

**STATE OF ILLINOIS  
CLAY, CRAWFORD, JASPER, LAWRENCE,  
AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12**

**FINANCIAL AUDIT  
For the year ended June 30, 2020**

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



**CLAY, CRAWFORD, JASPER, LAWRENCE, AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12**

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REGIONAL OFFICE OF EDUCATION NO. 12**

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**CLAY, CRAWFORD, JASPER, LAWRENCE, AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12**

**OFFICIALS**

Regional Superintendent (Current and during the audit period)..... Mr. Monte Newlin

Assistant Regional Superintendent (Current and during the audit period) ..... Mr. Corrie Ray

Offices are located at:

Clay County  
111 East Chestnut Street  
P.O. Box 97  
Louisville, IL 62858

Crawford County  
300 West Main Street  
Lower Level  
Robinson, IL 62454

Jasper County  
204 West Washington Street  
Suite 3  
Newton, IL 62448

Lawrence County  
1100 State Street  
Lower Level  
Lawrenceville, IL 62439

Richland County  
103 West Main Street  
Third Floor  
Olney, IL 62450

**CLAY, CRAWFORD, JASPER, LAWRENCE, AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12**

**FINANCIAL REPORT SUMMARY**

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	-	-
Repeated audit findings	-	-
Prior recommendations implemented or not repeated	-	1

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

**SUMMARY OF FINDINGS AND RESPONSES**

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

There were no findings for the year ended June 30, 2020.

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

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

**EXIT CONFERENCE**

The Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2020. Throughout the audit, numerous meetings were held between the auditors and Regional Office to discuss matters contained in this audit report.

**CLAY, CRAWFORD, JASPER, LAWRENCE, AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Regional Office of Education No. 12's basic financial statements.



613 Broadway Avenue  
P.O. Box 945  
Mattoon, Illinois 61938

(217) 235-4747  
www.westcpa.com

## **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 Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability and Related Ratios, Illinois Municipal Retirement Fund – Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois – Schedule of the Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of the State of Illinois – Schedule of Employer Contributions, Teachers' Health Insurance Security Fund – Schedule of the Employer's Proportionate Share of the Collective Net Other Postemployment Benefit Liability, Teachers' Health Insurance Security Fund - Schedule of Employer Contributions, and Other Post Employment Benefits – Health Insurance – Schedule of Changes in the Total OPEB Liability & Related Ratios on pages 63-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2021 on our consideration of the Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12'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 Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12'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 Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12's internal control over financial reporting and compliance.

**SIGNED ORIGINAL ON FILE**

Mattoon, Illinois  
January 14, 2021



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Mattoon, Illinois 61938

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

**INDEPENDENT AUDITORS' REPORT**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12's basic financial statements, and have issued our report thereon dated January 14, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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 Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12'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 Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Mattoon, Illinois  
January 14, 2021

## **SCHEDULE OF FINDINGS AND RESPONSES**

CLAY, CRAWFORD, JASPER, LAWRENCE, AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12

SCHEDULE OF FINDINGS AND RESPONSES  
SECTION I – SUMMARY OF AUDITORS' RESULTS  
For the year ended June 30, 2020

Section I – Summary of Auditors' Results

**Financial statements in accordance with GAAP**

Type of auditors' report issued: UNMODIFIED

Internal control over financial reporting:

- Material weakness(es) identified?        yes   X   no
- Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**CLAY, CRAWFORD, JASPER, LAWRENCE, AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12**

**SCHEDULE OF FINDINGS AND RESPONSES  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the year ended June 30, 2020**

**Section II – Financial Statement Findings**

No findings were noted for the year ended June 30, 2020.

**CLAY, CRAWFORD, JASPER, LAWRENCE, AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12**

**CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS  
For the year ended June 30, 2020**

**Corrective Action Plan**

No findings were noted for the year ended June 30, 2020.

**CLAY, CRAWFORD, JASPER, LAWRENCE, AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED  
For the year ended June 30, 2020**

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

## **BASIC FINANCIAL STATEMENTS**

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,174,872	\$ 62,851	\$ 2,237,723
Due from other governments			
Local	19,366	3,399	22,765
Federal	10,894	-	10,894
Prepaid expenses	7,622	-	7,622
Total current assets	<u>2,212,754</u>	<u>66,250</u>	<u>2,279,004</u>
Noncurrent assets:			
Capital assets, net	86,623	-	86,623
Net pension asset	46,907	167	47,074
Total noncurrent assets	<u>133,530</u>	<u>167</u>	<u>133,697</u>
<b>TOTAL ASSETS</b>	<u>2,346,284</u>	<u>66,417</u>	<u>2,412,701</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	53,832	246	54,078
Deferred outflows related to OPEB	18,957	53	19,010
Total deferred outflows of resources	<u>72,789</u>	<u>299</u>	<u>73,088</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	388	-	388
Unearned revenue	51,583	-	51,583
Total current liabilities	<u>51,971</u>	<u>-</u>	<u>51,971</u>
Noncurrent liabilities:			
Net pension liability	55,911	-	55,911
OPEB liabilities	825,013	2,317	827,330
Total noncurrent liabilities	<u>880,924</u>	<u>2,317</u>	<u>883,241</u>
<b>TOTAL LIABILITIES</b>	<u>932,895</u>	<u>2,317</u>	<u>935,212</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	301,759	1,649	303,408
Deferred inflows related to OPEB	114,823	322	115,145
Total deferred inflows of resources	<u>416,582</u>	<u>1,971</u>	<u>418,553</u>
<b>NET POSITION</b>			
Net investment in capital assets	86,623	-	86,623
Restricted for educational purposes	107,640	-	107,640
Unrestricted	875,333	62,428	937,761
<b>TOTAL NET POSITION</b>	<u>\$ 1,069,596</u>	<u>\$ 62,428</u>	<u>\$ 1,132,024</u>

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instructional services:						
Salaries and benefits	\$ 1,284,734	\$ -	\$ 814,003	\$ (470,731)	\$ -	\$ (470,731)
Purchased services	282,965	-	205,410	(77,555)	-	(77,555)
Supplies and materials	103,421	-	90,957	(12,464)	-	(12,464)
Other objects	6,889	-	4,160	(2,729)	-	(2,729)
Depreciation	36,938	-	-	(36,938)	-	(36,938)
Capital outlay	-	-	22,722	22,722	-	22,722
Pension expense	108,541	-	37,364	(71,177)	-	(71,177)
OPEB Expense	156,027	-	3,422	(152,605)	-	(152,605)
Administrative:						
On-behalf payments - State	750,966	-	-	(750,966)	-	(750,966)
Total governmental activities	<u>2,730,481</u>	<u>-</u>	<u>1,178,038</u>	<u>(1,552,443)</u>	<u>-</u>	<u>(1,552,443)</u>
Business-type activities:						
Operating	34,605	30,264	-	-	(4,341)	(4,341)
Total business-type activities	<u>34,605</u>	<u>30,264</u>	<u>-</u>	<u>-</u>	<u>(4,341)</u>	<u>(4,341)</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 2,765,086</u>	<u>\$ 30,264</u>	<u>\$ 1,178,038</u>	<u>(1,552,443)</u>	<u>(4,341)</u>	<u>(1,556,784)</u>
<b>GENERAL REVENUES</b>						
Local sources				269,017	-	269,017
State sources				295,390	-	295,390
On-behalf payments - State				750,966	-	750,966
Loss on disposal of assets				(280)	-	(280)
Investment income				14,324	690	15,014
Total general revenues				<u>1,329,417</u>	<u>690</u>	<u>1,330,107</u>
<b>CHANGE IN NET POSITION</b>				<u>(223,026)</u>	<u>(3,651)</u>	<u>(226,677)</u>
<b>NET POSITION - BEGINNING</b>				<u>1,292,622</u>	<u>66,079</u>	<u>1,358,701</u>
<b>NET POSITION - ENDING</b>				<u>\$ 1,069,596</u>	<u>\$ 62,428</u>	<u>\$ 1,132,024</u>

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,062,559	\$ 51,609	\$ 60,704	\$ -	\$ 2,174,872
Due from other funds	24,216	-	-	(24,216)	-
Due from other governments					
Local	19,356	-	10	-	19,366
Federal	-	10,894	-	-	10,894
Prepaid expenses	7,622	-	-	-	7,622
<b>TOTAL ASSETS</b>	<b>\$ 2,113,753</b>	<b>\$ 62,503</b>	<b>\$ 60,714</b>	<b>\$ (24,216)</b>	<b>\$ 2,212,754</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 388	\$ -	\$ -	\$ -	\$ 388
Due to other funds	-	24,216	-	(24,216)	-
Unearned revenue	-	51,583	-	-	51,583
<b>Total liabilities</b>	<b>388</b>	<b>75,799</b>	<b>-</b>	<b>(24,216)</b>	<b>51,971</b>
<b>FUND BALANCE (DEFICIT)</b>					
Nonspendable	7,622	-	-	-	7,622
Restricted	-	19	60,714	-	60,733
Assigned	1,827,867	-	-	-	1,827,867
Unassigned	277,876	(13,315)	-	-	264,561
<b>Total fund balance (deficit)</b>	<b>2,113,365</b>	<b>(13,296)</b>	<b>60,714</b>	<b>-</b>	<b>2,160,783</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,113,753</b>	<b>\$ 62,503</b>	<b>\$ 60,714</b>	<b>\$ (24,216)</b>	<b>\$ 2,212,754</b>

