

STATE OF ILLINOIS
EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

FINANCIAL AUDIT
For the Year Ended June 30, 2020

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

For the Year Ended June 30, 2020

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EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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REGIONAL OFFICE OF EDUCATION #20

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EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
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EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

OFFICIALS

For the Year Ended June 30, 2020

Regional Superintendent
(Current and During Audit Period)

Dr. Beth Rister

Assistant Regional Superintendent
(Current, Effective July 1, 2020)

Ms. Sarah Emery

Assistant Regional Superintendent
(During Audit Period, Acting, Effective July 1, 2019
through November 15, 2019)

Mr. James Taylor

Assistant Regional Superintendent
(During Audit Period, Acting, Effective November 16, 2019
through March 31, 2020)

Dr. Keith Talley

Assistant Regional Superintendent
(During Audit Period, Acting, Effective April 1, 2020
through June 30, 2020)

Mr. Vince Mitchell

Office is located at:

512 N. Main Street
Harrisburg, IL 62946

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

FINANCIAL REPORT SUMMARY

For the Year Ended June 30, 2020

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

AUDITORS' REPORT

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	0	1
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	1	2

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)			
None			
PRIOR AUDIT FINDINGS NOT REPEATED (<i>GOVERNMENT AUDITING STANDARDS</i>)			
2019-001	12	Insufficient Collateral of Deposits	

EXIT CONFERENCE

A formal exit conference was not requested by the Regional Office of Education #20.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2020

The audit of the accompanying basic financial statements of the Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20 was performed by Doehring, Winders & Co. LLP.

Based on their audit, the auditors expressed an unmodified opinion on the Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20's basic financial statements.

DOEHRING, WINDERS & CO. LLP

Certified Public Accountants

1601 LAFAYETTE AVENUE

MATTOON, ILLINOIS 61938

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20'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 Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20, 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 Management's Discussion and Analysis and Schedule of the Employer's Proportionate Share of the Net Pension Liability - Teacher's Retirement System of the State of Illinois, Schedule of Employer Contributions - Teacher's Retirement System of the State of Illinois, Schedule of Employer Contributions - Illinois Municipal Retirement Fund, Schedule of Changes in the Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund, Schedule of Employer Contributions - Teacher's Health Insurance Security Fund, Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability - Teacher's Health Insurance Security Fund, Notes to Required Supplementary Information - Teacher's Health Insurance Security Fund, and Schedule of Changes in the Regional Office of Education's Total OPEB Liability and Related Ratios on pages 13a through 13f and 62 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Disbursements to School District Treasurers and Other Entities 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, the combining fund financial statements, and the Schedule of Disbursements to School District Treasurers and Other Entities 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, the combining fund financial statements, and the Schedule of Disbursements to School District Treasurers and Other Entities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2021, on our consideration of the Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20'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 Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20'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 Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
March 18, 2021

DOEHRING, WINDERS & CO. LLP

Certified Public Accountants

1601 LAFAYETTE AVENUE

MATTOON, ILLINOIS 61938

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20's basic financial statements, and have issued our report thereon dated March 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20's internal control. Accordingly, we do not express an opinion on the effectiveness of Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20'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 Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20'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 Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
March 18, 2021

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements in Accordance with GAAP

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiency identified? No
- Noncompliance material to financial statements noted? No

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2020

Section II - Financial Statement Findings

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 2020

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED

For the Year Ended June 30, 2020

2019-001

Insufficient Collateral on Deposits

Not Repeated

During the current audit, the Regional Office of Education #20 took steps to have all bank balances covered by FDIC insurance or additional pledged collateral agreements with their financial institutions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

The Regional Office of Education #20 (ROE #20) provides this Management's Discussion and Analysis (MD&A) of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2020. Readers are encouraged to consider the information in conjunction with ROE #20's financial statements that follow.

2020 Financial Highlights

- The General Fund revenues increased by \$41,110 (5.00%) from \$822,906 in fiscal year 2019 to \$864,016 in fiscal year 2020. Revenue increased mainly due to the receipt of increased General State Aid revenues. The General Fund expenditures increased by \$13,638 (1.85%) from \$738,401 in fiscal year 2019 to \$752,039 in fiscal year 2020. The increase was primarily due to increased salary payments. Still the General Fund reported a positive net change in fund balance of \$111,977 in fiscal year 2020 which was an increase of \$27,472 over fiscal year 2019. The primary difference was due to the increase in revenues in fiscal year 2020 over revenues in fiscal year 2019.
- The Special Revenue Fund revenues slightly decreased by \$20,444 (2.28%) from \$896,570 in fiscal year 2019 to \$876,126 in fiscal year 2020. This was due to increases in deferred inflows.
- Proprietary funds: the Harrisburg Project and Local Workshops revenues increased by \$30,265 (3.71%) from \$815,143 in fiscal year 2019 to \$845,408 in fiscal year 2020. Expenses increased by \$47,860 (6.05%) in fiscal year 2020 with \$838,735 of expenses compared to \$790,875 of expenses in fiscal year 2019.

Using This Report

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

- *Management's Discussion and Analysis* introduces financial statements and provides an analytical overview of the ROE #20's financial activities.
- The *Government-wide financial statements* consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the ROE as a whole and present an overview of the ROE #20's finances.
- *Fund financial statements* report how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report ROE #20's operations in more detail than the government-wide statements by providing information about the most significant funds.
- *Notes to the financial statements* provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- *Required supplementary information* further explains and supports the financial statements and supplementary information provides detailed information for each category of funds and about nonmajor funds.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

Reporting the Regional Office as a Whole

The Statement of Net Position and Statement of Activities

Government-wide Financial Statements

The Government-wide financial statements report information about the ROE #20 as a whole. The Statement of Net Position includes all of the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid using generally accepted accounting principles and GASB Statement No. 34.

The Government-wide financial statements report the ROE #20's net position and how they have changed. Net Position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources - is one way to measure the ROE #20's financial health or position.

- Over time, increases or decreases in the net position can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the ROE #20's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

Fund Financial Statements

The fund financial statements provide detailed information about the ROE #20's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The ROE #20 established other funds to control and manage money for particular purposes.

The ROE #20 has three kinds of funds:

(1) Governmental funds account for those funds through which most governmental functions of the ROE #20 are financed. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at the year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the ROE #20's program. The required governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

(2) Proprietary Funds account for resources from fees charged directly to those entities or individuals that use its services. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements. The required proprietary funds financial statements include a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.

(3) Fiduciary Funds are used to account for resources held by the ROE #20 in a trust capacity or as an agent for the individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of result of operations. The required fiduciary fund financial statements include a Statement of Fiduciary Net Position.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

Government-Wide Financial Analysis

As noted earlier, net position may serve, when examined over time, as one indicator of the financial position of the ROE #20. The net position at the end of fiscal year 2020 and fiscal 2019 totaled \$(88,586) and \$(93,100), respectively. The analysis that follows provides a summary of the ROE #20's net position as of June 30, 2020 and 2019.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current assets	\$ 748,422	\$ 632,758	\$ 147,940	\$ 148,854	\$ 896,362	\$ 781,612
Noncurrent assets	6,540	7,487	32,200	24,613	38,740	32,100
TOTAL ASSETS	754,962	640,245	180,140	173,467	935,102	813,712
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions and OPEB	298,832	553,768	-	-	298,832	553,768
LIABILITIES						
Current liabilities	49,941	37,669	-	-	49,941	37,669
Noncurrent liabilities	874,194	1,298,095	-	-	874,194	1,298,095
TOTAL LIABILITIES	924,135	1,335,764	-	-	924,135	1,335,764
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions and OPEB	398,385	124,816	-	-	398,385	124,816
NET POSITION						
Investment in capital assets	6,540	7,487	32,200	24,613	38,740	32,100
Restricted-other	123,436	132,021	-	-	123,436	132,021
Unrestricted	(398,702)	(406,075)	147,940	148,854	(250,762)	(257,221)
TOTAL NET POSITION	\$ (268,726)	\$ (266,567)	\$ 180,140	\$ 173,467	\$ (88,586)	\$ (93,100)

The ROE #20's net position increased by \$4,514 from fiscal year 2019.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

CHANGES IN NET POSITION

The following analysis shows the changes in net position for the years ended June 30, 2020 and 2019.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Operating grants and contributions	\$ 863,359	\$ 856,568	\$ -	\$ -	\$ 863,359	\$ 856,568
General Revenues:						
Local sources	247,482	258,849	-	-	247,482	258,849
State sources	389,216	344,953	-	-	389,216	344,953
On-behalf payments-State	523,533	570,899	-	-	523,533	570,899
Fees for service	-	-	845,408	815,143	845,408	815,143
Interest	1,425	1,746	-	-	1,425	1,746
Total revenues	<u>2,025,015</u>	<u>2,033,015</u>	<u>845,408</u>	<u>815,143</u>	<u>2,870,423</u>	<u>2,848,158</u>
Expenses						
Education:						
Salaries and benefits	860,876	850,730	630,497	604,863	1,491,373	1,455,593
Purchased services	404,503	359,201	113,406	83,350	517,909	442,551
Supplies and materials	68,738	92,847	17,493	23,776	86,231	116,623
Other objects	2,411	3,311	-	-	2,411	3,311
Pension expense	157,066	185,886	69,787	74,209	226,853	260,095
OPEB expense	5,853	72,740	-	-	5,853	72,740
Depreciation	4,194	5,455	7,552	4,677	11,746	10,132
On-behalf payments-State	523,533	570,899	-	-	523,533	570,899
Total expenses	<u>2,027,174</u>	<u>2,141,069</u>	<u>838,735</u>	<u>790,875</u>	<u>2,865,909</u>	<u>2,931,944</u>
Excess (deficiency) of revenues over (under) expenses	<u>(2,159)</u>	<u>(108,054)</u>	<u>6,673</u>	<u>24,268</u>	<u>4,514</u>	<u>(83,786)</u>
Changes in net position	(2,159)	(108,054)	6,673	24,268	4,514	(83,786)
Net position, beginning of year	<u>(266,567)</u>	<u>(158,513)</u>	<u>173,467</u>	<u>149,199</u>	<u>(93,100)</u>	<u>(9,314)</u>
Net position, end of year	<u>\$ (268,726)</u>	<u>\$ (266,567)</u>	<u>\$ 180,140</u>	<u>\$ 173,467</u>	<u>\$ (88,586)</u>	<u>\$ (93,100)</u>

Governmental Activities

Revenues for governmental activities were \$2,025,015 and expenditures were \$2,027,174. The decrease in revenues was \$8,000. Increases in state revenues mostly offset decreases in revenue from local sources and on behalf payments. Expenditures decreased by \$113,895 from the prior-year due primarily to the pandemic that shut schools down in March 2020.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

Business-Type Activities

Revenues for the business activities were \$845,408 and expenses were \$838,735. The increase in revenue was due to an increase in state revenue that offset decreases in local revenue. The increase in expenses was primarily due to increases in salaries and purchased services needed to support virtual learning required by the pandemic.

