



**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES**

FINANCIAL AUDIT

For the Year Ended June 30, 2020

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



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**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES**

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REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES**

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**STATE OF ILLINOIS
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**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES**

OFFICIALS

Regional Superintendent
(Current and during audit period)

Lorie LeQuatte

Assistant Regional Superintendent
(Current and during audit period)

Mandy Horn

Offices are located at:

Franklin County Office
901 Public Square
Benton, IL 62812

407 North Monroe Street, Suite 300
Marion, IL 62959

P.O. Box 96, 111 S. 5th Street
Vienna, IL 62995

Project ECHO Alternative Program
PO Box 238, 17428 Route 37
Johnston City, IL 62951

S.T.A.R. Quest Academy Regional Safe School Program (RSSP) – North
PO Box 303, 17428 Route 37
Johnston City, IL 62951

S.T.A.R. Quest Academy RSSP – South
1102 West 10th Street
Metropolis, IL 62960

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES**

FINANCIAL REPORT

SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND RESPONSES

FINDINGS (GOVERNMENT AUDITING STANDARDS)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2020-001	11	Controls Over Financial Statement Preparation	Material Weakness
2020-002	13	Inadequate Internal Control Procedures	Material Weakness

PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2019-001	15	Delay of audit	Noncompliance

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES**

FINANCIAL REPORT (Continued)

SUMMARY (Continued)

EXIT CONFERENCE

The Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21 did not request an exit conference.

Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21's responses to the recommendations and corrective action plan were provided by Lorie LeQuatte, Regional Superintendent, in an email dated February 3, 2021.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES**

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21 was performed by Sikich LLP.

Based on their audit, the auditors expressed an unmodified opinion on the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21's basic financial statements.

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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 Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund Schedule of Changes in the Net Pension Liability and Related Ratios, Illinois Municipal Retirement Fund Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois Schedule of the Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of the State of Illinois Schedule of Employer Contributions, Teachers' Health Insurance Security Fund Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability, Teachers' Health Insurance Security Fund Schedule of Employer Contributions, and Post Employment Benefits other than Pensions Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios on pages 71-77, 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 the 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.

The Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21 has not presented a management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential party of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21's basic financial statements. The combining schedules of accounts, budgetary comparison schedules, and combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 3, 2021 on our consideration of the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Springfield, Illinois
March 3, 2021

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Springfield, IL 62704
217.793.3363

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**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 the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21's basic financial statements and have issued our report thereon dated March 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21's internal control. Accordingly, we do not express an opinion on the effectiveness of the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21'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 instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Regional Office of Education #21's Responses to Findings

The Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21's responses to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. Regional Office of Education #21's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21'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 Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Springfield, Illinois
March 3, 2021

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
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:	<i>unmodified</i>	
Internal control over financial reporting:		
Material weakness(es) identified?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none noted
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2020

FINDING NO. 2020-001 – Controls Over Financial Statement Preparation (Partially Repeated From Finding 19-002, 18-001 and 17-001)

CRITERIA/SPECIFIC REQUIREMENT:

The Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21 (Regional Office) is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

CONDITION:

The Regional Office does not have sufficient internal controls over the financial reporting disclosure process. The Regional Office maintains their accounting records on the cash basis of accounting during the fiscal year and posts year end accrual entries for audit purposes. While the Regional Office maintains controls over the processing of most accounting transactions, including providing information for several reconciling items between the governmental fund financial statements and the statement of net position and statement of activities, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the financial information prepared by the Regional Office, it was noted that the Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable and unavailable revenue. While the Regional Office did maintain records to indicate the balances of accounts receivable and unavailable revenue, a misstatement was noted during the audit process that required a material adjustment to the accounts receivable and unavailable revenue within the Education Fund.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2020

FINDING NO. 2020-001 – Controls Over Financial Statement Preparation (Partially Repeated From Finding 19-002, 18-001 and 17-001) (Continued)

EFFECT:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

CAUSE:

Regional Office Management indicated the accounting staff is still in the process of obtaining training over applicable GAAP and GASB pronouncements, specifically the new GASB Statements requiring extensive disclosures and additional reporting requirements.

RECOMMENDATION:

As part of its internal control over the preparation of financial statements, including disclosures, the Regional Office should continue to implement comprehensive preparation and/or review procedures to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by an individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office's activities and operations.

MANAGEMENT'S RESPONSE:

The Regional Office will continue to secure services of an accounting firm to assist with the preparation of the financial statements as well as implement additional review of the accounts receivable and unavailable revenue preparations.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2020**

FINDING NO. 2020-002 – Inadequate Internal Control Procedures

CRITERIA/SPECIFIC REQUIREMENT:

The Franklin-Johnson-Massac-Williamson Counties Regional Office of Education #21 (Regional Office) is required to establish and maintain a system of internal controls over disbursements and reporting to prevent errors and fraud. This includes maintaining a review and approval process over all disbursements issued during the fiscal year.

CONDITION:

The Regional Office does not have sufficient internal controls over its cash disbursement process. Auditors noted the individual that records transactions within the accounting system and prepares bank reconciliations also has the ability to prepare and generate checks with the Regional Superintendent's electronic signature. Checks were written bearing the Regional Superintendent's electronic signature prior to the Regional Superintendent's documented (manual) approval on the payment authorization form required for all invoices. Due to the process in place, two checks were issued and later determined not to be legitimate expenses of the Regional Office.

EFFECT:

While the bank reconciliations are reviewed and approved by the Regional Superintendent, the use of an electronic signature increases the risk that checks could be written that did not go through the Regional Office's disbursement review and approval process. Management or employees in the normal course of performing their assigned functions may not prevent or detect fraudulent activity.

CAUSE:

Regional Office Management indicated that due to the COVID-19 Pandemic, modifications to the internal control process were made for employees unable to work at the Regional Office. The internal control process was modified to include the Regional Superintendent's approval through email correspondence with the formal documentation completed when individuals were onsite. The ability to generate electronic signatures was established with the implementation of a new accounting system.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2020**

RECOMMENDATION:

As part of its internal control over the cash disbursement process, the Regional Office should implement and monitor their internal controls to ensure no one individual has access to all steps of the accounting process. The Regional Office should make sure that all checks have the appropriate documented review and approval before issued.

MANAGEMENT’S RESPONSE:

The Regional Office will review and revise the system of internal controls to include additional separation of duties as well as appropriate crisis operating standards.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2020**

Corrective Action Plan

FINDING NO. 2020-001 – Controls Over Financial Statement Preparation (Partially Repeated From Finding 19-002, 18-001 and 17-001)

CONDITION:

The Regional Office does not have sufficient internal controls over the financial reporting disclosure process. The Regional Office maintains their accounting records on the cash basis of accounting during the fiscal year and posts year end accrual entries for audit purposes. While the Regional Office maintains controls over the processing of accounting transactions, including providing information for several reconciling items between the governmental fund financial statements and the statement of net position and statement of activities, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the financial information prepared by the Regional Office, it was noted that the Regional Office did not have adequate controls over the maintenance of compliance records of accounts receivable and unavailable revenue. While the Regional Office did maintain records to indicate the balances of accounts receivable and unavailable revenue, a misstatement was noted during the audit process that required a material adjustment to the accounts receivable and unavailable revenue within the Education Fund.

PLAN:

The Regional Office will continue to secure services of an accounting firm to assist with the preparation of the financial statements as well as implement additional review of the accounts receivable and unavailable revenue preparation.

ANTICIPATED DATE OF COMPLETION:

June 30, 2021

CONTACT PERSON:

Lorie LeQuatte, Regional Superintendent

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2020**

Corrective Action Plan

FINDING NO. 2020-002 – Inadequate Internal Control Procedures

CONDITION:

The Regional Office does not have sufficient internal controls over its cash disbursement process. Auditors noted the individual that records transactions within the accounting system and prepares bank reconciliations also has the ability to prepare and generate checks with the Regional Superintendent's electronic signature. Checks were written bearing the Regional Superintendent's electronic signature prior to the Regional Superintendent's documented (manual) approval on the payment authorization form required for all invoices. Due to the process in place, two checks were issued and later determined not to be legitimate expenses of the Regional Office.

PLAN:

The Regional Office will review and revise the system of internal controls to include additional separation of duties as well as appropriate crisis operating standards.

ANTICIPATED DATE OF COMPLETION:

June 30, 2021

CONTACT PERSON:

Lorie LeQuatte, Regional Superintendent

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2020**

2019-001	Delay of Audit	Not Repeated
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During the current audit, the draft financial statements were provided to the auditors on August 31, 2020 in accordance with 105 ILCS 5/2-3.17a.

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 906,432	\$ 80,552	\$ 986,984
Accounts receivable	35,186	-	35,186
Due from other governments	178,572	2,200	180,772
Prepaid expenses	5,697	-	5,697
Total current assets	<u>1,125,887</u>	<u>82,752</u>	<u>1,208,639</u>
Noncurrent assets:			
Capital assets, net of depreciation	51,192	-	51,192
Net pension asset	273,606	-	273,606
Total noncurrent assets	<u>324,798</u>	<u>-</u>	<u>324,798</u>
TOTAL ASSETS	<u>1,450,685</u>	<u>82,752</u>	<u>1,533,437</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	397,427	-	397,427
Deferred outflows related to OPEB	36,722	-	36,722
Total deferred outflows of resources	<u>434,149</u>	<u>-</u>	<u>434,149</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,393	-	2,393
Accrued wages and benefits	83,139	-	83,139
Due to other governments	69,087	-	69,087
Capital lease payable, current	4,680	-	4,680
Total current liabilities	<u>159,299</u>	<u>-</u>	<u>159,299</u>
Noncurrent liabilities:			
Capital lease payable, noncurrent	7,408	-	7,408
OPEB liabilities	709,646	-	709,646
Net pension liability	53,064	-	53,064
Total noncurrent liabilities	<u>770,118</u>	<u>-</u>	<u>770,118</u>
TOTAL LIABILITIES	<u>929,417</u>	<u>-</u>	<u>929,417</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,011,794	-	2,011,794
Deferred inflows related to OPEB	456,784	-	456,784
Total deferred inflows of resources	<u>2,468,578</u>	<u>-</u>	<u>2,468,578</u>
NET POSITION			
Net investment in capital assets	39,104	-	39,104
Restricted for educational purposes	424,747	-	424,747
Unrestricted	<u>(1,977,012)</u>	<u>82,752</u>	<u>(1,894,260)</u>
TOTAL NET POSITION	<u>\$ (1,513,161)</u>	<u>\$ 82,752</u>	<u>\$ (1,430,409)</u>