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2020

Total fund balance - governmental funds \$ 2,160,783

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

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:

Deferred outflows of resources related to pensions	\$ 53,832	
Deferred inflows of resources related to pensions	(301,759)	
Deferred outflows of resources related to OPEB	18,957	
Deferred inflows of resources related to OPEB	<u>(114,823)</u>	(343,793)

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

Net pension liability	\$ (55,911)	
OPEB liabilities	<u>(825,013)</u>	(880,924)

Noncurrent assets related to pension benefits are collected but not payable in the current period and therefore, are not reported in the governmental funds

Net pension asset		46,907
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

		<u>86,623</u>
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Net position of governmental activities		<u><u>\$ 1,069,596</u></u>
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The notes to the financial statements are an integral part of this statement.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
<b>REVENUES</b>					
Local sources	\$ 247,773	\$ -	\$ 21,264	\$ -	\$ 269,037
State sources	309,504	1,090,360	1,300	-	1,401,164
Federal sources	-	72,264	-	-	72,264
On-behalf payments - State	282,991	-	-	-	282,991
Interest	13,787	42	495	-	14,324
Total revenues	<u>854,055</u>	<u>1,162,666</u>	<u>23,059</u>	<u>-</u>	<u>2,039,780</u>
<b>EXPENDITURES</b>					
Instructional services:					
Salaries and benefits	460,419	814,003	10,312	-	1,284,734
Purchased services	72,632	205,410	4,923	-	282,965
Supplies and materials	10,539	90,957	1,925	-	103,421
Other objects	2,729	4,160	-	-	6,889
On-behalf payments - State	282,991	-	-	-	282,991
Pension expense	22,597	37,364	1,006	-	60,967
OPEB expense	847	3,422	-	-	4,269
Capital outlay	12,730	9,992	-	-	22,722
Total expenditures	<u>865,484</u>	<u>1,165,308</u>	<u>18,166</u>	<u>-</u>	<u>2,048,958</u>
NET CHANGE IN FUND BALANCE	(11,429)	(2,642)	4,893	-	(9,178)
FUND BALANCE (DEFICIT) - BEGINNING	<u>2,124,794</u>	<u>(10,654)</u>	<u>55,821</u>	<u>-</u>	<u>2,169,961</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 2,113,365</u>	<u>\$ (13,296)</u>	<u>\$ 60,714</u>	<u>\$ -</u>	<u>\$ 2,160,783</u>

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balance \$ (9,178)

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

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

Capital outlay	\$ 22,722	
Depreciation expense	<u>(36,938)</u>	(14,216)

Governmental funds report capital outlays as expenditures at  
 the time of purchase; therefore, when an asset is disposed of in  
 a noncash transaction it is not reflected in the governmental  
 funds financial statements at the time of disposal. However,  
 in the Statement of Activities gains and losses arising from  
 noncash transactions are reported as a gain or loss on the  
 disposition of those assets.

Net book value of capital asset deletions		(300)
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Certain expenses in the Statement of Activities do not require the use of  
 current financial resources and, therefore, are not reported as expenditures  
 in the governmental funds.

Pension contributions	\$ 60,967	
Pension expense	(108,541)	
OPEB contribution	4,269	
OPEB expense	<u>(156,027)</u>	<u>(199,332)</u>

Change in net position of governmental activities		<u><u>\$ (223,026)</u></u>
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The notes to the financial statements are an integral part of this statement.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2020

	Business - Type Activities - Enterprise Funds	
	Local	Total
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 62,851	\$ 62,851
Due from other governments		
Local	3,399	3,399
Total current assets	66,250	66,250
Noncurrent assets:		
Net pension asset	167	167
<b>TOTAL ASSETS</b>	<b>66,417</b>	<b>66,417</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	246	246
Deferred outflows related to OPEB	53	53
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>299</b>	<b>299</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>66,716</b>	<b>66,716</b>
<b>LIABILITIES</b>		
OPEB liabilities	2,317	2,317
<b>TOTAL LIABILITIES</b>	<b>2,317</b>	<b>2,317</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	1,649	1,649
Deferred inflows related to OPEB	322	322
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,971</b>	<b>1,971</b>
<b>NET POSITION</b>		
Unrestricted	62,428	62,428
<b>TOTAL NET POSITION</b>	<b>\$ 62,428</b>	<b>\$ 62,428</b>

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	Business - Type Activities - Enterprise Funds	
	Local	Total
OPERATING REVENUES		
Charges for services	\$ 30,264	\$ 30,264
Total operating revenues	30,264	30,264
OPERATING EXPENSES		
Salaries and benefits	4,638	4,638
Purchased services	22,312	22,312
Supplies and materials	3,505	3,505
Pension expense	1,552	1,552
OPEB expense	2,598	2,598
Total operating expenses	34,605	34,605
OPERATING LOSS	(4,341)	(4,341)
NONOPERATING REVENUES		
Interest	690	690
Total nonoperating revenues	690	690
CHANGE IN NET POSITION	(3,651)	(3,651)
TOTAL NET POSITION - BEGINNING	66,079	66,079
TOTAL NET POSITION - ENDING	\$ 62,428	\$ 62,428

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	Business - Type Activities - Enterprise Funds	
	Local	Totals
Cash flows from operating activities:		
Receipts from customers	\$ 28,225	\$ 28,225
Payments to suppliers and providers of goods and services	(25,817)	(25,817)
Payments to employees	(4,966)	(4,966)
Net cash used by operating activities	(2,558)	(2,558)
Cash flows from investing activities:		
Interest	690	690
Net cash provided by investing activities	690	690
Net decrease in cash and cash equivalents	(1,868)	(1,868)
Cash and cash equivalents - beginning	64,719	64,719
Cash and cash equivalents- ending	\$ 62,851	\$ 62,851
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (4,341)	\$ (4,341)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Change in assets and liabilities:		
Increase in due from other governments	(2,039)	(2,039)
Increase in net pension asset	(167)	(167)
Increase in net OPEB liability	2,317	2,317
Change in deferred inflows and outflows		
Increase in deferred outflows related to pensions	(246)	(246)
Increase in deferred outflows related to OPEB	(53)	(53)
Increase in deferred inflows related to pensions	1,649	1,649
Increase in deferred inflows related to OPEB	322	322
Net cash used by operating activities	\$ (2,558)	\$ (2,558)

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2020

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 6,547
Total Assets	<u>\$ 6,547</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 4,675
Due to other governments	<u>1,872</u>
Total Liabilities	<u>\$ 6,547</u>

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Regional Office of Education No. 12's accounting policies conform to generally accepted accounting principles, which are appropriate to local governmental units of this type.

**A. Reporting Entity**

The Regional Office of Education No. 12 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The Region encompasses Clay, Crawford, Jasper, Lawrence, and Richland counties.

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

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

The Regional Office of Education No. 12 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education No. 12 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education No. 12's financial statements. In addition, the Regional Office of Education No. 12 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 12 being considered a component unit of the entity.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

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

**B. Government-wide and Fund Financial Statements**

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

The Statement of Net Position includes all of the Regional Office of Education No. 12's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

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

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

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 12 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid expenses and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Regional Office of Education No. 12's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 12's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances, committed fund balances are used first, then assigned fund balances, then unassigned, if any.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**1. Governmental Funds**

The Regional Office of Education No. 12 reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the Regional Office of Education No. 12 and is used to account for all financial resources except those required to be accounted for and reported in another fund. This fund is available to pay general and administrative expenditures of the Regional Office of Education No. 12. Included in this fund are:

**General State Aid - Truant Alternative/Optional Education** – To account for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Truant Alternative School.

**General State Aid - Regional Safe Schools** – To account for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Regional Safe School.

**Grow Your Own** – This is a grant awarded to EIU, which in turn has contracted with the Regional Office of Education No. 12 to perform the services related to the grant. The grant's purpose is to create a pipeline of highly qualified teachers of color, improve teacher retention in low-income schools, recruit for hard-to-staff schools and hard-to-fill positions, and increase cultural competence and community connections of teachers.

**Special Projects** – To account for monies used to provide numerous services to the administrators, staff, and students within the Regional Office of Education No. 12.

**Office** – To account for the expenditures and payroll for the five Regional Office of Education No. 12 offices.

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

**Early Childhood - Preschool for All** – To provide funds for early childhood and family education programs and services that will help young children enter school ready to learn. This program provides beginning teachers with practical strategies for dealing with early career challenges, resources, and a network of colleagues who are also entering the teaching profession.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**1. Governmental Funds (Continued)**

**Education Fund (Concluded)**

**McKinney Education for Homeless Children** – To account for monies received and expended assisting school districts in identifying and providing assistance to at-risk students. This program offers services to homeless children and youth primarily who are of school age. Pre-school aged children also receive services to ensure access to early childhood and pre-school programs.

**Regional Safe Schools** – To work with students in grades 6-12 who have been suspended multiple times or expelled from school, allowing them to continue their education. It accounts for aid provided by the State based on students that attend the Regional Educational Alternative for Developing Youth and Alternative School programs.

**ROE/ISC Operations** – To account for the funding of the Regional Office of Education No. 12 pursuant to the Illinois Administrative Code which mandates the Regional Office to provide professional development activities in the fundamental learning areas, gifted education, administrators' academy, school improvement, technology, and other activities based upon the needs of local school districts and State and federal mandates.

**Rural Education Achievement Program (REAP)** – To account for funding from the U.S. Department of Education that is designed to assist rural school districts in using federal resources more effectively to improve the quality of instruction and student academic achievement.