Financial Analysis of The ROE #20's Funds

As previously noted, the ROE #20 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirement. The ROE #20's Governmental Funds reported combined fund balances totaling to \$680,578.

Governmental Fund Highlights

Combined federal and state revenues of the ROE #20 increased by \$28,189 in the year ended June 30, 2020. The increase was primarily a result of increased state funding. This offset decreases in local source revenue probably due to the pandemic which shutdown in-person classes in March, 2020.

Proprietary Fund Highlights

Total proprietary fund net position increased by \$6,673 due to increased federal funding of the Harrisburg Project Fund which offset a loss in local revenue as a result of the shutdown of in-person classes in March 2020 due to the pandemic.

Budgetary Highlights

The ROE #20 annually adopts budgets for several funds. The ROE #20 acts as the administrative agent for certain grant programs that are accounted for in the Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education or other granting authority; however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the Education Fund do not have separate budgets.

Comparisons of budgeted and actual results for the following programs are presented as supplementary information: ROE/ISC General Operations, Federal Special Education - Preschool Discretionary, Truants Alternative/Optional Education, Regional Safe Schools, Pilot Regional Safe School Cooperative Education Program, Title II - Teacher Quality - Leadership Grant, and McKinney-Vento Education for Homeless Children and Youth.

Capital Assets

As of June 30, 2020, the ROE #20's capital assets include office equipment, computers, audio-visual equipment, and building improvements. The ROE #20 maintains an inventory of capital assets that have been accumulated over time. Several new computer capital assets were added in the year ended June 30, 2020 totaling \$3,247 for governmental new capital assets and \$15,139 for new proprietary capital assets. The depreciation expense for governmental funds was \$4,194 in fiscal year 2020 and the proprietary fund depreciation expense was \$7,552.

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, the ROE #20 was not aware of any existing circumstances that could significantly affect its financial position or results of operations in the future.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

Contacting the Regional Office's Financial Management

The financial report is designed to provide the ROE #20's citizens, taxpayers, clients, and constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or need additional financial information, write to ROE #20 at 512 North Main St, Harrisburg, Illinois, 62946, or call (618) 253-5581.

BASIC FINANCIAL STATEMENTS

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

STATEMENT OF NET POSITION

June 30, 2020

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current assets:			
Cash and cash equivalents	\$ 678,878	\$ 79,736	\$ 758,614
Due from other governments	69,544	68,204	137,748
Total current assets	<u>748,422</u>	<u>147,940</u>	<u>896,362</u>
Noncurrent assets:			
Capital assets, net of depreciation	6,540	32,200	38,740
Total noncurrent assets	<u>6,540</u>	<u>32,200</u>	<u>38,740</u>
Total assets	<u>754,962</u>	<u>180,140</u>	<u>935,102</u>
Deferred outflows of resources			
Deferred outflows related to OPEB plans	92,863	-	92,863
Deferred outflows related to pensions	205,969	-	205,969
Total deferred outflows of resources	<u>298,832</u>	<u>-</u>	<u>298,832</u>
Liabilities			
Current liabilities:			
Salary and benefits payable	38,694	-	38,694
Unearned revenue	6,644	-	6,644
Accounts payable	4,603	-	4,603
Total current liabilities	<u>49,941</u>	<u>-</u>	<u>49,941</u>
Noncurrent liabilities:			
Liability for compensated absences	11,499	-	11,499
OPEB liabilities	405,052	-	405,052
Net pension liability	457,643	-	457,643
Total noncurrent liabilities	<u>874,194</u>	<u>-</u>	<u>874,194</u>
Total liabilities	<u>924,135</u>	<u>-</u>	<u>924,135</u>
Deferred inflows of resources			
Deferred inflows related to OPEB plans	177,162	-	177,162
Deferred inflows related to pensions	221,223	-	221,223
Total deferred inflows of resources	<u>398,385</u>	<u>-</u>	<u>398,385</u>
Net position			
Investment in capital assets	6,540	32,200	38,740
Restricted - other	123,436	-	123,436
Unrestricted	<u>(398,702)</u>	<u>147,940</u>	<u>(250,762)</u>
Total net position	<u>\$ (268,726)</u>	<u>\$ 180,140</u>	<u>\$ (88,586)</u>

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
Instructional Services:						
Salaries and benefits	\$ 860,876	\$ -	\$ 524,770	\$ (336,106)	\$ -	\$ (336,106)
Purchased services	404,503	-	267,328	(137,175)	-	(137,175)
Supplies and materials	68,738	-	43,985	(24,753)	-	(24,753)
Other objects	2,411	-	-	(2,411)	-	(2,411)
Pension expense	157,066	-	25,179	(131,887)	-	(131,887)
OPEB expense	5,853	-	2,097	(3,756)	-	(3,756)
Depreciation	4,194	-	-	(4,194)	-	(4,194)
Administrative:						
On-behalf payments - State	523,533	-	-	(523,533)	-	(523,533)
Total governmental activities	<u>2,027,174</u>	<u>-</u>	<u>863,359</u>	<u>(1,163,815)</u>	<u>-</u>	<u>(1,163,815)</u>
Business-type activities:						
Fees for services	838,735	845,408	-	-	6,673	6,673
Total business-type activities	<u>838,735</u>	<u>845,408</u>	<u>-</u>	<u>-</u>	<u>6,673</u>	<u>6,673</u>
Total primary government	<u>\$ 2,865,909</u>	<u>\$ 845,408</u>	<u>\$ 863,359</u>	<u>(1,163,815)</u>	<u>6,673</u>	<u>(1,157,142)</u>
General Revenues:						
Local sources				247,482	-	247,482
State sources				389,216	-	389,216
On-behalf payments - State				523,533	-	523,533
Interest				1,425	-	1,425
Total general revenues				<u>1,161,656</u>	<u>-</u>	<u>1,161,656</u>
Change in net position				(2,159)	6,673	4,514
Net position - beginning				<u>(266,567)</u>	<u>173,467</u>	<u>(93,100)</u>
Net position - ending				<u>\$ (268,726)</u>	<u>\$ 180,140</u>	<u>\$ (88,586)</u>

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2020

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 523,401	\$ 37,361	\$ 100,314	\$ 17,802	\$ -	\$ 678,878
Due from other funds	53,531	-	-	-	(53,531)	-
Due from other governments	14,058	55,486	-	-	-	69,544
Total assets	<u>\$ 590,990</u>	<u>\$ 92,847</u>	<u>\$ 100,314</u>	<u>\$ 17,802</u>	<u>\$ (53,531)</u>	<u>\$ 748,422</u>
Liabilities						
Salary and benefits payable	\$ 11,342	\$ 27,352	\$ -	\$ -	\$ -	\$ 38,694
Accounts payable	4,603	-	-	-	-	4,603
Due to other funds	-	40,836	-	12,695	(53,531)	-
Unearned revenue	-	6,644	-	-	-	6,644
Total liabilities	<u>15,945</u>	<u>74,832</u>	<u>-</u>	<u>12,695</u>	<u>(53,531)</u>	<u>49,941</u>
Deferred inflows of resources						
Unavailable revenue	-	17,903	-	-	-	17,903
Fund balance						
Restricted	-	15,397	100,314	17,802	-	133,513
Assigned	363,459	-	-	-	-	363,459
Unassigned	211,586	(15,285)	-	(12,695)	-	183,606
Total fund balance	<u>575,045</u>	<u>112</u>	<u>100,314</u>	<u>5,107</u>	<u>-</u>	<u>680,578</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 590,990</u>	<u>\$ 92,847</u>	<u>\$ 100,314</u>	<u>\$ 17,802</u>	<u>\$ (53,531)</u>	<u>\$ 748,422</u>

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

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

June 30, 2020

Total fund balances - governmental funds		\$ 680,578
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		6,540
Some revenues will not be collected for several months after the Regional Office fiscal year ends, they are not considered "available" revenues and are deferred inflows of resources in the governmental funds. Current year unavailable revenue		17,903
<p>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:</p>		
OPEB deferred outflows of resources	\$ 92,863	
OPEB deferred inflows of resources	(177,162)	
IMRF deferred outflows of resources	190,180	
TRS deferred outflows of resources	15,789	
IMRF deferred inflows of resources	(203,341)	
TRS deferred inflows of resources	<u>(17,882)</u>	(99,553)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Liability for compensated absences	\$ (11,499)	
OPEB liabilities	(405,052)	
IMRF net pension liability	(425,490)	
TRS net pension liability	<u>(32,153)</u>	<u>(874,194)</u>
Net position of governmental activities		<u>\$ (268,726)</u>