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

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
FUNCTIONS/PROGRAMS							
Primary government							
Governmental activities:							
Instructional services							
Salaries	\$ 1,408,335	\$ -	\$ 989,790	\$ -	\$ (418,545)	\$ -	\$ (418,545)
Purchased services	359,713	-	240,380	-	(119,333)	-	(119,333)
Supplies and materials	121,507	-	103,212	-	(18,295)	-	(18,295)
Capital outlay	-	-	4,206	-	4,206	-	4,206
OPEB expense	31,764	-	6,078	-	(25,686)	-	(25,686)
Pension benefit	(659,632)	-	17,300	-	676,932	-	676,932
Depreciation	17,624	-	-	-	(17,624)	-	(17,624)
Intergovernmental							
Payments to other governments	308,994	-	256,815	-	(52,179)	-	(52,179)
Administrative							
Proportionate share of pension and OPEB	443,682	-	443,682	-	-	-	-
On behalf payments	365,043	-	365,043	-	-	-	-
Total governmental activities	<u>2,397,030</u>	<u>-</u>	<u>2,426,506</u>	<u>-</u>	<u>29,476</u>	<u>-</u>	<u>29,476</u>
Business-type activities:							
Professional development	61,231	94,889	-	-	-	33,658	33,658
Fees for service	126,320	126,320	-	-	-	-	-
Total business-type activities	<u>187,551</u>	<u>221,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,658</u>	<u>33,658</u>
Total primary government	<u>\$ 2,584,581</u>	<u>\$ 221,209</u>	<u>\$ 2,426,506</u>	<u>\$ -</u>	<u>29,476</u>	<u>33,658</u>	<u>63,134</u>
General revenues:							
Local sources					949,706	-	949,706
Interest					7,385	570	7,955
Total general revenues					<u>957,091</u>	<u>570</u>	<u>957,661</u>
Change in net position					<u>986,567</u>	<u>34,228</u>	<u>1,020,795</u>
Net position - beginning					<u>(2,499,728)</u>	<u>48,524</u>	<u>(2,451,204)</u>
Net position - ending					<u>\$ (1,513,161)</u>	<u>\$ 82,752</u>	<u>\$ (1,430,409)</u>

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

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020**

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 755,607	\$ 15,204	\$ 111,766	\$ 23,855	\$ -	\$ 906,432
Due from other funds	102,407	-	-	-	(102,407)	-
Accounts receivable	34,526	-	-	660	-	35,186
Due from other governments	5,863	172,709	-	-	-	178,572
Prepaid expense	5,697	-	-	-	-	5,697
TOTAL ASSETS	<u>904,100</u>	<u>187,913</u>	<u>111,766</u>	<u>24,515</u>	<u>(102,407)</u>	<u>1,125,887</u>
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 904,100</u>	<u>\$ 187,913</u>	<u>\$ 111,766</u>	<u>\$ 24,515</u>	<u>\$ (102,407)</u>	<u>\$ 1,125,887</u>
LIABILITIES						
Accounts payable	\$ 2,269	\$ -	\$ 124	\$ -	\$ -	\$ 2,393
Accrued wages and benefits	79,003	4,136	-	-	-	83,139
Due to other funds	-	102,407	-	-	(102,407)	-
Due to other governments	2,701	66,386	-	-	-	69,087
Total liabilities	<u>83,973</u>	<u>172,929</u>	<u>124</u>	<u>-</u>	<u>(102,407)</u>	<u>154,619</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	115,761	-	70	-	115,831
FUND BALANCES (DEFICIT)						
Nonspendable	5,697	-	-	-	-	5,697
Restricted	-	15,204	111,642	24,445	-	151,291
Assigned	32,410	-	-	-	-	32,410
Unassigned	782,020	(115,981)	-	-	-	666,039
Total fund balances (deficits)	<u>820,127</u>	<u>(100,777)</u>	<u>111,642</u>	<u>24,445</u>	<u>-</u>	<u>855,437</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)	<u>\$ 904,100</u>	<u>\$ 187,913</u>	<u>\$ 111,766</u>	<u>\$ 24,515</u>	<u>\$ (102,407)</u>	<u>\$ 1,125,887</u>

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

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2020**

Total fund balances - governmental funds	\$	855,437
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Some revenue 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 revenues in the governmental funds

Current year unavailable revenue		115,831
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Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$452,943

		51,192
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Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and therefore are not reported in the governmental funds as follows:

Deferred outflows of resources	\$ 434,149		
Deferred inflows of resources	<u>(2,468,578)</u>		(2,034,429)

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds:

Capital lease payable	(12,088)		
Net OPEB liability	(709,646)		
Net pension asset	273,606		
Net pension liability	<u>(53,064)</u>		<u>(501,192)</u>

Net position of governmental activities		<u><u>\$ (1,513,161)</u></u>
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The notes to the financial statements are an integral part of this statement.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2020

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
REVENUES					
Local sources	\$ 912,471	-	\$ 30,614	\$ 6,621	\$ 949,706
State sources	707,405	386,501	-	1,439	1,095,345
Federal sources	-	503,766	-	-	503,766
Interest Income	6,352	-	860	173	7,385
On-behalf payments	365,043	-	-	-	365,043
Total revenues	<u>1,991,271</u>	<u>890,267</u>	<u>31,474</u>	<u>8,233</u>	<u>2,921,245</u>
EXPENDITURES					
Instructional services					
Salaries and benefits	890,577	513,636	1,088	3,034	1,408,335
Pension expense	11,453	13,602	-	22	25,077
OPEB expense	6,647	988	-	-	7,635
Purchased services	197,831	121,134	47,873	1,692	368,530
Supplies and materials	61,467	59,543	-	497	121,507
Payments made on behalf of region	365,043	-	-	-	365,043
Intergovernmental					
Payments to other governmental units	90,770	218,224	-	-	308,994
Capital outlay	27,858	4,655	-	649	33,162
Total expenditures	<u>1,651,646</u>	<u>931,782</u>	<u>48,961</u>	<u>5,894</u>	<u>2,638,283</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>339,625</u>	<u>(41,515)</u>	<u>(17,487)</u>	<u>2,339</u>	<u>282,962</u>
Other Financing Sources (Uses)					
Transfers In	-	248	-	-	248
Transfers Out	(248)	-	-	-	(248)
Proceeds from lease-purchase agreement	15,208	-	-	-	15,208
Total Other Financing Sources (Uses)	<u>14,960</u>	<u>248</u>	<u>-</u>	<u>-</u>	<u>15,208</u>
NET CHANGE IN FUND BALANCES	<u>354,585</u>	<u>(41,267)</u>	<u>(17,487)</u>	<u>2,339</u>	<u>298,170</u>
FUND BALANCES (DEFICITS) - BEGINNING	<u>465,542</u>	<u>(59,510)</u>	<u>129,129</u>	<u>22,106</u>	<u>557,267</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 820,127</u>	<u>\$ (100,777)</u>	<u>\$ 111,642</u>	<u>\$ 24,445</u>	<u>\$ 855,437</u>

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

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
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 \$ 298,170

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

Some revenues will not be collected for several months after the Regional Office's fiscal year ends. They are not considered "available" revenues and are deferred inflows of resources in the governmental funds:

Prior year unavailable revenue	\$ (97,161)	
Current year unavailable revenue	<u>115,831</u>	18,670

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

Capital outlay	33,162	
Depreciation expense	<u>(17,624)</u>	15,538

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.

Proceeds from capital lease	(15,208)	
Repayment of principal of capital lease payable	<u>8,817</u>	(6,391)

Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

Pension contributions	25,077	
Net Pension benefit	659,632	
OPEB contributions	7,635	
Net OPEB expense	<u>(31,764)</u>	<u>660,580</u>

Change in net position of governmental activities \$ 986,567

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

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020**

	Business-Type Activities - Enterprise Funds		
	Nonmajor Proprietary Fund		
	Paper Bid	Enterprise/ Workshop	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 80,552	\$ 80,552
Due from other governments	-	2,200	2,200
Total current assets	-	82,752	82,752
NET POSITION			
Unrestricted	-	82,752	82,752
TOTAL NET POSITION	\$ -	\$ 82,752	\$ 82,752

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

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Nonmajor Proprietary Funds		Total
	Paper Bid	Enterprise/ Workshop	
OPERATING REVENUES			
Charges for services	\$ 126,320	\$ 94,889	\$ 221,209
Total Operating Revenues	126,320	94,889	221,209
OPERATING EXPENSES			
Salaries and benefits	-	17,145	17,145
Purchased services	-	38,404	38,404
Supplies and materials	126,320	5,682	132,002
Total operating expenses	126,320	61,231	187,551
OPERATING INCOME (LOSS)	-	33,658	33,658
NONOPERATING REVENUES			
Interest	-	570	570
Total nonoperating revenues	-	570	570
CHANGE IN NET POSITION	-	34,228	34,228
NET POSITION - BEGINNING	-	48,524	48,524
NET POSITION - ENDING	\$ -	\$ 82,752	\$ 82,752

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

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Nonmajor Proprietary Funds		
	Paper Bid	Enterprise / Workshop	Total
Cash flows from operating activities:			
Receipts from customers	\$ 126,320	\$ 101,339	\$ 227,659
Payments to suppliers for goods & services	(126,320)	(45,810)	(172,130)
Payments to employees	-	(17,145)	(17,145)
Net cash provided by (used for) operating activities	-	38,384	38,384
Cash flows from investing activities:			
Interest	-	570	570
Net cash provided from investing activities	-	570	570
Net increase in cash and cash equivalents	-	38,954	38,954
Cash and cash equivalents - beginning of year	-	41,598	41,598
Cash and cash equivalents - end of year	\$ -	\$ 80,552	\$ 80,552
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ -	\$ 33,658	\$ 33,658
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Change in assets and liabilities:			
Decrease in accounts receivable	-	8,650	8,650
Increase in due from other governments	-	(2,200)	(2,200)
Decrease in accounts payable	-	(1,724)	(1,724)
Net cash provided by (used for) operating activities	\$ -	\$ 38,384	\$ 38,384

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

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2020**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 4,508
Due from other governments	2,396,233
Total assets	<u>\$ 2,400,741</u>
 LIABILITIES	
Due to the primary government	\$ 364
Due to other governments	2,400,377
Total liabilities	<u>\$ 2,400,741</u>

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

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #21 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

A. Financial Reporting Entity

The ROE operates under the School Code (Articles 5/3 and 5/3A of *Illinois Compiled Statutes*, Chapter 105). The Regional Office of Education #21 encompasses Franklin, Johnson, Massac, and Williamson Counties. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the Regional Office of Education #21 and is elected pursuant to Article 3, *Illinois Compiled Statutes*, Chapter 105.