**State and Federal Lunch and Breakfast** – To account for monies used to provide breakfast and lunch to students enrolled in the Regional Office of Education No. 12's Truant Alternative/Optional Education and Regional Safe Schools Program.

**Title II - Teacher Quality Leadership** – To account for Title II Teacher Quality Leadership grant from the State to improve teacher effectiveness in the classroom.

**Truants Alternative/Optional Education** – To account for prevention and intervention services, which include case management, home visits, school visits, student advocacy, wraparound, referrals to community agencies, and technical assistance to individual school districts and the community.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**1. Governmental Funds (Concluded)**

**Nonmajor Special Revenue Funds** – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. Included among these funds are:

**General Education Development (GED)** – To account for the receipts and expenses pertaining to the GED/High School Equivalency program for high school dropouts.

**School Bus Driver Transportation** – To account for the stewardship of the assets held in connection with the Bus Driver Training Program.

**Institute** – To account for the stewardship of the assets held for the benefit of the teachers. Fees are collected from registration of teachers' licenses. Monies are expended to conduct teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

**2. Proprietary Fund**

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

The Regional Office of Education No. 12 reports the following nonmajor proprietary fund:

**Local Fund** - To account for the workshop fees of the Regional Office of Education No. 12.

**3. Fiduciary Funds**

Fiduciary funds are used to account for assets held by the Regional Office of Education No. 12 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)**

**3. Fiduciary Funds (Concluded)**

**Agency Funds** – Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities) and do not involve measurements of results of operations.

**Regional Board of Trustees** - To account for monies received from individuals filing petitions requesting change of boundary hearings with the Regional Board of School Trustees. Monies are expended to cover hearing expenses.

**School Facility Occupation Tax** - To account for assets held by the Regional Office of Education No. 12 to be distributed to local school districts. Monies are received from the State Comptroller for the School Facility Occupation Tax and are forwarded directly to the school districts.

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity**

**1. Deposits and Investments**

The Regional Office of Education No. 12 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of 90 days or less to be cash and cash equivalents. State regulations require that Regional Office of Education No. 12 deposit funds under its control into accounts insured by the federal governments, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education No. 12 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

**2. Interfund Transactions**

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**3. Capital Assets**

Capital assets are reported in the applicable columns in the government-wide financial statements. Capital assets, such as equipment, are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Office equipment and furniture	5-10
Computer equipment	3-10
Other equipment	5-20

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

**4. Deferred Outflows of Resources and Deferred Inflows of Resources**

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

**Deferred Inflows of Resources** – Deferred inflows of resources represent an acquisition of net position 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.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

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

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**4. Deferred Outflows of Resources and Deferred Inflows of Resources (Concluded)**

Deferred inflows of resources on the government funds Balance Sheet consist of grant receivables not collected within sixty days after the year end. Deferred inflows of resources in the Statement of Net Position consist of unrecognized items that have not yet reduced pension and OPEB expense.

**5. Equity Classifications**

**Government-wide and Proprietary Fund Statements**

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

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

**Restricted net position** - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

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

**Governmental Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in a governmental fund. The following types of fund balances may be presented on the governmental funds' Balance Sheet, the General Fund and Education Fund Combining Schedules of Accounts, and the Nonmajor Special Revenue Funds Combining Balance Sheet:

**Nonspendable Fund Balance** - the portion of a governmental fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. A portion of the fund balance for the Special Projects fund is presented as nonspendable. This nonspendable balance is for prepaid expense.

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

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**5. Equity Classifications (Concluded)**

**Governmental Fund Statements (Concluded)**

**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: General Education Development, School Bus Driver Transportation, and Institute. The following Education Funds are restricted by grantor or donor restrictions: Early Childhood – Preschool For All.

**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: General State Aid - Truant Alternative/Optional Education, General State Aid - Regional Safe Schools, and Grow Your Own.

**Unassigned Fund Balance** - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the Special Projects, Office, and State and Federal Lunch and Breakfast.

**6. Compensated Absences**

Full-time non-certified and certified employees who work 12 calendar months earn up to 20 vacation days. As a matter of general practice, vacation days do not carry over from one year to the next; therefore, no liability is accrued.

In addition to vacation days, all regular, full-time employees are granted three personal business leave days per year. Any unused personal leave days are carried over to the following year as accumulated sick leave. All regular, full-time employees receive up to 14 sick days annually and the unused portion is accumulated up to 221 days for IMRF eligible employees and up to 340 days for TRS eligible employees. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay; therefore, no liability is accrued.

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Concluded)**

**7. Post-employment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the Regional Office of Education No. 12's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education No. 12's OPEB Plan, and additions to/deductions from the Regional Office of Education No. 12's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 12's Plan. For this purpose, the Regional Office of Education No. 12's Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education No. 12's 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.

**E. New Accounting Pronouncements**

On May 8, 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*, which is intended to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. Based on this guidance, the Regional Office of Education No. 12 has postponed implementation of GASB Statement No. 84 – *Fiduciary Activities*, and GASB Statement No. 90 – *Majority Equity Interest – an amendment of GASB Statements No. 14 and 61* until the fiscal year ending June 30, 2021.

**NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING**

The Regional Office of Education No. 12 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the State agencies, primarily the Illinois State Board of Education, are prepared and submitted to the granting agencies for approval as part of the grant awards process. The granting agencies must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgetary Comparison Schedules have been presented for the following grants: Early Childhood - Preschool for All, McKinney Education for Homeless Children, Regional Safe Schools, ROE/ISC Operations, Title II - Teacher Quality Leadership, and Truants Alternative/Optional Education.

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**NOTE 3 – USE OF ESTIMATES**

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

**NOTE 4 – INTEREST ON FIDUCIARY FUND ACCOUNTS**

Funds received by the Regional Office of Education No. 12 for the fiduciary funds accrue interest for the period of time between the receipt of funds and clearance of transfers to recipient. Fiduciary fund interest earned and related charges are recognized as revenue and expenditures in the General Fund.

**NOTE 5 – DEPOSITS AND INVESTMENTS**

**A. Deposits**

At June 30, 2020, the carrying amount of the Regional Office of Education No. 12's governmental activities, business-type activities, and fiduciary funds were \$2,171,172, \$62,851, and \$5,705, respectively. The bank balances totaled \$2,324,869, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education No. 12's name, and were, therefore, not exposed to custodial credit risk.

**B. Investments**

At June 30, 2020, the carrying amounts of the Regional Office of Education No. 12's deposits in the Illinois Funds Money Market Fund for the governmental activities and fiduciary funds were \$3,700 and \$842 respectively. The bank balance invested in the Illinois Funds Money Market Fund was \$4,542. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 12's governmental activities.

**Credit Risk**

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

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**NOTE 5 – DEPOSITS AND INVESTMENTS (Concluded)**

**Interest Rate Risk**

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

**Concentration of Credit Risk**

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

**NOTE 6 – RISK MANAGEMENT – CLAIMS AND JUDGEMENTS**

The Regional Office of Education No. 12 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education No. 12 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

**NOTE 7 – CONTINGENCIES**

The Regional Office of Education No. 12 has received funding from federal and State grants in the current and prior years, which are subject to audits by granting agencies. The Regional Office of Education No. 12 believes any adjustments that may arise will be insignificant to the Regional Office of Education No. 12's operations.

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**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
<b>Governmental activities:</b>				
Capital assets being depreciated:				
Office equipment	\$ 331,393	\$ 22,722	\$ (14,696)	\$ 339,419
Less accumulated depreciation for:				
Office equipment	(230,254)	(36,938)	14,396	(252,796)
Governmental activities capital assets, net	<u>\$ 101,139</u>	<u>\$ (14,216)</u>	<u>\$ (300)</u>	<u>\$ 86,623</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Office equipment	\$ 3,395	\$ -	\$ -	\$ 3,395
Less accumulated depreciation for:				
Office equipment	(3,395)	-	-	(3,395)
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Asset deletions had sales proceeds of \$20 resulting in a net loss of \$280. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2020, of \$36,938 and \$-0- was charged to governmental activities instructional services and business-type activities operating expenses, 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.

**NOTE 9 – RETIREMENT FUND COMMITMENTS**

**A. Teachers' Retirement System of the State of Illinois**

**Plan Description**

The Regional Office of Education No. 12 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 [www.trsil.org/financial/cafrs/fy2019](http://www.trsil.org/financial/cafrs/fy2019); by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

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**NOTE 9 – RETIREMENT FUND COMMITMENTS (Continued)**

**A. Teachers' Retirement System of the State of Illinois (Continued)**

**Benefits Provided**

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

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

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

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

**Contributions**

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

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**NOTE 9 – RETIREMENT FUND COMMITMENTS (Continued)**

**A. Teachers' Retirement System of the State of Illinois (Continued)**

**Contributions** (Concluded)

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 12.

*On behalf contributions to TRS* – The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 12. For the year ended June 30, 2020, State of Illinois contributions recognized by the Regional Office of Education No. 12 were based on the State's proportionate share of the collective net pension liability associated with the Regional Office of Education No. 12, and the Regional Office of Education No. 12 recognized revenue and expenditures of \$432,033 in pension contributions from the State of Illinois.

*2.2 formula contributions* – Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020, were \$3,165, and are deferred because they were paid after the June 30, 2019 measurement date.

*Federal and special trust fund contributions* – When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$14,936 were paid from federal and special trust funds that required employer contributions of \$1,592. These contributions are deferred because they were paid after the June 30, 2019 measurement date.