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

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

For the Year Ended June 30, 2020

	General Fund	Education Fund	Institute	Other Nonmajor Funds	Total Governmental Funds
Revenues:					
Local sources	\$ 223,200	\$ -	\$ 19,583	\$ 4,699	\$ 247,482
State sources	387,855	453,942	-	1,361	843,158
Federal sources	-	395,507	-	-	395,507
On-behalf payments - State	252,570	-	-	-	252,570
Interest	391	-	1,034	-	1,425
Total revenues	<u>864,016</u>	<u>849,449</u>	<u>20,617</u>	<u>6,060</u>	<u>1,740,142</u>
Expenditures:					
Salaries and benefits	350,126	523,897	-	1,830	875,853
Purchased services	103,131	266,883	32,693	1,796	404,503
Supplies and materials	24,447	43,912	359	20	68,738
Other objects	2,411	-	-	-	2,411
Pension expense	15,073	25,137	-	-	40,210
OPEB expense	1,034	2,094	-	-	3,128
On-behalf payments - State	252,570	-	-	-	252,570
Capital outlay	3,247	-	-	-	3,247
Total expenditures	<u>752,039</u>	<u>861,923</u>	<u>33,052</u>	<u>3,646</u>	<u>1,650,660</u>
Excess (deficiency) of revenues over (under) expenditures	<u>111,977</u>	<u>(12,474)</u>	<u>(12,435)</u>	<u>2,414</u>	<u>89,482</u>
Net change in fund balance	111,977	(12,474)	(12,435)	2,414	89,482
Fund balances - beginning	<u>463,068</u>	<u>12,586</u>	<u>112,749</u>	<u>2,693</u>	<u>591,096</u>
Fund balances - ending	<u>\$ 575,045</u>	<u>\$ 112</u>	<u>\$ 100,314</u>	<u>\$ 5,107</u>	<u>\$ 680,578</u>

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

Net change in fund balances	\$	89,482
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Some revenues will not be collected for several months after the Regional Office fiscal year ends, they are not considered "available" revenues and are deferred inflows of resources in the governmental funds.</p>		
Current year unavailable revenue	\$ 17,903	
Prior year unavailable revenue	<u>(3,993)</u>	13,910
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$ 3,247	
Depreciation	<u>(4,194)</u>	(947)
<p>Certain expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences expense	\$ 14,977	
Net OPEB expense	(2,725)	
Net pension expense	<u>(116,856)</u>	<u>(104,604)</u>
Change in net position of governmental activities	\$	<u><u>(2,159)</u></u>

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

STATEMENT OF NET POSITION
PROPRIETARY FUND

JUNE 30, 2020

	Business-Type Activities Enterprise Funds		
	Harrisburg Project	Nonmajor Local Workshops	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 38,346	\$ 41,390	\$ 79,736
Due from other governments	68,204	-	68,204
Total current assets	106,550	41,390	147,940
Noncurrent assets			
Capital assets, net of depreciation	32,200	-	32,200
Total noncurrent assets	32,200	-	32,200
Total assets	138,750	41,390	180,140
Net position			
Net investment in capital assets	32,200	-	32,200
Unrestricted	106,550	41,390	147,940
Total net position	\$ 138,750	\$ 41,390	\$ 180,140

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

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

For the Year Ended June 30, 2020

	Business-Type Activities Enterprise Funds		
	Harrisburg Project	Nonmajor Local Workshops	Total
Operating revenues			
Charges for services	\$ 818,472	\$ 26,936	\$ 845,408
Operating expenses			
Salaries and benefits	630,497	-	630,497
Purchased services	90,479	22,927	113,406
Supplies and materials	17,418	75	17,493
Depreciation expense	7,552		7,552
Pension expense	69,787	-	69,787
Total operating expenses	815,733	23,002	838,735
Operating income	2,739	3,934	6,673
Net position - beginning	136,011	37,456	173,467
Net position - ending	\$ 138,750	\$ 41,390	\$ 180,140

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Year Ended June 30, 2020

	Business-Type Activities Enterprise Funds		
	Harrisburg Project	Nonmajor Local Workshops	Total
Cash flows from operating activities			
Receipts from customers	\$ 750,268	\$ 26,936	\$ 777,204
Payments to suppliers and providers of goods and services	(107,897)	(23,002)	(130,899)
Payments to employees	(700,284)	-	(700,284)
Net cash provided (used) by operating activities	<u>(57,913)</u>	<u>3,934</u>	<u>(53,979)</u>
Cash flows from capital and related financing activities			
Purchase of equipment	(15,139)	-	(15,139)
Net cash used for capital and related financing activities	<u>(15,139)</u>	<u>-</u>	<u>(15,139)</u>
Net increase (decrease) in cash and cash equivalents	(73,052)	3,934	(69,118)
Cash and cash equivalents - beginning	<u>111,398</u>	<u>37,456</u>	<u>148,854</u>
Cash and cash equivalents - ending	<u>\$ 38,346</u>	<u>\$ 41,390</u>	<u>\$ 79,736</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 2,739	\$ 3,934	\$ 6,673
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	7,552	-	7,552
Changes in assets and liabilities Increase in due from other governments	(68,204)	-	(68,204)
Net cash provided by operating activities	<u>\$ (57,913)</u>	<u>\$ 3,934</u>	<u>\$ (53,979)</u>

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2020

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 348,189
Due from other governments	<u>135,683</u>
Total assets	<u><u>\$ 483,872</u></u>
Liabilities	
Due to other governments	<u>\$ 483,872</u>
Total Liabilities	<u><u>\$ 483,872</u></u>

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

This summary of significant accounting policies of the Regional Office of Education #20 is presented to assist in understanding the Regional Office of Education #20's financial statements. The financial statements and notes are representations of the Regional Office of Education #20's management who is responsible for the integrity and objectivity of the financial statements. The Illinois Administrative Code, Title 23 - Subtitle A, Chapter 1, Section 110.115a, requires each Regional Office of Education to prepare annual financial statements in conformity with accounting principles generally accepted in the United States of America. These principles have been consistently applied in the preparation of the financial statements.

FINANCIAL REPORTING ENTITY

The Regional Office of Education #20 operates under the School Code (Articles 5/3 and 5/3A of Illinois Compiled Statutes, Chapter 105). The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the Regional Office of Education #20 and is elected pursuant to Article 3, Illinois Compiled Statutes, Chapter 105.

The Regional Superintendent is charged with the responsibility to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers' meetings and assist in their management; to evaluate the schools in the region; examine evidence of indebtedness; to file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #20's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education #20, or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL REPORTING ENTITY (Continued)

For the period ended June 30, 2020, the Regional Office of Education #20 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White Counties. Such activities are reported as a single special revenue fund (Education Fund).

SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #20's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #20 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #20, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #20 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #20 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #20 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #20 being considered a component unit of the entity.

NEW ACCOUNTING PRONOUNCEMENTS

The global pandemic, coronavirus disease (COVID-19), has resulted in significant business disruptions due to mandated temporary work stoppages, limitations on travel, limitations on the size and duration of group meetings, and employee absences. In light of the pandemic, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement postpones the effective dates for certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Due to the Regional Office of Education #20's implementation of this Statement, only certain provisions of GASB Statement No. 92, *Omnibus 2020* and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* were required to be implemented for the year ended June 30, 2020. The implemented provisions of these Statements had no significant impact on the financial statements of the Regional Office of Education #20. The Regional Office of Education #20 decided not to implement any postponed provisions of the GASB Statements prior to their adjusted effective dates.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #20's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education #20 has two business-type activities that rely on fees and charges for support.

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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The Regional Office of Education #20's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #20 accompanied by a total column. These statements are presented on an "economic resources" measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education #20's assets and deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets, are included in the accompanying Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and 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. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

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

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUND FINANCIAL STATEMENTS (Continued)

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

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

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #20; therefore, revenues are considered to be earned to the extent of expenditures made under the provisions of the grant. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Under the terms of grant agreements, Regional Office of Education #20 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is Regional Office of Education #20's policy to first apply restricted funds to such programs, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned, if any.

FUND ACCOUNTING

The Regional Office of Education #20 uses funds to maintain its financial records during the year. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures or expenses, as appropriate. The Regional Office of Education #20 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Regional Office of Education #20 are typically reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets and deferred outflows of resources are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as a fund balance.

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

As prescribed by GASB Statement No. 34, governmental and proprietary fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #20 has presented all major funds that met the above qualifications.

The Regional Office of Education #20 reports the following major governmental funds:

General Fund - The General Fund is the operating fund of the Regional Office of Education #20. It is used to account for all financial resources in the Region except those required to be accounted and reported for in another fund. The following accounts are included in the General Fund:

General Budget – This fund is used for the general operation of the Regional Office and to cover expenses that are not paid for by other funds.

Truants Alternative General State Aid – These funds are used to account for the administration of monies to be used for the General State Aid Program.

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

The following restricted fund is included in the general fund:

CARES COVID-19- This fund established in FY20 was to account for revenue received and expenditures associated with the purchasing of personal protective equipment (PPE) and supplies associated with the current pandemic.

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

Major special revenue funds include the following:

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

ROE/ISC General Operations – This fund accounts for grant monies received and expended for general and administrative expenses.

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Federal Special Education – Pre-School Discretionary – This fund is used to account for the monies received from the State (federal dollars) to promote increasing public awareness of the availability of services and locating, identifying and evaluating children suspected of having disabilities.

Truants Alternative/Optional Education – This fund accounts for the proceeds from State grants expended under a program to reduce student truancy.

Regional Safe Schools – This fund is used to account for the monies received from the State. The program concentrates on the education of students who have been expelled from the school districts served by the Regional Office of Education #20.

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

Title II - Teacher Quality - Leadership Grant – To account for monies passed through to the Professional Development Alliance.

Rural Education Achievement Program - This fund is used to account for the monies received from the US Department of Education, (Part A of Title IV) of the Elementary and Secondary Education Act (ESEA) to carry out activities of enrichment, and to partially pay for the expense of a school counselor at an alternative school.

McKinney-Vento Education For Homeless Children and Youth – This fund is used to account for the monies received from the State (federal dollars) for assisting school districts in identifying and providing assistance to at-risk students.

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

Institute Fund – This fund accounts for fees from registrations. These funds are used to help pay certain administrative expenses incurred to conduct workshops and for general meetings with teachers and other school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

Additionally, the Regional Office of Education #20 reports the following nonmajor special revenue funds:

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

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

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS

Proprietary funds account for revenues and expenses related to services provided to organizations within the region on a cost-reimbursement basis. Enterprise funds are proprietary funds that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to external entities or the general public on a continuing basis should be financed or recovered primarily through user charges. The Regional office of Education #20 reports the following major enterprise fund:

Harrisburg Project – This fund is used to account for the contract that creates and maintains computer software and provides an electronic exchange of data for the school districts with other entities.