The Regional Superintendent is charged with the responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers' institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in the region; examine evidence of indebtedness; file and keep 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 school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #21 districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; to perform and report on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions, and 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 the Regional Superintendent's control are properly bonded. The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for districts in the region or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

For the period ended June 30, 2020, the Regional Office of Education #21 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #21. Such activities are reported as a single major fund (Education Fund).

The Regional Office of Education #21 also acts as the administrative agent for the Franklin County Regional Delivery System (a joint agreement). As administrative agent, the Regional Office of Education #21 is responsible for the receipt and distribution of the System's funding, as well as all necessary reporting requirements for the Illinois State Board of Education and other granting agencies.

B. Scope of Reporting Entity

The Regional Office of Education #21's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #21 has developed criteria to determine whether outside agencies with activities that benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in the financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #21 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 #21 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #21 is not aware of any entity which would exercise such oversight as to result in the Regional Office of Education #21 being considered a component unit of the entity.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Scope of Reporting Entity (Continued)

Based on criteria above, the expenditures paid through the funds of Franklin, Johnson, Massac, and Williamson Counties, for operation of the Regional Office of Education #21, are not included in the reporting entity because it is the county boards that authorize, oversee, and control these expenditures.

C. 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 non-fiduciary activities of the Regional Office of Education #21. The effect of interfund activity has been removed from these statements. Governmental activities are supported by intergovernmental revenues and are reported separate from business-type activities, which rely, to a significant extent, on fees and charges for support.

The Statement of Net Position and the Statement of Activities are presented on an “economic resources” measurement focus prescribed by GASB Statement No. 34. All of the Regional Office of Education #21’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 to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

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

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and Fund Financial Statements (Continued)

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 between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Position and as other financing sources and uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and 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. The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent shortfalls in cash flow within grant programs and funds.

D. 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 deferred outflows of resources and liabilities and deferred inflows of resources (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, if any, are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses, if any, are reported as non-operating expenses.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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 non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when susceptible to accrual, i.e., when both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Regional Office of Education #21 considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues received more than 60 days after the end of the current period are deferred inflows of resources in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for other long-term obligations, which are recognized when paid.

F. Measurement Focus and Basis of Accounting

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

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

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Measurement Focus and Basis of Accounting (Continued)

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #21; 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 #21 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 the Regional Office of Education #21's policy to first apply restricted funds, then unrestricted resources, as they are needed. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

G. Fund Accounting

The Regional Office of Education #21 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #21 uses governmental, proprietary, and fiduciary funds.

Governmental Funds

Governmental funds are those through which most governmental functions of the Regional Office of Education #21 are typically reported. Reporting for governmental funds focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as a fund balance.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Governmental Funds (Continued)

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets (including deferred outflows of resources), liabilities (including 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 (including deferred outflows of resources), liabilities (including 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 #21 has presented all major funds that met the above qualifications.

The Regional Office of Education #21 reports the following major governmental funds:

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

County Budget – Accounts for monies received from the Franklin, Johnson, Massac, and Williamson County Boards to help support the day to day staffing and expenses of the Regional Office of Education #21.

Education Careers Heightened Opportunity (ECHO) - Used to account for General State Aid monies and local monies received for the general operations of the alternative school.

General Operating - Used to accumulate miscellaneous receipts used to support the day to day expenses of the Regional Office of Education #21.

School Facility Occupation Tax Interest Allocation – Used to account for the interest earned on the Franklin and Williamson Counties School Facility Occupation Tax while it is held in the Regional Office of Education #21's accounts before each month's distribution. If the Regional Office of Education #21 has agreements in place with the school districts, the Regional Office of Education #21 may keep the interest earned.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Governmental Funds (Continued)

General (Continued)

Interest Allocation – Accounts for accumulated interest earned on Regional Office of Education #21 funds from the Illinois Funds and local banks and allocated on a monthly basis to funds having cash balances.

Prevention Social Marketing – Accounts for monies received through donations for use in marketing campaigns focused on issues related to student social issues.

General State Aid Safe Schools – Used to account for General State Aid monies and local monies received for programs – i.e. S.T.A.R. Quest Academy RSSP – for disruptive students in public schools served by the Regional Office of Education #21 who are eligible for suspension or expulsion.

Juvenile Detention Center – Used to account for local monies received from school districts to operate the educational program at the Franklin County Juvenile Detention Center.

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

Education – 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:

McKinney-Vento Education for Homeless Children – This grant provides funds for providing information to schools, community members and government entities about the educational rights of and services for programs for homeless students.

Substance Abuse Prevention and Treatment Block Grant – The Regional Office of Education #21 is the administrative agent for the Department of Human Services funded Community Prevention Resources program which supports prevention professionals trained to assist communities and schools with the knowledge and skills for effective alcohol, tobacco, and other drug prevention.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Governmental Funds (Continued)

Education (Continued)

Regional Safe School Cooperative Education Program (RSSCEP) – This fund accounts for monies received from the Illinois State Board of Education for the Star Quest School.

Title II Teacher Quality Leadership – Grant monies received in this fund from the Illinois State Board of Education are used to facilitate teacher and principal evaluation trainings.

State Free Lunch and Breakfast – This program is funded by State monies to provide free breakfast and lunch to eligible needy students enrolled in the Regional Safe Schools Program.

Federal Lunch and Breakfast – This program is funded by federal grants to provide reimbursement of meals through the school lunch and breakfast program and free or reduced-price meals for students enrolled in the Regional Safe Schools Program.

ROE/ISC Operations – Monies received from State sources to help support the administrative costs with quality and effectiveness as they perform identified State functions and services including continuous school improvement programs and services.

Regional Safe Schools – This fund provides alternative placement for those students in a safe school program.

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

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Governmental Funds (Continued)

Institute Fund – This fund is used to account for and report the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted to expenditures for specified purposes supporting programs as follows:

Institute – Used to account for examination, registration and renewal fees, and to defray expenses incidental to teacher’s institutes, workshops, and professional meetings.

Technology – Accounts for E-Rate technology reimbursements, as well as the purchase of technology-related supplies and services.

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

Bus Drive Permit Fund – Accounts for funds received from registrations and user fees which are used to test and train bus drivers.

General Education Development Fund – Accounts for the administration of the General Education Development (GED) Testing Program with revenues from testing and diploma fees used to pay administrative expenses incurred. Illinois law requires the Regional Superintendent of Schools of each county/counties to administer the GED test. The GED tests are given through Pearson VUE, an outside vendor, and are proctored by the Regional Office’s staff in a computer lab located at John A. Logan College in Williamson County. Shawnee College in Ullin is another local Pearson VUE testing center for the southern counties of the Regional Office of Education #21.

Proprietary Funds

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #21 on a cost reimbursement basis are reported:

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Proprietary Funds (Continued)

Nonmajor Proprietary Funds – The Regional Office of Education #21 reports the following proprietary funds as nonmajor funds:

Paper Bid – This program is used to purchase paper in bulk for the schools in order to reduce their costs.

Enterprise/Workshop – Used to account for revenues received from workshops held by the Regional Office of Education #21.

Fiduciary Funds

Agency Funds are used to account for assets held by the Regional Office of Education #21 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

School Facility Occupation Tax – The Regional Office receives proceeds generated through the school facility occupation tax. Within thirty days, the Regional Superintendent must disburse those proceeds that it receives that are collected by the Illinois Department of Revenue to each school district that has territory located in the county in which the tax was collected. The proceeds must be disbursed on an enrollment basis and allocated based upon the number of each school district's resident pupils that reside within the county collecting the tax divided by the total number of students for all school districts within the county.

Franklin County Regional Delivery System (Joint Agreement) – The Franklin County Regional Delivery System consists of six Franklin County high schools whose students generate vocational credits which are reimbursed through CTEI and Perkins grants. The Systems' governing board, referred to as the Board of Control, consists of the six superintendents of the county high schools and the Regional Superintendent of Schools. The Board hires a System director, special populations coordinator, and programs of study/Partnerships for College and Career Success coordinator who assist the System director in compliance with the goals of the grants with regards to improvement of instruction and maintenance of high-quality programming. Some funds are earmarked for elementary schools in the county to advance their efforts in early career exploration.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Fiduciary Funds (Continued)

Student Activity Fund – The Regional Office receives personal or business donations and fundraising proceeds to be used for the alternative school. The funds are used for educational purposes determined by the staff and students of the alternative school.

H. 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:

Nonspendable Fund Balance – The portion of a governmental fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. The nonspendable fund balance reported is nonspendable in form for prepaid expenses. The following accounts have nonspendable fund balance: ECHO, General Operating, and Juvenile Detention Center.

Restricted Fund Balance – The portion of a governmental fund's fund balance that is subject to external enforceable legal restrictions. The following Education fund balances are restricted by grant agreements or contracts: State Free Lunch and Breakfast, Federal Lunch and Breakfast, and ROE/ISC Operations. The following Major Special Revenue Funds are restricted by Illinois Statute: Institute and Technology. The following Nonmajor Special Revenue Funds are restricted by Illinois Statute: Bus Driver Permit and General Education Development.

Committed Fund Balance – The portion of a governmental fund's fund balance with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #21 has no committed fund balances.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Governmental Fund Balances (Continued)

Assigned Fund Balance – The portion of a governmental fund's fund balance for which an intended use of resources has been denoted. The accounts presented with assigned fund balance are specified for a particular purpose by the Regional Superintendent. The following General Fund accounts had an assigned fund balance: County Budget.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specified purpose. The following General Fund accounts have unassigned fund balances (deficits): ECHO, General Operating, School Facility Occupation Tax Interest Allocation, Interest Allocation, General State Aid Safe Schools, and Juvenile Detention Center. The following Education Fund accounts have an unassigned fund deficit: McKinney Education for Homeless Children, Substance Abuse Prevention and Treatment Block Grant, and Truants Alternative/Optional Education.

I. Net Position

In the government-wide financial statements, net position is 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, if any, 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 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.

J. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit. The Regional Office of Education #21 considers all liquid investments, including certificates of deposit with an original maturity date of less than three months, to be cash equivalents.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Interfund Receivables and Payables

The recordings of due from and due to other funds are a result of various borrowings between funds during the year.

L. 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 recorded at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value. 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.

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

Equipment and Furniture	3 – 10 years
Building Improvements	10 – 15 years
Building	40 years

M. Postemployment Benefits Other Than Pension (OPEB)

For the purposes of measuring the Regional Office of Education #21'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 #21's OPEB Plan and additions to/deductions from the Regional Office of Education #21's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education #21's Plan. For this purpose, the Regional Office of Education #21's Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education #21's OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense for the ROE's single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows of Resources and Deferred Inflows of Resources

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

Deferred inflows of resources in the Statement of Net Position consist of unrecognized items that have not yet recued pension and OPEB expense.