*Employer retirement cost contributions* – Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the Regional Office of Education No. 12 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

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**NOTE 9 – RETIREMENT FUND COMMITMENTS (Continued)**

**A. 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**

At June 30, 2020, the Regional Office of Education No. 12 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	\$	55,911
State's proportionate share of the net pension liability associated with the employer		3,979,114
		\$ 4,035,025

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The Regional Office of Education No. 12's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2019, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2019, the Regional Office of Education No. 12's proportion was 0.0000689337 percent, which was a decrease of 0.000060577 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Regional Office of Education No. 12 recognized pension expense of \$432,033 and revenue of \$432,033 for support provided by the State. At June 30, 2020, the Regional Office of Education No. 12 recognized a pension expense of \$8,353. At June 30, 2020, the Regional Office of Education No. 12 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 917	\$ -
Net difference between projected and actual earnings on pension plan investments	89	-
Changes of assumptions	1,253	1,073
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,756	6,263
Employer contributions subsequent to the measurement date	4,757	-
<b>Total</b>	<b>\$ 11,772</b>	<b>\$ 7,336</b>

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**NOTE 9 – RETIREMENT FUND COMMITMENTS (Continued)**

**A. Teachers' Retirement System of the State of Illinois (Continued)**

\$4,757 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ended June 30:	
2021	\$ (1,370)
2022	(1,814)
2023	(875)
2024	(676)
2025	(342)
	<u>\$ (5,077)</u>

**Actuarial assumptions**

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

<b>Inflation</b>	2.50 percent
<b>Salary Increase</b>	varies by amount of service credit
<b>Investment rate of return</b>	7.00 percent, net of pension plan investment expense, including inflation

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

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

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**NOTE 9 – RETIREMENT FUND COMMITMENTS (Continued)**

**A. Teachers' Retirement System of the State of Illinois (Continued)**

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

**Discount Rate**

At June 30, 2019, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments 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.

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**NOTE 9 – RETIREMENT FUND COMMITMENTS (Continued)**

**A. Teachers' Retirement System of the State of Illinois (Continued)**

**Sensitivity of the Regional Office of Education No. 12's proportionate share of the net pension liability to changes in the discount rate**

The following presents the Regional Office of Education No. 12's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Regional Office of Education No. 12'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.

	<b>1% Decrease</b> (6.00%)	<b>Current</b> <b>Discount Rate</b> (7.00%)	<b>1% Increase</b> (8.00%)
Employer's proportionate share of the net pension liability	\$ 68,290	\$ 55,911	\$ 45,733

**TRS Fiduciary Net Position**

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

**B. Illinois Municipal Retirement Fund**

**IMRF Plan Description**

The Regional Office of Education No. 12's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 12'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 document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

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

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**NOTE 9 – RETIREMENT FUND COMMITMENTS (Continued)**

**B. Illinois Municipal Retirement Fund (Continued)**

**Benefits Provided (Continued)**

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

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

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

**Employees Covered by Benefit Terms**

As of December 31, 2019, the following employees were covered by the benefit terms:

	<b>IMRF</b>
Retirees and beneficiaries currently receiving benefits	54
Inactive plan members entitled to but not yet receiving benefits	62
Active plan members	19
<b>Total</b>	<b>135</b>

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**NOTE 9 – RETIREMENT FUND COMMITMENTS (Continued)**

**B. Illinois Municipal Retirement Fund (Continued)**

**Contributions**

As set by statute, the Regional Office of Education No. 12's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 12's annual contribution rate for calendar year 2019 was 6.93%. For the fiscal year 2020, the Regional Office of Education No. 12 contributed \$55,702 to the plan. The Regional Office of Education No. 12 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The Regional Office of Education No. 12's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.35% to 14.25%.
- 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 from years 2014-2016.
- For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience.
- For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives.

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**NOTE 9 – RETIREMENT FUND COMMITMENTS (Continued)**

**B. Illinois Municipal Retirement Fund (Continued)**

**Actuarial Assumptions (Concluded)**

- For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	5.75%
International Equities	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.60-7.60%
Cash Equivalents	1%	1.85%
Total	100%	

**Single Discount Rate**

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

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

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

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**NOTE 9 – RETIREMENT FUND COMMITMENTS (Continued)**

**B. Illinois Municipal Retirement Fund (Continued)**

**Changes in the Net Pension Liability**

	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension Liability (Asset) (A) - (B)</b>
<b>Balances at December 31, 2018</b>	\$ 5,205,200	\$ 4,696,949	\$ 508,251
<b>Changes for the year:</b>			
Service cost	51,067	-	51,067
Interest on the total pension liability	369,131	-	369,131
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	14,395	-	14,395
Changes in assumptions	-	-	-
Contributions - employer	-	34,482	(34,482)
Contributions - employees	-	32,610	(32,610)
Net investment income	-	927,673	(927,673)
Benefit payments, including refunds of employee contributions	(280,900)	(280,900)	-
Other (net transfer)	-	(4,847)	4,847
Net changes	<u>153,693</u>	<u>709,018</u>	<u>(555,325)</u>
<b>Balances at December 31, 2019</b>	<u>\$ 5,358,893</u>	<u>\$ 5,405,967</u>	<u>\$ (47,074)</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

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

	<b>1% Lower 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Higher 8.25%</b>
<b>Net pension liability/(asset)</b>	\$ 601,475	\$ (47,074)	\$ (570,744)

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**NOTE 9 – RETIREMENT FUND COMMITMENTS (Concluded)**

**B. Illinois Municipal Retirement Fund (Concluded)**

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

For the year ended June 30, 2020, the Regional Office of Education No. 12 recognized pension expense of \$101,740. At June 30, 2020, the Regional Office of Education No. 12 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 4,128	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	296,072
Total Deferred Amounts to be recognized in pension expense in future periods	<u>4,128</u>	<u>296,072</u>
Pension Contributions made subsequent to the Measurement Date	<u>38,178</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 42,306</u>	<u>\$ 296,072</u>

\$38,178 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<b>Year Ending December 31</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2020	\$ (83,522)
2021	(89,968)
2022	975
2023	(119,430)
2024	-
Thereafter	-
Total	<u>\$ (291,945)</u>

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS**

**A. Teacher Health Insurance Security Fund**

**Plan Description**

The Regional Office of Education No. 12 participates in the Teachers' Health Insurance Security (THIS) Fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative cost. The THIS fund is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers' Retirement System (TRS).

**Benefits Provided**

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by 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.

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

**On Behalf Contributions to the THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 12. For the year ended June 30, 2020, State of Illinois contributions recognized by the Regional Office of Education No. 12 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 12, and recognized revenue and expenditures of \$35,942 in OPEB contributions from the State of Illinois.

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**A. Teacher Health Insurance Security Fund (Continued)**

**Employer Contributions to the THIS Fund**

The Regional Office of Education No. 12 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2020 and 0.92 and 0.88 percent during the years ended June 30, 2019 and June 30, 2018, respectively. For the year ended June 30, 2020, the Regional Office of Education No. 12 paid \$5,020, which was 100 percent of the required contribution. For the years ended June 30, 2019 and June 30, 2018, the Regional Office of Education No. 12 paid \$4,952 and \$4,728 to the THIS Fund, respectively, which was 100 percent of the required contribution.

**Further Information on the THIS Fund**

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

**Actuarial Assumptions**

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

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**A. Teacher Health Insurance Security Fund (Continued)**

**Single Discount Rate**

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

Since the THIS fund is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20-years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity’s index’s “20-year Municipal GO AA Index” has been selected. The discount rates are 3.62 percent as of June 30, 2018, and 3.13 percent as of June 30, 2019.

**Sensitivity of the employer’s proportionate share of the collective net OPEB liability to changes in the discount rate.**

The following presents the Regional Office of Education No. 12’s proportionate share of the collective net OPEB liability, as well as what the ROE’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

	<b>1% Decrease</b> <b><u>(2.13%)</u></b>	<b>Current</b> <b>Discount Rate</b> <b><u>(3.13%)</u></b>	<b>1% Increase</b> <b><u>(4.13%)</u></b>
Employer’s proportionate share of the collective net OPEB liability	\$ 728,796	\$ 606,112	\$ 509,261

**Sensitivity of the employer’s proportionate share of the collective Net OPEB Liability to changes in the healthcare cost trend rates**

The following table shows the Regional Office of Education No. 12’s net OPEB liability as of June 30, 2019, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027 for non-Medicare coverage, and 9.00% decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage:

	<b><u>1% Decrease*</u></b>	<b>Healthcare Cost</b> <b><u>Trend Rates</u></b>	<b><u>1% Increase**</u></b>
Employer’s proportionate share of the collective net OPEB liability	\$ 489,709	\$ 606,112	\$ 763,386

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**A. Teacher Health Insurance Security Fund (Continued)**

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

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

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2020, the Regional Office of Education No. 12 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 12. The amount recognized by the Regional Office of Education No. 12 as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Regional Office of Education No. 12 were as follows:

Employer’s proportionate share of the collective net OPEB liability	\$ 606,112
State’s proportionate share of the collective net OPEB liability associated with the employer	<u>820,780</u>
<b>Total</b>	<b><u>\$ 1,426,892</u></b>

The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2018 but was rolled forward to the June 30, 2019 measurement date. The Regional Office of Education No. 12’s proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 12’s long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 12, actuarially determined. At June 30, 2019, the Regional Office of Education’s No. 12 proportion was 0.002190 percent, which was a decrease of 0.000076 from its proportion measured as of June 30, 2018 (0.002266 percent). The State’s support and total are for disclosure purposes only.