The Regional Office of Education #20 reports the following nonmajor enterprise fund:

Local Workshops – To account for the fees and local revenues received and related disbursements incurred while performing the corresponding program services. This fund also accounts for revenues and expenditures associated with fingerprinting conducted by the Regional Office.

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the Regional Office of Education #20 in a trustee capacity or an agent for individuals, private organizations, other governmental units, and/or other funds.

School Facility Occupation Tax – This fund receives monies from the State Comptroller for the School Facilities Occupation Tax for Edwards, Hamilton, Hardin, Saline, White, and Wabash County school districts. The monies are then forwarded directly to the school districts. The Regional Office of Education #20 has agreements with all entities that receive distributions from this fund to keep all accumulated interest.

Ohio and Wabash Valley Regional Vocational System – This fund receives money for the Ohio and Wabash Valley Regional Vocational System. The Regional Office acts as the fiscal agent and distributes the monies upon receipt.

GOVERNMENTAL FUND BALANCES

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

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUND BALANCES (Continued)

Nonspendable Fund Balance - the portion of a Governmental Fund's net position that are not available to be spent, either short term or long term in either form or through legal restrictions. The Regional Office of Education #20 has no nonspendable fund balances.

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

Committed Fund Balance - the portion of a Governmental Fund's net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #20 has no committed fund balances.

Assigned Fund Balance - the portion of a Governmental Fund's net position to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts' fund balances are assigned: Truants Alternative General State Aid and Safe Schools State Aid.

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following accounts' fund balances are unassigned: General Budget, Truants Alternative/Optional Education, and General Education Development.

NET POSITION

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

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

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

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

The governmental activities column on the statement of net position reports a restricted amount of \$123,436 of which \$118,116 is restricted by enabling legislation.

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGET INFORMATION

The Regional Office of Education #20 acts as the administrative agent for certain grant programs that are accounted for in the Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education or other granting authority; however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the Education Fund do not have separate budgets.

Comparisons of budgeted and actual results for the following programs are presented as supplementary information: ROE/ISC General Operations, Federal Special Education - Pre-School Discretionary, Truants Alternative/Optional Education, Regional Safe Schools, Pilot Regional Safe School Cooperative Education Program, Title II Teacher Quality Leadership Grant, and McKinney-Vento Education for Homeless Children and Youth.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit. The Regional Office of Education #20 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. Investments with original maturities of more than three months are reported as investments.

INVENTORY

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

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than one year are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Computer Equipment	3 - 5 years
Office Equipment and Furniture	5 - 10 years
Building Improvements	10 - 20 years

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the Regional Office of Education #20'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 #20's OPEB Plan and additions to/deductions from the Regional Office of Education #20's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education #20's Plan. For this purpose, the Regional Office of Education #20's Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education #20's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the Regional Office of Education #20's single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

COMPENSATED ABSENCES

Employees of the Regional Office of Education #20 are permitted to accumulate earned but unused vacation benefits. Accumulated unused vacation benefits are accrued as incurred in the government-wide financial statements. Governmental funds record accumulated unused vacation benefits payable only when due for payment, such as an employee retires or resigns. Accrued but unused vacation time in the amount of \$11,499 is included on the government-wide financial statements at June 30, 2020 which is a decrease of \$14,977 from the June 30, 2019 balance of \$26,476. During the year ended June 30, 2019, Regional Office of Education #20 employees earned \$46,281 and used or forfeited \$61,258 of vacation benefits. The entire balance of the Regional Office of Education #20 compensated absences liability is reported as long-term in the governmental activities column of the Statement of Net Position.

Sick leave accumulates as far as time available but is not reimbursable to employees upon termination. Therefore, no accruals or reserves have been established.

ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

UNEARNED REVENUE

The Regional Office of Education #20 reports unearned revenue in the governmental fund Balance Sheet. Unearned revenue arises when grant funds are received in advance of expenditure.

REVENUE FROM FEDERAL AND STATE GRANTS

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

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

2 DEPOSITS AND INVESTMENTS

The Illinois Compiled Statutes authorize the Regional Office of Education #20 to make deposits and invest in U.S. Government, State of Illinois and municipal securities, certificates of deposit or time savings deposits insured by the FDIC, mortgage notes, bonds, or debentures issued by the Federal Housing Administration, bonds and other obligations of the Federal National Mortgage Association, commercial paper rated within the three highest classifications by at least two standard rating services, credit union shares, and the Illinois Public Treasurer's Investment Pool.

BANK DEPOSITS

At June 30, 2020, the carrying amount of the Regional Office of Education #20's government-wide and agency fund deposits were \$758,614 and \$348,189 respectively. The government-wide and agency fund bank balances were \$927,319 and \$350,518, respectively. Of the total bank balances as of June 30, 2020, \$501,000 was secured by federal depository insurance and \$79,299 was invested in Illinois Funds Money Market Fund. Another \$697,538 was collateralized by security pledged by the Regional Office of Education #20's financial institution in the name of the Regional Office.

CUSTODIAL CREDIT RISK

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

To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #20's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education #20.

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

2 DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS

The Regional Office of Education #20 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. At June 30, 2020, the Regional Office of Education #20 had investments with carrying and fair values of \$79,299 invested in the Illinois Funds Money Market Fund. This amount is included in cash and cash equivalents in the financial statements.

CREDIT RISK

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

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

3 CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #20 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases are capitalized when purchased for business-type activities. The following table provides a summary of changes in capital assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2020:

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

3 CAPITAL ASSETS (Continued)

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Governmental activities				
Capital assets being depreciated				
Improvements other than buildings	\$ 5,187	\$ -	\$ -	\$ 5,187
Machinery and Equipment	180,810	3,247	-	184,057
Governmental activities total assets	185,997	3,247	-	189,244
Accumulated depreciation				
Improvements other than buildings	5,187	-	-	5,187
Machinery and Equipment	173,323	4,194	-	177,517
Less accumulated depreciation	178,510	4,194	-	182,704
Governmental activities investment in capital assets, net	<u>\$ 7,487</u>	<u>\$ (947)</u>	<u>\$ -</u>	<u>\$ 6,540</u>
Business-type activities				
Capital assets being depreciated				
Improvements other than buildings	\$ 2,182	\$ -	\$ -	\$ 2,182
Machinery and Equipment	258,139	15,139	-	273,278
Business-type activities total assets	260,321	15,139	-	275,460
Accumulated depreciation				
Improvements other than buildings	2,182	-	-	2,182
Machinery and Equipment	233,526	7,552	-	241,078
Less accumulated depreciation	235,708	7,552	-	243,260
Business-type activities investment in capital assets, net	<u>\$ 24,613</u>	<u>\$ 7,587</u>	<u>\$ -</u>	<u>\$ 32,200</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2020 of \$4,194 and \$7,552 was charged to governmental activities and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

4 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND

IMRF PLAN DESCRIPTION

The Regional Office of Education #20'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 #20's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

BENEFITS PROVIDED

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

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

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

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

EMPLOYEES COVERED BY BENEFIT TERMS

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

	IMRF
Retirees and Beneficiaries currently receiving benefits	26
Inactive Plan Members entitled to but not yet receiving benefits	30
Active Plan Members	16
Total	<u>72</u>

CONTRIBUTIONS

As set by statute, the Regional Office of Education #20'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 #20's annual contribution rate for calendar year 2019 was 11.54%. For the fiscal year ended June 30, 2020, the Regional Office of Education #20 contributed \$108,188 to the plan. The Regional Office of Education #20 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 #20's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, that are specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study from years 2014 to 2016.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

ACTUARIAL ASSUMPTIONS (Continued)

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

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

SINGLE DISCOUNT RATE

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

SINGLE DISCOUNT RATE (Continued)

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

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

CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2018	\$ 5,198,351	\$ 4,499,457	\$ 698,894
Changes for the year:			
Service Cost	92,229	-	92,229
Interest on the Total Pension Liability	398,799	-	398,799
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	137,434	-	137,434
Changes of Assumptions	-	-	-
Contributions - Employer	-	94,810	(94,810)
Contributions - Employees	-	36,971	(36,971)
Net Investment Income	-	808,834	(808,834)
Benefit Payments, including Refunds of Employee Contributions	(205,617)	(205,617)	-
Other (Net Transfer)	-	(38,749)	38,749
Net Changes	422,845	696,249	(273,404)
Balances at December 31, 2019	<u>\$ 5,621,196</u>	<u>\$ 5,195,706</u>	<u>\$ 425,490</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:

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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

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

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net Pension Liability (Asset)	\$ 1,196,145	\$ 425,490	\$ (201,290)

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 #20 recognized pension expense of \$224,081. At June 30, 2020, the Regional Office of Education #20 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 98,794	\$ -
Changes of assumptions	31,021	-
Net difference between projected and actual earnings on pension plan investments	-	203,341
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	129,815	203,341
<i>Pension contributions made subsequent to the measurement date</i>	60,365	-
Total Deferred Amounts Related to Pensions	\$ 190,180	\$ 203,341

\$60,365 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2021.

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

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

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

Year Ending December 31,	Net Deferred Inflows of Resources
2020	\$ 34,942
2021	(27,224)
2022	16,563
2023	(97,807)
2024	-
Thereafter	-
Total	<u>\$ (73,526)</u>

5 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #20 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

BENEFITS PROVIDED

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

BENEFITS PROVIDED (Continued)

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

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

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

CONTRIBUTIONS

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019 was 9.0 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 #20.

ON BEHALF CONTRIBUTIONS TO TRS

The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #20. For the year ended June 30, 2020, the State of Illinois contributions recognized by the Regional Office of Education #20 were based on the State's proportionate share of collective net pension liability associated with the Regional Office of Education #20, and the Regional Office of Education #20 recognized revenue and expenditures of \$248,451 in pension contributions from the State of Illinois.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

2.2 FORMULA CONTRIBUTIONS

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ending June 30, 2020 were \$2,133 and are deferred because they were paid after the June 30, 2019 measurement date.