O. Estimates

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

P. Compensated Absences

Compensated absences do not vest or accumulate and are recorded as expenditures when used.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Budget Information

The Regional Office of Education #21 acts as the administrative agent for certain grant programs that are accounted for within the Education Fund. These programs have separate budgets that are required to be reported to the Illinois State Board of Education and Illinois Department of Human Services, however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results for the following programs are presented as supplementary information: McKinney Education for Homeless Children, Substance Abuse Prevention and Treatment Block Grant, RSSCEP, Title II Teacher Quality – Leadership, ROE/ISC Operations, Regional Safe Schools, and Truants Alternative/Optional Education.

R. 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 No. 21'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 – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* 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 #21. The Regional Office of Education #21 decided not to implement any postponed provisions of the GASB Statements prior to their adjusted effective dates.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 2: CASH AND CASH EQUIVALENTS

The *Illinois Compiled Statutes* authorize the Regional Office of Education #21 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.

A. Deposits

At June 30, 2020, the carrying amount of the Regional Office of Education #21's government-wide and fiduciary fund deposits were \$986,984 and \$4,508, respectively and the bank balances were \$951,260.

At June 30, 2020, \$250,000 of the Regional Office of Education #21's cash deposits were insured by the Federal Deposit Insurance Corporation and \$701,260 was collateralized by pledged collateral not held in the Regional Office of Education #21's name.

B. Investments

At June 30, 2020, the carrying amount of the Regional Office of Education No. 21's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$5,162. The bank balance invested in the Illinois Funds Money Market Fund was \$5,162. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 21's governmental activities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the Regional Office of Education #21's deposits may not be returned to it. The Regional Office of Education #21 does not have a formal investment policy to guard against custodial credit risk but follows the Public Funds Investment Act (30 ILCS 235/2 and 6) and Section 8-7 of the School Code.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Regional Office of Education #21 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

Credit Risk

The Regional Office of Education #21 is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code. The Regional Office of Education #21 has no investment policy that would further limit its investment choices. As of June 30, 2020, the Regional Office of Education #21 was in compliance with these guidelines.

NOTE 3: DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The Regional Office of Education #21'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 #21's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer public pension plan. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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 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 credited 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.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

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
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

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

Retirees and beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	30
Active members	<u>19</u>
Total	<u><u>92</u></u>

Contributions

As set by statute, the Regional Office of Education #21’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 #21’s contribution rate for fiscal year 2020 was 3.17%. For the fiscal year ended June 30, 2020, the Regional Office of Education contributed \$21,650 to the plan. The Regional Office of Education #21 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.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability

The Regional Office of Education #21'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, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For **Non-Disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives.
- For **Active Members**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

- 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 weighing the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	5.75%
International Equities	18%	6.50%
Fixed income	28%	3.25%
Real estate	9%	5.20%
Alternatives	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 flows 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 contributions rates and the member rate. The Single Discount Rate reflects:

- 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
- 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).

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Single Discount Rate (Continued)

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 Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A)– (B)
Balances at January 1, 2018	\$ 4,431,750	\$ 4,250,452	\$ 181,298
Changes for the year:			
Service Cost	59,029	-	59,029
Interest on the Total Pension Liability	315,010	-	315,010
Differences Between Expected and Actual Experience of the Total Pension Liability	101,987	-	101,987
Changes of Assumptions	-	-	-
Contributions – Employer	-	5,095	(5,095)
Contributions – Employee	-	29,023	(29,023)
Net Investment Income	-	901,386	(901,386)
Benefit Payments, including Refunds of Employer Contributions	(232,598)	(232,598)	-
Other (Net Transfer)	-	(4,574)	4,574
Net Changes	<u>243,428</u>	<u>698,332</u>	<u>(454,904)</u>
Balances at December 31, 2019	<u>\$ 4,675,178</u>	<u>\$ 4,948,784</u>	<u>\$ (273,606)</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 using a Single Discount Rate that is 1% point lower or 1% point higher.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 275,084	\$ (273,606)	\$ (720,494)

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 #21 recognized a pension benefit of \$401,809. At June 30, 2020, the Regional Office of Education #21 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
Difference between expected and actual experience	\$ 52,763	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	-	761,230
Contributions made after measurement date	19,036	-
TOTAL	\$ 71,799	\$ 761,230

\$19,036 reported as deferred outflows of resources related to pensions resulting from Regional Office of Education #21 contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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 in future periods as follows:

Year ending December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (529,518)
2021	(61,570)
2022	2,184
2023	(119,563)
TOTAL	\$ (708,467)

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
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NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #21 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system service 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 consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier 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 highest 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 retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
(CONTINUED)

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 #21.

On behalf contributions to TRS. The state of Illinois makes employer pension contributions on behalf of the Regional Office of Education #21. For the year ended June 30, 2020, state of Illinois contributions recognized by the Regional Office of Education #21 were based on the state's proportionate share of the collective net pension liability associated with the Regional Office of Education #21, and the Regional Office of Education #21 recognized revenue and expenditures of \$410,040 in pension contributions from the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020 were \$3,427 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 #21, there is a statutory requirement for the Regional Office of Education #21 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, no salaries were paid from federal and special trust funds that required employer contributions.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
(CONTINUED)

Contributions (Continued)

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 #21 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 #21 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2019, the Regional Office of Education #21 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:

Employer's proportionate share of the net pension liability	\$	53,064
State's proportionate share of the net pension liability associated with the employer		3,776,554
Total	\$	3,829,618

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 #21's proportion of the net pension liability was based on the Regional Office of Education #21'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 #21's proportion was 0.0000654246 percent, which was a decrease of 0.0000143267 percent from its proportion measured as of June 30, 2018.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
(CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2020, the Regional Office of Education #21 recognized pension expense of \$410,040 and revenue of \$410,040 for support provided by the state. For the year ended June 30, 2020, the Regional Office of Education #21 recognized pension benefit of \$257,823. At June 30, 2020, the Regional Office of Education #21 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	\$ 870	\$ -
Net difference between projected and actual earnings on pension plan investments	84	-
Change of assumptions	1,189	1,019
Changes in proportion and differences between employer contributions and proportionate share of contributions	320,058	1,249,545
 Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	 322,201	 1,250,564
 Employer contributions subsequent to the measurement date	 3,427	 -
 Total	 \$ 325,628	 \$ 1,250,564

\$3,427 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows/(Inflows) of Resources
Year ended June 30,	
2021	\$ (314,900)
2022	(271,996)
2023	(234,001)
2024	(106,627)
2025	(839)
Total	\$ (928,363)

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
(CONTINUED)

Actuarial assumptions

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. 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
Total	100%	

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
(CONTINUED)

Discount rate

At June 30, 2019, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments 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 #21's proportionate share of the net pension liability to changes in the discount rate

The following presents the Regional Office of Education #21's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Regional Office of Education #21's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Regional Office of Education #21's proportionate share of the net pension liability	\$ <u>64,814</u>	\$ <u>53,064</u>	\$ <u>43,405</u>

TRS fiduciary net position

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

REGIONAL OFFICE OF EDUCATION #21
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NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 5: TEACHERS' HEALTH INSURANCE SECURITY FUND

THIS Plan Description

The Regional Office of Education #21 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 provision of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund. A percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On-behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #21. For the year ended June 30, 2020, State of Illinois contributions recognized by the Regional Office of Education #21 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education #21, and recognized revenue and expenditures of \$33,642 in OPEB contributions from the State of Illinois.

Employer Contributions to the THIS Fund

The Regional Office of Education #21 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 during the years ended June 30, 2019 and 2018, respectively. For the year ended June 30, 2020, the Regional Office of Education #21 paid \$5,131 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 #21 paid \$4,619 and \$4,950 to the THIS Fund, respectively, which was 100 percent of the required contribution.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 5: TEACHERS' HEALTH INSURANCE SECURITY FUND (CONTINUED)

Further information on the THIS Fund

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

Actuarial Assumptions

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
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NOTE 5: TEACHERS' HEALTH INSURANCE SECURITY FUND (CONTINUED)

Single Discount Rate

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

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. 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 #21's proportionate share of the collective net OPEB liability, as well as what the Regional Office of Education #21'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 <u>(2.13%)</u>	Current Discount Rate <u>(3.13%)</u>	1% Increase <u>(4.13%)</u>
Employer's proportionate share of the collective net OPEB liability	\$ 682,206	\$ 567,301	\$ 476,706

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

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
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NOTE 5: TEACHERS' 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)

	<u>1% Decrease^a</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase^b</u>
Employer's proportionate share of the collective net OPEB liability	\$ 458,403	\$ 567,301	\$ 714,585

^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 #21 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 #21. The amount recognized by the Regional Office of Education #21 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 #21 were as follow:

Employer's proportionate share of the collective net OPEB liability	\$ 567,301
State's proportionate share of the collective net OPEB liability associated with the employer	768,238
Total	<u><u>\$ 1,335,539</u></u>

The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and was rolled forward to the June 30, 2019 measurement date. The Regional Office of Education #21's proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education #21's long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education #21, actuarially determined. At June 30, 2019, the Regional Office of Education #21's proportion was 0.002050 percent, which was a decrease of 0.000356 from its proportion measured as of June 30, 2018 (0.002406 percent). The State's support and total are for disclosure purposes only.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 5: TEACHERS' HEALTH INSURANCE SECURITY FUND (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ending June 30, 2020, the Regional Office of Education #21 recognized OPEB expense of \$33,642 and revenue of \$33,642 for support provided by the State. For the year ending June 30, 2020, the Regional Office of Education #21 recognized OPEB income of \$33,143. At June 30, 2020, the Regional Office of Education #21 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 9,414
Changes of assumptions	216	65,031
Net difference between projected and actual earnings on OPEB plan investments	-	19
Changes in proportion and differences between employer contributions and proportionate share of contributions	31,375	382,320
Employer contributions subsequent to the measurement date	<u>5,131</u>	<u>-</u>
Total Deferred Amounts Related to OPEB	<u>\$ 36,722</u>	<u>\$ 456,784</u>

\$5,131 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education #21 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 #21's OPEB expense as follows:

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FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 5: TEACHERS' HEALTH INSURANCE SECURITY FUND (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

<u>Year ended June 30,</u>	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2021	\$ (58,328)
2022	(58,328)
2023	(58,328)
2024	(58,328)
2025	(58,328)
Thereafter	<u>(133,553)</u>
 Total	 <u>\$ (425,193)</u>

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.