For the year ending June 30, 2020, the Regional Office of Education No. 12 recognized OPEB expense of \$35,942, and revenue of \$35,942 for support provided by the State. For the year ending June 30, 2020, the Regional Office of Education No. 12 recognized OPEB expense of \$24,800. At June 30, 2020, the Regional Office of Education No. 12 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**A. Teacher Health Insurance Security Fund (Concluded)**

	<b><u>Deferred Inflows of Resources</u></b>	<b><u>Deferred Outflows of Resources</u></b>
Differences between expected and actual experience	\$ 10,058	\$ -
Changes of assumptions	69,480	230
Net difference between projected and actual earnings on OPEB plan investments	20	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,587	13,760
Employer contributions subsequent to the measurement date	-	5,020
Total Deferred Amounts Related to OPEB	<u>\$ 115,145</u>	<u>\$ 19,010</u>

\$5,020 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education No. 12 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education No. 12's OPEB expense as follows:

<b><u>Year Ending June 30,</u></b>		<b><u>Net Deferred Inflows of Resources</u></b>
2021	\$	13,878
2022		13,878
2023		13,878
2024		13,878
2025		13,873
Thereafter		31,770
Total	\$	101,155

**THIS Fiduciary Net Position:**

Detailed information about the THIS Fund fiduciary net position as of June 30, 2019, is available in the separately issued THIS Financial Report.

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**B. Health Insurance**

**Plan Description**

The Regional Office of Education No. 12 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statement No.'s 74 and 75 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

**Eligibility Provisions**

*Full-Time Employees – IMRF*

Tier I IMRF Full-Time employees:

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

Tier II IMRF Full-Time employees:

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

*Full-Time Employees – TRS*

Tier I TRS Full-Time employees:

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

Tier II TRS Full-Time employees:

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

**Medical Coverage**

*Types of Coverage:*

- Blue PPO Gold
- Blue PPO Platinum

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**B. Health Insurance (Continued)**

**Coverage Provisions**

*Retirees – IMRF*

Pre-65 Coverage:

IMRF employees may continue ROE health insurance in retirement, however they are responsible for paying the full cost of the medical premium.

Eligible Spouse/Dependent coverage may continue should the Retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The Spouse/Dependent is responsible for the full cost of coverage.

Post-65 Coverage:

IMRF employees may continue ROE health insurance in retirement past Medicare eligibility, however they are responsible for paying the full cost of the medical premium.

Eligible Spouse/Dependent coverage may continue should the Retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The Spouse/Dependent is responsible for the full cost of coverage.

Coverage is secondary to Medicare once applicable.

*Retirees- TRS*

Pre-65/Post-65 Coverage:

TRS employees are not permitted to remain on ROE insurance in retirement and must seek outside coverage such as that offered through the THIS (Teacher Health Insurance Security) Fund.

ROE contributes to the THIS Fund – which provides medical and prescription benefits to TRS retirees – as required while employees are active.

Once retired, ROE does not pay for any portion of the premium in retirement nor provide a reimbursement/stipend for insurance costs.

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**B. Health Insurance (Continued)**

**Coverage Provisions**

*Retirees – IMRF*

IMRF Retirees may continue dental or vision insurance in retirement. They are not permitted to continue life insurance through ROE.

The Retiree is responsible for the full premium cost of coverage.

*Retirees –TRS*

TRS Retirees are not permitted to continue dental, vision, or life insurance in retirement.

**Benefits Provided**

The Regional Office of Education No. 12 provides continued health insurance coverage at the blended employer rate to all eligible Regional Office of Education No. 12 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The Regional Office of Education No. 12 offers the health insurance plan to full-time IMRF employees. Retirees pay the full cost of coverage. Eligible spouse or dependent coverage may continue should the retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The spouse or dependent is responsible for the full cost of the coverage.

**Membership**

At June 30, 2020 membership consisted of:

Inactive Employees Currently Receiving Benefit Payments	0
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	0
Active Employees	<u>18</u>
TOTAL	<u>18</u>

**Funding Policy and Contributions**

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

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

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**B. Health Insurance (Continued)**

**Funding Policy and Contributions (Concluded)**

There were contributions of \$2,449 paid from other Regional Office of Education No. 12 resources and benefit payments of \$2,449 made from the OPEB Plan that were not directly made to or from the OPEB Trust.

**Total OPEB Liability**

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

**Actuarial Assumptions**

Discount Rate used for the Total OPEB Liability	2.21%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	2.21%
Total Payroll Increases	2.50%
Premiums	See accompanying table below for premiums charged for coverage.
Healthcare Trend Rates	The initial trend rate is based on the 2020 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range. For fiscal years on and after 2020, trends start at 6.80% decreasing to an ultimate trend rate of 5.00% for both Blue Gold and Blue Platinum coverage.

	<b>Annual Blended Premiums</b>			
	Under Age 65		Age 65 & Over	
	Retiree	Spouse	Retiree	Spouse
Blue Gold	\$8,166	\$8,166	\$8,166	\$8,166
Blue Platinum	\$9,522	\$9,522	\$9,522	\$9,522

IMRF Mortality follows rates as developed in RP-2014 with Blue Collar Adjustment and MP-2016 Improvement, weighted per IMRF Experience Study dated November 8, 2017; Age 85 for males, Age 88 for females.

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**B. Health Insurance (Continued)**

**Actuarial Assumptions (Concluded)**

For any active participant who will not meet the service requirement necessary to retire at assumed retirement ages, it is assumed they have prior service with a different Employer and therefore will be eligible to retire. In the current valuation, there are 3 participants impacted by this assumption.

All assumptions were made in accordance with the Alternative Measurement Method for GASB Statement 74/75.

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balances at July 1, 2019</b>	\$ 94,925
<b>Changes for the year:</b>	
Service Cost	927
Interest	3,322
Actuarial Experience	79,339
Assumptions Changes	45,154
Benefit Payments	(2,449)
Net changes	126,293
<b>Balances at June 30, 2020</b>	\$ 221,218

**Discount Rate**

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the Clay, Crawford, Jasper, Lawrence, and Richland Counties Regional Office of Education No. 12, then only the municipal bond rate is used in determining the total OPEB liability.

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**B. Health Insurance (Continued)**

**Discount Rate (Concluded)**

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

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

**Municipal Bond Rate**

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The beginning and end of year rates are 3.50% and 2.21%, respectively. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody’s Aa2 and Standard & Poor’s AA.

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

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

**Sensitivity of the Discount Rate**

The following presents the Regional Office of Education No. 12’s total OPEB liability calculated using a discount rate of 2.21%, as well as what the ROE’s total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (3.21%) or 1-percentage-point lower (1.21%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>1.21%</b>	<b>2.21%</b>	<b>3.21%</b>
Employer’s Total OPEB Liability	<u>\$ 270,928</u>	<u>\$ 221,218</u>	<u>\$ 183,737</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2020

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Concluded)**

**B. Health Insurance (Concluded)**

**Sensitivity of the Healthcare Trend Rates**

The following presents the Regional Office of Education No. 12's total OPEB liability, calculated using the healthcare cost trend rates as well as what the ROE's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 6.80% in 2020 decreasing to an ultimate trend rate of 5.00% in 2030 for both Blue Gold and Blue Platinum coverage.

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Employer's Total OPEB Liability	\$ 183,227	\$ 221,218	\$ 270,538

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ending June 30, 2020, the Regional Office of Education No. 12 recognized OPEB expense of \$133,825. At June 30, 2020, the Regional Office of Education No. 12 reported no deferred outflows of resources nor deferred inflows of resources related to OPEB.

**NOTE 11 – NONCURRENT LIABILITIES (ASSETS)**

The following is a summary of the changes in the Regional Office of Education No. 12's non-current liabilities (assets):

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
Net pension liability - TRS	\$ 58,452	\$ -	\$ 2,541	\$ 55,911
Net pension liability (asset) - IMRF	508,251	-	555,325	(47,074)
Net OPEB liability - THIS	597,115	8,997	-	606,112
Total OPEB liability - Health Insurance	94,925	126,293	-	221,218
Total non-current liabilities	\$ 1,258,743	\$ 135,290	\$ 557,866	\$ 836,167

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2020

**NOTE 12 – BOND**

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 12 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education No. 12 has secured and maintained such a bond with coverage of \$1,000,000 on the Regional Superintendent.

**NOTE 13 – INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2020, interfund receivables and payables were as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 24,216	\$ -
Education Fund	-	24,216
Totals	\$ 24,216	\$ 24,216

All of the interfund balances due to the General Fund from the Education Fund consisted of loans between individual funds. The loans were used to cover cash shortages in these individual funds.