FEDERAL AND SPECIAL TRUST FUND CONTRIBUTIONS

When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #20, there is a statutory requirement for the Regional Office of Education #20 to pay an employer pension contribution from those funds. Under Public Act 100-340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Public Act 100-0340 set the employer contribution rate on salaries paid from federal funds to be the employer normal cost rate effective for fiscal year 2018. Previously, the employer contribution rate on salaries paid from federal funds was equal to the State's contribution rate and were much higher. Since these contributions are normal cost contributions, which are considered employer specific liability contributions under GASB 68, the "federal funds" contributions are no longer includable for purposes of allocating collective pension amounts. Any change in proportionate share resulting from this statutory change for individual employers will be recognized and amortized over the remaining services lives of all members beginning in fiscal year 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, no salaries were paid from federal and special trust funds therefore there were no required employer contributions.

EMPLOYER RETIREMENT COST CONTRIBUTIONS

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education #20 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 #20 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and for sick leave days granted in excess of the normal annual allotment.

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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

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

At June 30, 2020, the Regional Office of Education #20 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 were as follows:

Employers proportionate share of the net pension liability	\$	32,153
State's proportionate share of the net pension liability associated with the employer		<u>2,288,292</u>
 Total	 \$	 <u><u>2,320,445</u></u>

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 #20's proportion of the net pension liability was based on the Regional Office of Education #20's share of contributions to TRS for the measurement year ended June 30, 2019, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2019, the Regional Office of Education #20's proportion was 0.0000396421 percent, which was an decrease of 0.0000182577 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Regional Office of Education #20 recognized pension expense of \$248,451 and revenue of \$248,451 for support provided by the State.

For the year ended June 30, 2020, the Regional Office of Education #20 recognized pension expense of \$2,947. At June 30, 2020, the Regional Office of Education #20 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 527	\$ -
Net difference between projected and actual investment earnings on pension plan investments	51	-
Changes of assumptions	720	617
Changes in proportion and difference between employer contributions and proportionate share of contributions	12,358	17,265
Employer contributions subsequent to the measurement date	<u>2,133</u>	<u>-</u>
	<u><u>\$ 15,789</u></u>	<u><u>\$ 17,882</u></u>

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

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

\$2,133 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized by the Regional Office of Education #20 as a reduction of their net pension liabilities in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 576
2022	(867)
2023	(1,065)
2024	(1,787)
2025	(1,083)
	<hr/>
	\$ (4,226)

ACTUARIAL ASSUMPTIONS

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

ACTUARIAL ASSUMPTIONS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. equities large cap	15.0%	6.3%
U.S. equities small/mid cap	2.0%	7.7%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.5%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.0%
International debt developed	2.2%	1.1%
Emerging international debt	2.6%	4.4%
Real estate	16.0%	5.2%
Commodities (Real return)	4.0%	1.8%
Hedge funds (Absolute return)	14.0%	4.1%
Private Equity	15.0%	9.7%
	<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 of current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE REGIONAL OFFICE OF EDUCATION #20'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Regional Office of Education #20's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

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

SENSITIVITY OF THE REGIONAL OFFICE OF EDUCATION #20'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 39,272	\$ 32,153	\$ 26,300

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*.

6 INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2020 consist of the amounts in the schedule below.

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 53,531	\$ -
Education Fund	-	40,836
Other Nonmajor Funds	-	12,695
Total	\$ 53,531	\$ 53,531

7 DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

Deferred Inflows of Resources – Deferred inflows of resources in the Governmental Funds Balance Sheet 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.

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

7 DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

Deferred inflows of resources are reported in the governmental fund financial statements as unavailable revenue and represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of grant receivables not collected within sixty days after year end.

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

8 RISK MANAGEMENT

The Regional Office of Education #20 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #20 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

9 OPERATING LEASES

The Regional Office of Education #20 leases its office facilities. The lease term is from August 1, 2017 to July 31, 2021. The monthly rental payments are \$2,410 under the lease. The Regional Office of Education #20 is responsible for all utility bills and trash removal.

The Regional Office of Education #20 leases two Toshiba e-Studio 457 Copiers. The monthly payment is \$190 and the lease term is from June 1, 2018 to May 31, 2021 for a term of 36 months.

The Regional Office of Education #20 leases a postage machine from Pitney Bowes billed quarterly at the rate of \$146.61 starting July 1, 2017 for a term of 60 months ending June 30, 2022.

The Regional Office of Education #20 leases office space for an Alternative School in Norris City, Illinois. This is a month to month lease with monthly rental payments for telephone, utilities, and custodial supplies.

During the year ended June 30, 2020, rentals under lease obligations were \$31,786.

Future minimum rentals expense is as follows:

<u>Years Ending June 30,</u>	
2021	\$ 31,596
2022	<u>2,996</u>
	<u><u>\$ 34,592</u></u>

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

10 ON BEHALF PAYMENTS

The State of Illinois paid the following salaries, benefits, and contributions on behalf of the Regional Office of Education #20:

Regional Superintendent Salary	\$	114,648
Regional Superintendent Fringe Benefit (Includes State paid insurance)		33,238
Assistant Regional Superintendent Salary		103,188
Assistant Regional Superintendent Fringe Benefit(Includes State paid insurance)		1,496
Total	\$	252,570

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education (ISBE). These amounts have been recorded in the accompanying financial statements as State revenue and expenditures.

The Regional Office of Education #20 also recorded \$248,451 and \$22,512 in revenue and expenses as on-behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense and the State's Teacher's Health Insurance Security Fund (THIS) OPEB expense in the Statement of Activities, respectively. In addition, the Regional Office of Education #20 has not included any on behalf payments related to the State's TRS pension expense and THIS OPEB expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on behalf payments	\$	252,570
ROE #20's share of TRS pension expense		248,451
ROE #20's share of THIS OPEB expense		22,512
Total	\$	523,533

11 DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #20's General Fund, Education Fund, Proprietary Fund, and Agency Fund have balances due from/to various other governmental units which consist of the following:

Due from Other Governments

General Fund

Local Government Agencies	\$	14,058
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Education Fund

Illinois State Board of Education	52,400
Other Regional Offices of Education	3,086

Proprietary Fund

Illinois State Board of Education	68,204
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EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

11 DUE TO/FROM OTHER GOVERNMENTS (Continued)

Agency Fund

Illinois State Board of Education	\$ 135,683
	\$ 273,431

Due to Other Governments

Agency Fund

School Districts	\$ 348,189
Ohio and Wabash Valley Regional Vocational System	135,683
	\$ 483,872

12 TEACHER'S HEALTH INSURANCE SECURITY FUND

THIS PLAN DESCRIPTION

The Regional Office of Education #20 participates in the Teachers' Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers' Retirement System (TRS).

BENEFITS PROVIDED

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

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

12 TEACHER'S HEALTH INSURANCE SECURITY FUND (Continued)

ON-BEHALF CONTRIBUTION TO THE THIS FUND

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #20. For the year ended June 30, 2020, State of Illinois contributions recognized by the Regional Office of Education #20 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education #20, and recognized revenue and expenditures of \$22,512 in OPEB contributions from the State of Illinois.

EMPLOYER CONTRIBUTIONS TO THIS FUND

The Regional Office of Education #20 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 2018, respectively. For the year ended June 30, 2020, the Regional Office of Education #20 paid \$3,385 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2019 and 2018, the Regional Office of Education #20 paid \$3,099 and \$3,651 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 valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation:	2.50 percent
Salary increase:	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return:	0%, net of OPEB plan investment expense, including inflation
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.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

12 TEACHER'S HEALTH INSURANCE SECURITY FUND (Continued)

ACTUARIAL ASSUMPTIONS (Continued)

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

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

SINGLE DISCOUNT RATE

Projected benefit payments 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 #20'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:

	1% Decrease 2.13%	Current Discount Rate 3.13%	1% Increase 4.13%
Employer's proportionate share of the collective net OPEB liability	\$ 418,309	\$ 347,807	\$ 292,302

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

12 TEACHER'S HEALTH INSURANCE SECURITY FUND (Continued)

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

	1% Decrease ^a	Healthcare Cost Trend Rates	1% Increase ^b
Employer's proportionate share of the collective net OPEB liability	\$ 281,079	\$ 347,807	\$ 438,163

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

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

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

At June 30, 2020, the Regional Office of Education #20 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 #20. The amount recognized by the Regional Office of Education #20 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 #20 were as follows:

Employers proportionate share of the collective net OPEB liability	\$ 347,807
State's proportionate share of the collective net OPEB liability associated with the employer	561,054
Total	\$ 908,861

The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2018, and was rolled forward to the June 30, 2019 measurement date. The Regional Office of Education #20's proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education #20's long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education #20, actuarially determined. At June 30, 2019, the Regional Office of Education #20's proportion was 0.001257 percent, which was an decrease of 0.000493 percent from its proportion measured as of June 30, 2018 of 0.001750 percent. The State's support and total are for disclosure purposes only.

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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

12 TEACHER'S HEALTH INSURANCE SECURITY FUND (Continued)

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

For the year ending June 30, 2020, the Regional Office of Education #20 recognized OPEB expense of \$22,512 and revenue of \$22,512 for support provided by the State. For the year ending June 30, 2020, the Regional Office of Education #20 recognized OPEB expense of \$15,150. At June 30, 2020, the Regional Office of Education #20 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,772
Net difference between projected and actual investment earnings on OPEB plan investments	-	11
Changes of assumptions	132	39,870
Changes in proportion and differences between employer contributions and proportionate share of contributions	89,346	131,509
Employer contributions subsequent to the measurement date	3,385	-
Total deferred amounts related to OPEB	\$ 92,863	\$ 177,162

\$3,385 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education #20 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 #20's OPEB expense as follows:

Year ending June 30,	Net Deferred Outflows of Resources
2021	\$ (17,660)
2022	(17,660)
2023	(17,658)
2024	(17,655)
2025	(11,997)
Thereafter	(5,054)
	\$ (87,684)

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.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

13 OTHER POST EMPLOYMENT BENEFITS

PLAN DESCRIPTION

In addition to providing the pension and OPEB benefits described, the Regional Office of Education #20 also provides postemployment healthcare benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Regional Office of Education #20 and can be amended by the Regional Office of Education #20 through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes (ILCS). The plan is not accounted for as a trust fund since an irrevocable trust has not been established by the Regional Office of Education #20. The plan does not issue a separate report.