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE

The Regional Office of Education #21 provides a single-employer defined benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statements No.'s 74 and 75 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

Eligibility Provisions

Full-Time Employees – IMRF

Tier 1 IMRF full-time Regional Office of Education employees age 55 with at least 8 years of service are covered

Tier II IMRF full-time Regional Office of Education employees age 62 with at least 10 years of service are covered

Full-Time Employees – TRS

TRS employees are not eligible to stay on Regional Office of Education coverage upon retirement

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE
(CONTINUED)

Benefits Provided

The Regional Office of Education #21 provides continued health insurance coverage at the blended employer rate to all eligible Regional Office of Education #21 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The Regional Office of Education #21 offers the G543 PPO Blue PPO Gold 114 Plan as of January 1, 2018 to IMRF retirees. Retirees pay the full cost of coverage. Coverage continues until Medicare eligibility is reached. Dependent coverage ends at the same time as that for the retiree. If the retiree attains age 65 (eligible for Medicare) prior to the spouse, the spouse may continue to elect coverage through the Regional Office of Education #21 until the spouse attains age 65.

Membership

At June 30, 2020, membership consisted of:

Inactive employees currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>19</u>
 Total	 <u><u>19</u></u>

Funding Policy and Contributions

There is no funding policy that exists for the postretirement plan at this time, as the total OPEB liabilities are currently an unfunded obligation. The employer contributions and benefit payments are related to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums. There are no retirees currently participating in the Regional Office of Education #21 insurance and no active employees are eligible to retire in the current year. The Regional Office did have contributions of \$2,504 to cover expenses.

Net OPEB Liability

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2019 actuarial valuation date and adjusted to the June 30, 2020 measurement date based on procedures that confirm to the Alternative Measurement Method and generally accepted actuarial principles and practices.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE
(CONTINUED)

Actuarial Assumptions

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

Actuarial cost method	Entry-age normal
Expected Rate of Return on Assets Assumptions	Not applicable
Salary increases	2.50%
Discount rate	2.21%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	2.21%
Healthcare cost trend rates	Starts at 6.80%, gradually decreasing to ultimate trend of 5.00% for PPO Pre-65
Retiree Contribution Rates	Same as Healthcare Trend Rates
Asset valuation method	Market Value
Annual Blended Premiums	Premiums charged for coverage for retiree and spouse under age 65 are \$8,230. This is not applicable to retiree and spouse once they reach age 65.

Mortality rates were based on the RP-2014 with blue-collar adjustments improved generationally using MP-2016 improvement rates.

The retirement rates disclosed in the IMRF December 31, 2019 Actuarial Valuation were used to estimate the single retirement ages pursuant to the Alternative Measurement Method for GASB 74/75.

For any active participant who will not meet the service requirement necessary to retire at the single retirement ages, it is assumed they have prior service with a different employer and therefore will be eligible to retire. In the current valuation, there are 4 participants impacted by this assumption.

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

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

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE
(CONTINUED)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCE AT JULY 1, 2019	\$ <u>79,942</u>
Changes for the period	
Service cost	2,768
Interest	2,798
Difference between expected and actual experience	28,599
Changes in benefit terms	-
Changes in assumptions	30,742
Benefit payments	<u>(2,504)</u>
Net changes	<u>62,403</u>
BALANCE AT JUNE 30, 2020	<u>\$ 142,345</u>

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of the OPEB benefits, as is the case with the Regional Office of Education #21, then only the municipal bond rate is used in determining the total OPEB liability.

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

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE
(CONTINUED)

Discount Rate (Continued)

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

Municipal Bond Rate

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

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

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

Sensitivity of the Discount Rate

The following presents the Regional Office of Education #21’s total OPEB liability calculated using a discount rate of 2.21%, as well as what the Regional Office of Education #21’s total OPEB liability would be if it were calculated using a single discount rate that is one percentage point higher (3.21%) or one percentage point lower (1.21%) than the current discount rate.

	1% Decrease	Current	1% Increase
	<u>(1.21%)</u>	<u>(2.21%)</u>	<u>(3.21%)</u>
Employer’s net OPEB liability	\$ 171,733	\$ 142,345	\$ 119,356

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE
(CONTINUED)

Sensitivity of the Healthcare Trend Rates

The following presents the Regional Office of Education #21’s total OPEB liability calculated using the healthcare cost trend rates as well as what the Regional Office of Education #21’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or one percentage point lower than the current healthcare cost trend rates. The key trend rates are 6.80% in 2020 decreasing to an ultimate trend rate of 5.00% in 2030 for both non-Medicare coverage and post-Medicare coverage

	1% Decrease (Varies)	Current Discount Rate (Varies)	1% Increase (Varies)
Employer’s Net OPEB liability	\$ 118,824	\$ 142,345	\$ 171,861

NOTE 7: INTERFUND RECEIVABLES AND PAYABLES

Interfund due to/due from other fund balances at June 30, 2020 consist of the following individual due to/due from other funds in the governmental funds Balance Sheet. Balances of the same fund type were eliminated in the government-wide Statement of Net Position. Interfund loans were made for the purpose of providing cash to funds that were awaiting reimbursements from grantors.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Funds:		
General Operating	\$ 102,407	\$ -
Education Funds:		
McKinney Education for Homeless Children	-	4,833
Substance Abuse Prevention & Treatment Block Grant	-	84,568
RSSCEP	-	4,974
Regional Safe School	-	8,001
Truants Alternative/Optional Education	-	31
	<hr/>	<hr/>
Total	<u>\$ 102,407</u>	<u>\$ 102,407</u>

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 8: DUE TO/DUE FROM OTHER GOVERNMENTAL UNITS

The Regional Office of Education #21's General Fund, Education Fund, and Agency Fund, have funds due to and due from various other governmental units which consist of the following:

Due From Other Governments:

General Fund	
Local Governments	\$ 5,863
Education Fund	
State of Illinois	172,709
Fiduciary Fund - Agency Fund	
Other Local Governments	<u>2,396,233</u>
Total	<u>\$ 2,574,805</u>

Due To Other Governments:

General Fund	
Local Governments	\$ 2,701
Education Fund	
Local Governments	66,386
Fiduciary Fund - Agency Fund	
Other Local Governments	<u>2,400,377</u>
Total	<u>\$ 2,469,464</u>

NOTE 9: DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

The governmental funds report a separate section for deferred inflows of resources. A deferred inflow of resources reflects an increase in net position that applies to a future period. Grant revenues received more than 60 days after the end of the year, which are thus not available under the modified accrual basis of accounting, are reported as deferred inflows of resources in the governmental funds balance sheet.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 10: CAPITAL ASSETS

Governmental Activities

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

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Total Capital Assets	\$ 470,973	\$ 33,162	\$ -	\$ 504,135
Less: Accumulated Depreciation	<u>435,319</u>	<u>17,624</u>	<u>-</u>	<u>452,943</u>
Total capital assets, net of accumulated depreciation	<u>\$ 35,654</u>	<u>\$ 15,538</u>	<u>\$ -</u>	<u>\$ 51,192</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$17,624 was charged to the governmental activities instructional services function on the government-wide Statement of Activities for the year ended June 30, 2020.

NOTE 11: LONG-TERM DEBT

The following is a summary of changes in long-term liabilities (assets) for the year ended June 30, 2020:

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>	<u>Due within one year</u>
Governmental Funds:					
Net pension liability (asset) IMRF	\$ 181,298	\$ -	\$ 454,904	\$ (273,606)	\$ -
Net pension liability TRS	62,162	-	9,098	53,064	-
Net OPEB liability	713,901	-	4,255	709,646	-
Capital lease payable	<u>5,697</u>	<u>15,208</u>	<u>8,817</u>	<u>12,088</u>	<u>4,680</u>
Total	<u>\$ 963,058</u>	<u>\$ 15,208</u>	<u>\$ 477,074</u>	<u>\$ 501,192</u>	<u>\$ 4,680</u>

The Regional Office of Education #21 has entered into three lease agreements as lessee for financing the acquisition of copiers. These lease agreement qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the capital assets account.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 11: LONG-TERM DEBT (CONTINUED)

The present value of future minimum lease payments and total minimum annual lease payments for capital leases recorded in the government-wide statement of net position at June 30, 2020 were as follows:

Year ended June 30,	Net Deferred Outflows/(Inflows) of Resources
2021	\$ 4,680
2022	4,680
2023	2,728
Total minimum lease payments	12,088
Less: amount representing interest	-
Present value of minimum lease payments	\$ 12,088

Assets under the capital lease amounted to \$51,679, and the related accumulated depreciation amounted to \$15,700.

NOTE 12: RISK MANAGEMENT

The Regional Office of Education #21 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and employee health insurance. The Regional Office of Education #21 has purchased commercial insurance to cover these risks. During the year ended June 30, 2020, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

NOTE 13: ON-BEHALF PAYMENTS

The State of Illinois pays the following salaries and benefits on behalf of Regional Office of Education #21:

Regional Superintendent Salary	\$ 119,832
Regional Superintendent Fringe Benefits (Includes State paid insurance)	33,248
Assistant Regional Superintendent Salary	107,844
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)	25,793
Total	\$ 286,717

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 13: ON-BEHALF PAYMENTS (CONTINUED)

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

Regional Office of Education #21 also recorded \$410,040 in revenue and expenses as on-behalf payments from ISBE for the Regional Office’s share of the State’s Teachers’ Retirement System (TRS) pension expense in the Statement of Activities. The Regional Office of Education #21 recorded \$33,642 in revenue and expenses as on behalf payments from the State for the Regional Office’s share of the State’s Teachers’ Health Insurance Security (THIS) OPEB expense in the Statement of Activities. In addition, the Regional Office of Education #21 has not included any on-behalf payments related to the State’s TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$	286,717
ROE #21’s share of TRS pension expense		410,040
ROE #21’s share of THIS OPEB expense		33,642
Total	\$	730,399

Franklin and Williamson Counties provide the Regional Office of Education #21 with staff on behalf of the Regional Office of Education #21. These amounts have been recorded in the accompanying governmental fund financial statements as local revenue and expenditures. The expenditures paid on the Regional Office of Education #21’s behalf for the year ended June 30, 2020, were as follows:

Salaries	\$	55,679
Benefits		22,647
Total	\$	78,326

NOTE 14: OPERATING LEASES

During the fiscal year ended June 30, 2010, the Regional Office of Education #21 entered into a lease agreement for office space for their Project ECHO and S.T.A.R location at 17428 Route 37 Johnston City, Illinois. The lease was renewed on July 23, 2014 and reflected monthly payments of \$3,500 beginning July 1, 2014 and ending June 30, 2015. The lease automatically renewed for an additional four years at \$4,000 a month from July 1, 2015 through June 30, 2019. The lease renewed for an additional five years at \$4,000 a month from July 1, 2019 through June 30, 2024. Lease expense for fiscal year 2019 was \$48,000.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 14: OPERATING LEASES (CONTINUED)

During the year ended June 30, 2020, the Regional Office of Education #21 entered into a lease agreement for a copy machine in the Marion office. The lease began June 1, 2020 and ends August 1, 2023. The monthly payments are \$565 creating an annual expense of \$6,780.