**NOTE 14 – DUE TO/DUE FROM OTHER GOVERNMENTS**

The Regional Office of Education No. 12's General Fund, Education Fund, Nonmajor Special Revenue Fund, Enterprise Fund, and Agency Fund had funds due from/to various other governmental units, which consisted of the following at June 30, 2020:

Due From Other Governments:	
General Fund:	
Local Governments	\$19,356
Education Fund:	
Federal Governments	10,894
Nonmajor Special Revenue Fund:	
Local Governments	10
Proprietary Fund:	
Local Governments	3,399
	\$ 33,659

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2020

**NOTE 14 – DUE TO/DUE FROM OTHER GOVERNMENTS (Concluded)**

Due To Other Governments:

Agency Fund:

Local Governments	\$ 1,872
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**NOTE 15 – ON-BEHALF PAYMENTS**

The Regional Office of Education No. 12 received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

Regional Superintendent-salary	\$ 114,648
Regional Superintendent-benefits (includes State paid insurance)	32,926
Assistant Regional Superintendent-salary	103,188
Assistant Regional Superintendent-benefits (includes State paid insurance)	<u>32,229</u>
	<u>\$ 282,991</u>

The Regional Office of Education No. 12 also recorded \$432,033 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 in the Statement of Activities. The Regional Office of Education No. 12 recorded \$35,942 in revenue and expenses as on behalf payments from the State for the Regional Office's share of the State's Teachers' Health Insurance Security (THIS) OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 12 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$ 282,991
ROE 12's share of TRS pension expense	432,033
ROE 12's share of THIS OPEB expense	<u>35,942</u>
Total	<u>\$ 750,966</u>

**NOTE 16 – OPERATING LEASES**

The Regional Office of Education No. 12 has three annual operating leases for the Truants Alternative, Regional Safe School, and Early Education programs. Both leases expire at fiscal year-end and have historically been renewed on an annual basis.

On September 1, 2017, the Regional Office entered into a lease agreement for new office space. The lease term is September 1, 2017 through August 31, 2027.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2020

**NOTE 16 – OPERATING LEASES (Concluded)**

On August 1, 2018, the Regional Office entered into a lease agreement for the PD center. The lease term is August 1, 2018 through August 31, 2027.

On October 1, 2018, the Regional Office entered into a lease agreement for the accounting office. The lease term is October 1, 2018 through September 30, 2023.

Rental expense for the year ended June 30, 2020 was \$68,100

Future minimum rentals for the year ending June 30 are:

For the Year Ending June 30,	Amount
2021	\$ 17,100
2022	17,100
2023	17,925
2024	14,710
2025	13,530
Thereafter	<u>29,315</u>
Total	<u>\$ 109,680</u>

**NOTE 17 – DEFICIT FUND BALANCE/NET POSITION**

The following individual fund carried a deficit fund balance as of June 30, 2020:

State and Federal Lunch and Breakfast            \$ 13,315

The Regional Office of Education No. 12 anticipates transferring money to cover the deficit.

**REQUIRED SUPPLEMENTARY INFORMATION**

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY & RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
FOR THE YEAR ENDED JUNE 30, 2020 †

Calendar Year Ended December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>						
Service Cost	\$ 51,067	\$ 47,511	\$ 48,691	\$ 48,472	\$ 43,657	\$ 45,720
Interest on the Total Pension Liability	369,131	356,511	352,553	340,973	335,681	312,594
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	14,395	54,787	55,875	6,599	(79,667)	28,997
Changes of Assumptions	-	142,175	(156,218)	-	-	139,168
Benefit Payments, including Refunds of Employee Contributions	(280,900)	(250,557)	(244,970)	(238,543)	(224,507)	(210,730)
<b>Net Change in Total Pension Liability</b>	<u>153,693</u>	<u>350,427</u>	<u>55,931</u>	<u>157,501</u>	<u>75,164</u>	<u>315,749</u>
<b>Total Pension Liability - Beginning</b>	<u>5,205,200</u>	<u>4,854,773</u>	<u>4,798,842</u>	<u>4,641,341</u>	<u>4,566,177</u>	<u>4,250,428</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 5,358,893</u>	<u>\$ 5,205,200</u>	<u>\$ 4,854,773</u>	<u>\$ 4,798,842</u>	<u>\$ 4,641,341</u>	<u>\$ 4,566,177</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 34,482	\$ 66,029	\$ 67,822	\$ 82,622	\$ 78,982	\$ 85,503
Contributions - Employees	32,610	26,403	26,685	29,121	26,508	22,550
Net Investment Income	927,673	(227,307)	780,857	303,462	(25,276)	286,190
Benefit Payments, including Refunds of Employee Contributions	(280,900)	(250,557)	(244,970)	(238,543)	(224,507)	(216,346)
Other (Net Transfer)	(4,847)	(3,874)	(4,234)	(5,087)	3,557	(3,780)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>709,018</u>	<u>(389,306)</u>	<u>626,160</u>	<u>171,575</u>	<u>(140,736)</u>	<u>174,117</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>4,696,949</u>	<u>5,086,255</u>	<u>4,460,095</u>	<u>4,288,520</u>	<u>4,429,256</u>	<u>4,255,139</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 5,405,967</u>	<u>\$ 4,696,949</u>	<u>\$ 5,086,255</u>	<u>\$ 4,460,095</u>	<u>\$ 4,288,520</u>	<u>\$ 4,429,256</u>
<b>Net Pension Liability (Asset) - Ending (A) - (B)</b>	<u>\$ (47,074)</u>	<u>\$ 508,251</u>	<u>\$ (231,482)</u>	<u>\$ 338,747</u>	<u>\$ 352,821</u>	<u>\$ 136,921</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>100.88%</b>	<b>90.24%</b>	<b>104.77%</b>	<b>92.94%</b>	<b>92.40%</b>	<b>97.00%</b>
<b>Covered Payroll</b>	<b>\$ 497,574</b>	<b>\$ 443,150</b>	<b>\$ 462,636</b>	<b>\$ 450,997</b>	<b>\$ 426,236</b>	<b>\$ 378,331</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>-9.46%</b>	<b>114.69%</b>	<b>-50.04%</b>	<b>75.11%</b>	<b>82.78%</b>	<b>36.19%</b>

**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.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 FOR THE YEAR ENDED JUNE 30, 2020 †

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2020	\$ 55,702	\$ 55,702	-	\$ 507,900	10.97%
2019	51,417	51,417	-	475,971	10.80%
2018	66,272	66,272	-	448,592	14.77%
2017	73,552	73,552	-	446,622	16.47%
2016	81,787	81,787	-	443,987	18.42%
2015	73,198	73,198	-	401,024	18.25%

**Notes to Schedule:**

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

**Valuation Date:**

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

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

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	24-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
<i>Mortality:</i>	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 Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

***Other Information:***

Notes: There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2017, actuarial valuation; note two-year lag between valuation and rate setting.

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
 FOR THE YEAR ENDED JUNE 30, 2020 †

	FY19*	FY18*	FY17*	FY16*	FY15*	FY14*
Employer's proportion of the net pension liability	0.0000689337%	0.0000749914%	0.0000756727%	0.0000785923%	0.0000876320%	0.0000192287%
Employer's proportionate share of the net pension liability	\$ 55,911	\$ 58,452	\$ 57,813	\$ 62,038	\$ 57,408	\$ 11,702
State's proportionate share of the net pension liability associated with the employer	3,979,114	4,004,200	3,979,936	4,165,320	3,427,997	729,764
<b>Total</b>	<b>\$ 4,035,025</b>	<b>\$ 4,062,652</b>	<b>\$ 4,037,749</b>	<b>\$ 4,227,358</b>	<b>\$ 3,485,405</b>	<b>\$ 741,466</b>
Employer's covered payroll	\$ 538,250	\$ 537,288	\$ 537,535	\$ 556,580	\$ 552,530	\$ 561,409
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.39%	10.88%	10.76%	11.15%	10.39%	2.08%
Plan fiduciary net position as a percentage of the total pension liability	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
 FOR THE YEAR ENDED JUNE 30, 2020 †

	FY20	FY19	FY18	FY17	FY16	FY15	FY14
Statutorily-required contribution	\$ 4,757	\$ 3,122	\$ 3,116	\$ 3,118	\$ 3,044	\$ 3,070	\$ 3,218
Contributions in relation to the statutorily-required contribution	4,757	3,122	3,116	3,118	3,044	3,070	3,218
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 545,609	\$ 538,250	\$ 537,288	\$ 537,535	\$ 556,580	\$ 552,530	\$ 561,409
Contributions as a percentage of covered payroll	0.87%	0.58%	0.58%	0.58%	0.55%	0.56%	0.57%

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

**Notes to This Required Supplementary Information**

*Changes of assumptions*

For the 2019, 2018, 2017 and 2016 measurement years, the assumed investment rate of return was of 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 a 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.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF  
 THE COLLECTIVE NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY  
 TEACHERS' HEALTH INSURANCE SECURITY FUND  
 FOR THE YEAR ENDED JUNE 30, 2020 †

	2019	2018	2017	2016
Employer's proportion of the collective net OPEB liability	0.002190%	0.002266%	0.002337%	0.002253%
Employer's proportionate share of the collective net OPEB liability	\$ 606,112	\$ 597,115	\$ 606,389	\$ 615,872
State's proportionate share of the collective net OPEB liability associated with the employer	<u>\$ 820,780</u>	<u>\$ 801,786</u>	<u>\$ 796,411</u>	<u>\$ 853,957</u>
Total	<u>\$ 1,426,892</u>	<u>\$ 1,398,901</u>	<u>\$ 1,402,800</u>	<u>\$ 1,469,829</u>
Employer's covered payroll	\$ 538,250	\$ 537,288	\$ 537,535	\$ 556,580
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	112.61%	111.13%	112.81%	110.65%
Plan fiduciary net position as a percentage of the total OPEB liability	0.25%	-0.07%	-0.17%	-0.22%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 TEACHERS' HEALTH INSURANCE SECURITY FUND  
 FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019	2018	2017	2016
Statutorily- required contribution	\$ 5,020	\$ 4,952	\$ 4,728	\$ 4,515	\$ 4,198
Contributions in relation to the statutorily-required contribution	5,020	4,952	4,728	4,515	4,198
Contribution deficiency (excess)	<u>\$ -</u>				
Employer's covered payroll	\$ 545,609	\$ 538,250	\$ 537,288	\$ 537,535	\$ 556,580
Contributions as a percentage of covered payroll	0.92%	0.92%	0.88%	0.84%	0.75%

**Notes to Schedule**

Changes of assumptions

For the 2019 measurement year, the assumed investment rate of return was 0.0 percent, including an inflation rate of 2.50 percent. Salary increases were assumed to depend on service and range from 9.50 percent at 1 year of service to 4.00 percent at 20 or more years of service. Salary increase includes 3.25 percent wage inflation assumption.

