844	\$ 14,732,798	\$ 5,653
Due from other governments	2,831,498	2,795,438	2,831,498	2,795,438
Total assets	\$ 2,837,105	\$ 17,528,282	\$ 17,564,296	\$ 2,801,091
Liabilities				
Due to other governments	\$ 2,837,105	\$ 17,528,282	\$ 17,564,296	\$ 2,801,091
Total liabilities	\$ 2,837,105	\$ 17,528,282	\$ 17,564,296	\$ 2,801,091

See accompanying Independent Auditor's Report.