Future minimum operating lease payments are as follows:

<u>Year ended June 30,</u>	<u>Future Minimum Lease Payments</u>
2021	\$ 54,780
2022	54,780
2023	54,780
2024	<u>49,130</u>
	-
Total	<u>\$ 213,470</u>

NOTE 15: INTERFUND TRANSFERS

	<u>Transfers In</u>	<u>Transfer Out</u>
General Fund		
General State Aid Safe Schools	\$ -	\$ (248)
Special Revenue Fund – Education Funds		
Regional Safe School	<u>248</u>	<u>-</u>
Total	<u>\$ 248</u>	<u>\$ (248)</u>

Interfund transfers at June 30, 2020 consisted of the following individual transfers in the fund statements. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, the transfers between the governmental funds and the business-type funds were not eliminated. Interfund transfers between the funds were made for the purposes of meeting operating costs.

NOTE 16: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which over expend appropriations during the year are required to be disclosed. The Regional Office of Education #21 intends to reduce expenditures or transfer unrestricted funds to compensate for the deficit fund balances.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 16: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

The following funds and subfunds had deficit fund balances at June 30, 2020:

Education Funds		
McKinney Education for Homeless Children	\$	66,450
Substance Abuse Prevention & Treatment		49,500
Truants Alternative/Optional Education		31

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

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX CALENDAR YEARS**

Calendar Year Ended December 31,	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 59,029	\$ 50,350	\$ 51,027	\$ 53,042	\$ 43,685	\$ 43,429
Interest on the total pension liability	315,010	309,958	313,561	297,711	108,051	104,733
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	101,987	(31,054)	(48,249)	98,088	2,590,355	(19,906)
Changes in assumptions	-	110,224	(121,896)	-	-	36,219
Benefit payments	(232,598)	(230,615)	(253,714)	(219,296)	(216,139)	(24,606)
Net change in total pension liability	243,428	208,863	(59,271)	229,545	2,525,952	139,869
Total pension liability beginning	4,431,750	4,222,887	4,282,158	4,052,613	1,526,661	1,386,792
Total Pension Liability Ending (a)	\$ 4,675,178	\$ 4,431,750	\$ 4,222,887	\$ 4,282,158	\$ 4,052,613	\$ 1,526,661
Plan Fiduciary Net Position						
Contributions - employer	\$ 5,095	\$ 37,443	\$ 26,030	\$ 42,001	\$ 154,182	\$ 39,403
Contributions - employees	29,023	27,046	25,030	28,909	26,228	17,487
Pension plan net investment income	901,386	(263,402)	642,526	2,870,148	(20,715)	71,057
Benefit payments, including refunds of employee contributions	(232,598)	(230,615)	(253,714)	(219,296)	(216,625)	(24,606)
Administrative expense						
Other (net transfer)	(4,574)	(4,979)	(3,759)	(5,081)	2,914	(937)
Net change in plan fiduciary net position	698,332	(434,507)	436,113	2,716,681	(54,016)	102,404
Plan fiduciary net position beginning	4,250,452	4,684,959	4,248,846	1,532,165	1,586,181	1,483,777
Plan fiduciary net position ending (b)	\$ 4,948,784	\$ 4,250,452	\$ 4,684,959	\$ 4,248,846	\$ 1,532,165	\$ 1,586,181
Net Pension Liability (Asset) Ending (a - b)	\$ (273,606)	\$ 181,298	\$ (462,072)	\$ 33,312	\$ 2,520,448	\$ (59,520)
Plan fiduciary net position	105.85%	95.91%	110.94%	99.22%	37.81%	103.90%
as a percentage of the total pension liability						
Covered payroll (as of December 31 valuation date)	\$ 644,953	\$ 601,011	\$ 556,203	\$ 503,605	\$ 582,847	\$ 400,638
Net pension liability (asset) as a percentage of covered payroll	(42.42%)	30.17%	(83.08%)	6.61%	432.44%	(14.86%)

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST SIX FISCAL YEARS**

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	\$ 39,532	\$ 39,532	\$ -	\$ 416,116	9.50%
2016	44,073	44,073	-	511,176	8.62%
2017	33,414	33,414	-	525,601	6.36%
2018	30,762	30,762	-	558,514	5.51%
2019	22,042	22,042	-	628,036	3.51%
2020	21,650	21,650	-	682,755	3.17%

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.

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

Valuation Date:

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

Methods and Assumptions Used to Determine 2019 Contribution Rates:

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

Other Information:

Notes: There were no benefit changes during the year.

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

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
For the Year Ended June 30, 2020

	2019*	2018*	2017*	2016*	2015*	2014*
Employer's proportion of the net pension liability	0.0000654264%	0.0000797513%	0.0017925900%	0.0020157300%	0.0024595400%	0.0021485100%
Employer's proportionate share of the net pension liability	53,064	62,162	1,369,504	1,591,140	1,611,249	1,307,543
State's proportionate share of the net pension liability associated with the employer	3,776,554	4,258,358	6,445,240	6,589,243	5,579,497	5,877,808
Total	3,829,618	4,320,520	7,814,744	8,180,383	7,190,746	7,185,351
Employer's covered payroll	502,016	562,471	907,939	937,370	901,187	1,004,529
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.6%	11.1%	150.8%	169.7%	178.8%	130.2%
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.

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
For the Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015	2014
Statutorily-required contribution	\$ 3,235	\$ 2,912	\$ 4,546	\$ 73,815	\$ 78,063	\$ 85,064	\$ 69,687
Contributions in relation to the							
statutorily-required contribution	3,427	2,963	4,734	73,820	78,063	86,182	69,687
Contribution deficiency (excess)	<u>\$ (192)</u>	<u>\$ (51)</u>	<u>\$ (188)</u>	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ (1,118)</u>	<u>\$ -</u>
Employer's covered payroll	\$ 557,728	\$ 502,016	562,471	863,806	907,939	901,187	1,004,529
Contributions as a percentage of covered payroll	0.61%	0.59%	0.84%	8.55%	8.60%	9.56%	6.94%

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

Notes to Required Supplementary Information

Changes of assumptions

For the 2019, 2018, 2017, and 2016 measurement year, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 period and 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 was slightly higher.

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

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

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE COLLECTIVE NET OPEB LIABILITY
TEACHERS' HEALTH INSURANCE SECURITY FUND**

For the Year Ended June 30, 2020

	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>
Employer's proportion of the collective net OPEB liability	0.002050%	0.002406%	0.003755%	0.003564%
Employer's proportionate share of the collective net OPEB liability	\$ 567,301	\$ 633,959	\$ 974,453	\$ 974,265
State's proportionate share of the collective net OPEB liability associated with the employer	<u>\$ 768,238</u>	<u>\$ 851,304</u>	<u>\$ 1,279,618</u>	<u>\$ 1,350,911</u>
Total	<u>\$ 1,335,539</u>	<u>\$ 1,485,263</u>	<u>\$ 2,254,071</u>	<u>\$ 2,325,176</u>
Employer's covered payroll	\$ 502,016	\$ 562,471	\$ 863,806	\$ 907,939
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	113.0%	112.7%	112.8%	107.3%
Plan fiduciary net position as a percentage of the total OPEB liability	0.25%	-0.07%	-0.17%	-0.22%

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

This schedule is presented to illustrate the requirements 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.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' HEALTH INSURANCE SECURITY FUND
June 30, 2020**

Fiscal Year Ended June 30	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contribution as a Percentage of Covered Payroll
2020	\$ 5,131	\$ 5,131	\$ -	\$ 557,728	0.92%
2019	4,619	4,619	-	502,016	0.92%
2018	4,950	4,950	-	562,471	0.88%
2017	7,256	7,256	-	863,806	0.84%
2016	6,641	6,641	-	907,939	0.73%

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.

Changes of Benefit Terms

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

Changes of Assumptions

	Measurement year	
	2019	2018
Inflation	2.50 percent	2.75 percent
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for Excise Tax.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for Excise Tax.

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB LIABILITY
AND RELATED RATIOS
For the Year Ended June 30, 2020**

MEASUREMENT DATE JUNE 30,	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 2,768	\$ 4,539	\$ 4,370
Interest	2,798	2,643	2,382
Changes of benefit terms	-	-	-
Differences between expected and actual experience	28,599	-	-
Changes of assumptions	30,742	4,456	-
Benefit payments	(2,504)	-	-
Net change in total OPEB liability	62,403	11,638	6,752
Total OPEB liability beginning	79,942	68,304	61,552
Total OPEB Liability Ending (a)	\$ 142,345	\$ 79,942	\$ 68,304
OPEB Plan Net Position Ending (b)	\$ -	\$ -	\$ -
Employer's Net OPEB Liability Ending (a - b)	\$ 142,345	\$ 79,942	\$ 68,304
Covered payroll	\$ 1,051,966	\$ 1,026,308	\$ 1,027,613
Employer's total OPEB liability as a percentage of covered payroll	13.53%	7.79%	6.65%

**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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes of Benefit Terms

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

Changes of Assumptions

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.50% to 2.21% for the current year. The rate has been updated to the current Fiscal Year end based on changes in market conditions as reflected in the Index.

Since the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.50% to 2.21%.