BENEFITS PROVIDED

The Regional Office of Education #20 provides continued medical and prescription drug insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement in accordance with the requirements established by the Illinois Municipal Retirement Fund. Employees hired prior to January 1, 2011, Tier I employees, are eligible for retirement at age 55 with 35 years of service or age 60 with 8 years of service, and are eligible for early retirement at age 55 with 8 years of service. Employees hired after December 31, 2010, Tier 2 employees, are eligible for retirement at age 62 with 35 years of service or age 67 with 10 years of service, and are eligible for early retirement at age 62 with 10 years of service. Participants in the plan, including spouses and surviving spouses, are eligible to remain on the plan until age 65 when Medicare becomes the primary insurer.

EMPLOYEES COVERED BY BENEFIT TERMS

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

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

TOTAL OPEB LIABILITY

The Regional Office of Education #20's total OPEB liability of \$57,245 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

13 OTHER POST EMPLOYMENT BENEFITS (Continued)

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation:	2.5 percent
Payroll growth:	3.25 percent wage inflation plus increases depending on age and service ranging from 0.14 percent to 7.10 percent
Discount rate:	3.51 percent
Healthcare cost trend rates:	8.0 percent for the fiscal year ended June 30, 2020, and decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for the fiscal year ending June 30, 2027

Retirees' share of benefit-related costs: Retirees contributions are assumed to increase according to health care trend rates.

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/ Aa or higher.

Mortality rates have been updated from RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 to SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 for surviving spouses. The impact of this change is a slight increase in liabilities.

The payroll growth assumptions are based on the Illinois Municipal Retirement Fund's (IMRF) GASB actuarial assumptions.

The initial healthcare cost trend rate was based on a combination of employer history, national trend surveys, and professional judgment. The ultimate healthcare cost trend rate was based on historical medical consumer price index information.

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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

13 OTHER POST EMPLOYMENT BENEFITS (Continued)

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at June 30, 2019	\$ 66,543
Changes for the year:	
Service cost	3,177
Interest	2,698
Changes of benefit terms	-
Changes of assumptions	(378)
Differences between expected and actual experience of the total OPEB liability	(14,795)
Benefit payments	-
Net changes	(9,298)
Balances at June 30, 2020	\$ 57,245

Changes in assumptions include the following:

The actuarial cost method has been updated from Projected Unit Credit with linear proration to decrement to Entry Age Normal Level % of Salary. As a part of this change, the payroll growth rate assumption has been updated based on the most recent IMRF GASB report.

The discount rate as of the Measurement Date has been updated from 3.87 percent as of the beginning of the year and 3.51 percent as of the end of the year based on the yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds.

Mortality rates have been updated from RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 to SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 for surviving spouses.

The termination rates have been updated based on the same assumptions first used in the IMRF GASB report as of December 31, 2018.

The health care trend rates have been reset to an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5%.

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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

13 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

The following presents the total OPEB liability of the Regional Office of Education #20, as well as that the Regional Office of Education #20's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.51 percent) or 1-percentage point higher (4.51 percent) than the current discount rate.

	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
Total OPEB liability	\$ 62,446	\$ 57,245	\$ 52,505

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

The following presents The Regional Office of Education #20's total OPEB liability as of June 30, 2020, using the healthcare trend rates assumed and what the Regional Office of Education #20's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate. The current healthcare trend rate starts at an initial rate of 8.000% decreasing to an ultimate rate of 4.50%. The 1% decrease in healthcare trend rates would assume an initial rate of 7.00%, decreasing to an ultimate rate of 3.50%. The 1% increase in healthcare trend rates would assume an initial rate of 9.00%, decreasing to an ultimate rate of 5.50%.

	1% Decrease (7.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (8.0% decreasing to 4.5%)	1% Increase (9.0% decreasing to 5.5%)
Total OPEB liability	\$ 51,230	\$ 57,245	\$ 64,459

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

For the year ended June 30, 2020, the Regional Office of Education #20 recognized OPEB expense of \$(9,298). Under the Alternative Measurement Method, all deferred outflows of resources and deferred inflows of resources are fully recognized immediately. At June 30, 2020, the Regional Office of Education #20 did not have deferred outflows or deferred inflows of resources related to OPEB.

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REGIONAL OFFICE OF EDUCATION #20

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2020

14 DEFICIT FUND BALANCES

The following funds are presenting a deficit fund balance.

Funds with Deficit Fund Balances	Deficit Balance
Truants Alternative/Optional Educaton	\$ 15,285
General Education Development	12,695
	\$ 27,980

15 LONG-TERM LIABILITIES

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

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Amount Due Within One Year
Governmental Activities:					
OPEB liabilities	\$ 527,595	\$ -	\$ 122,543	\$ 405,052	\$ -
Net pension liability	744,024		286,381	457,643	-
Liability for compensated absences	26,476	46,281	61,258	11,499	-
	\$ 1,298,095	\$ 46,281	\$ 470,182	\$ 874,194	\$ -
	\$ 1,298,095	\$ 46,281	\$ 470,182	\$ 874,194	\$ -

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
 SALINE, WABASH, WAYNE, AND WHITE COUNTIES
 REGIONAL OFFICE OF EDUCATION #20

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

	2019*	2018*	2017*	2016*	2015*	2014*
Employer's proportion of the net pension liability	0.0000396421%	0.0000578998%	0.0000476138%	0.0000456539%	0.0000389162%	0.0000414238%
Employer's proportionate share of the net pension liability	\$ 32,153	\$ 45,130	\$ 36,376	\$ 36,038	\$ 25,494	\$ 25,210
State's proportionate share of the net pension liability associated with the employer	2,288,292	3,091,586	2,504,201	2,419,612	1,522,326	1,572,108
Total	<u>\$ 2,320,445</u>	<u>\$ 3,136,716</u>	<u>\$ 2,540,577</u>	<u>\$ 2,455,650</u>	<u>\$ 1,547,820</u>	<u>\$ 1,597,318</u>
Employer's covered payroll	\$ 336,853	\$ 414,836	\$ 338,219	\$ 300,125	\$ 255,371	\$ 216,798
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	9.5%	10.9%	10.8%	12.0%	10.0%	11.6%
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.

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

See Accompanying Independent Auditors' Report

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
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SCHEDULE OF EMPLOYER CONTRIBUTIONS
Teacher's Retirement System of the State of Illinois
For the Year Ended June 30,

	2020	2019	2018	2017	2016	2015	2014
Statutorily-required contribution	\$ 2,133	\$ 1,944	\$ 2,406	\$ 1,961	\$ 1,741	\$ 1,481	\$ 1,257
Contributions in relation to the statutorily- required contribution	<u>2,133</u>	<u>1,944</u>	<u>2,406</u>	<u>1,961</u>	<u>1,741</u>	<u>1,442</u>	<u>1,361</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ (104)</u>				
Employer's covered payroll	\$ 367,905	\$ 336,853	\$ 414,836	\$ 338,219	\$ 300,125	\$ 255,371	\$ 216,798
Contributions as a percentage of covered payroll	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%

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

Notes to Required Supplementary Information

Changes of assumptions

For the 2019, 2018, 2017, and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit but the rates of increase in the 2018 measurement year were slightly higher.

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

See accompanying Independent Auditors' Report.

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SCHEDULE OF EMPLOYER CONTRIBUTIONS
Illinois Municipal Retirement Fund

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2020	\$ 108,188	\$ 108,188	\$ -	\$ 838,921	12.90%
2019	112,010	112,010	-	831,041	13.48%
2018	107,523	107,523	-	785,820	13.68%
2017	100,967	100,967	-	819,627	12.32%
2016	103,004	103,004	-	807,929	12.75%
2015	101,440	107,364	(5,924)	773,874	13.87%

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

Methods and Assumptions Used to Determine 2019 Contribution Rates:

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

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

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

Calendar Year Ended December 31,	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 92,229	\$ 79,316	\$ 85,928	\$ 85,404	\$ 81,936	\$ 86,511
Interest on the Total Pension Liability	398,799	353,270	347,319	309,454	292,151	269,254
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	137,434	59,647	(8,223)	283,814	9,625	(9,363)
Changes of Assumptions	-	161,029	(148,434)	-	-	107,697
Benefit Payments, including Refunds of Employee Contributions	(205,617)	(202,510)	(185,346)	(180,894)	(148,832)	(150,380)
Net Change in Total Pension Liability	422,845	450,752	91,244	497,778	234,880	303,719
Total Pension Liability - Beginning	5,198,351	4,747,599	4,656,355	4,158,577	3,923,697	3,619,978
Total Pension Liability - Ending (A)	<u>\$ 5,621,196</u>	<u>\$ 5,198,351</u>	<u>\$ 4,747,599</u>	<u>\$ 4,656,355</u>	<u>\$ 4,158,577</u>	<u>\$ 3,923,697</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 94,810	\$ 126,296	\$ 94,780	\$ 104,083	\$ 100,242	\$ 111,102
Contributions - Employees	36,971	54,173	51,327	53,938	49,922	44,816
Net Investment Income	808,834	(151,635)	643,841	306,581	(6,347)	212,491
Benefit Payments, including Refunds of Employee Contributions	(205,617)	(202,510)	(185,346)	(180,894)	(148,832)	(150,380)
Other (Net Transfer)	(38,749)	(2,757)	(3,467)	(4,190)	893	(2,806)
Net Change in Plan Fiduciary Net Position	696,249	(176,433)	601,135	279,518	(4,122)	215,223
Plan Fiduciary Net Position - Beginning	4,499,457	4,675,890	4,074,755	3,795,237	3,799,359	3,584,136
Plan Fiduciary Net Position - Ending (B)	<u>\$ 5,195,706</u>	<u>\$ 4,499,457</u>	<u>\$ 4,675,890</u>	<u>\$ 4,074,755</u>	<u>\$ 3,795,237</u>	<u>\$ 3,799,359</u>
 Net Pension Liability - Ending (A) - (B)	 \$ 425,490	 \$ 698,894	 \$ 71,709	 \$ 581,600	 \$ 363,340	 \$ 124,338
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 92.43%	 86.56%	 98.49%	 87.51%	 91.26%	 96.83%
 Covered Payroll	 \$ 821,574	 \$ 823,310	 \$ 791,820	 \$ 822,139	 \$ 780,450	 \$ 747,000
 Net Pension Liability as a Percentage of Covered Payroll	 51.79%	 84.89%	 9.06%	 70.74%	 46.56%	 16.64%