For the 2018 and 2017 measurement years, the assumed investment rate of return was 0.0 percent, including an inflation rate of 2.75 percent. Salary increases were assumed to depend on service and range from 9.25 percent at 1 year of service to 3.25 percent at 20 or more years of service. Salary increase includes a 3.25 percent wage inflation assumption.

Changes of Benefit Terms

In the June 30, 2018 actuarial valuation, there have been no changes of benefit terms from the prior period.

† 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.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE -  
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
 FOR THE YEAR ENDED JUNE 30, 2020 †

	FY20	FY19	FY18
<b>Total OPEB Liability</b>			
Service Cost	\$ 927	\$ 1,755	\$ 1,690
Interest Cost	3,322	3,270	3,085
Differences Between Expected and Actual Experience	79,339	-	-
Changes in Assumptions	45,154	5,410	-
Benefit Payments	(2,449)	-	-
<b>Net Change in Total OPEB Liability</b>	126,293	10,435	4,775
<b>Total OPEB Liability - Beginning</b>	94,925	84,490	79,715
<b>Total OPEB Liability - Ending</b>	<u>\$ 221,218</u>	<u>\$ 94,925</u>	<u>\$ 84,490</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 2,449	\$ -	\$ -
Benefit Payments	(2,449)	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	-	-	-
<b>Plan Fiduciary Net Position - Beginning</b>	-	-	-
<b>Plan Fiduciary Net Position - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Employer's Net OPEB Liability - Ending</b>	<u>\$ 221,218</u>	<u>\$ 94,925</u>	<u>\$ 84,490</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	0.00%	0.00%	0.00%
<b>Covered Payroll</b>	\$ 1,000,096	\$ 996,041	\$ 836,502
<b>Employer's Net OPEB Liability as a Percentage of Covered Payroll</b>	22.12%	9.59%	10.10%

**Notes to Schedule:**

Changes of Benefit Terms

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

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

**SUPPLEMENTARY INFORMATION**

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
JUNE 30, 2020

	General State Aid - Truant Alternative/ Optional Education	General State Aid - Regional Safe Schools	Grow Your Own
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,251,442	\$ 552,424	\$ 173
Due from other funds	24,216	-	-
Due from other governments			
Local	-	-	-
Prepaid expenses	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,275,658</b>	<b>\$ 552,424</b>	<b>\$ 173</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 388	\$ -	\$ -
Total Liabilities	388	-	-
<b>FUND BALANCE</b>			
Nonspendable	-	-	-
Assigned	1,275,270	552,424	173
Unassigned	-	-	-
Total Fund Balance	1,275,270	552,424	173
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,275,658</b>	<b>\$ 552,424</b>	<b>\$ 173</b>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
JUNE 30, 2020

	Special Projects	Office	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 129,133	\$ 129,387	\$ 2,062,559
Due from other funds	-	-	24,216
Due from other governments			
Local	2,412	16,944	19,356
Prepaid expenses	7,622	-	7,622
<b>TOTAL ASSETS</b>	<b>\$ 139,167</b>	<b>\$ 146,331</b>	<b>\$ 2,113,753</b>
<b>LIABILITIES</b>			
Accounts payable	-	-	388
Total Liabilities	-	-	388
<b>FUND BALANCE</b>			
Nonspendable	7,622	-	7,622
Assigned	-	-	1,827,867
Unassigned	131,545	146,331	277,876
Total Fund Balance	139,167	146,331	2,113,365
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 139,167</b>	<b>\$ 146,331</b>	<b>\$ 2,113,753</b>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2020

	General State Aid - Truant Alternative/ Optional Education	General State Aid - Regional Safe Schools	Grow Your Own
<b>REVENUES</b>			
Local sources	\$ 320	\$ -	\$ 5,000
State sources	216,057	93,447	-
Interest	5,973	5,401	11
On-behalf payments - State	-	-	-
Total revenues	<u>222,350</u>	<u>98,848</u>	<u>5,011</u>
<b>EXPENDITURES</b>			
Salaries and benefits	153,841	97,538	5,073
Purchased services	39,928	11,861	3,280
Supplies and materials	6,044	1,380	1,429
Other objects	1,364	120	-
On-behalf payments - State	-	-	-
Pension expense	4,787	2,704	-
OPEB expense	847	-	-
Capital outlay	12,730	-	-
Total expenditures	<u>219,541</u>	<u>113,603</u>	<u>9,782</u>
NET CHANGE IN FUND BALANCE	2,809	(14,755)	(4,771)
FUND BALANCE - BEGINNING	<u>1,272,461</u>	<u>567,179</u>	<u>4,944</u>
FUND BALANCE - ENDING	<u>\$ 1,275,270</u>	<u>\$ 552,424</u>	<u>\$ 173</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2020

	Special Projects	Office	Total
<b>REVENUES</b>			
Local sources	\$ 9,039	\$ 233,414	\$ 247,773
State sources	-	-	309,504
Interest	2,148	254	13,787
On-behalf payments - State	-	282,991	282,991
Total revenues	<u>11,187</u>	<u>516,659</u>	<u>854,055</u>
<b>EXPENDITURES</b>			
Salaries and benefits	-	203,967	460,419
Purchased services	3,982	13,581	72,632
Supplies and materials	312	1,374	10,539
Other objects	1,245	-	2,729
On-behalf payments - State	-	282,991	282,991
Pension expense	-	15,106	22,597
OPEB expense	-	-	847
Capital outlay	-	-	12,730
Total expenditures	<u>5,539</u>	<u>517,019</u>	<u>865,484</u>
NET CHANGE IN FUND BALANCE	5,648	(360)	(11,429)
FUND BALANCE - BEGINNING	<u>133,519</u>	<u>146,691</u>	<u>2,124,794</u>
FUND BALANCE - ENDING	<u>\$ 139,167</u>	<u>\$ 146,331</u>	<u>\$ 2,113,365</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2020

	Early Childhood - Preschool For All	McKinney Education For Homeless Children	Regional Safe Schools	ROE/ISC Operations	Rural Education Achievement Program (REAP)
<b>ASSETS</b>					
Cash and cash equivalents	\$ 36,194	\$ -	\$ -	\$ 15,408	\$ -
Due from other governments					
Federal	-	10,640	-	-	200
<b>TOTAL ASSETS</b>	<b>\$ 36,194</b>	<b>\$ 10,640</b>	<b>\$ -</b>	<b>\$ 15,408</b>	<b>\$ 200</b>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ 10,640	\$ -	\$ -	\$ 200
Unearned revenue	36,175	-	-	15,408	-
<b>Total liabilities</b>	<b>36,175</b>	<b>10,640</b>	<b>-</b>	<b>15,408</b>	<b>200</b>
<b>FUND BALANCE (DEFICIT)</b>					
Restricted	19	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balance (deficit)</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 36,194</b>	<b>\$ 10,640</b>	<b>\$ -</b>	<b>\$ 15,408</b>	<b>\$ 200</b>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2020

	State and Federal Lunch and Breakfast	Title II - Teacher Quality Leadership	Truants Alternative/ Optional Education	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7	\$ -	\$ -	\$ 51,609
Due from other governments				
Federal	-	54	-	10,894
<b>TOTAL ASSETS</b>	<u>\$ 7</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 62,503</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 13,322	\$ 54	\$ -	\$ 24,216
Unearned revenue	-	-	-	51,583
<b>Total liabilities</b>	<u>13,322</u>	<u>54</u>	<u>-</u>	<u>75,799</u>
<b>FUND BALANCE (DEFICIT)</b>				
Restricted	-	-	-	19
Unassigned	(13,315)	-	-	(13,315)
<b>Total fund balance (deficit)</b>	<u>(13,315)</u>	<u>-</u>	<u>-</u>	<u>(13,296)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 7</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 62,503</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Early Childhood - Preschool For All	McKinney Education For Homeless Children	Regional Safe Schools	ROE/ISC Operations	Rural Education Achievement Program (REAP)
<b>REVENUES</b>					
State sources	\$ 654,101	\$ -	\$ 57,325	\$ 93,492	\$ -
Federal sources	-	44,001	-	-	5,893
Interest income	41	-	-	-	-
Total revenues	<u>654,142</u>	<u>44,001</u>	<u>57,325</u>	<u>93,492</u>	<u>5,893</u>
<b>EXPENDITURES</b>					
Salaries and benefits	464,311	25,814	46,182	28,657	-
Purchased services	99,424	12,039	6,894	42,759	200
Supplies and materials	61,995	2,600	2,560	16,126	3,746
Other objects	35	-	-	4,125	-
Pension expense	20,194	2,276	1,453	769	-
OPEB expense	2,127	172	236	161	-
Capital outlay	6,050	1,100	-	895	1,947
Total expenditures	<u>654,136</u>	<u>44,001</u>	<u>57,325</u>	<u>93,492</u>	<u>5,893</u>
NET CHANGE IN FUND BALANCE	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2020