SUPPLEMENTAL INFORMATION

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING SCHEDULE OF ACCOUNTS**

GENERAL FUND

JUNE 30, 2020

	County Budget	ECHO	General Operating	School Facility Occupation Tax Allocation	Interest Allocation
ASSETS					
Cash and cash equivalents	\$ 32,410	\$ 601,187	\$ 36,989	\$ 5,273	\$ 236
Due from other funds	-	-	102,407	-	-
Accounts receivable	-	32,750	1,776	-	-
Due from other governments	-	-	-	-	-
Prepaid expenses	-	225	5,280	-	-
TOTAL ASSETS	<u>32,410</u>	<u>634,162</u>	<u>146,452</u>	<u>5,273</u>	<u>236</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 32,410</u>	<u>\$ 634,162</u>	<u>\$ 146,452</u>	<u>\$ 5,273</u>	<u>\$ 236</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 1,486	\$ -	\$ -	\$ -
Accrued wages and benefits	-	47,800	-	-	-
Due to other governments	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>49,286</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	225	5,280	-	-
Assigned	32,410	-	-	-	-
Unassigned	-	584,651	141,172	5,273	236
TOTAL FUND BALANCES (DEFICITS)	<u>32,410</u>	<u>584,876</u>	<u>146,452</u>	<u>5,273</u>	<u>236</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)	<u>\$ 32,410</u>	<u>\$ 634,162</u>	<u>\$ 146,452</u>	<u>\$ 5,273</u>	<u>\$ 236</u>

(Continued)

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2020**

	Prevention Social Marketing	General State Aid Safe Schools	Juvenile Detention Center	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 64,625	\$ 14,887	\$ 755,607
Due from other funds	-	-	-	102,407
Accounts receivable	-	-	-	34,526
Due from other governments	-	-	5,863	5,863
Prepaid expenses	-	-	192	5,697
TOTAL ASSETS	-	64,625	20,942	904,100
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 64,625	\$ 20,942	\$ 904,100
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	-	783	-	2,269
Accrued wages and benefits	-	19,183	12,020	79,003
Due to other governments	-	2,701	-	2,701
TOTAL LIABILITIES	-	22,667	12,020	83,973
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	192	5,697
Assigned	-	-	-	32,410
Unassigned	-	41,958	8,730	782,020
TOTAL FUND BALANCES (DEFICITS)	-	41,958	8,922	820,127
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)	\$ -	\$ 64,625	\$ 20,942	\$ 904,100

(Concluded)

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	County Budget	ECHO	General Operating	School Facility Occupation Tax Interest Allocation	Interest Allocation
REVENUES					
Local sources	\$ 216,570	\$ 390,251	\$ 36,605	\$ -	\$ -
State sources	-	550,077	-	-	-
Interest	212	2,898	1,055	1,951	-
On behalf payments	78,326	-	286,717	-	-
Total revenues	<u>295,108</u>	<u>943,226</u>	<u>324,377</u>	<u>1,951</u>	<u>-</u>
EXPENDITURES					
Instructional services					
Salaries and benefits	180,681	423,800	-	-	-
Pension expense	5,233	3,088	-	-	-
OPEB expense	-	5,078	-	-	-
Purchased services	2,319	97,221	45,605	705	-
Supplies and materials	-	38,711	5,267	-	-
Payments made on behalf of region	78,326	-	286,717	-	-
Intergovernmental					
Payments to other governmental units	24,770	66,000	-	-	-
Capital outlay	-	-	27,210	648	-
Total expenditures	<u>291,329</u>	<u>633,898</u>	<u>364,799</u>	<u>1,353</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,779</u>	<u>309,328</u>	<u>(40,422)</u>	<u>598</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	-	-	-
Proceeds from lease-purchase agreement	-	-	15,208	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>15,208</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>3,779</u>	<u>309,328</u>	<u>(25,214)</u>	<u>598</u>	<u>-</u>
FUND BALANCES (DEFICITS) - BEGINNING	<u>28,631</u>	<u>275,548</u>	<u>171,666</u>	<u>4,675</u>	<u>236</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 32,410</u>	<u>\$ 584,876</u>	<u>\$ 146,452</u>	<u>\$ 5,273</u>	<u>\$ 236</u>

(Continued)

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	Prevention Social Marketing	General State Aid Safe Schools	Juvenile Detention Center	Total
REVENUES				
Local sources	\$ -	\$ 112,943	\$ 156,102	\$ 912,471
State sources	-	157,328	-	707,405
Interest	-	236	-	6,352
On behalf payments	-	-	-	365,043
Total revenues	-	270,507	156,102	1,991,271
EXPENDITURES				
Instructional services				
Salaries and benefits	-	154,956	131,140	890,577
Pension expense	-	2,434	698	11,453
OPEB expense	-	661	908	6,647
Purchased services	319	46,146	5,516	197,831
Supplies and materials	30	15,973	1,486	61,467
Payments made on behalf of region	-	-	-	365,043
Intergovernmental				
Payments to other governmental units	-	-	-	90,770
Capital outlay	-	-	-	27,858
Total expenditures	349	220,170	139,748	1,651,646
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(349)	50,337	16,354	339,625
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(248)	-	(248)
Proceeds from lease-purchase agreement	-	-	-	15,208
Total Other Financing Sources	-	(248)	-	14,960
NET CHANGE IN FUND BALANCES	(349)	50,089	16,354	354,585
FUND BALANCES (DEFICITS) - BEGINNING	349	(8,131)	(7,432)	465,542
FUND BALANCES (DEFICIT) - ENDING	-	\$ 41,958	\$ 8,922	\$ 820,127

(Concluded)

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2020**

	McKinney Education for Homeless Children	Substance Abuse Prevention & Treatment	RSSCEP	Title II Teacher Quality Leadership
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	71,218	84,380	9,110	-
TOTAL ASSETS	<u>71,218</u>	<u>84,380</u>	<u>9,110</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 71,218</u>	<u>\$ 84,380</u>	<u>\$ 9,110</u>	<u>\$ -</u>
LIABILITIES				
Accrued wages and benefits	\$ -	\$ -	\$ 4,136	\$ -
Due to other funds	4,833	84,568	4,974	-
Due to other governments	66,386	-	-	-
TOTAL LIABILITIES	<u>71,219</u>	<u>84,568</u>	<u>9,110</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	66,449	49,312	-	-
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	-
Unassigned	(66,450)	(49,500)	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>(66,450)</u>	<u>(49,500)</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)	<u>\$ 71,218</u>	<u>\$ 84,380</u>	<u>\$ 9,110</u>	<u>\$ -</u>

(Continued)

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2020

	State Free Lunch and Breakfast	Federal Lunch and Breakfast	ROE/ISC Operations
ASSETS			
Cash and cash equivalents	\$ 2,530	\$ 12,377	\$ 297
Due from other governments	-	-	-
TOTAL ASSETS	2,530	12,377	297
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,530	\$ 12,377	\$ 297
LIABILITIES			
Accrued wages and benefits	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
TOTAL LIABILITIES	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
FUND BALANCES (DEFICITS)			
Restricted	-	12,377	297
Unassigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	2,530	12,377	297
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)	\$ 2,530	\$ 12,377	\$ 297

(Continued)

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2020

	Regional Safe Schools	Truants Alternative/ Optional Education	Totals
ASSETS			
Cash and cash equivalents	-	-	\$ 15,204
Due from other governments	8,001	-	172,709
TOTAL ASSETS	<u>8,001</u>	<u>-</u>	<u>187,913</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 8,001</u>	<u>\$ -</u>	<u>\$ 187,913</u>
LIABILITIES			
Accrued wages and benefits	-	-	\$ 4,136
Due to other funds	8,001	31	102,407
Due to other governments	-	-	66,386
TOTAL LIABILITIES	<u>8,001</u>	<u>31</u>	<u>172,929</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	115,761
FUND BALANCES (DEFICITS)			
Restricted	-	-	15,204
Unassigned	-	(31)	(115,981)
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>(31)</u>	<u>(100,777)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)	<u>\$ 8,001</u>	<u>\$ -</u>	<u>\$ 187,913</u> (Concluded)

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2020

	McKinney Education for Homeless Children	Substance Abuse Prevention & Treatment	RSSCEP	Title II Teacher Quality Leadership
REVENUES				
State sources	\$ -	\$ 35,781	\$ 40,310	\$ -
Federal sources	360,201	96,570	-	1,300
Total revenues	<u>360,201</u>	<u>132,351</u>	<u>40,310</u>	<u>1,300</u>
EXPENDITURES				
Instructional services				
Salaries and benefits	104,192	117,070	33,177	-
Pension expense	2,010	3,516	3,214	-
OPEB expense	-	-	329	-
Purchased services	24,282	55,384	1,697	1,300
Supplies and materials	12,793	3,023	1,893	-
Intergovernmental				
Payments to other governmental units	218,224	-	-	-
Capital outlay	966	2,864	-	-
Total expenditures	<u>362,467</u>	<u>181,857</u>	<u>40,310</u>	<u>1,300</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(2,266)</u>	<u>(49,506)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(2,266)	(49,506)	-	-
FUND BALANCES (DEFICIT) - BEGINNING	(64,184)	6	-	-
FUND BALANCES (DEFICIT) - ENDING	\$ (66,450)	\$ (49,500)	\$ -	\$ -

(Continued)

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2020**

	<u>State Free Lunch and Breakfast</u>	<u>Federal Lunch and Breakfast</u>	<u>ROE/ISC Operations</u>
REVENUES			
State sources	\$ 695	\$ -	\$ 125,813
Federal sources	-	45,695	-
Total revenues	<u>695</u>	<u>45,695</u>	<u>125,813</u>
EXPENDITURES			
Instructional services			
Salaries and benefits	-	6,068	93,514
Pension expense	-	193	2,715
OPEB expense	-	-	-
Purchased services	-	773	24,540
Supplies and materials	-	35,013	4,220
Intergovernmental			
Payments to other governmental units	-	-	-
Capital outlay	-	-	825
Total expenditures	<u>-</u>	<u>42,047</u>	<u>125,814</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>695</u>	<u>3,648</u>	<u>(1)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	695	3,648	(1)
FUND BALANCES (DEFICIT) - BEGINNING	<u>1,835</u>	<u>8,729</u>	<u>298</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 2,530</u>	<u>\$ 12,377</u>	<u>\$ 297</u>

(Continued)

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2020**

	Regional Safe Schools	Truants Alternative/ Optional Education	Total
REVENUES			
State sources	\$ 88,466	\$ 95,436	\$ 386,501
Federal sources	-	-	503,766
Total revenues	<u>88,466</u>	<u>95,436</u>	<u>890,267</u>
EXPENDITURES			
Instructional services			
Salaries and benefits	80,966	78,649	513,636
Pension expense	-	1,954	13,602
OPEB expense	659	-	988
Purchased services	895	12,263	121,134
Supplies and materials	-	2,601	59,543
Intergovernmental			
Payments to other governmental units	-	-	218,224
Capital outlay	-	-	4,655
Total expenditures	<u>82,520</u>	<u>95,467</u>	<u>931,782</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>5,946</u>	<u>(31)</u>	<u>(41,515)</u>
Other Financing Sources (Uses)			
Transfers in	248	-	248
Total Other Financing Sources (Uses)	<u>248</u>	<u>-</u>	<u>248</u>
NET CHANGE IN FUND BALANCES	6,194	(31)	(41,267)
FUND BALANCES (DEFICIT) - BEGINNING	<u>(6,194)</u>	<u>-</u>	<u>(59,510)</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ (31)</u>	<u>\$ (100,777)</u>

(Concluded)