Notes to Schedule:

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

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Teacher's Health Insurance Security Fund

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 3,385	\$ 3,099	\$ 3,651	\$ 2,841	\$ 2,401
Contributions in relation to the statutorily required contribution	<u>3,385</u>	<u>3,099</u>	<u>3,651</u>	<u>2,841</u>	<u>2,401</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Employer's covered payroll	\$ 367,905	\$ 336,853	\$ 414,836	\$ 338,219	\$ 300,125
Contributions as a percentage of covered payroll	0.92%	0.92%	0.88%	0.84%	0.80%

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

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

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

	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>
Employer's proportion of the collective net OPEB liability	0.001257%	0.001750%	0.001470%	0.001289%
Employer's proportionate share of the collective net OPEB liability	\$ 347,807	\$ 461,052	\$ 381,543	\$ 352,230
State's proportionate share of the collective net OPEB liability associated with the employer	<u>561,054</u>	<u>619,146</u>	<u>501,019</u>	<u>453,040</u>
Total	<u>\$ 908,861</u>	<u>\$ 1,080,198</u>	<u>\$ 882,562</u>	<u>\$ 805,270</u>
Employer's covered payroll	\$ 336,853	\$ 414,836	\$ 338,219	\$ 300,125
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	103.25%	111.14%	112.81%	117.36%
Plan fiduciary net position as a percentage of the total OPEB liability	0.25%	-0.07%	-0.17%	-0.22%

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

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

See Accompanying Independent Auditors' Report

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

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

1 CHANGES OF BENEFIT TERMS

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

2 CHANGES OF ASSUMPTIONS

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

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

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

SCHEDULE OF CHANGES IN THE REGIONAL OFFICE OF EDUCATION'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
Regional Office of Education #20 OPEB Plan
For the Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 3,177	\$ 3,544	\$ 2,482
Interest	2,698	2,647	1,085
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(14,795)	(6,685)	46,763
Changes of Assumptions or Other Inputs	(378)	(1,958)	(10,564)
Benefit Payments	-	(3,601)	(3,685)
Net Change in Total Pension Liability	(9,298)	(6,053)	36,081
Total OPEB Liability - Beginning	<u>66,543</u>	<u>72,596</u>	<u>36,515</u>
Total OPEB Liability - Ending	<u>\$ 57,245</u>	<u>\$ 66,543</u>	<u>\$ 72,596</u>
Covered Payroll	\$ 847,445	\$ 847,063	\$ 818,418
Total OPEB Liability as a Percentage of Covered Payroll	6.76%	7.86%	8.87%

Notes to Schedule:

FY 2020 covered payroll is based on FY 2019 covered payroll increased by the general wages inflation rate of 3.25%.

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

See accompanying Independent Auditors' Report.

SUPPLEMENTAL INFORMATION

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

June 30, 2020

	General Budget	Truants Alternative General State Aid	Safe Schools State Aid	CARES COVID-19	Total
Assets					
Cash and cash equivalents	\$ 148,600	\$ 220,224	\$ 154,577	\$ -	\$ 523,401
Due from other funds	53,531	-	-	-	53,531
Due from other governments	14,058	-	-	-	14,058
	<u>\$ 216,189</u>	<u>\$ 220,224</u>	<u>\$ 154,577</u>	<u>\$ -</u>	<u>\$ 590,990</u>
Liabilities					
Salary and benefits payable	\$ -	\$ 2,981	\$ 8,361	\$ -	\$ 11,342
Accounts payable	4,603	-	-	-	4,603
	<u>4,603</u>	<u>2,981</u>	<u>8,361</u>	<u>-</u>	<u>15,945</u>
Fund balance					
Assigned	-	217,243	146,216	-	363,459
Unassigned	211,586	-	-	-	211,586
	<u>211,586</u>	<u>217,243</u>	<u>146,216</u>	<u>-</u>	<u>575,045</u>
	<u>\$ 216,189</u>	<u>\$ 220,224</u>	<u>\$ 154,577</u>	<u>\$ -</u>	<u>\$ 590,990</u>

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See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

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

For the Year Ended June 30, 2020

	General Budget	Truants Alternative General State Aid	Safe Schools State Aid	CARES COVID-19	Total
Revenues					
Local sources	\$ 223,200	\$ -	\$ -	\$ -	\$ 223,200
State sources	-	233,432	153,204	1,219	387,855
On-behalf payments - State	252,570	-	-	-	252,570
Interest	391	-	-	-	391
Total revenues	476,161	233,432	153,204	1,219	864,016
Expenditures					
Salaries and benefits	66,247	159,802	124,077	-	350,126
Purchased services	53,765	28,977	20,389	-	103,131
Supplies and materials	2,867	15,254	5,107	1,219	24,447
Other objects	2,411	-	-	-	2,411
Pension expense	10,135	3,888	1,050	-	15,073
OPEB expense	-	447	587	-	1,034
On-behalf payments - State	252,570	-	-	-	252,570
Capital outlay	-	1,624	1,623	-	3,247
Total expenditures	387,995	209,992	152,833	1,219	752,039
Excess of revenues over expenditures	88,166	23,440	371	-	111,977
Fund balance - beginning	123,420	193,803	145,845	-	463,068
Fund balance - ending	<u>\$ 211,586</u>	<u>\$ 217,243</u>	<u>\$ 146,216</u>	<u>\$ -</u>	<u>\$ 575,045</u>

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

June 30, 2020

	ROE/ISC General Operations	Federal Special Education - Pre-School Discretionary	Truants Alternative/ Optional Education	Regional Safe Schools	Pilot Regional Safe School Cooperative Education Program
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 299	\$ 734	\$ 7,266
Due from other governments	-	-	45,855	4,764	1,781
Total assets	\$ -	\$ -	\$ 46,154	\$ 5,498	\$ 9,047
Liabilities					
Salary and benefits payable	\$ -	\$ -	\$ 19,451	\$ 5,491	\$ 2,410
Due to other funds	-	-	26,703	-	-
Unearned revenue	-	-	-	7	6,637
Total liabilities	-	-	46,154	5,498	9,047
Deferred inflows of resources					
Unavailable revenue	-	-	15,285	-	-
Fund balance					
Restricted	-	-	-	-	-
Unassigned	-	-	(15,285)	-	-
Total fund balance	-	-	(15,285)	-	-
Total liabilities, deferred inflows, and fund balance	\$ -	\$ -	\$ 46,154	\$ 5,498	\$ 9,047

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND (Continued)

June 30, 2020

	Title II - Teacher Quality - Leadership Grant	Rural Education Achievement Program	McKinney-Vento Education for Homeless Children and Youth	National and State School Breakfast and Lunch	Total
Assets					
Cash and cash equivalents	\$ -	-	\$ 11,047	\$ 18,015	\$ 37,361
Due from other governments	-	-	3,086		55,486
Total assets	\$ -	\$ -	\$ 14,133	\$ 18,015	\$ 92,847
Liabilities					
Salary and benefits payable	\$ -	\$ -	-	-	\$ 27,352
Due to other funds	-	-	14,133	-	40,836
Unearned revenue	-	-	-	-	6,644
Total liabilities	-	-	14,133	-	74,832
Deferred inflows of resources					
Unavailable revenue	-	-	-	2,618	17,903
Fund balance					
Restricted	-	-	-	15,397	15,397
Unassigned	-	-	-	-	(15,285)
Total fund balance	-	-	-	15,397	112
Total liabilities, deferred inflows, and fund balance	\$ -	\$ -	\$ 14,133	\$ 18,015	\$ 92,847

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See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

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

For the Year Ended June 30, 2020

	ROE/ISC General Operations	Federal Special Education - Pre-School Discretionary	Truants Alternative/ Optional Education	Regional Safe Schools	Pilot Regional Safe School Cooperative Education Program
Revenues					
State sources	\$ 114,834	\$ -	\$ 235,999	\$ 70,690	\$ 32,096
Federal sources	-	300,000	-	-	-
Total revenues	<u>114,834</u>	<u>300,000</u>	<u>235,999</u>	<u>70,690</u>	<u>32,096</u>
Expenditures					
Salaries and benefits	55,595	96,746	244,326	65,058	28,914
Purchased services	52,113	188,370	1,345	93	2,998
Supplies and materials	1,217	4,169	-	-	184
Pension expense	5,909	10,715	3,954	1,111	-
OPEB expense	-	-	1,659	435	-
Total expenditures	<u>114,834</u>	<u>300,000</u>	<u>251,284</u>	<u>66,697</u>	<u>32,096</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(15,285)</u>	<u>3,993</u>	<u>-</u>
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,993)</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,285)</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

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

For the Year Ended June 30, 2020

	Title II - Teacher Quality - Leadership Grant	Rural Education Achievement Program	McKinney-Vento Education for Homeless Children and Youth	National and State School Breakfast and Lunch	Total
Revenues					
State sources	\$ -	\$ -	\$ -	\$ 323	\$ 453,942
Federal sources	1,197	18,904	58,489	16,917	395,507
Total revenues	1,197	18,904	58,489	17,240	849,449
Expenditures					
Salaries and benefits	-	17,303	15,955	-	523,897
Purchased services	1,197	62	3,524	17,181	266,883
Supplies and materials	-	-	37,101	1,241	43,912
Pension expense	-	1,539	1,909	-	25,137
OPEB expense	-	-	-	-	2,094
Total expenditures	1,197	18,904	58,489	18,422	861,923
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(1,182)	(12,474)
Fund balance - beginning	-	-	-	16,579	12,586
Fund balance - ending	\$ -	\$ -	\$ -	\$ 15,397	\$ 112