	State and Federal Lunch and Breakfast	Title II - Teacher Quality Leadership	Truants Alternative/ Optional Education	Total
<b>REVENUES</b>				
State sources	\$ 354	\$ -	\$ 285,088	\$ 1,090,360
Federal sources	21,206	1,164	-	72,264
Interest income	1	-	-	42
Total revenues	<u>21,561</u>	<u>1,164</u>	<u>285,088</u>	<u>1,162,666</u>
<b>EXPENDITURES</b>				
Salaries and benefits	4,697	48	244,294	814,003
Purchased services	18,282	1,110	24,702	205,410
Supplies and materials	1,230	-	2,700	90,957
Other objects	-	-	-	4,160
Pension expense	-	6	12,666	37,364
OPEB expense	-	-	726	3,422
Capital outlay	-	-	-	9,992
Total expenditures	<u>24,209</u>	<u>1,164</u>	<u>285,088</u>	<u>1,165,308</u>
NET CHANGE IN FUND BALANCE	<u>(2,648)</u>	<u>-</u>	<u>-</u>	<u>(2,642)</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>(10,667)</u>	<u>-</u>	<u>-</u>	<u>(10,654)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (13,315)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,296)</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
EARLY CHILDHOOD - PRESCHOOL FOR ALL  
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
State sources	\$ 649,864	\$ 661,564	\$ 654,101
Interest income	-	-	41
Total revenues	<u>649,864</u>	<u>661,564</u>	<u>654,142</u>
<b>EXPENDITURES</b>			
Salaries and benefits	479,560	498,963	464,311
Purchased services	103,062	107,059	99,424
Supplies and materials	65,242	53,542	61,995
Other objects	-	-	35
Pension expense	-	-	20,194
OPEB expense	-	-	2,127
Capital outlay	2,000	2,000	6,050
Total expenditures	<u>649,864</u>	<u>661,564</u>	<u>654,136</u>
 NET CHANGE IN FUND BALANCE	 <u>-</u>	 <u>-</u>	 <u>6</u>
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>13</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 19</u></u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
MCKINNEY EDUCATION FOR HOMELESS CHILDREN  
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Federal sources	\$ 56,079	\$ 56,079	\$ 44,001
Total revenues	<u>56,079</u>	<u>56,079</u>	<u>44,001</u>
<b>EXPENDITURES</b>			
Salaries and benefits	21,319	27,819	25,814
Purchased services	16,545	12,545	12,039
Supplies and materials	17,115	14,615	2,600
Pension expense	-	-	2,276
OPEB expense	-	-	172
Capital outlay	1,100	1,100	1,100
Total expenditures	<u>56,079</u>	<u>56,079</u>	<u>44,001</u>
 NET CHANGE IN FUND BALANCE	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
REGIONAL SAFE SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
State sources	\$ 57,325	\$ 57,325	\$ 57,325
Total revenues	<u>57,325</u>	<u>57,325</u>	<u>57,325</u>
<b>EXPENDITURES</b>			
Salaries and benefits	47,244	47,244	46,182
Purchased services	6,731	6,731	6,894
Supplies and materials	3,350	3,350	2,560
Pension expense	-	-	1,453
OPEB expense	-	-	236
Total expenditures	<u>57,325</u>	<u>57,325</u>	<u>57,325</u>
 NET CHANGE IN FUND BALANCE	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
ROE/ISC OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
State sources	\$ 108,900	\$ 108,900	\$ 93,492
Total revenues	<u>108,900</u>	<u>108,900</u>	<u>93,492</u>
<b>EXPENDITURES</b>			
Salaries and benefits	16,892	33,541	28,657
Purchased services	57,738	51,923	42,759
Supplies and materials	23,670	16,836	16,126
Other objects	4,900	4,900	4,125
Pension expense	-	-	769
OPEB expense	-	-	161
Capital outlay	5,700	1,700	895
Total expenditures	<u>108,900</u>	<u>108,900</u>	<u>93,492</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
TITLE II - TEACHER QUALITY LEADERSHIP  
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Federal sources	\$ 1,164	\$ 1,164	\$ 1,164
Total revenues	<u>1,164</u>	<u>1,164</u>	<u>1,164</u>
<b>EXPENDITURES</b>			
Salaries and benefits	52	52	48
Purchased services	1,112	1,112	1,110
Pension expense	-	-	6
Total expenditures	<u>1,164</u>	<u>1,164</u>	<u>1,164</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 TRUANTS ALTERNATIVE/OPTIONAL EDUCATION  
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
State sources	\$ 285,088	\$ 285,088	\$ 285,088
Total revenues	<u>285,088</u>	<u>285,088</u>	<u>285,088</u>
<b>EXPENDITURES</b>			
Salaries and benefits	257,922	257,922	244,294
Purchased services	23,570	23,570	24,702
Supplies and materials	3,596	3,596	2,700
Pension expense	-	-	12,666
OPEB expense	-	-	726
Total expenditures	<u>285,088</u>	<u>285,088</u>	<u>285,088</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2020

	General Education Development	School Bus Transportation	Institute	Total
ASSETS				
Cash and cash equivalents	\$ 12,588	\$ 4,096	\$ 44,020	\$ 60,704
Due from other governments				
Local	-	10	-	10
TOTAL ASSETS	<u>\$ 12,588</u>	<u>\$ 4,106</u>	<u>\$ 44,020</u>	<u>\$ 60,714</u>
FUND BALANCE				
Restricted	<u>\$ 12,588</u>	<u>\$ 4,106</u>	<u>\$ 44,020</u>	<u>\$ 60,714</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 12,588</u>	<u>\$ 4,106</u>	<u>\$ 44,020</u>	<u>\$ 60,714</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 12  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	General Education Development	School Bus Transportation	Institute	Total
<b>REVENUES</b>				
Local sources	\$ 591	\$ 2,348	\$ 18,325	\$ 21,264
State sources	-	1,300	-	1,300
Interest	77	11	407	495
Total revenue	<u>668</u>	<u>3,659</u>	<u>18,732</u>	<u>23,059</u>
<b>EXPENDITURES</b>				
Salaries and benefits	-	99	10,213	10,312
Pension expense	-	9	997	1,006
Purchased services	-	2,742	2,181	4,923
Supplies and materials	-	1,909	16	1,925
Total expenditures	<u>-</u>	<u>4,759</u>	<u>13,407</u>	<u>18,166</u>
NET CHANGE IN FUND BALANCE	668	(1,100)	5,325	4,893
FUND BALANCE - BEGINNING	<u>11,920</u>	<u>5,206</u>	<u>38,695</u>	<u>55,821</u>
FUND BALANCE - ENDING	<u>\$ 12,588</u>	<u>\$ 4,106</u>	<u>\$ 44,020</u>	<u>\$ 60,714</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 AGENCY FUNDS  
 JUNE 30, 2020

	Regional Board of Trustees	School Facility Occupation Tax	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,675	\$ 1,872	\$ 6,547
<b>TOTAL ASSETS</b>	<b>\$ 4,675</b>	<b>\$ 1,872</b>	<b>\$ 6,547</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 4,675	\$ -	\$ 4,675
Due to other governments	-	1,872	1,872
<b>TOTAL LIABILITIES</b>	<b>\$ 4,675</b>	<b>\$ 1,872</b>	<b>\$ 6,547</b>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 12  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>REGIONAL BOARD OF TRUSTEES</u>				
ASSETS				
Cash and cash equivalents	\$ 1,383	\$ 14,713	\$ 11,421	\$ 4,675
Total assets	<u>\$ 1,383</u>	<u>\$ 14,713</u>	<u>\$ 11,421</u>	<u>\$ 4,675</u>
LIABILITIES				
Accounts payable	\$ 1,383	\$ 14,713	\$ 11,421	\$ 4,675
Total liabilities	<u>\$ 1,383</u>	<u>\$ 14,713</u>	<u>\$ 11,421</u>	<u>\$ 4,675</u>
<u>SCHOOL FACILITY OCCUPATION TAX</u>				
ASSETS				
Cash and cash equivalents	\$ 1,190	\$ 2,380,659	\$ 2,379,977	\$ 1,872
Total assets	<u>\$ 1,190</u>	<u>\$ 2,380,659</u>	<u>\$ 2,379,977</u>	<u>\$ 1,872</u>
LIABILITIES				
Due to other governments	\$ 1,190	\$ 2,380,659	\$ 2,379,977	\$ 1,872
Total liabilities	<u>\$ 1,190</u>	<u>\$ 2,380,659</u>	<u>\$ 2,379,977</u>	<u>\$ 1,872</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 2,573	\$ 2,395,372	\$ 2,391,398	\$ 6,547
Total assets	<u>\$ 2,573</u>	<u>\$ 2,395,372</u>	<u>\$ 2,391,398</u>	<u>\$ 6,547</u>
LIABILITIES				
Accounts payable	\$ 1,383	\$ 14,713	\$ 11,421	\$ 4,675
Due to other governments	1,190	2,380,659	2,379,977	1,872
Total liabilities	<u>\$ 2,573</u>	<u>\$ 2,395,372</u>	<u>\$ 2,391,398</u>	<u>\$ 6,547</u>