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
MCKINNEY EDUCATION FOR HOMELESS CHILDREN (2019-4920-00)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 434,345	\$ 434,345	\$ 360,201
Total revenues	434,345	434,345	360,201
EXPENDITURES			
Instructional services:			
Salaries and benefits	104,449	115,449	104,192
Pension expense	-	-	2,010
Purchased services	54,166	38,166	24,282
Supplies and materials	17,500	16,500	12,793
Intergovernmental:			
Payments to other governments	258,230	263,230	218,224
Capital outlay	-	1,000	966
Total expenditures	434,345	434,345	362,467
Net change in fund balance	\$ -	\$ -	(2,266)
FUND BALANCE - BEGINNING			(64,184)
FUND BALANCE - ENDING			\$ (66,450)

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
SUBSTANCE ABUSE PREVENTION AND TREATMENT
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ -	\$ -	\$ 35,781
Federal sources	178,585	181,663	96,570
Total revenues	178,585	181,663	132,351
EXPENDITURES			
Instructional services:			
Salaries and benefits	139,712	111,128	117,070
Pension expense	-	-	3,516
Purchased services	30,920	64,065	55,384
Supplies and materials	7,953	6,470	3,023
Capital outlay	-	-	2,864
Total expenditures	178,585	181,663	181,857
Net change in fund balance	\$ -	\$ -	(49,506)
FUND BALANCE - BEGINNING			6
FUND BALANCE - ENDING			\$ (49,500)

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOL COOPERATIVE EDUCATION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 40,310	\$ 40,310	\$ 40,310
Total revenues	40,310	40,310	40,310
EXPENDITURES			
Instructional services:			
Salaries and benefits	39,546	36,721	33,177
Pension expense	-	-	3,214
OPEB expense	-	-	329
Purchased services	764	1,612	1,697
Supplies and materials	-	1,977	1,893
Total expenditures	40,310	40,310	40,310
Net change in fund balance	\$ -	\$ -	-
FUND BALANCE - BEGINNING			-
FUND BALANCE - ENDING			\$ -

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE II TEACHER QUALITY - LEADERSHIP
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 1,310	\$ 1,310	\$ 1,300
Total revenues	1,310	1,310	1,300
EXPENDITURES			
Instructional services:			
Purchased services	1,310	1,310	1,300
Total expenditures	1,310	1,310	1,300
Net change in fund balance	\$ -	\$ -	-
FUND BALANCE - BEGINNING			-
FUND BALANCE - ENDING			\$ -

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 125,813	\$ 125,813	\$ 125,813
Total revenues	125,813	125,813	125,813
EXPENDITURES			
Instructional services:			
Salaries and benefits	96,466	96,466	93,514
Pension expense	-	-	2,715
Purchased services	26,557	24,557	24,540
Supplies and materials	2,790	3,790	4,220
Capital outlay	-	1,000	825
Total expenditures	125,813	125,813	125,814
Net change in fund balance	\$ -	\$ -	(1)
FUND BALANCE - BEGINNING			298
FUND BALANCE - ENDING			\$ 297

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 82,273	\$ 82,273	\$ 88,466
Total revenues	<u>82,273</u>	<u>82,273</u>	<u>88,466</u>
EXPENDITURES			
Instructional services:			
Salaries and benefits	81,658	81,658	80,966
OPEB expense	-	-	659
Purchased services	565	565	895
Supplies and materials	50	50	-
Total expenditures	<u>82,273</u>	<u>82,273</u>	<u>82,520</u>
Revenues over (under) expenditures	-	-	5,946
Other financing sources and (uses)			
Transfers in	-	-	248
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>248</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	6,194
FUND BALANCE - BEGINNING			<u>(6,194)</u>
FUND BALANCE - ENDING			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 95,435	\$ 95,435	\$ 95,436
Total revenues	<u>95,435</u>	<u>95,435</u>	<u>95,436</u>
EXPENDITURES			
Instructional services:			
Salaries and benefits	80,634	80,634	78,649
Pension expense	-	-	1,954
Purchased services	12,947	12,947	12,263
Supplies and materials	<u>1,854</u>	<u>1,854</u>	<u>2,601</u>
Total expenditures	<u>95,435</u>	<u>95,435</u>	<u>95,467</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(31)
FUND BALANCE - BEGINNING			<u>-</u>
FUND BALANCE - ENDING			<u>\$ (31)</u>

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
INSTITUTE FUND ACCOUNTS
JUNE 30, 2020**

	<u>Institute</u>	<u>Technology</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 102,597	\$ 9,169	\$ 111,766
TOTAL ASSETS	<u>\$ 102,597</u>	<u>\$ 9,169</u>	<u>\$ 111,766</u>
DEFERRED OUTFLOWS OF RESOURCES			
	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 102,597</u>	<u>\$ 9,169</u>	<u>\$ 111,766</u>
LIABILITIES			
Accounts payable	\$ 124	\$ -	\$ 124
TOTAL LIABILITIES	<u>124</u>	<u>-</u>	<u>124</u>
FUND BALANCES			
Restricted	102,473	9,169	111,642
Total Fund Balances	<u>102,473</u>	<u>9,169</u>	<u>111,642</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
	<u>\$ 102,597</u>	<u>\$ 9,169</u>	<u>\$ 111,766</u>

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
INSTITUTE FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Institute</u>	<u>Technology</u>	<u>Total</u>
REVENUES			
Local Sources	\$ 30,614	\$ -	\$ 30,614
Interest	767	93	860
Total revenues	<u>31,381</u>	<u>93</u>	<u>31,474</u>
EXPENDITURES			
Instructional Services			
Salaries	1,088	-	1,088
Purchased services	36,587	11,286	47,873
Total expenditures	<u>37,675</u>	<u>11,286</u>	<u>48,961</u>
Net Change in Fund Balances	(6,294)	(11,193)	(17,487)
FUND BALANCES - BEGINNING	<u>108,767</u>	<u>20,362</u>	<u>129,129</u>
FUND BALANCES - ENDING	<u>\$ 102,473</u>	<u>\$ 9,169</u>	<u>\$ 111,642</u>

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020**

	Bus Driver Permit	General Education Development	Total
ASSETS			
Cash and cash equivalents	\$ 7,289	\$ 16,566	\$ 23,855
Accounts receivable	660	-	660
TOTAL ASSETS	\$ 7,949	\$ 16,566	\$ 24,515
DEFERRED OUTFLOWS OF RESOURCES			
	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 7,949	\$ 16,566	\$ 24,515
LIABILITIES			
None	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	70	-	70
FUND BALANCES			
Restricted	7,879	16,566	24,445
Total Fund Balances	7,879	16,566	24,445
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 7,949	\$ 16,566	\$ 24,515

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Bus Driver Permit	General Education Development	Total
REVENUES			
Local Sources	\$ 4,000	\$ 2,621	\$ 6,621
State Sources	1,439	-	1,439
Interest	56	117	173
Total revenues	<u>5,495</u>	<u>2,738</u>	<u>8,233</u>
EXPENDITURES			
Instructional Services:			
Salaries and benefits	3,034	-	3,034
Pension expense	22	-	22
Purchased services	1,534	158	1,692
Supplies and materials	-	497	497
Capital outlay	-	649	649
Total expenditures	<u>4,590</u>	<u>1,304</u>	<u>5,894</u>
Net Change in Fund Balances	905	1,434	2,339
FUND BALANCES - BEGINNING	<u>6,974</u>	<u>15,132</u>	<u>22,106</u>
FUND BALANCES - ENDING	<u><u>\$ 7,879</u></u>	<u><u>\$ 16,566</u></u>	<u><u>\$ 24,445</u></u>

**REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2020**

	<u>School Facility Occupation Tax</u>	<u>Franklin County Regional Delivery System</u>	<u>Student Activities</u>	<u>Total Agency Funds</u>
ASSETS				
Cash and cash equivalents	\$ 364	\$ 7	\$ 4,137	\$ 4,508
Due from other governments	<u>2,396,233</u>	<u>-</u>	<u>-</u>	<u>2,396,233</u>
TOTAL ASSETS	<u><u>\$ 2,396,597</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 4,137</u></u>	<u><u>\$ 2,400,741</u></u>
LIABILITIES				
Due to primary government	\$ 364	\$ -	\$ -	\$ 364
Due to other governments	<u>2,396,233</u>	<u>7</u>	<u>4,137</u>	<u>2,400,377</u>
TOTAL LIABILITIES	<u><u>\$ 2,396,597</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 4,137</u></u>	<u><u>\$ 2,400,741</u></u>

REGIONAL OFFICE OF EDUCATION #21
FRANKLIN-JOHNSON-MASSAC-WILLIAMSON COUNTIES
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
School Facility Occupation Tax				
ASSETS				
Cash and cash equivalents	\$ 364	\$ 9,358,487	\$ 9,358,487	\$ 364
Due from other governments	2,485,082	2,396,233	2,485,082	2,396,233
TOTAL ASSETS	\$ 2,485,446	\$ 11,754,720	\$ 11,843,569	\$ 2,396,597
LIABILITIES				
Due to primary government	\$ 364	\$ -	\$ -	\$ 364
Due to other governments	2,485,082	11,754,720	11,843,569	2,396,233
TOTAL LIABILITIES	\$ 2,485,446	\$ 11,754,720	\$ 11,843,569	\$ 2,396,597
Franklin County Regional Delivery System				
ASSETS				
Cash and cash equivalents	\$ -	\$ 7	\$ -	\$ 7
Due from other governments	18,292	-	18,292	-
TOTAL ASSETS	\$ 18,292	\$ 7	\$ 18,292	\$ 7
LIABILITIES				
Due to other governments	\$ 18,292	\$ 7	\$ 18,292	\$ 7
TOTAL LIABILITIES	\$ 18,292	\$ 7	\$ 18,292	\$ 7
Student Activity Fund				
ASSETS				
Cash and cash equivalents	\$ 5,419	\$ 5,358	\$ 6,640	\$ 4,137
TOTAL ASSETS	\$ 5,419	\$ 5,358	\$ 6,640	\$ 4,137
LIABILITIES				
Due to other governments	\$ 5,419	\$ 5,358	\$ 6,640	\$ 4,137
TOTAL LIABILITIES	\$ 5,419	\$ 5,358	\$ 6,640	\$ 4,137
Total				
ASSETS				
Cash and cash equivalents	\$ 5,783	\$ 9,363,852	\$ 9,365,127	\$ 4,508
Due from other governments	2,503,374	2,396,233	2,503,374	2,396,233
TOTAL ASSETS	\$ 2,509,157	\$ 11,760,085	\$ 11,868,501	\$ 2,400,741
LIABILITIES				
Due to primary government	\$ 364	\$ -	\$ -	\$ 364
Due to other governments	2,508,793	11,760,085	11,868,501	2,400,377
TOTAL LIABILITIES	\$ 2,509,157	\$ 11,760,085	\$ 11,868,501	\$ 2,400,741