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
 SALINE, WABASH, WAYNE, AND WHITE COUNTIES
 REGIONAL OFFICE OF EDUCATION #20

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 ROE/ISC GENERAL OPERATIONS

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
State sources	\$ 114,834	\$ 114,834	\$ 114,834
Total revenue	<u>114,834</u>	<u>114,834</u>	<u>114,834</u>
Expenditures			
Salaries and benefits	61,389	61,389	55,595
Purchased services	51,851	51,851	52,113
Supplies and materials	1,594	1,594	1,217
Pension expense	-	-	5,909
Total expenditures	<u>114,834</u>	<u>114,834</u>	<u>114,834</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning			<u>-</u>
Fund balance - ending			<u>\$ -</u>

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
FEDERAL SPECIAL EDUCATION – PRE-SCHOOL DISCRETIONARY

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Federal sources	\$ 250,000	\$ 300,000	\$ 300,000
Total revenue	<u>250,000</u>	<u>300,000</u>	<u>300,000</u>
Expenditures			
Salaries and benefits	114,183	115,538	96,746
Purchased services	132,235	180,510	188,370
Supplies and materials	3,582	3,952	4,169
Pension expense	-	-	10,715
Total expenditures	<u>250,000</u>	<u>300,000</u>	<u>300,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning			-
Fund balance - ending			<u>\$ -</u>

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
 SALINE, WABASH, WAYNE, AND WHITE COUNTIES
 REGIONAL OFFICE OF EDUCATION #20

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TRUANTS ALTERNATIVE/OPTIONAL EDUCATION

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
State sources	\$ 251,284	\$ 251,284	\$ 235,999
Total revenue	<u>251,284</u>	<u>251,284</u>	<u>235,999</u>
Expenditures			
Salaries and benefits	246,799	246,799	244,326
Purchased services	4,485	4,485	1,345
Pension expense	-	-	3,954
OPEB expense	-	-	1,659
Total expenditures	<u>251,284</u>	<u>251,284</u>	<u>251,284</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(15,285)
Fund balance - beginning			<u>-</u>
Fund balance - ending			<u>\$ (15,285)</u>

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
 SALINE, WABASH, WAYNE, AND WHITE COUNTIES
 REGIONAL OFFICE OF EDUCATION #20

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 REGIONAL SAFE SCHOOLS

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
State sources	\$ 66,764	\$ 66,764	\$ 70,690
Total revenue	<u>66,764</u>	<u>66,764</u>	<u>70,690</u>
Expenditures			
Salaries and benefits	66,585	66,585	65,058
Purchased services	179	179	93
Pension expense	-	-	1,111
OPEB expense	-	-	435
Total expenditures	<u>66,764</u>	<u>66,764</u>	<u>66,697</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	3,993
Fund balance - beginning			<u>(3,993)</u>
Fund balance - ending			<u>\$ -</u>

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
State sources	\$ 38,733	\$ 38,733	\$ 32,096
Total revenue	<u>38,733</u>	<u>38,733</u>	<u>32,096</u>
Expenditures			
Salaries and benefits	28,755	28,915	28,914
Purchased services	8,387	5,247	2,998
Supplies and materials	1,591	4,571	184
Total expenditures	<u>38,733</u>	<u>38,733</u>	<u>32,096</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning			<u>-</u>
Fund balance - ending			<u>\$ -</u>

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
 SALINE, WABASH, WAYNE, AND WHITE COUNTIES
 REGIONAL OFFICE OF EDUCATION #20

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Federal sources	\$ 1,197	\$ 1,197	\$ 1,197
Total revenue	<u>1,197</u>	<u>1,197</u>	<u>1,197</u>
Expenditures			
Purchased services	<u>1,197</u>	<u>1,197</u>	<u>1,197</u>
Total expenditures	<u>1,197</u>	<u>1,197</u>	<u>1,197</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning			<u>-</u>
Fund balance - ending			<u>\$ -</u>

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenue			
Federal Sources	\$ 67,152	\$ 67,152	\$ 58,489
Total revenue	<u>67,152</u>	<u>67,152</u>	<u>58,489</u>
Expenditures			
Salaries and benefits	18,066	19,566	15,955
Purchased services	5,800	4,300	3,524
Supplies and materials	43,286	43,286	37,101
Pension expense	-	-	1,909
Total expenditures	<u>67,152</u>	<u>67,152</u>	<u>58,489</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance - beginning			-
Fund balance - ending			<u>\$ -</u>

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2020

	<u>General Education Development</u>	<u>Bus Driver/ Transportation</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ -	\$ 17,802	\$ 17,802
Total assets	<u>\$ -</u>	<u>\$ 17,802</u>	<u>\$ 17,802</u>
Liabilities			
Due to other funds	\$ 12,695	\$ -	\$ 12,695
Total liabilities	<u>12,695</u>	<u>-</u>	<u>12,695</u>
Fund balance			
Restricted	-	17,802	17,802
Unassigned	<u>(12,695)</u>	<u>-</u>	<u>(12,695)</u>
Total fund balance	<u>(12,695)</u>	<u>17,802</u>	<u>5,107</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 17,802</u>	<u>\$ 17,802</u>

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

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

For the Year Ended June 30, 2020

	General Education Development	Bus Driver/ Transportation	Total
Revenues			
Local sources	\$ 1,880	\$ 2,819	\$ 4,699
State sources	-	1,361	1,361
	1,880	4,180	6,060
Expenditures			
Salaries and benefits	-	1,830	1,830
Purchased services	423	1,373	1,796
Supplies and materials	20	-	20
	443	3,203	3,646
Excess of revenues over expenditures	1,437	977	2,414
Net change in fund balance	1,437	977	2,414
Fund balance - beginning	(14,132)	16,825	2,693
Fund balance - ending	\$ (12,695)	\$ 17,802	\$ 5,107

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL AGENCY FUNDS

June 30, 2020

	School Facility Occupation Tax	Ohio and Wabash Valley Regional Vocational System	Total
Assets			
Cash and cash equivalents	\$ 348,189	\$ -	\$ 348,189
Due from other governments	-	135,683	135,683
Total assets	\$ 348,189	\$ 135,683	\$ 483,872
Liabilities			
Due to other governments	\$ 348,189	\$ 135,683	\$ 483,872
Total liabilities	\$ 348,189	\$ 135,683	\$ 483,872

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended June 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>SCHOOL FACILITY OCCUPATION TAX</u>				
Assets				
Cash and cash equivalents	\$ 401,932	\$ 4,630,958	\$ 4,684,701	\$ 348,189
Total assets	<u>\$ 401,932</u>	<u>\$ 4,630,958</u>	<u>\$ 4,684,701</u>	<u>\$ 348,189</u>
Liabilities				
Due to other governments	\$ 401,932	\$ 4,630,958	\$ 4,684,701	\$ 348,189
Total liabilities	<u>\$ 401,932</u>	<u>\$ 4,630,958</u>	<u>\$ 4,684,701</u>	<u>\$ 348,189</u>
 <u>OHIO AND WABASH VALLEY REGIONAL VOCATIONAL SYSTEM</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 590,595	\$ 590,595	\$ -
Due from other governments	97,801	135,683	97,801	135,683
Total assets	<u>\$ 97,801</u>	<u>\$ 726,278</u>	<u>\$ 688,396</u>	<u>\$ 135,683</u>
Liabilities				
Due to other governments	\$ 97,801	\$ 726,278	\$ 688,396	\$ 135,683
Total liabilities	<u>\$ 97,801</u>	<u>\$ 726,278</u>	<u>\$ 688,396</u>	<u>\$ 135,683</u>
 <u>TOTAL - ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ 401,932	\$ 5,221,553	\$ 5,275,296	\$ 348,189
Due from other governments	97,801	135,683	97,801	135,683
Total assets	<u>\$ 499,733</u>	<u>\$ 5,357,236</u>	<u>\$ 5,373,097</u>	<u>\$ 483,872</u>
Liabilities				
Due to other governments	\$ 499,733	\$ 5,357,236	\$ 5,373,097	\$ 483,872
Total liabilities	<u>\$ 499,733</u>	<u>\$ 5,357,236</u>	<u>\$ 5,373,097</u>	<u>\$ 483,872</u>

See accompanying Independent Auditors' Report.

EDWARDS, GALLATIN, HAMILTON, HARDIN, POPE,
SALINE, WABASH, WAYNE, AND WHITE COUNTIES
REGIONAL OFFICE OF EDUCATION #20

SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
SCHOOL FACILITY OCCUPATION TAX

For the Year Ended June 30, 2020

District	School Facility Occupation Tax
Edwards County	
Edwards County Community School District #1	\$ 311,475
Grayville Community Unit School District #1	44,312
Total Edwards County	355,787
Hamilton County	
Akin Community Consolidated School District #91	389
Eldorado Community Unit School District #4	11,921
Galatia Community Unit School District #1	1,166
Hamilton Co. Community Unit School District #10	314,079
Norris City-Omaha-Enfield Community Unit School District #3	2,721
Thompsonville Community Unit School District #174	3,499
Wayne City Community Unit School District #100	1,814
Total Hamilton County	335,589
Hardin County	
Hardin County Community Unit School District #1	97,704
Total Hardin County	97,704
Saline County	
Carrier Mills Stonefort Community Unit School District #2	221,858
Eldorado Community Unit School District #4	562,621
Galatia Community Unit School District #1	224,739
Gallatin County Community Unit School District #7	3,650
NCOE	778
Harrisburg Community Unit School District #3	1,016,302
Total Saline County	2,029,948
White County	
Carmi-White Co. Community Unit School District #5	662,918
Edwards County	2,115
Eldorado Community Unit School District #4	2,106
Fairfield Community High School District #225	8,511
Grayville Community Unit School District #1	81,313
New Hope Community Consolidated School District #6	300,094
Norris City-Omaha-Enfield Community Unit School District #3	16,198
Total White County	1,073,255
Wabash County	
Allendale Community Consolidated School District #17	71,034
Edwards County	480
Hardin County Community Unit School District #1	720,904
Total Wabash County	792,418
	\$ 4,684,701

See accompanying Independent Auditors' Report.